

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

Stage-1     Stage-2     Surveillance     Re-Certification

Plantation Management/Owner : **PT SAWIT SUMBERMAS SARANA**  
 Plantation Name : Selangkun POM and Selangkun Estate, Rungun Estate, Kondang Estate  
 Location : Village of Rungun and Kondang, Sub-District of Kotawaringin Lama, District of Kotawaringin Barat, Province of Kalimantan Tengah, INDONESIA  
 Certificate Code : **MUTU-RSPO/061**  
 Date of certificate issue : *12<sup>th</sup> June 2015*  
 Date of expiry of certificate : *11<sup>th</sup> June 2020*

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approve by
ST1	09 – 12 Maret 2014	Ibnu Satria Prabudi; Abdul Rahman; Yudwi Wisnu Rahmanto; I Wayan Sudiantara; Rudi Ramdani	Ganapathy Ramasamy	Taufik Margani
ST2	24 – 28 November 2014	Y. Wisnu Rahmanto (Lead Auditor); Oktovianus Rusmin; Andi Pratama Pasaribu ; Sandra Purba; Entin Hendartin		

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>ST-2</b>	<i>12<sup>th</sup> June 2015</i>

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Figure 1. Location Map of PT Sawit Sumbermas Sarana – SELANGKUN POM





Figure 2. Operational Map of PT Sawit Sumbermas Sarana – SELANGKUN POM

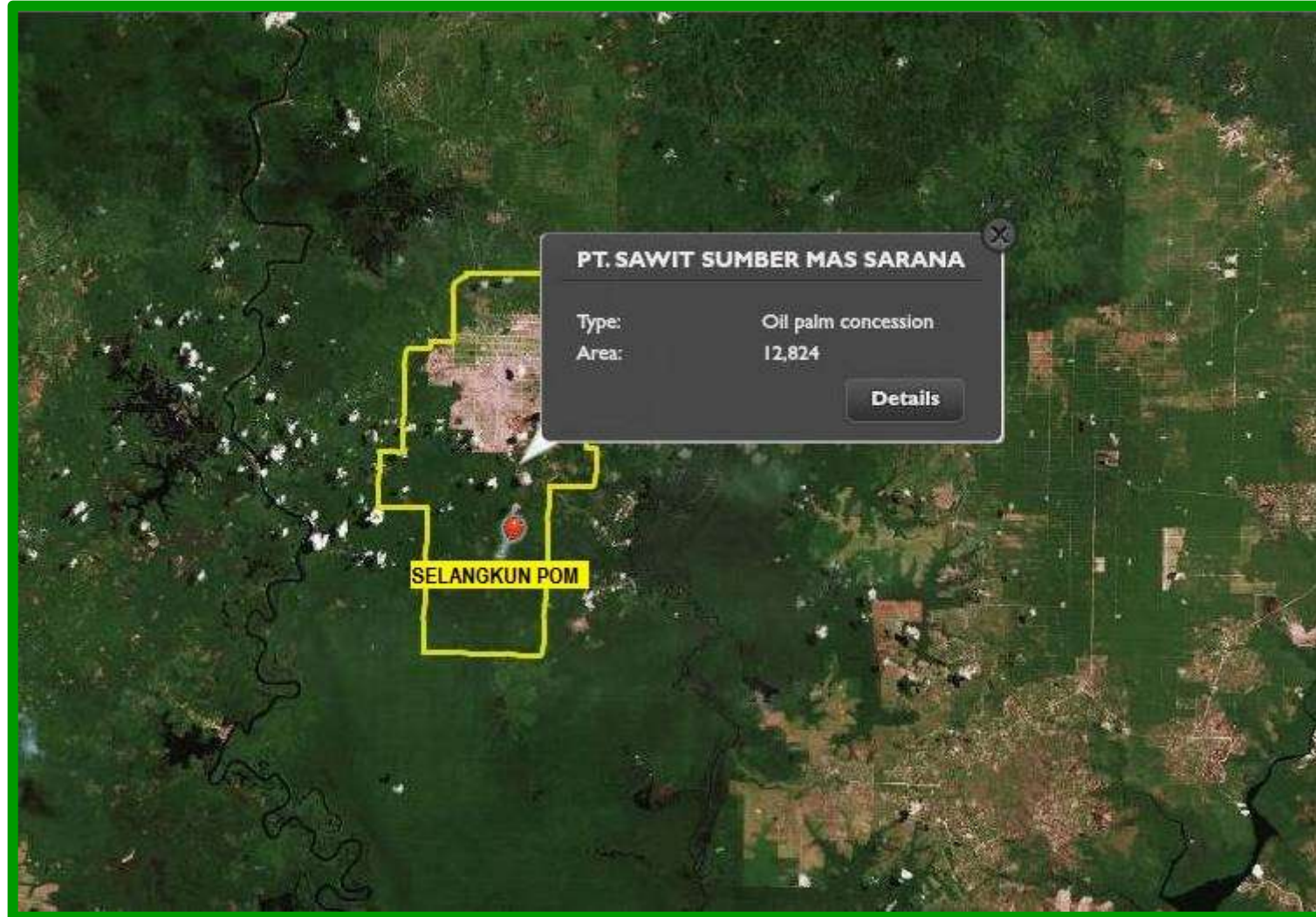
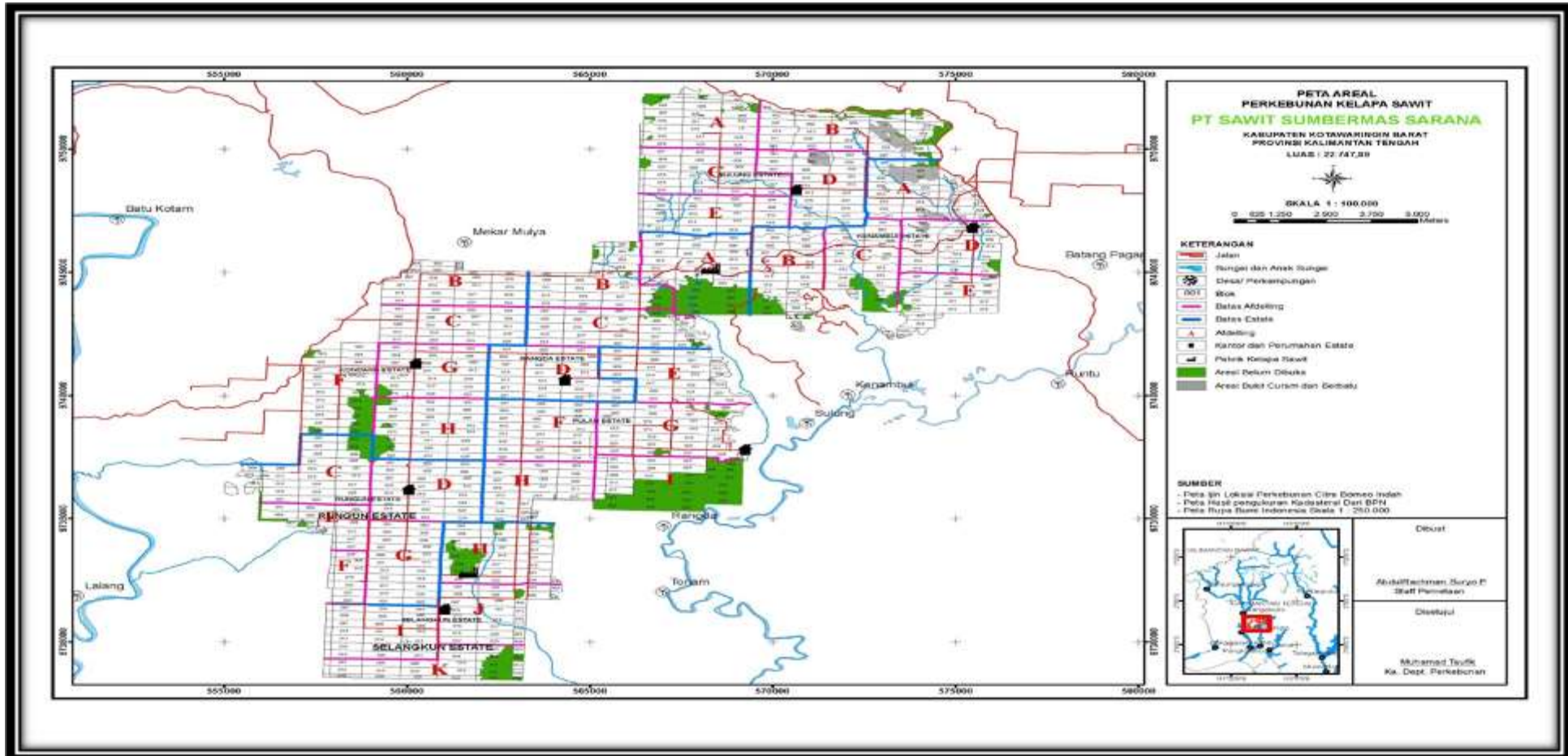


Figure 3. Operational Map of PT Sawit Sumbermas Sarana – SELANGKUN POM



<b>1.0</b>	<b>SCOPE OF THE CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<i>National Interpretation, RSPO Principles and Criteria (P&amp;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.</i>	
<b>1.2</b>	<b>Organization Information</b>		
1.2.1	Company name	PT SAWIT SUMBERMAS SARANA	
1.2.2	Contact person	Rudy Hendrarto	
1.2.3	Company address and site address	JL. H. Udan Said No. 47, Kel. Baru, Pangkalan Bun, Kalimantan Tengah 74115	
1.2.4	Telephone	0532-21297	
1.2.5	Fax	0532-21396	
1.2.6	E-mail	<a href="mailto:rudy.hendrarto@citraborneo.co.id">rudy.hendrarto@citraborneo.co.id</a>	
1.2.7	Web page address	<a href="http://www.citraborneo.co.id">www.citraborneo.co.id</a>	
1.2.8	Company status	Private	
1.2.9	Management Representative who completed the application for certification	Rudy Hendrarto	
1.2.10	Registered as RSPO member	1-0111-07-000-00 (18 April 2007)	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of management unit	1 unit Palm Oil Mill (Selangkun POM) supplied from 3 (Three) Estates: Selangkun Estate, Rungun Estate and Kondang Estate.	
1.3.2	Type of certificate	Single	
1.3.3	Company names listed in the certificate	PT Sawit Sumbermas Sarana	
<b>1.4</b>	<b>Locations of Mill, Plantations and Area Statement</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>GPS</b>
			<b>Latitude</b> <b>Longitude</b>
	SELANGKUN	Rungun Village, Sub district of Kotawaringin Lama, District of Kotawaringin Barat, Province of Kalimantan Tengah	S 02° 25' 53"      E 111° 32' 52"
1.4.2	Location of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>GPS</b>
			<b>Latitude</b> <b>Longitude</b>
	Selangkun Estate	Rungun Village, Sub district of Kotawaringin Lama, District of Kotawaringin Barat, Province of Kalimantan Tengah	S 02° 25' 53"      E 111° 32' 52"



	Rungun Estate	Rungun Village, Sub district of Kotawaringin Lama, District of Kotawaringin Barat, Province of Kalimantan Tengah	S 02° 23' 12"	E 111° 32' 25"			
	Kondang Estate	Kondang Village, Sub district of Kotawaringin Lama, District of Kotawaringin Barat, Province of Kalimantan Tengah	S 02° 20' 20"	E 111° 32' 30"			
1.4.3	Tenure						
	• State	8,453.74 Ha (based on HGU No. 36/2004 and No. 47/2007)					
	• Community	Ha					
1.4.4	<b>Area Statement</b>						
		<b>Selangkun (Ha)</b>	<b>Kondang (Ha)</b>	<b>Rungun (Ha)</b>	<b>Total (Ha)</b>		
	• Total area	2,424.07	3,236.48	2,793.19	8,453.74		
	• Planted area	2,195.36	3,099.00	2,600.00	7,894.36		
	• Mill/Emplacement/road	40.66	47.3	41.15	129.11		
	• HCV/Conservation Area	188.05	90.18	152.04	430.27		
1.5	<b>Description of Supply Base</b>						
1.5.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/ year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	SELANGKUN	60	236,484.97	55,242.93	23.58	10,125.91	4.32
	<i>*Source Production Data on 12 months November 2013 – Oktober 2014</i>						
1.5.2	Description of Certified Estate(s)						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Selangkun Estate	2,424.07	2,195.36	44,523.91	20.28	43,414.27	97.51
	Rungun Estate	2,793.19	2,600.00	61,168.72	23.53	59,090.00	96.60
	Kondang Estate	3,236.48	3,099.00	85,624.96	27.63	64,775.28	75.65
	<b>TOTAL</b>	<b>8,453.74</b>	<b>7,894.36</b>	<b>191,317.59</b>	<b>24.24</b>	<b>167,279.55</b>	<b>87.43</b>
	<i>*Source Production Data on 12 months November 2013 – Oktober 2014</i>						
1.5.3	FFB description from other source						
	Name of source(s)	Member(s)	Location	Supplied to Mill			
				FFB (tonnes/year)			
	Pulau Estate (RSP0 Certified)	Supply base SULUNG POM - PT Sawit Sumbermas Sarana	Rangda Village, Sub District Arut Selatan, District of Kotawaringin Barat, Central Kalimantan	25,098.99			
	Batu Kotam	PT Kalimantan Sawit Abadi	Kondang Village, Sub District Kotawaringin Lama, District of Kotawaringin Barat, Central Kalimantan	43.504,06			
	Rangda Estate	Supply base SULUNG	Rangda Village, Sub District Arut Selatan,	568.89			

	(RSPO Certified)	POM - PT Sawit Sumbermas Sarana	District of Kotawaringin Barat, Central Kalimantan		
	Sulung Estate (RSPO Certified)	Supply base SULUNG POM - PT Sawit Sumbermas Sarana	Sulung Village, Sub District Arut Selatan, District of Kotawaringin Barat, Central Kalimantan	25.55	
	Kenambui Estate (RSPO Certified)	Supply base SULUNG POM - PT Sawit Sumbermas Sarana	Sulung Village, Sub District Arut Selatan, District of Kotawaringin Barat, Central Kalimantan	7.93	
<b>TOTAL</b>				<b>69,205.42</b>	
<i>*Source Production Data on 12 months November 2013 – Oktober 2014</i>					
1.5.4	Product categories		FFB / CPO / PK		
<b>1.6</b>	<b>Planting Year and Cycles</b>				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage			
		Selangkun Estate (Ha)	Rungun Estate (Ha)	Kondang Estate (Ha)	Total (Ha)
	2001			91.87	91.87
	2002			182.02	182.02
	2003			1,358.70	1,358.70
	2004		197.99	699.79	897.78
	2005	443.51	639.11	576.44	1,659.06
	2006	69.77	173.35	90.63	333.75
	2007	155.92	639.25	72.72	867.89
	2008	304.11	352.80		656.91
	2009	1,008.75	597.50	26.83	1,633.08
	2010	213.30			213.30
	<b>TOTAL</b>	<b>2,195.36</b>	<b>2,600.00</b>	<b>3,099.00</b>	<b>7,894.36</b>
1.6.2	New Planting area after January 2010		Ha		
1.6.3	Planting Cycle		25	Years	
<b>1.7</b>	<b>Approximate Tonnage Certified</b>				
1.7.1	Past Annual Claim Certified Product		Previous Certificate Claim (tonnes/year)	Actual certified product (tonnes/year)	
	• FFB Production				
	• CPO Production				
	• Palm Kernel (PK) Production				
	<i>** Certificate Claim period ..... - .....</i>				
	<i>** Actual Claim periode ..... - .....</i>				
1.7.2	Claim Certified of FFB				
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
	Selangkun Estate	2,424.07	2,195.36	47,640	21.70



	Rungun Estate	2,793.19	2,600.00	67,285	25.88		
	Kondang Estate	3,236.48	3,099.00	89,123	28.76		
	<b>TOTAL</b>	<b>8,453.74</b>	<b>7,894.36</b>	<b>204,048</b>	<b>25.85</b>		
<i>Forecast Palm Production Jun 2015 – May 2016</i>							
1.7.3	Claim Certified of Palm Product						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	Selangkun	60	204,048	48,972	24.00	8,162	4.00
<i>Forecast Palm Production Jun 2015 – May 2016</i>							
<b>1.8</b>	<b>Other Certifications</b>						
	ISO 9001:2008		IDII/01881 – SGS Indonesia/19 Oktober 2011 → ISO 9001:2008				
	ISO 14001: 2004		IDII/01879 – SGS Indonesia/19 Oktober 2011 → ISO 14001:2004				
	OHSAS 18001:2007		IDII/01880 – SGS Indonesia/19 Oktober 2011 → OHSAS 18001:2007				
	ISCC		-				
	Others		-				
<b>1.9</b>	<b>Time Bound Plan</b>						
1.9.1	<b>Time Bound Plan for Other Management Units</b>						
	<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>	
	<b>MILL</b>	<b>Time Bound Plan</b>					
	PT Mitra Mendawai Sejati	2016	Suayap Estate	2016	Kec. Arut Utara dan Arut Selatan, Kab. Kotawaringin Barat, Propinsi Kalimantan Tengah	Planning	
			Umpang Estate				
	PT Kalimantan Sawit Abadi	2016	Natai Baru Estate	2016	Kec. Arut Utara dan Arut Selatan, kab. Kotawaringin Barat, Propinsi Kalimantan Tengah	Planning	
			Batu Kotam Estate				
	PT Kalimantan Sawit Abadi	2016	Batu Kotam Estate	2016	Kec. Kotawaringin Lama, Kab. Kotawaringin Barat, Prop. Kalimantan Tengah	NPP	
1.9.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>						
	SELANGKUN POM do not have scheme smallholders as FFB's suppliers and the Mill only received and processed from own estates. Meanwhile, development of scheme smallholders is under management PT Sawit Sumbermas Sarana and supplied to SULUNG POM (RSPO Certified). Currently, the scheme smallholders are still continuing progress for developing area.						

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Certification Body</b>
	PT Mutuagung Lestari Jl. Raya Bogor Km 33,5 No. 19, Cimanggis - Depok 16953 Telp. +62-21-8740202; Fax +62-21-87740745/46 Website: <a href="http://www.mutucertification.com">www.mutucertification.com</a> Email : <a href="mailto:agri@mutucertification.com">agri@mutucertification.com</a>
<b>2.2</b>	<b>Assessment Team</b>
<b>ST-2</b>	<ol style="list-style-type: none"> <li><b>Yudwi Wisnu Rahmanto (Lead Auditor).</b> Bachelor of Forestry with Silviculture background. He worked at professional independent Certification Body as an Auditor for last 3 years and has involved in auditing activities with various certification schemes. Selected training which have been followed, such as RSP0 Endorsed Lead Auditor Training Course, ISPO Auditor/Lead Auditor Course, Quality Management System (QMS) ISO 9001:2008 Auditor/Lead Auditor Course, GIS-Basic Mapping and Spatial Analysis, Timber Legality Assurance System (SVLK), Verification Organization Training C.A.F.E Practices (Starbucks) and others internal training programs. He has involved in auditing activities, such as Sustainable Forest Management by FSC FM/COC Scheme, Sustainable Palm Oil by RSP0 and ISPO Scheme, Coffee And Farmer Equity (C.A.F.E Practices) Starbucks, Organic Standard (EU, NOP, JAS) for Coffee Farmers and Organic Exchange for Textile. During this audit, he assigned to verify of legality, requirement of law and legal compliance, management plan of company, HCV aspect</li> <li><b>Oktoavianus Rusmin (Auditor).</b> Bachelor's Degree in Social &amp; Political Sciences Department of Anthropology. Specialists in the field of Social and Cultural (Social Impact &amp; Conflict Resolution) and HCVF. Already participated in Forest Management Auditor Training (FSC Standard), ISO 14001, ISO 9001:2008, Environmental Management System Training, SVLK (wood legality) Auditor, Indonesian Sustainable Palm Oil (ISPO) and RSP0 Lead Auditor Training. He was several times involved in the assessment of Sustainable Forest Management Certification (Standard LEI) and Gap Analysis Audit (FSC Standard). Had worked at the Center for study of Anthropology University of Indonesia and Social Advisor at Tropical Forest Trust (TFT) Indonesia. He was numerously involved in Social Impact Assessment and HCV Identification in Palm Oil Plantations and Natural Forest concessions. Have been approved as HCV assessor by RSP0 for Social Discipline Specialist.</li> <li><b>Sandra Purba (Auditor).</b> Bachelor of Forestry, Department of Forest Products Technology, Faculty of Agriculture, University of North Sumatra. Have experience working in oil palm plantations Company. She had attended such training: Training Expert of OHSAS General, Training ISPO Auditor, Awareness RSP0, training ISO 22000-2009 Auditor/Lead auditor, Management System Certification (ISO 9001-2008) and training of RSP0 Lead Auditor. Currently he worked as an auditor at Certification Body..</li> <li><b>Andi Pratama Pasaribu (Auditor).</b> A bachelor of agriculture economy of agribusiness study, Agriculture Faculty, Jember University. He was participating on the training of Auditor Indonesian Sustainable Palm Oil (ISPO), Awareness RSP0, Awareness ISO 22000, Training Lead Auditor ISO 9001:2008 and training High Conservation Value (HCV). He has 5 years work experience as estate operational staff in several estate company in Indonesia. He is now working as auditor in independent certification body.</li> <li><b>Entin Hendartin (Auditor).</b> Doctor of Forest Science, Bogor Agriculture University. She is a lecturer of environment in Bandung Institute of Technology. She is now working as independent auditor in several certification bodies. She was participating on several trainings such as lead auditor of ISPO, lead auditor of RSP0, production forest management, ISO 9001, and ISO 14001 and she has participating on several audit of sustainable estate certification system as auditor. On the <i>Surveillance 1</i> she is assessing the social aspect, conflict and manpower.</li> </ol>
<b>2.3</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.3.1</b>	<b>Figure of person days to implement assessment</b>
<b>ST-2</b>	Number of the auditor: 5 auditors Day of the assessment of Stage-2 in location : 5 days Number of the workdays for assessment of Stage-2 in location : 25 work days
<b>2.3.2</b>	<b>Detail process of assessment</b>

<b>ST-2</b>	<p>The assessment is conducted by testing the level of properness over the implementation and consistency conducted by PT. Sawit Sumbermas Sarana over 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 is conducted by using three methods: (1) Document review, the objective is to observe the properness of documentation compliance (2) Interview, the objective is to grab the information as many as possible in term of the company performance (3) Field observation, the objective is to monitor the implementation over the properness of standard in unit.</p> <p>Several opportunities for improvement since <b>ST-2</b> are described by the auditor of MAL to the management unit and it will be observed on the next assessment (<b>ASA-1</b>).</p> <p>Corrective action over the nonconformity of the finding in <b>ST-2</b> is will be observed on the next assessment <b>ASA-1</b>. The entire information are recorded and it belongs to the Mutuagung Lestari (MUTU).</p> <p>Program of assessment is can be seen on attachment 2.</p>
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**2.3.3 Locations of Assessment**

<b>ST-2</b>	<p><b>Public Consultation:</b> <u><b>November 25<sup>th</sup> 2014</b></u> <b>Rungun Village:</b> Interview with the community figure and several nearby village community in term of social interaction between village community with PT SSS, CD/CSR programs and social and environment impact caused by estate and mill management.</p> <p><u><b>November 26<sup>th</sup> 2014</b></u> <b>Rangda Village:</b> Interview with the head of village government affair and several community of the nearby village in term of PT SSS, CD/CSR programs and social and environment impact caused by estate and mill management.</p> <p><b>Selangkun POM (SGM)</b></p> <ol style="list-style-type: none"> <li><b>1. Loading ramp.</b> Observation and interview with grading officer in term of process of the incoming FFB grading. There is procedure of FFB receipt and the FFB grading officer is able to describe and shows the process of grading refer to the applied procedure. The officer has used proper PPE.</li> <li><b>2. Material and Chemicals Warehouse.</b> Observation and interview with the head of warehouse in term of material management, chemicals maintaining, attachment of chemicals symbols and the completeness of first aid kit.</li> <li><b>3. Process and WWTP.</b> Observation on mill processing stages started from weighing FFB until CPO dispatch. The company has provided proper PPE, evacuation route, and first aid kit. According to the interview with employee, the operators have received training and they have aware of the work procedure including the responsibility.</li> </ol> <p><b>Selangkun Estate (SGE)</b></p> <ol style="list-style-type: none"> <li><b>4. Herbicide Application / Spraying (Block 16 of Afdeling J).</b> Observation and interview with foreman and sprayer. According to the result of interview, foremen and employees have aware of the work instruction related to the process of herbicide application properly, they have aware of the dangerous chemicals symbols, symbols of prohibition of herbicide application in riparian and conservation area and they have demonstrated the proper work procedure refer to the procedure applied by the company.</li> <li><b>5. Harvesting (block 3 of Afdeling J).</b> Observation and interview with foreman and harvester in term of procedure of harvesting, OHS aspect, waging and premium system. According to the result of interview, harvesters have aware of the harvesting work instruction refer to the procedure, they have used PPE and aware of the calculation of wage and harvest premium.</li> <li><b>6. Progress on road and bridge construction (block J-06 of Afdeling K).</b> Field observation in term of</li> </ol>
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- construction of girder bridge and road hardening using laterit..
7. **Observation on peatland management (block 8 and 9 of Afdeling K).** There is piezometer and monitoring of water level in peatland area which is monitored weekly.
  8. **Landfill (TPAS) of Selangkun Estate:** Field monitoring in term landfill condition and interview with the officer nearby in term of domestic waste management.
  9. **Employee facilities (Housing Complex, school, place of worship and school bus).** According to the result of observation, the employees housing complex facilities such as soccer field, volley court, place of worship, and school bus are well maintained.
  10. **Fire team facilities.** The company has provided proper fire extinguishing facilities, the placement of fire extinguishing facilities are centralized for one company.

**Rungun Estate (RGE)**

11. **Empty Fruit Bunch Application (Block C18 of Afdeling C).** According to the observation and interview with staff and foreman, the empty fruit bunch is applied to the land with dosage of 40 ton/Ha.
12. **Harvesting (block 14 of Afdeling O).** Observation and interview with foreman and harvester in term of procedure of harvesting, OHS aspect, waging and premium system. According to the result of interview, harvesters have aware of the harvesting work instruction refer to the procedure, they have used PPE and aware of the calculation of wage and harvest premium
13. **Observation on land application testing area (block D15 and D12 of Afdeling C).** Observation and interview with foreman of land application. According to the result of observation, there is land application testing area for 2,773 flatbed size 2.4x1.4x0.4 meter. Furthermore, there is one unit of well maintained monitoring well to monitor land application.
14. **Hazardous waste storage (B3) - Rungun Estate:** Field observation in term of fertilizer and chemicals storing warehouse used to spray weed and pest and interview with the warehouse officer in term of hazardous waste management.
15. **Chemist PPE washing station – Rungun Estate:** Field observation in term of chemist PPE washing station including interview with officer in charge of the station.
16. **Landfill (TPAS) - Rungun Estate:** Field monitoring in term landfill condition and interview with the officer nearby in term of domestic waste management.

<b>2.4</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.4.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ST-2</b>	Summary of the result of public consultation with the stakeholders. Public consultation with the stakeholder for PT. Sawit Sumbermas Sarana is conducted by: Public announcement 30 days before the assessment (12 September 2014) <a href="http://www.rspo.org/certification/principles-and-criteria-assessment-progress?keywords=Selangkun&amp;country=&amp;pnc_status=0&amp;assessment_type=0&amp;year_approved=&amp;notification_date=">http://www.rspo.org/certification/principles-and-criteria-assessment-progress?keywords=Selangkun&amp;country=&amp;pnc_status=0&amp;assessment_type=0&amp;year_approved=&amp;notification_date=</a> Assembly with the internal and external stakeholders in form of the interview with the locals and the visitation to villages nearby Rungun and Ranga on November 25 <sup>th</sup> – 26 <sup>th</sup> 2015. Several advise from the Stakeholder is clarified by PT. Sawit Sumbermas Sarana
<b>2.4.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.5</b>	<b>Determining Next Assessment</b>
	The next visit <b>ASA-1</b> is shall be determined a year after the Selangkun POM – PT. Sawit Sumbermas Sarana achieve certificate.



**3.0. ASSESSMENT RESULT**

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

MUTUAGUNG LESTARI has conducted an assessment of Selangkun POM – PT Sawit Sumbermas Sarana operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were six (6) Nonconformities were assigned against Major Compliance Indicator(s); nine (9) nonconformity(s) were assigned against Minor Compliance Indicators; and two (2) opportunity(s) 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 evidence(s).

MUTUAGUNG LESTARI found that Selangkun POM – PT Sawit Sumbermas Sarana 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 Supply Chain Requirements for CPO Mills, November 2011.

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>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.</b>	
<p>The company has a bundle of the outgoing letters from Selangkun POM. There was 1 information request for period of 2013. For example:</p> <ul style="list-style-type: none"> <li>• Letter number 140/3/DR/AS/VIII/2013 dated August 26<sup>th</sup> 2013 sent by the Head of Voting Committee of Rangda Village which was asking for the data of employees ID card.</li> <li>• Rungun Estate: there is a database of the incoming letter of RGE internal during period of 2013. It contains letter number, letter date, purpose, sent by and objective of the letter. There were 31 incoming letters for period of 2013. There was no incoming letter sent by external party.</li> <li>• Selangkun Estate: there is a database of the incoming letter for period of 2013. There were 23 incoming letters at that period. One of the letter was asking for assistance for fund to renovate mosque sent by Rangda Village on January 18<sup>th</sup> 2013. The letter has been informed to the CSR Department.</li> </ul> <p>The company has the record of outgoing letter for period of 2014. There were letters in term of information request.</p> <ul style="list-style-type: none"> <li>• Selangkun POM (Selangkun POM) recorded 10 external outgoing letters. The letters contains:               <ol style="list-style-type: none"> <li>a. Covering letter for employees to make an account in Bank BNI of Pangkalan Bun (branch).</li> <li>b. Damage of <i>pressure gauge</i> is purposed to PT KPA site manager. According to the respond, the damage of <i>pressure gauge</i> is the responsibility of contractor.</li> <li>c. Request of explanation for the service of turbine (Brand of Elliot) owned by Selangkun POM is purposed for PT KPA site manager.</li> <li>d. Request of credit purposed to BPR Lingga Sejahtera. According to the respond, the credit was granted.</li> <li>e. Security uniform taking is purposed to Latansa. According to the respond, it is not yet finished.</li> </ol> </li> <li>• Selangkun POM records 235 internal outgoing letters. The letters contains:               <ol style="list-style-type: none"> <li>a. Letter of notification of failed training on behalf Mr Afit Datul Murtafiah.</li> <li>b. Letter of heavy equipment borrowing (backhoe loader) to Selangkun Estate Manager. According to the respond, it will be provided.</li> </ol> </li> </ul>		

- c. Mechanic request to repair loader wheel.
- d. Training of clerk account sent to Suayap POM manager. According to the respond, the clerk is allowed to participate on training.
- e. Invitation of socialization of the result of gugus elang PKSSG KIC of Suayap POM. According to the respond, it will received and implemented.
- f. Definitive request of Selangkun POM team commander to the Head of Personnel Department. According to the respond, it was adjusted.
- g. Extension on the task of Natal Baru POM head assistant to the Head of Processing Department I. According to the respond, it is not yet implemented.
- h. Request of security attribute and uniform sent to the Head of General Department (no realization yet).
- i. Request of the fire extinguishing hose sent to Natal Baru POM manager. According to the respond, the respond is granted.
- j. Request of explanation of overtime premium calculation beyond land application employee workhour sent to Rungun Estate Manager (no respond).
- k. Revamping electricity usage and its installation sent to Rungun Estate Manager.
- l. Request for premium of overtime compensation sent to the Head of Processing Department (no respond).
- m. Medical check up for PKS SG employees (MCU was held on polibun)
- n. Obligation to use PPE within mill area for entire SG POM employee (implemented).
- Selangkun POM records 2 external incoming letters as follows:
  - a. Travel document of lumber delivery from PT Mendawai Putra Number 24/SPJK/SM/MP/II/2014 dated February 8<sup>th</sup> 2014 (letter is received).
  - b. Data collecting of the voter from National Voting Commission of West Kotawaringin District number 165/KPU-Kab-20.435792/V/2014, dated May 16<sup>th</sup> 2014 (request has been fulfilled)
- Selangkun POM records 33 internal incoming letter as follows:
  - a. Recommendation of employee promotion from temporary daily worker to permanent daily worker from SG POM maintenance assistant (approved).
  - b. Request of goods from EM kondang (approved).
  - c. Cancellation of the decree of SSS group in term of employee rotation number 095/SSS-HRD/SK/IV/2014 from Chief of HR and GA (request is granted).
  - d. Invitation of socialization of CBI innovations of Suayap POM sent by SY POM assistant.
  - e. Request of clean water requested by SGE hotel assistant (respond is granted).
  - f. Invitation of drugs test sent by SGE polibun midwife (approved).
- Rungun Estate records 21 outgoing letters sent by Rungun Estate Manager as follows:
  - a. Request of employee overtime on June 11<sup>th</sup> 2014. The letter was purposed to the Head of PT SSS Regional.
  - b. Request of the RGE contract job verifier on July 21<sup>st</sup> 2014. The letter was purposed to GM of PT SSS Regional I.
  - c. Request of fire team accumulator on July 31<sup>st</sup> 2014. The letter was purposed to the Head of Traction.
- Rungun Estate records 6 incoming letter for period of 2014 as follows:
  - a. Borrowing of rockphosphate (fertilizer) from Batu Kotam Estate Manager to Rungun Manager on April 5<sup>th</sup> 2014.
  - b. Land verification from Specialist of Project Development to Rungun Estate Manager on August 2<sup>nd</sup> 2014.

There are evidence of reponses over the information request. For example:

- Selangkun POM: response over the letter number 140/3/DR/AS/VIII/2013 dated August 26<sup>th</sup> 2013 in form of provision of employees ID card provided by Selangkun POM on September 30<sup>th</sup> 2013.
- Selangkun Estate: there is documentation of incoming and outgoing letter monitoring for period of 2013. There were 23 incoming letters, one of the letter was asking for assistance for renovating mosque, it has been responded by CSR Department.
- Rungun Estate: there is database of outgoing letter of RGE for period of 2013. There were 39 incoming letters and there was no information request sent by external stakeholders.

Company has records of outgoing letter for period of 2014 and there were letter requesting for information.

- Selangkun POM (Selangkun POM) records 10 external outgoing letters as follows:
  - a. Covering letter to support account making for employee purposed to Bank BNI (branch of Pangkalan Bun).
  - b. Damage of *pressure gauge* is purposed to PT KPA site manager. According to the respond, the

- damage of *pressure gauge* is the responsibility of contractor.
- c. Request of explanation for the service of turbine (Brand of Elliot) owned by Selangkun POM is purposed for PT KPA site manager.
  - d. Request of credit purposed to BPR Lingga Sejahtera. According to the respond, the credit was granted.
  - e. Security uniform taking is purposed to Latansa. According to the respond, it is not yet finished.
- Selangkun POM records 235 internal outgoing letters. The letters contains:
    - a. Letter of notification of failed training on behalf Mr Afit Datul Murtafiah.
    - b. Letter of heavy equipment borrowing (backhoe loader) to Selangkun Estate Manager. According to the respond, it will be provided.
    - c. Mechanic request to repair loader wheel.
    - d. Training of clerk account sent to Suayap POM manager. According to the respond, the clerk is allowed to participate on training.
    - e. Invitation of socialization of the result of gugus elang PKSSG KIC of Suayap POM. According to the respond, it will received and implemented.
    - f. Definitive request of Selangkun POM team commander to the Head of Personnel Department. According to the respond, it was adjusted.
    - g. Extension on the task of Natal Baru POM head assistant to the Head of Processing Department I. According to the respond, it is not yet implemented.
    - h. Request of security attribute and uniform sent to the Head of General Department (no realization yet).
    - i. Request of the fire extinguishing hose sent to Natal Baru POM manager. According to the respond, the respond is granted.
    - j. Request of explanation of overtime premium calculation beyond land application employee workhour sent to Rungun Estate Manager (no respond).
    - k. Revamping electricity usage and its installation sent to Rungun Estate Manager.
    - l. Request for premium of overtime compensation sent to the Head of Processing Department (no respond).
    - m. Medical check up for PKS SG employees (MCU was held on polibun).
    - n. Obligation to use PPE within mill area for entire SG POM employee (implemented).
  - Selangkun POM records 2 external incoming letters as follows.
    - a. Travel document of lumber delivery from PT Mendawai Putra Number 24/SPJK/SM/MP/II/2014 dated February 8<sup>th</sup> 2014 (letter is received)
    - b. Data collecting of the voter from National Voting Commission of West Kotawaringin District number 165/KPU-Kab-20.435792/IV/2014, dated May 16<sup>th</sup> 2014 (request has been fulfilled)
  - Selangkun POM records 33 internal incoming letter as follows:
    - a. Recommendation of employee promotion from temporary daily worker to permanent daily worker from SG POM maintenance assistant (approved).
    - b. Request of goods from EM kondang (approved).
    - c. Cancellation of the decree of SSS group in term of employee rotation number 095/SSS-HRD/SK/IV/2014 from Chief of HR and GA (request is granted).
    - d. Invitation of socialization of CBI innovations of Suayap POM sent by SY POM assistant.
    - e. Request of clean water requested by SGE hotel assistant (respond is granted).
    - f. Invitation of drugs test sent by SGE polibun midwife (approved).

Company has had procedure of information provision to the external party (SOP-LEGAL.GN-015) which regulates the provision/request of public information by email, phone, fax or directly coming to the PT CBI Head Office. The information request is maintained for a year (before the documents are burned down) (point 6.1.1); request is communicated to Group Manager to approve or disapprove it (point 6.1.2); Response over the request of public information is by completing the data of information request (point 6.1.3). Procedure of information provision to the external party (SOP-CS.GN-015) has been revised per March 1<sup>st</sup> 2014. According to the revision, the response over the information request should be given within 10 days since the information request received by. It is responsibility in entire department.

Furthermore, the company has also had procedure of document incineration written on: procedure of documentation, document and record control (QEHS-004, revision-01, dated May 1<sup>st</sup> 2011). It describes: basic policy, new document

control, obsolete document, missing/lost document control, procedure of record handling.

Point 6.6.3 contains description of: maintenance of document related to permits, company legality and environment document during operational of the company. List of the record is composed and maintain to ensure that entire record are easy to find and trace. The list of records contains maintenance period applied by Manager of Department based on purpose suitability.

There is evidence of procedure of document and records control on March 11<sup>th</sup> 2014 and procedure of information provision to external party on March 12<sup>th</sup> 2014 to PT SSS management in head office or estate.

**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.**

According to the procedure of information provision to external party (SOP – LEGAL.GN-015), applied effectively since June 18<sup>th</sup> 2012 (point 6.2 & 6.3), category of document is consisted of:

1. Publicly-Accessed Document:

Environment Document:

- a. EIA
- b. Report of environmental management and monitoring effort
- c. Report of HCV identification
- d. Report of Social Impact Assessment (SIA)
- e. Report of hazardous waste management
- f. Report of WWTP management

Document of OHS:

- a. Report of OHS Guiding Committee
- b. Permit and certification of equipment

Document of Manpower and Social

- a. Data of company employees
- b. Report of CSR program
- c. Company organization structure

Document of Plantation:

- a. SOP of Estate and POM
- b. Report of CPO sale
- c. Report of scheme smallholder development
- d. Report of land acquisition

2. Classified Document:

Document of Permit and Legal:

- a. Official letter of company establishment and official letter of company changes
- b. Permits of Land Use Title (HGU), location, and plantation business
- c. List of company asset
- d. Data of soil and land of plantation
- e. Data of land acquisition and compensation

Document of Finance:

- a. Company balance sheet
- b. Company profit and loss
- c. Report of investment (LKPM)
- d. Report of plantation business operational (LKUP)

Environment Document

- a. Map of the spread of the protected fauna within conservation area



Document of Manpower and Social:

- a. Identity of the company shareholder and board
- b. Identity of the head of operationals, staff and employees
- c. Data of employees wage
- d. Plan of community development

Document of Plantation:

- a. Data of scheme smallholder fund usage
- b. Map in form of map of soil (Soil map), map of topography (Topography map), and map of land use (Land Use Map).

Example of the information provision are:

1. Obligation to report the manpower (Statute number 7 year 1981) PT SSS Tbk. number 1394.DTT.HIP.NK.IX.2014 and number 1395.DTT.HIP.NK.IX.2014 (only for Selangkun POM), valid since September 22<sup>nd</sup> 2014 until September 21<sup>st</sup> 2015. The report is supported with the evidence of handover from the associated agency on September 22<sup>nd</sup> 2014.
2. Report of PT SSS plantation business development on 2014 (1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> quarter), estate location in Natal Baru Village, Sulung Village, Kenambui Village, Rangda Village, Kondang Village, and Rungun Village, South Arut and Kotawaringin Lama Sub-District, West Kotawaringin District, Central Kalimantan Province. The report is supported with evidence of handover from the associated agency for the report of 1<sup>st</sup> quarter of 2014 (it was sent on May 14<sup>th</sup> 2014), 2<sup>nd</sup> quarter of 2014 (it was sent on August 21<sup>st</sup> 2014), 3<sup>rd</sup> quarter of 2014 (it was sent on November 3<sup>rd</sup> 2014).
3. Report of PT SSS investment in 2<sup>nd</sup> quarter of 2014. There is evidence of handover from West Kotawaringin District BAPPEDA on August 27<sup>th</sup> 2014.

Company has had procedure of information provision to the external party (SOP-LEGAL.GN-015) which regulates the provision/request of public information by email, phone, fax or directly coming to the PT CBI Head Office. The information request is maintained for a year (before the documents are burned down) (point 6.1.1); request is communicated to Group Manager to approve or disapprove it (point 6.1.2); Response over the request of public information is by completing the data of information request (point 6.1.3). Procedure of information provision to the external party (SOP-CS.GN-015) has been revised per March 1<sup>st</sup> 2014. According to the revision, the response over the information request should be given within 10 days since the information request received by. It is responsibility in entire department.

Furthermore, the company has also had procedure of document incineration written on: procedure of documentation, document and record control (QEHS-004, revision-01, dated May 1<sup>st</sup> 2011). It describes: basic policy, new document control, obsolete document, missing/lost document control, procedure of record handling.

Point 6.6.3 contains description of: maintenance of document related to permits, company legality and environment document during operationals of the company. List of the record is composed and maintain to ensure that entire record are easy to find and trace. The list of records contains maintenance period applied by Manager of Department based on purpose suitability.

There is evidence of procedure of document and records control on March 11<sup>th</sup> 2014 and procedure of information provision to external party on March 12<sup>th</sup> 2014 to PT SSS management in head office or estate.

Evidence of record of information request and response from the company is the information request which is requested by Kotawaringin District National Statistic Agency in form of monthly questionnaire of heavy and medium industry for manufacture industry for period of 2013 – 2014. The requested informations are the production of FFB, production of CPO and Kernel. Company respond the request by filling questionnaire refer to the data requested by National Statistic Agency.

**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.**

PT Sawit Sumbermas Sarana has had evidence of compliance over the applied regulations in form of identification and evaluation of regulation. It covers:

**Environment**

- Conservation and Biodiversity (10 Regulations)
- Environment Permit (3 Regulations)
- Water (13 Regulations)
- Soil (3 Regulations)
- Hazardous material (11 Regulations)
- Hazardous waste (14 Regulations)
- Plant cultivation (5 Regulations)
- Environment program (4 Regulations)

There is matrix of identification and evaluation of environment regulation for PT SSS PT. SSS revisi 02/Periode II-2012. The object of the regulations are: statute, government regulation, environment ministry regulation, agriculture ministry regulation, decree of agriculture ministry, decree of environment ministry, decree of the head of environment impact control agency, decree of manpower ministry, president regulation, decree of West Kotawaringin Regent. The number of company compliance over the regulation in term of environment is 91% (90 categories) and the number of the uncomplined regulation is 9% (9 regulations).

**November 25<sup>th</sup> 2014**

- a. The company has had permit of effluent review of PT SSS soil refer to the decree of West Kotawaringin Regent number 660/05/BLH.IIIII/2014 dated March 20<sup>th</sup> 2014. It valid for 1 year.
- b. The company has reported effluent monitoring and environmental management and monitoring plan to the agency. For example, reporting with letter number 023-EHS/X/2014 to West Kotawaringin District Environment Agency in term of effluent on October 27<sup>th</sup> 2014 and report of environmental management and monitoring plan West Kotawaringin District Environment Agency on July 21<sup>st</sup> 2014.

**Legality and Spatial**

4 Regulations

**Occupational Health and Safety**

46 Regulations

Example of law compliance related to PT SSS (Selangkun Estate and Rungun Estate) are:

- Agriculture Ministry Regulation number 19 year 2011 in term of guidance of Indonesia Sustainable Oil Palm Tree (ISPO).
- Agriculture Ministry Regulation number 98 year 2013 in term of guidance of Plantation Business Permit.
- Government Regulation Number 50 year 2012 in term of OHSMS.
- Adjustment over the workers wage refer to decree of Central Kalimantan Governor number 188.44/950/2013 in term of District Minimum Wage Standard and District Sectoral Minimum Wage Standard on 2014 of Kotawaringin District on November 21<sup>st</sup> 2013. The decree has been applying since since January 1<sup>st</sup> 2014.
- The company has had permit of effluent on soil of PT SSS refer to decree of West Kotawaringin Regent number 660/05/BLH.IIIII/2014 dated March 20<sup>th</sup> 2014. It valid for 1 year.
- The company has reported effluent monitoring and environmental management and monitoring plan to the agency. For example, reporting with letter number 023-EHS/X/2014 to West Kotawaringin District Environment Agency in term of effluent on October 27<sup>th</sup> 2014 and report of environmental management and monitoring plan West Kotawaringin District Environment Agency on July 21<sup>st</sup> 2014.

PT SSS – Selangkun POM has shown the effort of adjustment over changes of several regulations. For example, implementing regulation of minimum wage standard for permanent daily labour and permanent monthly labour refer to decree of Central Kalimantan Governor number 188.44/950/2013 in term of District Minimum Wage Standard and District Sectoral Minimum Wage Standard on 2014 of Kenvironment management system, occupational health and safety with document

number SOP-EHS.GN-003. According to the procedure, company shall evaluate the changes of regulations on the relevant statute regulations. There is also document of identification and evaluation of regulation and environment and OHS (it was updated on November 2013).

**Status: COMPLY**

**2.2**

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

Document of land acquisition / cultivation owned by PT SSS are:

**1. Documents of Land Ownership**

**a. Location Permit**

- **Decree of West Kotawaringin Regent Number: 144.480.42/2001** in term of relocation of location permit granting for PT SSS estate **dated on February 16<sup>th</sup> 2001 for 12,000 Ha** area located in Kondang Village, Rungun Village, Lalang Village, Kotawaringin Lama Sub-District and Rangda Village, South Arut Sub-District, West Kotawaringin District. The document is supported with the attachment of Decree of Map Location in scale 1:250,000. **It valids for 3 years.**
- **Decree of West Kotawaringin Regent Number: 550.480.42/BPN/VII/2003** in term of location permit changes in purpose of PT SSS estate **dated July 14<sup>th</sup> 2003 for 12,700 Ha**. The decree is a revision of the previous West Kotawaringin Regent decree (Number: 144.480.42/2001 in term of location permit granting for PT SSS estate (February 16<sup>th</sup> 2001). The document is supported with the attachment of Decree of Map Location in scale 1:250,000. **It valids for 3 years.**
- **Decree of West Kotawaringin Regent Number: 228.480.42/BPN/III/2004** in term of location permit changes in purpose of PT SSS estate **dated March 27<sup>th</sup> 2004**. The hectarage of the extended area is 7,500 Ha. It is located in Sulung Village, Kenambui Village, South Arut Sub-District, West Kotawaringin District. The document is supported with the attachment of Decree of Map Location in scale 1:100,000.
- **Decree of West Kotawaringin Regent Number: 616.480.42/BPN/III/2003** in term of location permit granting for the integrated estate on behalf of PT SSS **on August 11<sup>th</sup> 2003 for 200 Ha area**. The document is supported with the attachment of Decree of Map Location in scale 1:50,000. **It valids for 3 years.**
- According to the previous description, the total of location permit is **20,400 Ha.**

**b. HGU (Land Use Title)**

- Land Use Title (HGU) certificate number 36 year 2004 dated June 26<sup>th</sup> 2004. The hectarage of the permitted area is **12,342.49 Ha**. The Land Use Title (HGU) certificate is valid for 35 years.
- Land Use Title (HGU) certificate number 47 year 2007 dated December 5<sup>th</sup> 2007. The hectarage of the permitted area is **4,443.49 Ha**. The Land Use Title (HGU) certificate is valid for 35 years.
- According to the previous description, the total of PT SSS land acquisition hectarage is **16,785.98 Ha.**

**2. Document of Land Cultivation**

**a. Plantation Business Permit**

- Decree of West Kotawaringin Regent Number: EKBANG/525.26/18./2004 in term of PT SSS Plantation Business Permit dated January 31<sup>st</sup> 2004. The permit allows the mill capacity up to 60 Ton/Hour with estate hectarage for 12,000 Ha.
- Decree of West Kotawaringin Regent Number: 525/209/EK in term of PT SSS Plantation Business Permit dated July 4<sup>th</sup> 2012. The permit allows the mill capacity up to 60 Ton/Hour with estate hectarage for 12,342.49 Ha. The document is the revision of the previous document. Therefore the previous permit (Decree of West Kotawaringin Regent Number: EKBANG/525.26/18./2004) is no longer valid.
- Decree of West Kotawaringin Regent Number: EKBANG/525.26/113/IV/2004 in term of Plantation Business Permit (estate cultivation and plantation industry business) of PT SSS dated April 27<sup>th</sup> 2004 with the allowed estate hectarage for 7,500 Ha and mill capacity up to 30 Ton/hour.
- Decree of West Kotawaringin Regent Number: 525/210/EK in term of Plantation Business Permit dated July 4<sup>th</sup> 2012. The business permit allows the increase of mill capacity up to 90 Ton/hour and estate hectarage for 7,500 Ha. The document is the revision of the previous document. Therefore the previous permit (EKBANG/525.26/113/IV/2004 in term of Plantation Business Permit (estate cultivation and

plantation industry business) of PT SSS dated April 27<sup>th</sup> 2004) is no longer valid.

- According to the previous description, PT SSS is granted permit for **± 19,842.49 Ha** of estate area and 2 POM units with capacity up to **90 ton of FFB/hour**.

PT Sawit Sumbermas Sarana has had the procedure of estate legal boundary pole (SOP-EHS.GN-025). According to the SOP, the inspection and maintenance of the boundary pole is described and identified routinely (each semester). There is evidence of the report of Land Use Title (HGU) boundary pole inspection and maintenance in each estate. For example:

**Selangkun Estate (Total of Hectarage is 2,405 Ha)**

- Map of Land Use Title (HGU) boundary pole of PT SSS (including Selangkun Estate), in scale 55,000.
- There is evidence of the report of Land Use Title (HGU) pole inspection and maintenance until July 2014 (it consisted of 28 poles: 6 poles are well maintained, 22 poles are not installed yet).
- Photographs of Land Use Title (HGU) pole condition.

**Rungun Estate (Total of Hectarage is 2.712 Ha)**

- Map of PT SSS Land Use Title (HGU) boundary pole (including Rungun Estate), in scale 55,000.
- There is evidence of er the report of Land Use Title (HGU) pole inspection and maintenance until October 2014 (2 poles have been installed and well maintained: pole number 79 & 90).

The actual number of the installed poles and the must-installed poles is not clear enough.

According to the field visit and boundary poles verification, there are several facts. For example:

- Land Use Title (HGU) boundary pole number 067 (Block 19 Afdeling K, Selangkun Estate) is not found.
- Land Use Title (HGU) boundary pole number 079 (Block 12/16, Afdeling E, Rungun Estate) is not properly installed refer to the list of coordinate of PT SSS boundary pole.
- Land Use Title (HGU) boundary pole number 090 (Block 6/7, Afdeling C – Rungun Estate) is not found.

According to the facts of the boundary pole found previously, the the clear land demarcation and boundary pole maintenance is not yet conducted by the management unit. **Nonconformity number 2014.01**

*Auditor Observation:*

**February 25<sup>th</sup> 2015**

Major verification has been conducted by the auditor team by visiting the estate to ensure that the land demarcation boundary in form of boundary pole is identified and well maintained. The result of field verification shows that:

- Land Use Title (HGU) boundary pole number 067 (Block 19 Afdeling K, Selangkun Estate) is installed based on coordinate.
- Land Use Title (HGU) boundary pole number 079 (Block 12/16, Afdeling E, Rungun Estate) has been reinstalled properly. It is proven by the official record of PT SSS Land Use Title (HGU) monitoring and installation on February 19<sup>th</sup> 2015. It is supported by the photograph.
- Land Use Title (HGU) boundary pole number 090 (Block 6/7, Afd C – Rungun Estate) is installed based on coordinate.

According to the corrective action, the auditor team considers the **Major nonconformity 2.2.2** is now **CLOSED**.

PT SSS – Selangkun POM has had procedure of land conflict resolution (SOP-LEGAL.GN-014). The procedure is considered as the reference for solving land dispute with several parties. According to point 6 of the procedure, the procedure is considered as the reference for solving the land dispute for any company under PT. Citra Borneo Indah. According to the document verification, information from PT SSS management – Selangkun POM and the result of consultation with the associated agencies (National Land Agency and Forestry Agency of West Kotawaringin District) and the result of consultation with stakeholder in Rangda and Rungun Village, there is no indication of land conflict between PT SSS and the parties nearby estate.

**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 document verification of the report of HCV and Social Impact Assessment (SIA) Identification conducted by Sonokeling Consultan – Bogor, and information from the result of consultation with the associated agencies (National Land Agency and Forestry Agency of West Kotawaringin District) and the consultation with the stakeholder (interview) in Rangda And Rungun Village, there is no customary land ownership within PT SSS estate area. The company has compensated the land referring the agreement with several parties. There are evidence of the records of land compensation. For example:

**Selangkun Estate**

- Official record of map verification of land compensation proposal of PT SSS on behalf of Arfian on January 28<sup>th</sup> 2014.
- Map of land location
- Official record of negotiation of land compensation on behalf of Arfian. It was signed by the land owner, the company representatives and the witnesses on January 13<sup>th</sup> 2014.
- Receipt of payment from the management to the land owner (Supiani). The payment is shall be conducted on February 20<sup>th</sup> 2014 (sealed with law seal of IDR 6,000). The payment amount is written.
- Photographs of compensation payment.

**Rungun Estate**

- Map of plan of land acquisition of the land belong to Supiani (in scale 1: 6,000) dated December 5<sup>th</sup> 2014.
- Declaration letter of Supiani (land owner). It was signed by the land owner and the chief of village and the witnesses (sealed with law seal of IDR 6,000) dated December 19<sup>th</sup> 2009.
- Waiver of land right belongs to Supiani for 2.55 Ha of land compensation (total of land compensation is IDR 1,275,000 and the total of growing plants compensation is IDR 3,060,000)
- Receipt from the management to the land owner (Supiani). The payment was conducted on January 23<sup>rd</sup> 2014 (sealed in law seal of IDR 6,000). The payment amount is written.

According to the result of interview in Rangda and Rungun Village, the nearby locals is still allowed to do their habitual activities such as fishing and others in condition that no illegal methods and wildlife hunting and any other illegal activity conducted by the locals.

**Status: COMPLY**

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

**3.1**

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

Management unit is not showing the document of company 3 years period plan yet. The 3 years period work plan should covers:

- Concern over the quality of the planted oil palm
- Crop projection = trend of the output of FFB production
- Level of mill extraction = trend of OER
- Production cost = cost per ton of CPO trend
- Price prediction
- Finance indicator
- The recommended calculation– trend of average of 3 years period operation in last a decade (FFB trend might provide low output during replanting program). **Nonconformity number 2014.02**

*Auditor Observation:*

**March 6<sup>th</sup> 2015**

Selangkun POM management unit informs the corrective action in term of production budget for period of 2014 – 2016. The document covers FFB production, processed FFB target, percentage of its extraction.

According to the result of the corrective action, the **Major nonconformity 3.1.1 is considered CLOSED.**

The company has planned for FFB yield per ha is **23.99 ton/ha.**

NO	ESTATE			2014 (Ton)		2015 (Ton)		2016 (Ton)	
		Luas Planted	Yield Actual	Actual	Budget	Yield	Budget	Yield	Budget
1	SELANGKUN	2,195.36	20.49	44,977.98	54,222.09	24.93	54,735.01	32.27	70,850.00
2	RUNGUN	2,600.00	23.62	61,414.53	68,093.97	28.47	74,033.30	33.57	87,279.65
3	KONDANG	3,099.00	27.87	86,380.77	89,489.66	28.44	88,123.20	35.24	109,199.56
	<b>TOTAL</b>	<b>7,894.36</b>	<b>23.99</b>	<b>192,773.28</b>	<b>211,805.72</b>	<b>27.28</b>	<b>216,891.51</b>	<b>33.69</b>	<b>267,329.21</b>

**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.**

The company has had procedure of estate and mill operational. It has been legalized by the company top management. For example, the procedure of land clearing, nursery, oil palm planting, plant maintenance, harvest, manuring, water management (for peatland area), and procedure of FFB dispatch and loading to the mill. Each of the procedure is recorded and monitored by field officer in charge.

According to the field visit to harvesting program in block 14 Afdeling O, Rungun Estate, the harvest procedure has been socialized to the entire team of harvesters. For example, they have known the maturity criteria has been determined on fraction 1. Therefore, if there exist 5 loosen fruit in the cycle it means the the bunch is ready to be harvested. According to the result of interview with the harvesters, they have aware of the mature and immature FFB, they have aware of safety work principles (PPE usage and its function) and the procedure of waging and harvest premium.

Furthermore, the company also has the procedure of mill operationals. For example, FFB receipt in loading ramp, processing stage, waste management, effluent analysis, FFB quality analysis, oil control and kernel losses. Those operationals are also written in detail and monitored routinely.

According to the observation in Selangkun Mill, the operationals have been conducted based on the procedure. For example, FFB is sorted based on its suitability in loading ramp. According to the interview with the sortation workers, they have aware of the FFB sortation technique and they have used proper equipment.

The company has had procedure of operationals monitoring in form of internal audit which is conducted by Department of Quality Health Safety and Environment (QHSE) routinely. There is record of internal audit in estate and mill. For example:

**Estate**

**Selangkun Estate:** there is document of the result of internal audit. It was conducted on July 23<sup>rd</sup> 2014. One of the finding was that the harvest equipments were not safely stored. The action taken by the company was to inform the employees to store the harvest equipment safely.

**Rungun Estate:** there is document of the result of internal audit. It was conducted on July 22<sup>nd</sup> 2014. One of the finding was that the harvester was not using proper PPE such as helmet and safety glass. The action taken by the company was to inform the assistant to order the employees to use proper PPE.

**Selangkun Mill:** there is document of the result of internal audit in 2<sup>nd</sup> semester. It was conducted on July 22<sup>nd</sup> 2014. One of the finding was that there were several unidentified tank. For example, digester tank, feed water tank, mixing tank, soda as, alum and polimer tank. The action taken by the company was to paint those tanks with the identity.

The company has documented daily operationals of mill and estate. For example:

**Estate**

According to the field visit, there is plant maintenance. For example, weed control chemically (cycle and harvesting path) in block 16, Afdeling J. the weed control has been conducted routinely (each quarter or once in four months). The appointed pesticide applicator has been trained (proper pesticide application), including PPE usage. The daily report is

routinely documented by the daily foreman on the foreman daily report.

One of the effort conducted by the company to improve soil fertility is by applying effluent to the planting block to improve soil organic nutrient. According to the field observation and interview with the land application foreman, there is land application test area in Rungun Estate. There are 2,773 flatbed with size 2.4x1.4x0.4 meter. The quantity of the flowed effluent daily is recorded and reported by land application foreman to estate manager.

According to the field observation conducted by the auditor in block 3, Afdeling J, Selangkun Estate and block 14, Afdeling O, Rungun Estate. The foreman has documented harvesting program by arranging harvest daily program plan, divisioning the harvest area (to each harvester), controlling harvesting and reporting to the harvesting program at that day including the harvesting program achievement including the workers allocation.

According to the interview with harvester, they have aware of the harvesting program SOP including the implementation. For example, they are able to differentiate the proper and improper harvested fruit. They also have aware of the safety work principle (PPE usage) and the procedure of waging and harvest premium.

**Mill**

There is report of daily production on October 2014. For example, the report on Friday, October 31<sup>st</sup> 2014 as described that the incoming FFB: 1,038,251 ton (restan 300,781 ton), CPO production: 141,226 ton CPO extraction: 24.35%, FFA: 2.30, moisture: 0.17, dirt: 0.018, kernel production 28,576 ton, kernel extraction: 4.93%, moisture: 5.73, dirt: 4.11, broken kernel: 18.83, processed hour: 16.36 hours and no dispatch.

**Status: COMPLY**

**4.2**

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

According to the document review, the company has tested the leaf annually. There is evidence of documentation of leaf analysis result in Rungun Estate. The test was conducted on June 2013 the certificate of analysis (Number 095/LAB.01/INT/VIII/2014 dated August 15<sup>th</sup> 2014) and certificate of analysis (Number 097/LAB.01/INT/VIII/2014 dated August 15<sup>th</sup> 2014) for Selangkun Estate. The tested parameters are substance N, P, K, Mg, Ca, B, Cu, Zn, Fe and Mn.

The management unit has analyzed leaf on June 2013. However, there is no enough evidence that the management unit has documented the soil and visual analysis. **Nonconformity number 2014.03**

*Auditor Observation:*

**February 25<sup>th</sup> 2015**

Rungun and Selangkun Estate management unit has shown the evidence of corrective action in form of analysis of soil sample for Selangkun Estate (No. 061/LAB.02/INT/VIII/2014, dated August 25<sup>th</sup> 2014) and Rungun Estate (No. 065/LAB.02/INT/VIII/2014, dated August 26<sup>th</sup> 2015). Meanwhile, the evidence of visual analysis is shall be verified on the next field visit (ASA-01).

According to the corrective action, **the Minor nonconformity 4.2.1 is considered CLOSED.**

One of the effort conducted by the company to improve soil fertility is by applying effluent to the planting block to improve soil organic nutrient. According to the field observation and interview with the land application foreman, there is land application test area in Rungun Estate. There are 2,773 flatbed with size 2.4x1.4x0.4 meter. The quantity of the flowed effluent daily is recorded and reported by land application foreman to estate manager.

Furthermore, the management unit is also utilizing empty fruit bunch as organic fertilizer. According to the document observation, the dosage of the empty fruit bunch application is referring the recommendation of Department of Research (40 ton/Ha). One of the observed block of application is block C18 Afdeling. The hectarage of application area in that block is 12 Ha. Application is conducted by placing empty fruit bunch between plants to form alphabet "U" with size 2x3 untill 3x3 meter.

Status: **COMPLY**

**4.3**

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

The company has had map of soil on the document of land adjustment for each estate. For example, Selangkung and Rungun Estate has map in scale 1: 40,000 as described with projection of UTM Zone 486, Datum WGS 84 with interval of coordinate of 2,000 meter. According to the map, the land suitability information (especially marginal land) is described. For example, there is 93.91 Ha of peatland area identified in Selangkun Estate.

The company has had program of road and bridge maintenance conducted by the company by cooperating with the third party. One of the contract is the road hardenning project by cooperating with the CV. Dona Doni. Road hardenning realization for 777 meter in Selangkun Estate has been conducted on November 2014.

Furthermore, there is also bridge construction (iron bridge) which is observed on block J09, Afdeling K, Selangkun Estate. According to the result of interview with the estate management, the road construction has been planned since October and it will have been finished on late December.

The management unit has conducted water mangement to manage peatland area. However, according to the field observation, the management unit is not conducting the procedure of water management such as trench cleaning and water gate construction yet. **Nonconformity number 2014.04**

*Auditor Observation:*

**February 25<sup>th</sup> 2015**

Selangkun and Rungun Estate management unit shows the document of trench cleaning at afdeling located within peatland area. The supporting documents are the official record of work inspection and cost analysis on November 10<sup>th</sup> 2014.

According to the corrective action, **the Minor nonconformity 4.3.4 is now CLOSED.**

The company has conducted effort to reduce erosion and soil nutrient deficiency caused by water flow (run off) by inserting LCC (*Mucuna bracteata*) in the opened area, placing frond by forming "U" alphabet (U shape frond stacking) in flatland area and arranging frond pararely along with the terrace edge. Physically, the individual terrace is also constructed to reduce risk of *run off*.

Furthermore, the litoral soil is specially treated by applying empty fruit bunch and effluent application to improve soil organic material and to reduce evaporation potential. It is supported by the observation conducted in block C18, Afdeling C, Rungun Estate.

Status: **COMPLY**

**4.4**

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

The form of waterway and wetland protection conducted by PT SSS unit management is by protecting riparian area refer to the procedure of riparian area and lake/spring buffer area management (SOP-EHS.GN-027). The SOP and the procedure of monitoring of environment and occupational health and safety are valid since April 10<sup>th</sup> 2012. Evidence of implementation of the procedure is by determining the radius of riparian area for 50 meter for the small river and 100 meter for the big river for not doing any chemis activity.





Condition of Selangkun riparian within Selangkung Estate.

Meanwhile, this is the record of water management through the identified river water test and BOD monitoring on WWTP pool outlet before the application.

No	Period of 2014	BOD (mg/L)	Quality Threshold	pH	Quality Threshold	Number of Report of Test Result
1	April	2,138	< 5,000	5.3	6 - 9	3183/LHP/IV/2014
2	May	1,272		7.2		3794/LHP/V/2014
3	June	1,406		7.4		4651/LHP/VI/2014
4	July	510		7.9		5704/LHP/VII/2014
5	August	970		7.7		6467/LHP/VIII/2014
6	September	1,543		7.8		7287/LHP/IX/2014
7	October	542		7.6		8634/LHP/XI/2014

Water utilization for FFB processing in Selangkung POM is also monitored. The form of monitoring is as follow:

No	Period of 2014	Processed FFB (ton)	POM Water (m <sup>3</sup> )	Domestic Water (m <sup>3</sup> )	Total of Water (m <sup>3</sup> )	M <sup>3</sup> /Ton of FFB	Budget of 2014 (m <sup>3</sup> )
1	January	21,660.96	25,820	5,050	30,870	1.2	1.5
2	February	19,870.16	23,020	3,140	26,160	1.2	1.5
3	March	22,697.03	17,700	10,770	28,470	0.8	1.5
4	April	11,737.83	10,740	7,030	17,770	0.9	1.5
5	May	20,340.27	14,000	12,740	26,740	0.7	1.5
6	June	17,502.38	12,020	11,810	23,830	0.7	1.5
7	July	17,809.75	20,090	3,720	23,810	1.1	1.5
8	August	21,034.88	22,540	6,910	29,450	1.1	1.5
9	September	17,200.61	13,890	11,280	25,170	0.8	1.5
10	October	20,526.04	25,930	3,800	29,730	1.3	1.5
<b>Total / Average</b>		<b>190,379.92</b>	<b>185,750</b>	<b>76,250</b>	<b>262,000</b>	<b>1.0</b>	

**Status: COMPLY**

#### 4.5

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

The company has had the record of IPM implementation written on the document of IPM for period of 2014. According to the document, the rotation of application and technique of IPM in form of pest control time schedule are described. For example, census of palm oil plant leaf eater is conducted monthly, planting and maintenance of beneficial plant is conducted each quarter and etc.

Record of the result of IPM is recapitulated on the manager monthly report routinely (monthly). For example, according to the result of census of palm oil leaf eater on October 2014, there was no attack exceeding the economy threshold. The follow up of the zero attack is by continuing beneficial plant planting and maintenance as for the early detection of palm oil leaf eater attack.

According to the document of pest and disease monthly attack and the pollination, the result of pest attack in each afdeling is can be known. For example, there was no attack of *Oryctes rhinoceros* and temit in Selangkun Estate, Afdeling H on October 2014. However, there was SBR attack for about 0.02% - 0.16% of the sample (still below the economy threshold) and there was rat attack for about 0.8% - 4.5% of the sample (still below the economy threshold) and then attack of *Thirataba sp* for about 0.03% - 0.4% of the sample (still below the economy threshold).

Therefore, in general, the pest attack rate in Afdeling H is still undercontrol. However, routine monitoring is still need to be conducted (especially for rat).

Rungun Estate Afdeling E on October 2014: there was attack of *Oryctes rhinoceros* for about 0.39% – 3.21% (still below the economy threshold), termit attack for about 0%. SBR attack for about 0% of the sample, rat attack for about 0.03 – 0.33% of the sample (still below the economy threshold) and *Thirataba sp* attack for about 0.03 – 1.18% (still below the economy threshold).



Therefore, in general, the pest attack rate in Afdeling H is still undercontrol. However, routine monitoring is still need to be conducted (especially for *Oryctes rhinoceros*).

According to the interview with foreman and herbicide sprayer (Block 16 Afdeling J), they have aware of the work instruction of herbicide application properly, they have aware of the chemicals symbols and prohibition to apply herbicide in riparian and HCV area and furthermore, they are able to demonstrate the work way properly referring the procedure applied by the company.

According to the document observation, there is no enough evidence to prove that the management unit has documented pesticide (LD50) toxicity monitoring properly. **Nonconformity number 2014.05**

*Auditor observation:*

**25 Februari 2014**

**February 25<sup>th</sup> 2014**

Selangkung and Rungun Estate management unit shows evidence of corrective action in form of the list of pesticide toxicity for period of January 2014 – November 2014 for each pesticide used by company.

According to the corrective action, the Minor nonconformity 4.5.2 is considered CLOSED.

	<b>Status: COMPLY</b>	
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**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.**

Management unit is not able to show the list of the allowed pesticide referring the applied regulation. **Nonconformity number 2014.06.**

*Auditor observation:*

**February 28<sup>th</sup> 2015**

Selangkung and Rungun Estate management unit shows the evidence of the corrective action in form of the list of the pesticide used by the company during period of 2014-2015. Entire type of pesticides have been registered on the pesticide commission of Agriculture Ministry. Therefore, the auditor teams considers that Major nonconformity 4.61 is now CLOSED.

The company has documented the record of pesticide usage categorized based on the type of its purpose. For example, weed control in cycle and harvesting path is using herbicide with active substance of isoprophyl aminaglifosat with dosage 0.4 liter/Ha. The control is conducted once for 4 months. It means that the controls is conducted 3 times a year.

According to the document review and interview with employees, the company is still using paraquat dichloride (limited pesticide. However, the pesticide applicators are still uncertified (14 pesticide applicators – Selangkun Estate) refer to the Agriculture Ministry Regulation number 24 year 2011. **Nonconformity number 2014.07**

*Auditor Observation:*

**April 10<sup>th</sup> 2015**

Management unit has sent the evidence of corrective action in form of certificate of the limited pesticide applicator (Certificate Number: PSPPP.340/1936/XII/2014 dated December 23<sup>rd</sup> 2014) which was held by the commission of pesticide and fertilizer of West Kotawaringin District on December 22<sup>nd</sup> 2014. The example of certificate is attached. According to the corrective action, the Major nonconformity 4.6.3 is now CLOSED.

Management unit has policy in term of limited pesticide usage on the procedure of environment management system, occupational health and safety (SOP-EHS.GN-019) which is legalized on June 15<sup>th</sup> 2012. According to point 6.1.2, the company commits to reduce or eliminating the use of pesticides categorized on criteria IA and IB WHO and the paraquat

dichloride active substance pesticide.

According to the document review, there is still use of paraquat dichloride active substance herbicide on the company operations. According to the data of paraquat dichloride usage in Selangkun Estate, they used 2,080 liter of paraquat in period of 2011, 3,380 liter of paraquat in period of 2012, 1,613 liter of paraquat in period of 2013, and they have used 92 liter of paraquat until the period of October 2014. Meanwhile, Rungun Estate used 2,534 liter of paraquat in period of 2011, they used 909 liter of paraquat in period of 2012, 2,279 liter of paraquat in period of 2013, and they have used 1,527 liter of paraquat until period of October 2014. There was unstable trend during period of 2012 – 2013 due to the company is not yet referring the RSPO indicator standard. According to the interview with estate operational staff, the company shall compose the work program referring the commitment of reduction of the usage of pesticide categorized as IA and IB WHO and the paraquat dichloride active substance pesticide.

- The company has had policy of pesticide management written on the SOP (SOP – EHS.GN – 019 which is effective since June 15<sup>th</sup> 2012) at point 6.7.1: the ex-pesticide containers are controlled carefully and safely for environment, human health, and referring the disposal recommendation written on the containers as follows: a) returned to estate/POM warehouse; b) returned to the supplier (for ex flexible plastic container, can, and glass; c) reused (for the jerry can with size of 20L, 200L, or small plastic) after those are safely cleaned refer to the form and property of pesticide but not for the purpose of drinking nor eating bowl.
- Letter of permit of hazardous waste storage: decree of Kotawaringin Barat Regent number 660/II/BLH-III.1/IX/2012 in term of hazardous waste storage to PT. SSS, on September 18<sup>th</sup> 2012. Granting the hazardous waste storing permit for:

Name: PT. SSS

Core Business: Estate and POM

Adress: Sulung Village, South Arut Sub-District, West Kotawaringin District

Hazardous waste storage locations:

1. Central Workshop of Sulung POM (02<sup>o</sup> 18' 14.3" of South Lattitude and 111<sup>o</sup> 36' 41.6" of East Longitude)
2. Kondang Estate (02<sup>o</sup> 20' 22.3" of South Lattitude and 111<sup>o</sup> 32' 31.6" of East Longitude)
3. Kenambui Estate (02<sup>o</sup> 17' 30.9" of South Lattitude and 111<sup>o</sup> 40' 41.8" of East Longitude)

Selangkun POM does not has hazardous waste storage. During the assessment (ST-2), it is still being proposed by assistant/staff, head of warehouse/administrator, and it has been approved by the Head of Regional DIV/Director. The proposal is supported with justification of capital budget for period of 2014 for IDR 38,673,100 (it has been verified by Mill Manager (H Sukendro) and it has been approved by the Head of Processing (Mualim).

The company has held regular medical check up. It is authorized to the company doctor named Arif Apriyanto with hyperkes certificate number 31.006/DH-IV/13. The medical check up was held for 113 SGE workers (maintenance workers and sprayers) on September 3<sup>rd</sup> 2014 and for RGE 76 RGE workers on October 17<sup>th</sup> 2014. Selangkun and Rungun Estate management unit has sent evidence of corrective action in form of recapitulation of the result of auditometri, cholinesterase and spirometri for 15 workers working on high-risk station. The medical check up was held on December 28<sup>th</sup> – 29<sup>th</sup> 2014. It was analyzed by the doctor.

The company also commits to prohibit the pregnant and breastfeeding women workers to work close to chemicals. The company has scheme to detect the pregnant and breastfeeding women workers. The scheme is written on the program of non-estate policlinic pregnancy monitoring. According to the result of document review of non-estate policlinic pregnancy monitoring, there is no pregnant nor breastfeeding women workers in Selangkun Estate nor Rungun Estate. According to the field visit, the company does not empower pregnant nor breastfeeding women workers to work close to chemicals.

**Status: COMPLY**

**4.7**

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

The company has policy in term of environment, occupational health and safety issued by the President Director of PT. CBI on May 1<sup>st</sup> 2011. Furthermore, the company has also SOP in term of occupational health and safety management

system (OHSMS). For example:

- Manual of environment management system, occupational health and safety (SOP – EHS.GN – 001) which is composed, reviewed, approved, and implemented by top management. The SOP is effectively implemented on April 10<sup>th</sup> 2012.
- Procedure of environment risk, occupational health and safety (SOP – EHS.GN – 002) which is composed, reviewed, approved, and implemented by top management. The SOP is effectively implemented on April 10<sup>th</sup> 2012.

The company is able to show the decree of the Head of West Kotawaringin District Manpower Agency number No. KEP.1805.DTT.HIPK-K3.XI.2013 dated November 4<sup>th</sup> 2013. Head: Edward Mangatas Lumban Tobing; and Secretary: Andang Hermawan. OHS Guiding Committee Secretary is an OHS Expert legalized and appointed by Direktorat General of Manpower Monitoring, Manpower and Transmigration Ministry. Registration number of the OHS expert is 6765/PK3/AJ/62/2013/P0. OHS Guiding Committee Assembly is routinely (monthly) held, the company is able to show the evidence of the assembly. For example, the assembly on October 29<sup>th</sup> 2014 which was discussing the work accident, work accident information, near miss, OHS inspection, PPE availability, and PPE usage habit. It was attended by 12 participants.

The company has registered all the employees to labour social assurance (Jamsostek) program. The company is able to show the evidence of employees labour social assurance payment. For example, Selangkun Estate paid the employees labour social assurance for period of September on October 20<sup>th</sup> 2014.

However, the company is not yet able to show the evidence that:

- Labour social assurance payment for the temporary daily labour of RGE and SGE and permanent daily labour of SGE for period of August – October 2014 is not yet conducted.
- There is no enough evidence that the labour social assurance for RGE temporary daily labour has been paid until October 2014. **Nonconformity number 2014.08**

The company has held regular medical check up. It is authorized to the company doctor named Arif Apriyanto with hyperkes certificate number 31.006/DH-IV/13. The medical check up was held for 113 SGE workers (maintenance workers and sprayers) on September 3<sup>rd</sup> 2014 and for RGE 76 RGE workers on October 17<sup>th</sup> 2014. The company is not yet able to show the evidence of the regular medical check up for the workers working on high risk stations in form of (audiometri, spirometri and cholinesterase check up). **Nonconformity number 2014.09**

#### **Verification on February 28<sup>th</sup> 2015**

Selangkung and Rungun Estate management unit has sent evidence of corrective action in form of recapitulation of the result of auditometri, cholinesterase and spirometri for 15 workers working on high-risk station. The medical check up was held on December 28<sup>th</sup> – 29<sup>th</sup> 2014. It was analyzed by the doctor. According to the corrective action, the Minor nonconformity has been closed.

The company has conducted risk analysis over the high-risk works. For example, there are records of environment, health and safety plan in Selangkun POM which describes the dangers identification and work risk which is composed by the head of assistant, reviewed by EHS department, and approved by mill manager. The risk analysis of estate operational was conducted on September 6<sup>th</sup> 2014, the assessment was conducted over the housing complex activity, office activity, traction activity, and estate activities (spraying, manuring, harvesting, FFB transport, manual maintenance, loosen fruit picking, etc).

The company has maintained and preserve the records of the held OHS training. However:

1. There were 2 uncertified boiler operators, 15 uncertified welder, and 3 uncertified electricians in Selangkun POM.
2. The company is not able to show the evidence that the operators in SGE has had SIO. **Nonconformity number 2014.10**

#### **Verification on May 15, 2015**

Management unit has shown the evidences of corrective action, such as:

- Certificate of two (2) boiler men, example certificate No Ser 108/OPK3/B.II/2015 dated 19 January 2015.
- Competencies certificate of welder No: 0151/3301/II/007/Sdn/ 2014 issued by Industrial Training Hall Agency at

Semarang dated 29 September 2014. Nonconformity is closed.

The company has procedure of emergency response. It is written on SOP of emergency response handling and maintained at the head office with SOP number – EHS.GN – 012. The SOP is effectively implemented since April 10<sup>th</sup> 2012. The document is composed by the Head of EHS department, reviewed by MR, approved by the Head of ERM, and implemented by the President Director.

The company provides PPE for their workers. Furthermore, the company provides first aid kit in work location as well. For example, the report of PPE distribution on August 27<sup>th</sup> 2014 for 138 employees in form of safety helmet, 26 pieces safety glasses distribution on August 1<sup>st</sup> 2014, and distribution of earplug on August 29<sup>th</sup> 2014 for 4 workers. There is report of PPE (ear plug) distribution to employees on September 22<sup>nd</sup> 2014 for 5 employees (generator operator). There is report of first aid kit monitoring. For example, first aid kit monitoring in RGE for period of October 2014 for Afd OC.

According to the field visit, the company has provided PPE and first aid kit. According to the document review and interview with workers, first aid training for foreman is not yet available. **Nonconformity number 2014.11**

*Observasi auditor:*

**February 28<sup>th</sup> 2015**

Evidence in form of official record of first aid training for all foremen in Selangkun Estate. It was taught by medical assistant (midwife) on December 5<sup>th</sup> 2014.

According to the corrective action, the Minor nonconformity 4.7.7 is now CLOSED.

The company has monitored the work accident occurred at workplace. It is supported by the report of work accident monitoring shown by the company. The company has discussed the work accident in routine (monthly) OHS Guiding Committee assembly.

<b>Minor 4.7.1</b>	<b>Status: Nonconformity number 2014.08</b>	
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**4.8**  
**All staff, workers, smallholders and contractors are appropriately trained.**

The company is routinely providing training for the staff and employees refer to the competence of each position. The held training programs are:

1. Soft Skill:
  - a. Team work
  - b. Corporate Culture
2. Technical Training
  - a. Hard Skill (Estate)
    - Refresh of harvest and work ethic
    - Training of mechanical chisel
  - b. Hard Skill (Engineering, Processing da Workshop)
    - Refresh of Press Station
    - Refresh of Water Management Station
  - c. Hard Skill Admin
    - Refresh of Personnel Clerk
    - Refresh of Traction Clerk
  - d. OMS and EHS
    - Refresh of EHS Management System
    - Refresh of Quality Management System (ISO 9001:2008)
3. Profession Program
  - a. Certification of Boiler Operator
  - b. Certification of Loader and Crane Operator
4. External Training
  - a. Soft Skill
    - Talent Management Program

- b. Hard Skill
  - Hyperkes and Work Safety for Paramedics
  - Chemical Inventory Management System (CMS)
- 5. Incidental/Annual Program
  - a. CTS Staf 'Toward Excelence and Succes Public Company'
  - b. CTS "Why GCG Must Be Implemented In Company Management and Leader"
- 6. Management Training
  - a. Leadership Program of Pratama V
  - b. Leadership Program of Pratama VI

The company has had the records of training. For example:

1. Training of ISPO awareness which was held on November 26<sup>th</sup> 2013 in PT SSS learning institute. It was attended by the workers of Selangkun Estate, Rungun Estate and Selangkun POM.
2. Training of Sterilizer Station and Work Ethic on July 8<sup>th</sup> 2014. It was attended by boiler operator (1<sup>st</sup> shift) and processing stage foreman (1<sup>st</sup> shift) of Selangkun POM. The training was held by Training and Development of PT SSSTbk.
3. Certification of Loader and Crane Operator on November 17<sup>th</sup> – 20<sup>th</sup> 2014. It was attended by backhoe loader and excavator operator of Rungun Estate, Wheeloader operator of Selangkun POM and Dozer operator of Selangkun Estate. It was held by PT Indotrain in form of inhouse training.

The company selected contractor competence to finish the job and stick to its responsibility referring the procedure applied by the company.

There is procedure of management of environment OHS of contractor and supplier in SOP number – EHS.GN – 020 which is composed, reviewed, and approved by top management. It is effectively implemented on April 10<sup>th</sup> 2012. The summary fo the SOP is as follows:

1. Contractor employes ± 15 workers must have safety officer to ensure the workers compliance over the applied environment OHS during their work.
2. Contractor employes < 15 workers must assign the contractor officer / leader to act like safety officer to do the same thing as the safety officer does.
3. The representative of contractor or safety officer must attend assemblies in term of Environment OHS held by CBI.
4. Contractor must gives the letter of contractor representative or safety officer appointment to project owner.

The company has procedure of Environment OHS contractor induction number F-EHS.GN-017.A.R1. the procedure is effectively implemented on April 10<sup>th</sup> 2012. The procedure covers.

1. General requirements consisted of: regulation of safety and orderliness, regulation of Environment OHS – PPE, regulation of Environment OHS – manual handling and work equipment, regulation of Environment OHS – environment health and sanitation, regulation of Environment OHS – prevention of fire and emergency situation.
2. Requirements of the hot station work consisted of: regulation of PPE usage, and regulation of work equipment usage.
3. Requirements of the high station work consisted of: regulation of PPE usage, and regulation of work equipment usage
4. Requirements of scaffolding work usage consisted of: regulation of PPE usage, and regulation of work equipment usage.
5. Requirements of the restricted area work consisted of: regulation of PPE usage, and regulation of work equipment usage.
6. Requirements of digging work consisted of: regulation of PPE usage, and regulation of work equipment usage.

The company has had official record of Environment OHS induction on Friday, October 11<sup>th</sup> 2013 to PT. Karya Palmindo Abadi (contractor), and Environment OHS induction to CV Aripikasa (contractor) on the construction of Bulking Silo Selangkun POM on May 13<sup>th</sup> 2014. The official record is supported with photographs and attendance list.

**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.**

Document of environment owned by Selangkun POM unit is the document of EIA on 2006 for the establishment of PT SSS Estate and POM in South Arut Sub-District (Runtu Village, Rangda Village, and Kenambui Village) and Kotawaringin Lama Sub-District (Lalang Village, Kondang Village, and Rungun Village), West Kotawaringin District, Central Kalimantan Province with hectarage of 19,842.49 Ha and POM capacity for 90 ton of FFB / Hour (refer to the decree of West Kotawaringin Regent number 11 year 2006, dated August 3<sup>rd</sup> 2006). The document is considered as the legal permits for 2 Palm Oil Mills (Sulung POM (RSPO-certified POM) and Selangkun POM).

Evidence of the record of environment management reporting which is conducted regularly (each semester) and it is considered as part of the report of PT SSS environmental management and monitoring plan with the scope for 2 processing unit (Sulung and Selangkun POM). According to the interview with West Kotawaringin Environment Agency, the document of PT SSS environmental management and monitoring effort is no longer need to be extended referring the government regulation number 27 year 2012 in term of environment permit which has been implemented since February 23<sup>rd</sup> 2012. Specifically on clause 73 which describes that the environment document approved by referring to the previous regime is considered valid and equal as environment permit.

**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.**

PT Sawit Sumbermas Sarana (SSS) management unit has identified HCV. It was authorized to Sonokeling Akreditasi Nusantara on August 2012. The report of final identification on September 2012 is available. The scope of HCV identification covers entire work unit of PT SSS (7 Estates dan 2 POMs) and one of their POM has achieved RSPO certificate. Therefore, the total of area identified as HCV area is the entire area of PT SSS estate.

According to the decree of PT SSS management number 001/DIR-SK/SSS-IN/II/2014 in term of the determined HCV area of PT SSS on January 28<sup>th</sup> 2014, the list of PT SSS forest area.

No	Forest Area	Hectarage (Ha)	HCV Attribute
1	Bukit Simpang (Kenambui Est.)	143.1	4.1; 4.2
2	Bukit Keruing (Sulung Est.)	42.6	1.1; 1.3; 1.4; 4.1; 2.3; 4.2
3	Bukit B10, B15, B20, B25 (Sulung Est.)	75.98	1.1; 4.1; 4.2
4	Kenambui Lake (Kenambui Est.)	84.36	1.1; 1.2; 1.3; 1.4; 2.3; 4.1; 5
5	Tanjung Biru Forest (Rungun Est.)	62.7	1.1; 1.2; 1.3; 1.4; 2.3
6	Bukit Macan (Sulung Est.)	68.30	4.1; 4.2
7	Sulung Ranch Conservation Area (Kenambui Est.)	24.86	1.1; 1.2; 1.3; 1.4; 2.3
8	Forest of Block K23-24 (Selangkun Est.)	13.75	1.1; 1.3; 1.4; 2.3
9	Forest of Block H7/10/13 (Selangkun Est.)	47.30	1.1
10	Forest of Pondok Duku (Rangda Est.)	23.46	1.1; 1.3; 1.4; 2.3
11	Forest of Bravo 28 (Rangda Est.)	273.50	1.1; 1.2; 1.3; 1.4; 2.3
12	Forested area of Block A6 (Sulung Est.)	7.45	1.3; 1.4; 2.3
13	Forested area of Block J8-J11 (Selangkun Est.)	8.34	4.1
14	Forested area of Block B7 (Rungun Est.)	2.96	4.1
<b>Hectarage total of conservation area</b>		<b>878.66</b>	

Management unit has determined HCV area referring the decree of PT SSS management 001/DIR-SK/SSS-IN/II/2014, dated January 28<sup>th</sup> 2014. The forested are of Block J8-J11 Selangkun Estate is considered as conservation area. However, However, according to the field visit to the area, there was an illegal mining activity. During the assessment, the illegal mining activity has been stopped.

Therefore, it shows the management unit conducts crap attempt to protect HCV area. **Nonconformity number 2014.12**

*Auditor Observation:*

**February 28<sup>th</sup> 2015**

Selangkun Estate management unit has informed the evidence of corrective action in form of official record of hard rod tree planting (a million tree planting) in forest area of Block J8-J11 (ex-mining area) on January 18<sup>th</sup> 2015. Photographs of the program is attached. There were 140 Swietina macrophylla planted on that wasteland.

Furthermore, the company installed signboard marking the area as HCV as well referring the official record of signboard installation. The signboard was installed on February 5<sup>th</sup> 2015.

According to the corrective action, the Major NC 5.2.3 is now CLOSED.

**Status: COMPLY**

**5.3**

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

Hazardous waste identification has been written on the document of environmental management and monitoring effort and SOP. For example:

- Hazardous waste management (SOP – EHS.GN – 016), effective since April 10<sup>th</sup> 2012.
- Organic and anorganic waste management (SOP – EHS.GN – 030) effective since April 10<sup>th</sup> 2012.
- Waste management in POM (SOP – PKS.GN – 007) effective since September 1<sup>st</sup> 2011 and
- Pesticide management (SOP – EHS.GN – 019) effective since June 15<sup>th</sup> 2012.

The company has had procedure of organic and anorganic waste (SOP – EHS.GN – 030) which is effective since April 10<sup>th</sup> 2012. The company has conducted hazardous waste management, there is SOP of hazardous waste management in SOP number – EHS.GN – 016 which is composed, reviewed, approved, and implemented by top management. It is effective since April 10<sup>th</sup> 2012. The summary of the SOP is as follows:

- Each department/ project officer / contractor is responsible to identify and manage hazardous waste in the area under their authority with the assistance of EHS department.
- The generated hazardous waste is not allowed to be stored at the other place within company location.
- Entire domestic waste must be stored / disposed on the garbage bin referring the purpose.

SG POM, SGE and RGE send the generated hazardous waste to the licensed hazardous waste storage in Sesulung POM. The company is able to show the hazardous waste balance sheet and its evidence of hazardous waste dispatch.

Selangkun POM and its estate supplier have recorded the entire generated waste. The company shows the hazardous waste balance sheet per November 2014 as described on the table below:

Location	Type of Waste	Waste Quantity	Date of the latest delivery to the licensed storage	Quantity
SG POM	Used Oil	-	Nov 22 <sup>nd</sup> 2014	3 Jerry can
	Used Filter	-	Nov 22 <sup>nd</sup> 2014	10 Pcs
SGE	Ex herbicide and pesticide containers	-	Nov 25 <sup>th</sup> 2014	272 pcs
RGE	Pesticide containers	-	Nov 7 <sup>th</sup> 2014	26 bottles + 3 bags
	Herbicide containers	-		20 bottles

There is official record of hazardous waste delivery to the licensed storage in Sulung POM. For example, used oil and used filter were delivered on November 22<sup>nd</sup> 2014 in record number 0013 and 0014. There were 272 pieces of RGE hazardous waste delivered on November 25<sup>th</sup> 2014. Official record of RGE hazardous waste delivery, there were 56 bottles and 3 bags of ex containers delivered on November 7<sup>th</sup> 2014. Estate polyclinic medical waste is handled by sending it to the central estate polyclinic to be then delivered to the regional hospital (they have incinerator). The company shows the official record of medical waste for period of October 2014. For example, medical waste delivery on October 4<sup>th</sup> 2014 for 3.5 Kg medical waste consisted of ex infusion bottle, ex infusion sets, used gauze and used cotton.

The company has tested the effluent routinely (monthly) by cooperating with PT Unilab Perdana. The laboratory has been accredited by National Accreditation Commission in number LP-195-IDN. For example, the result of inspection on period of October 2014:

Location of the last pipe before WWTP

NO	PARAMETER	UNIT	RESULT INSPECTION	of NAB
1	BOD	Mg/L	542	5,000
2	pH		18.0	6 - 9

The reference used on the effluent test is the Decree of Environment Ministry Number 28 Year 2003.

The company is able to show the record of effluent and solid waste utilization as follows:

- Report of fiber and shell usage monitoring for period of October 2014 as Selangkun POM boiler fuel:

Type	Production		Usage		Delivery to Other POM (under one group)	Final Stock	Ket
	This Month	Untill This Month	This Month	Untill This Month			
Shell	1,429,498	12,524,097	1,200,293	9,999,275	1,100,000	57,273	To Suayap POM
Fiber	2,286,974	21,905,421	2,257,864	21,882,300	-	-	-

- Empty Fruit Bunch application for period of October 2014 for the land:

Estate	Afdeling	Luas (Ha)	Jumlah Aplikasi (Ton)	
			Bulan ini	Sampai bulan ini
SGE	OH	306	-	6,924.12
	OI	429	1,025	9,974.12
	OJ	138	896.61	4,088.59
	OK	102	-	3,156.21
RGE	OC	87	644.67	1,622
	OD	62	-	-
	OG	60	1,030	1,030

- Report of effluent application for period of October 2014:

Block of Application	Pump Capacity	Total of HM	Debit
15 OD RGE	29.91	260	7,778.1 M <sup>3</sup>

**Status:**

#### 5.4

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

Record of shell utilization monitoring on Selangkun POM for period of January – October 2014.

Month	Shell Production (ton)	Shell Usage (Ton)	Ton/Processed FFB of Shell Production	Ton/Processed FFB of Shell Usage
January	1,379.26	1,207.61	6.37	5.58
February	1,304.51	911.92	6.57	4.59
March	1,466.66	1,277.97	6.46	5.63
April	745.07	697.64	6.35	5.94
May	1,343.66	983.48	6.61	4.84
June	1,021.45	813.91	5.84	4.65
July	1,226.01	977.04	6.88	5.49
August	1,472.44	1,122.17	7.00	5.33
September	1,135.54	807.23	6.60	4.69
October	1,429.50	1,200.29	6.96	5.85
<b>Total / Average</b>	<b>12,524.10</b>	<b>9,999.27</b>	<b>6.58</b>	<b>5.25</b>

Shell Energy = 6,907 kal/gr; 1 kal = 4.2 Joule equal to 29 Megajoule/Ton, therefore, shell average production is 190.82 MJ/Ton of the processed FFB. Meanwhile the energy of shell usage is 152.25 MJ/Ton of the processed FFB.

Rekaman monitoring penggunaan fiber PKS Selangkun periode Jan – Okt 2014

Month	Fiber Production (ton)	Fiber Usage (Ton)	Ton/Processed FFB of Fiber Production	Ton/Processed FFB of Fiber Usage
January	2,382.71	2,375.29	11.00	10.97
February	2,185.72	2,185.72	11.00	11.00
March	2,677.97	2,646.79	11.80	11.66
April	1,413.95	1,451.78	12.05	12.37
May	2,479.31	2,495.45	12.19	12.27
June	1,932.15	1,935.03	11.04	11.06
July	1,994.87	1,964.90	11.20	11.03
August	2,520.83	2,538.54	11.98	12.07
September	2,030.94	2,030.94	11.81	11.81
October	2,286.97	2,257.86	11.14	11.00
<b>Total / Average</b>	<b>21,905.42</b>	<b>21,882.30</b>	<b>11.51</b>	<b>11.49</b>

Fiber Energy = 3,787.51 kal/gr; 1 kal = 4.2 Joule equal to 15.91 Megajoule/Ton, therefore, fiber average production is 183.12 MJ/Ton of the processed FFB. Meanwhile the energy of fiber usage is 182.81 MJ/Ton of the processed FFB.

Mill management unit is not showing the record of petroleum fuel on the process of palm oil processing stage along with the efficiency analysis. **Nonconformity 2014.13.**

*Auditor Observation:*

**February 28<sup>th</sup> 2015**

Selangkun POM management unit has informed the record of petroleum fuel usage, diesel fuel efficiency, and CO2 emission reduction for period of 2013 and 2014.

According to the corrective action, **the Minor NC 5.4.2 is now CLOSED.**

**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.**

During the audit, the company is not conducting replanting program yet. Therefore, there is no documentation of analysis for the land preparation and replanting. The company has committed to implement zero-burning principle. It is written on the SOP of land fire handling in SOP number – EHS.GN – 013.

The company conducts land clearing mechanically. It is supported by the SOP of land clearing in SOP document number SOP-KBN.GN-001 dated August 1<sup>st</sup> 2014. It has been signed by the COO of Plantation.

According to the result of interview with the Senior Assistant of Pulau Estate, the stages of land clearing is conducted mechanically by stacking and also spraying the blanket if there is weeds. The land should be then planted with LCC MB to maintain soil fertility.

The company has identified and appoint personnels in charge of the emergency situation. The personnels appointed on the emergency response organization are:

- SGE: leader (Abdul Hafiz N), first aid team: 7 personnels, land fire handling team: 14 personnels, evacuation team: 7 personnels. The description of each team responsibility is available.
- RGE: leader (Ahmad Kursani), first aid team: 7 personnels, land fire handling team: 7 personnels and evacuation team: 7 personnels.

The company has hold fire extinguishing simulation and drill. For example:

- Report of SGE drill. The drill was held in October 14<sup>th</sup> 2014. It was attended by 9 participants. Evaluation, photographs, and attendance list is available. There is no land fire simulation yet.
- RGE: the housing complex fire extinguishing drill was held on August 28<sup>th</sup> 2014. It was attended by 18 participants. There are scenario, evaluation and event photographs.

Selangkun Estate has conducted housing complex fire extinguishing simulation. However, there is no evidence of the land fire

extinguishing simulation yet. **Nonconformity number 2014.14**

*Auditor Observation:*

**February 28<sup>th</sup> 2015**

Selangkun Estate has shown the evidence of corrective action such as report of land fire extinguishing drill on November 9<sup>th</sup> 2014. The training was participated by 9 participants. Program evaluation and its recommendation is available. The company is also attaching attendance list and photograph of the program. Therefore, **Major NC 5.5.3 is now CLOSED.**

The company has provided facilities to deal with emergency situation. For example:

- SGE : machine chainsaw: 1 unit, hose 1,5 in 100 feet: 5 pcs, nozzle 1,5: 2 pcs, mobile pump and tool box: 3 units, personnels fire panzer: 1 unit, handy-talki: 1 unit, radio rig (organic): 1 unit, whistle: 1 unit, patrol bike: 1 unit, machete: 1 unit, flashlight: 1 unit, fire extinguisher: 44 units, alarm: 1 unit and schedule guard.
- RGE : fork: 1 unit, peat injection: 1 unit, hose of main pump 2,5 in 100 feet: 1 unit, nozzle 1,5 in task force: 4 units, mobile pump: 2 units, mobile pump hose: 7 pcs, personnel fire panzer: 5 units, handy-talki: 20 units, radio rig 3 units, first aid kit, helm: 7 pcs, wear pack: 7 pcs, boots: 7 pair, glass: 7 pcs, farm traktor: 1 unit, binocular 1 unit, patrol bike: 1 unit, fire extinguisher: 51 unit, alarm: 2 and schedule guard.
- SG POM: there are 7 unit of hydrants, fire extinguishers, and map of evacuation.

**Status: COMPLY**

**5.6**

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

The company has had SOP of Environment OHS monitoring and test to manage air pollution. The scope of the SOP is the air pollution including dust, emission, and ambient air.

The company has procedure of non-moving disturbance handle in form of SOP of Environment OHS monitoring and test (Document number SOP-EHS.GN-007), April 10<sup>th</sup> 2012. It contains the monitoring of noise level, brightness level, vibration level, and heat stress level.

The company has the record of the test for periof of January – June 2014:

**Air quality test (emision and ambient)**

No	Parameter	Unit	In front of Selangkung Mill Office	Main Road of Selangkun POM	NAB Government Regulation number 41/1999
1	SO2	ug/Nm <sup>3</sup>	84.75	60.50	365
2	CO	mg/m <sup>3</sup>	4008.00	4924.34	10000
3	NO2	ug/Nm <sup>3</sup>	1.10	3.32	400
4	TSP	ug/Nm <sup>3</sup>	126.60	109.53	230
5	Dust	ug/Nm <sup>3</sup>	46.30	53.20	150

According to the result of the test of PT Anugrah Analisis Sempurna (No. AAS.LHP.XI.2013.0368, dated November 13<sup>th</sup> 2013), there is no ambient air quality parameter exceeding quality threshold refer to the Government Regulation number 41/1999 in term of air pollution control.

**Emission and generator air quality Estate & POM**

No	Parameter	Unit	Result					NAB Generator	NAB Boiler
			SGE	RGE	Number 1 of SG POM	Number 2 of SG POM	Boiler of SG POM	Environment ministry regulation number 21 year 2008	Environment Ministry Regulation number 7 year 2007
1	Opacity	%	10	10	0,10	0.10	<20	20	30



2	NO2	mg/m <sup>3</sup>	407	590	954	559	242	1.000	800
3	SO2		71	106	197	94	43	800	600
4	CO		261	583	96	588	232	600	-
5	Partikulat Bas		65,40	43,6	43,20	65,80	102.30	150	300
6	Laju Alir	m/s	17,40	21,40	26,30	31,20	0.21		-

According to the result of the test conducted by PT Anugerah Analisis Sempurna, there is no generator emission exceeding the quality threshold refer to the Environment Ministry Regulation number 21 year 2008 for the generator test and Environment Ministry Regulation number 7 year 2007 for the boiler emission test.

The odour and noise tests are conducted by referring the Environment Ministry Regulation number 50 in term of odour quality threshold. The test is conducted by cooperating with PT Anugerah Analisis Sempurna, the result if as follow:

No	Parameter	Unit	REsult	NAB
1	Amoniak (NH3)	PPM	<0.001	2
2	Hidrogen Sulfida (H2S)	PPM	<0.004	0.02
3	Metil merkaptan	PPM	<0.0004	0.002
4	Metil Sulfida	PPM	<0.0005	0,01
5	Stirena	PPM	<0.05	0,1

Noise test is conducted by referring the Manpower Ministry Regulation number 13 year 2014 in term of chemicals and physical property within work place by cooperating with PT Anugerah Analisis Sempurna, the result if as follow:

Parameter	Property	NAB	Hasil						
			Generator of POM 1	Generator of POM 2	Boiler	Generator of Selangkun Estate	Generator of Rungun	Loading Ramp	Kernel Station
Noise	dBA	85	97	96.10	79.30	72.60	72.50	-	-
Vibration	m/s	<2	-	-	0.60	-	-	0.70	0.70

According to the document review, there is noise test exceeding quality threshold in POM 2 and POM 2 generator. Therefore, the company shall evalutate the result. The company shows the formulir of nonconformity, corrective action and preventive action number 006/NCR-LHP/EHS/2014 dated September 29<sup>th</sup> 2014 in term of the result of noise test of generator. The corrective action taken by the company is by providing proper PPE, the preventive action taken by the company is by socializing it to the employees regularly. The company attaches official record of PPE distribution to the employees.

The company has handled the non-moving disturbance. For example, conducting inspection and maintenance over the FFB processing equipments, distributing earplug, monitoring the environment quality (air quality such as emission and ambient) each semester and utilizing solid waste (fiber and shell) as boiler fuel and calculating the efficiency of petroleum fuel.

The company has:

**SOP for Effluent Management**

- SOP of waste management (document number SOP-PKS.GN-007), September 1<sup>st</sup> 2011. Effluent management is conducted with stages such as Fat Pit, Cooling Pond, Deoling Pon, Netralization Pond, Anaerob and Setting Pond. Selanjutnya limbah cair dialirkan ke Land Aplikasi.
- SOP of effluent analysis (document number SOP-PKS.GN-009), September 1<sup>st</sup> 2011. Analysis of effluent covers parameters such as pH, BOD, COD, TSS, N-NH3, Oil & Grease

**LA Permit**

The company has had permit of effluent on soil of PT SSS refer to decree of West Kotawaringin Regent number 660/05/BLH.IIIII/III/2014 dated March 20<sup>th</sup> 2014. It valid for 1 year.

**Waste Quality**

The company has tested the effluent routinely (monthly) by cooperating with PT Unilab Perdana. The laboratory has been accredited by National Accreditation Commission in number LP-195-IDN. The company is not conducting effluent quality test of inlet pond referring the guidance of environmental management and monitoring plan. **Nonconformity number 2014.15**

*Auditor Observation:*

**March 17<sup>th</sup> 2015**

According to the result of consultation between PT SSS and Regional Environment Agency on February 9<sup>th</sup> 2015. There is no need to conduct effluent quality test due to the unavailability of guidance to do such a thing at the environmental management and monitoring plan.

**Therefore, the Minor NC 5.6.2 is CLOSED.**

**Status: COMPLY**

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

**6.1**

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

document of environment owned by Selangkum POM unit is the document of EIA on 2006 for the establishment of PT SSS Estate and POM in South Arut Sub-District (Runtu Village, Rangda Village, and Kenambui Village) and Kotawaringin Lama Sub-District (Lalang Village, Kondang Village, and Rungun Village), West Kotawaringin District, Central Kalimantan Province with hectarage of 19,842.49 Ha and POM capacity for 90 ton of FFB / Hour (refer to the decree of West Kotawaringin Regent number 11 year 2006, dated August 3<sup>rd</sup> 2006). According to the document, there are environment and social positive and negative aspect divided into 2 parts. For example:

1. Construction:
  - a. Estate construction, covers:
    - Employee recruitment
    - Heavy equipment mobilization
    - Land clearing
    - Estate road construction
    - drainage network construction
    - Soil layer plants planting
    - Nursery
    - Land preparation
    - Palm oil planting
    - Immature plant maintenance
  - b. Mill construction
    - Land clearing
    - Equipment mobilization and installation
    - WWTP construction
    - Infrastructure and supporting network construction
2. Operations stage:
  - a. Mature plant maintenance:
    - Pest, disease and weed control.

b. Mill's operational:

- FFB transport
- CPO processing
- Waste handling
- CPO transport

Method of data collecting is conducted by spreading questionnaire, interviewing the respondent structurally (*indepth interview*) such as community figure in *purposive sampling*. Locations of the monitoring are Rangda Village, Sulung Village, Kenambui Village, Runtu Village, South Arut Sub-District, and Rungun Village, Lalang Village, and Kondang Village, Kotawaringin Lama Sub-District.

There is an attachment of the advise from several parties such as the associated agencies and chief of village/community representatives of the area nearby estate during the discussion of draft of document of EIA, environmental management and monitoring plan of PT SSS estate and mill establishment.

The company has the record of Social Impact Assessment (SIA) which was composed with PT. Sonokeling Akreditasi Nusantara on 2013. There is a report of PT SSS environmental management and monitoring plan of 2<sup>nd</sup> Semester (July – December 2013) and 1<sup>st</sup> Semester (January - June 2014). The social impact management and monitoring is described on the report. The monitored and managed social impacts are job opportunity and business opportunity and prevalence and disease incident.

There is a record of report of company social responsibility to create harmonic relation in order to support the development of the nearby community such as infrastructure, education and health.

There is document of environmental management and monitoring effort of PT SSS for period of 2011 for the additions of palm oil mill in Rangda Village, South Arut Sub-District, West Kotawaringin District, with capacity of 90 ton of FFB/hour. The recommendation from West Kotawaringin District Environment Agency number 660/436/BLH.II/VIII/2011, dated August 15th 2011.

The document contains:

1. Future environment impact which is divided into:
  - Pre construction stage:
    - a. Land acquisition
    - b. Land cleaning and preparation
    - c. Construction workers recruitment
  - Construction Stage:
    - a. Road construction
    - b. Construction materials and equipments transport
    - c. Facility construction
  - Operational stages:
    - a. Workers recruitment
    - b. Coming of FFB transport truck
    - c. FFB load and unload
    - d. CPO truck goes out
  - Post operationals stage
  - Conclusion of the appears future environment impact
2. Environmental management and monitoring program  
Environmental management effort
  - Pre construction stage
    - a. Nearby community negative perception impact
    - b. Nearby community positive perception impact
    - c. Land cleaning and preparation impact
    - d. Construction workers recruitment impact
  - Construction stage

- a. Impact of the disturbance over the traffic nearby construction site.
- Operational stage
  - a. Impact of the coming in and out of FFB transport truck
  - b. Impact of social jealousy
  - c. Impact of underground water quality reduction
  - d. Impact of the disease vector (fly, cockroaches and rat)
  - e. Impact of noise increase
  - f. Impact of air pollution (pollution)

Environmental monitoring effort

- Pre construction stages
  - a. Nearby community negative perception impact
  - b. Nearby community positive perception impact
- Construction stage
  - a. Impact of the disturbance of traffic nearby construction site
  - b. Work accident risk impact for the construction workers
- Operational stage
  - a. Impact of the coming in and out of the FFB transport truck
  - b. Impact of the social jealousy
  - c. Impact of the underground water quality reduction
  - d. Impact of the disease vector (fly, cockroaches and rat)
  - e. Impact of the noise increase
  - f. Impact of the air pollution (pollution)

Letter sent by the Head of West Kotawaringin District Environment Agency number 660/708/BLH.III/IX/2014 dated September 26<sup>th</sup> 2014 in term of environment permit proposal. It was a letter to respond proposal sent by PT SSS number 051/DU-LK3/SSS-EXI/VIII/2014 dated September 2<sup>nd</sup> 2014 in term of environment permit proposal. The crucial point of the letter for Selangkun POM with capacity of 90 ton of FFB/hour is that the document of PT SSS environmental management and monitoring effort is no longer need to be extended referring the government regulation number 27 year 2012 in term of environment permit which has been implemented since February 23<sup>rd</sup> 2012. Specifically on clause 73 which describes that the environment document approved by referring to the previous regime is considered valid and equal as environment permit.

The company has shown the evidence of environmental management and monitoring effort attached with the report of environmental management and monitoring plan of 2<sup>nd</sup> semester on 2013 and 1<sup>st</sup> semester of 2014 on:

1. West Kotawaringin District Environment Agency on February 24<sup>th</sup> 2014 and July 23<sup>rd</sup> 2014.
2. The Head of Central Kalimantan Province Environment Agency on February 26<sup>th</sup> 2014 and July 23<sup>rd</sup> 2014
3. Environment Ministry on July 23<sup>rd</sup> 2014

The Social Impact Assessment in nucleus estate and scheme smallholder of PT SSS has been assessed by Sonokeling Akreditasi Nusantara.

According to the document of SIA on Sept 2012, there is identification of impact over the scheme of smallholders that is not yet recognized by the community transparently (conflict potential). It will be then recommended to be corrected by conducting guidance and socialization. According to the interview with Mr Syafril Gusnadi (Staf PT SSS Scheme Smallholder), there is no evaluation over scheme smallholder system.

**Status: COMPLY**

**6.2**

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

The company has procedure of communication and consultation with the locals (SOP LEGAL GN-013) on June 15<sup>th</sup> 2012.

1. Objective: in order to provide guidance and method of the implementation of communication and consultation with

the community for creating communication and consultation system with the community. It is expected to create harmonic and sustainable relation between both parties.

2. The procedure of communication and consultation with the community must follow the stages as follows:
  - a. Analyzing the suggestion, respond, complaint or demand of the community that needs further discussion.
  - b. Coordinating with the locals to create assembly schedule in order to open communication and consultation.
  - c. Informing the company policy to the community and discussing it with the community and then inform the result to the company management.
  - d. Conducting socialization and stages to follow up the result of discussion with the community.

There is procedure of company social responsibility in SOP-CCM.GN-001 on August 1<sup>st</sup> 2012.

- a. Objective: as guidance on the implementation of CSR program to be more effective and accurate.
- b. Implementation of CSR Program:
  - CSR programs that will be conducted are education program, people economy improvement program, assistance on medical, environment program, natural disaster assistance.
  - CSR programs are composed based on the priority scale of the community nearby company operational area
  - Community priority scale is determined by surveying and researching and coordinating with the stakeholder of the locals.

According to the result of interview with CSR staff, the communication with the locals is conducted by phone or face to face. The result of the assembly is then written on the letter or proposal by the locals.

The company has the example of record of the community aspiration. For example, the result of forum between CSR coordinator and the village community and chiefs of Sulung and Kenambui village in term of proposal of aquaponic-integrated fishpond in Sulung Village, Kenmbui Village, and Rangda Village on October 11<sup>th</sup> 2014. The result of forum is then written on the proposal of the village to the company (letter of Chief of Sulung Village number 140/04/DS-AS/X/2014 dated October 16<sup>th</sup> 2014 and chief of Kenambui Village number 140/10/DK/X/2014 dated October 14<sup>th</sup> 2014.

The list of stakeholders owned by PT SSS are West Kotawaringin District (Regent), West Kotawaringin District Manpower Agency (Guide level I), West Kotawaringin District Environment Agency (Head of Environment Agency), West Kotawaringin District Orang Utan Foundation (Liaison Officer), West Kotawaringin District Regional Natural Disaster Control (BPBD) (Head of Regional Natural Disaster Control), West Kotawaringin District Plantation Agency (Director of Conservation Area), KKSDA SKW II (Head of Division), Kumai Sub-District (Head of Sub-District), community figure of Sulung Estate, Selangkun Estate, Rungun Estate, Pulau Estate, Kenambui Estate, Rangda Estate, and Kondang Estate.

According to the CSR staff, the list has been communicated with the stakeholder, it is shown by the attendance list and the photographs of the associated event.

The company has the example of record of the community aspiration. For example, the result of forum between CSR coordinator and the village community and chiefs of Sulung and Kenambui village in term of proposal of aquaponic-integrated fishpond in Sulung Village, Kenmbui Village, and Rangda Village on October 11<sup>th</sup> 2014. The result of forum is then written on the proposal of the village to the company (letter of Chief of Sulung Village number 140/04/DS-AS/X/2014 dated October 16<sup>th</sup> 2014 and chief of Kenambui Village number 140/10/DK/X/2014 dated October 14<sup>th</sup> 2014.

According to the procedure of the communication and consultation with the locals (SOP-LEGAL.GN.-013 effective since June 15<sup>th</sup> 2012), the estate manager is responsible to receive and compose complaint expressed by te community and coordinating with the Community Development Officer (CDO) in head office of Pangkalan Bun to discuss the respond over the consultation and communication with the locals (as described on point 5).

The well trained officer on the consultation and communication with the community is CSR staff (Kharis Nuryanto) and the CSR program is composed by Departement of Corporate Communication.

**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.**

PT SSS-Selangkun POM has had procedure to receive the complaint orally or in writing to the management unit. It will be then recorded on the incoming letter. According to the procedure of communication and consultation with the community (SOP-LEGAL.GN.-013), the communication and consultation with the community is described on point 6 by referring the terms below:

- Analyzing the suggestion, advise, complaint or even demand of the locals which needs immediate discussion and handle.
- Determining company policy over the suggestion, advise, complaint or demand of the community.
- Cordinating with the community to compose assembly schedule in order to open communication and consultation route.
- Informing the company policy to the community and discussing it together with the community.
- Analyzing and concluding the discussion materials. It will be then informed to the company management.
- Conducting socialization to follow up the result of discussion with the community.

There is procedure of land conflict resolution (SOP-LEGAL.GN-014). The procedure is considered as the reference for solving land dispute with several parties. According to point 6 of the procedure, the procedure is considered as the reference for solving the land dispute for any company under PT. Citra Borneo Indah.

According to the result of document verification and interview with the community of the villages nearby (Rangda and Rungun Village), there is no complaint over the estate and mill operational untill ST-2 audit. It is supported by the information from the associated agencies of West Kotawaringin District such as Environment Agency, Forestry Agency, Manpower Agency, and National Land Agency.

**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.**

PT SSS-Selangkun POM has shown the record of compensation process. For example:

**Selangkun Estate**

- Official record of map verification of land compensation proposal of PT SSS on behalf of Arfian on January 28<sup>th</sup> 2014.
- Map of land location
- Official record of negotiation of land compensation on behalf of Arfian. It was signed by the land owner, the company representatives and the witnesses on January 13<sup>th</sup> 2014.
- Receipt of payment from the management to the land owner (Supiani). The payment is shall be conducted on February 20<sup>th</sup> 2014 (sealed with law seal of IDR 6,000). The payment amount is written.
- Photographs of compensation payment.

**Rungun Estate**

- Map of plan of land acquisition of the land belong to Supiani (in scale 1: 6,000) dated December 5<sup>th</sup> 2014.
- Declaration letter of Supiani (land owner). It was signed by the land owner and the chief of village and the witnesses (sealed with law seal of IDR 6,000) dated December 19<sup>th</sup> 2009.
- Waiver of land right belongs to Supiani for 2.55 Ha of land compensation (total of land compensation is IDR 1,275,000 and the total of growing plants compensation is IDR 3,060,000)

Receipt from the management to the land owner (Supiani). The payment was conducted on January 23<sup>rd</sup> 2014 (sealed in law seal of IDR 6,000). The payment amount is written.

**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.**

The company has implemented regulation of the minimum wage standard for permanent daily workers and monthly daily workers as follows

- There is decree of Central Kalimantan Governor number 188.44/950/2013 in term of district minimum wage standard and district sectoral minimum wage standard for period of 2014 on November 21<sup>st</sup> 2013. The decree is valid since January 1<sup>st</sup> 2014. According to the point 1, the minimum wage standard for period of 2014 is described as follows:
  1. District Minimum Wage Standard is IDR 1,789,066,-
  2. District Sectoral Minimum Wage standard is IDR 1,878,519,-
- There is letter sent by West Kotawaringin District Manpower Agency on December 16<sup>th</sup> 2013 number 3059/DTT/HIP-HI/XII/2013 in term of the decree socialization number 188.44/950/2013 in term of minimum wage standard (district/district sectoral) to the president director of PT. CBI Group. PT. CBI Group is requested to implement new minimum wage standard started from January 2014.
- There is internal memo from the director of personnel number No. 0067/CBI-HR/I/2014 dated January 13<sup>th</sup> 2014 to entire PT CBI employees and cc to President Director; COO; CFO; Reg. Head I; Reg. Head II; entire Head of department.; entire Estate Manager in term of district sectoral minimum wage standard for period of 2014. For example:
  1. According to the decree of Central Kalimantan Governor number 188.44/950/2013 in term of district minimum wage standard and district sectoral minimum wage standard for period of 2014 in West Kotawaringin, the increase of wage is valid since on January 1<sup>st</sup> 2014. The implementation is shall be conducted in March 1<sup>st</sup> 2014.
  2. The difference of wage for period of January and February is shall be added on March 2014.
- Decree of management number 354/SSS-HRD/SK/III/2014 dated March 5<sup>th</sup> 2014 in term of adjustment of monthly employee (non-staff). The letter determines:
  1. Adjusting temporary daily labour for IDR 75,150.
  2. Wage of temporary daily labour is based on workers attendance.
  3. Adjusting permanent daily labour for IDR 1,878,519 per month.
  4. The wage of permanent daily labour for IDR 1,878,519 is fully paid if they work for one full month.
  5. The permanent daily workers are not allowed to bunk off if they want their wage to be fully paid.
  6. The bunking off employee (permanent daily worker) wage is will be deducted with the calculation:  $(1/\text{number of day}) \times \text{number of bunking off}$
  7. The deduction will be adjusted according to the number of the workday in a month.
  8. The less of wage amount for period of January and February that will be calculated on March 2014 is only for the daily wage-based only.

According to the example of wage letter on October 2014, there is no employee receives underpayment wage. For example:

1. Sandi Permana, status K0, position: Boiler Boiler, type: monthly worker, work day: 30 days, overtime premium: 154.5 hours. Detail of wage: basic wage, natura allowance, overtime, labour social assurance allowance, and income tax 21 allowance.
  2. Martensyah, status K1, position: heavy equipment operator, type: permanent daily worker, work day: 30 days, overtime premium: 149,5 hours. Detail of wage: basic wage, natura allowance, overtime, labour social assurance allowance, and income tax 21 allowance.
  3. Syahrudin, status K1, position: security, type: permanent daily worker, work day: 26 days. Detail of wage: basic wage, natura allowance, overtime, labour social assurance allowance, and income tax 21 allowance.
  4. Slamet Rahardjo, status TK, position: production clerk, permanent daily worker, work day: 26 days, overtime premium: 87 hours. Detail of wage: basic wage, natura allowance, overtime, labour social assurance allowance, and income tax 21 allowance.
  5. Bekti Santoso, status K0, position: foreman processing operator, golongan BLN, type: permanent daily worker, work day: 30 days, overtime premium: 256 hours. Detail of wage: basic wage, natura allowance, overtime, labour social assurance allowance, and income tax 21 allowance.
- There is regulation of PT SSS which has been legalized by the Head West Kotawaringin District Manpower Agency number KEP.3077/DTT/HIP-HI/XII/2013 on December 15<sup>th</sup> 2013. The regulation is valid since December 15<sup>th</sup> 2013 untill December 14<sup>th</sup> 2015.
  - The regulation contains: employee right and obligation (clause 6), company right and obligation (clause 7), conflict of interest (clause 8), employee recruitment and placement (clause 9), general requirement of employee recruitment (clause 10), employee status (clause 11), probation (clause 12), employee rotation and mutation (clause 13),

temporary placement (Pasal 14), workhour (clause 15), attendance (clause 16), work discipline (clause 17), warning letter (clause 18), warning letter list (clause 19), temporary contract termination (clause 20), contract termination: dead employee (clause 22), resigning employee (clause 23), end of contract of employee (clause 24), low standard employee (clause 25), employee is not able to work or sick in a long period (clause 26), employee contract is terminated by the company (clause 27), approaching retirement period (clause 28), rationalization (clause 29), severance (clause 30), employee obligation fulfilment (clause 31), annual day off (clause 32), childbirth day off (clause 33), menstruation day off (clause 34), permission for not working (clause 35), holiday (clause 36), pilgrimage day off (clause 37), waging system (clause 38), wage review (clause 39), annual bonus (clause 40), overtime (clause 41), position and degree (clause 42), wage during long period sick (clause 43), wage during conducting state obligation (clause 44), wage during temporary contract termination (clause 45), family assistance during the law business (clause 46), religious feast allowance (clause 47), medical allowance (clause 48), glass allowance (clause 49), labour social assurance (clause 50), marriage donation (clause 51), mourning allowance (clause 52), cooperative unit business (clause 53), protection and law assistance (clause 54), business travel (clause 55), training and development (clause 56), employee complaint resolution (clause 57), guidance of implementation of additional regulation (clause 58), closing terms and agreements (clause 59).

- Rungun estate has conducted socialization of company policy on October 3<sup>rd</sup> 2014 in term of company vision (chapter 1 clause 4), employee right and obligation (chapter II clause 6), work discipline (chapter V clause 17), protection and law assistance (chapter IX clause 54). Socialization was attended by 50 harvesters and 25 plant maintenance workers.
- The socialization over the company regulation was conducted on November 17<sup>th</sup> 2014. The socialization was in term of chapter IX such as social and welfare assurance (religious feast allowance, labour social assurance, medical allowance, marriage donation, mourning donation, protection and law assistance, and business travel). The socialization was conducted during morning briefing in Rungun Estate office. It is supported with photographs and attendance list.

The facilities provided by PT SSS are as follows:

Rungun Estate:

- Afdeling Charli: housing complex of G10 (4 units), water tank (1 unit), generator house (1 unit), daycare (1 unit), baby swing (3 pcs), mosque (1 unit), Radio Riq Alinco and antena (1 unit), chemist station (1 unit), soccer field (1 unit).
- Afdeling Delta: housing complex of G10 (10 unit), daycare (1 unit), baby swing (8 pcs), mosque (1 unit), volley court (1 unit), badminton court (1 unit), soccer field (1 unit).
- Afdeling Echo: housing complex of G10 (2 unit), generator station (1 unit), water tower (1 unit), daycare (1 unit), baby swing (3 unit), mosque (1 unit), soccer field (1 unit).
- Afdeling Fanta: housing complex of G10 (2 unit), generator station (1 unit), water tower (1 unit), daycare (1 unit), baby swing (3 pcs), chemist station (1 unit).
- Afdelinmg Golf: housing complex of G10 (5 unit), generator station (1 unit), water tank (1 unit), chemist station (1 unit), mosque (1 unit), daycare (1 unit), baby swing (7 pcs), badminton court (1 unit)

Selangkung Estate:

- Permanent house of G1 Permanen (2 units), permanent house of G2 (3 units), permanent house of G4 (3 units), permanent house of G6 (1 unit), semi-permanent house of G6 (3 units), house of G10 (20 units).
- Badminton court (1 unit), soccer field (1 unit), estate policlinic (1 unit), school (2 units), mosque (1 unit), school bus (1 unit)

Selangkun POM:

- Housing complex of G10 (10 unit), daycare (1 unit), baby swing (8 pcs), mosque (1 unit), Radio Riq Alinco + Antena (1 unit), volley court (1 unit), badminton court (1 unit), soccer field (1 unit).

According to the result of interview with management unit, the facilities provided by PT SSS are well maintained (damage is shall be immediately repaired). However, according to the field visit, the facilities in daycare are not well maintained (damage fence, baby swing, and dusty yard). According to the interview with the emplacement settler in Selangkung Estate, the damaged is shall be immediately repaired. Ironically, the settler of Rungun Estate states the other way around (housing complex damage report is not responded immediately. Therefore, several estates is fast responding the damage while others are not.

According to the cooperative agreement letter between contractor and the company, there are rights and obligations of both parties. For example, on the construction of 2 units of ponds of fat fit with capacity 350 M<sup>3</sup> in Sulung and Selangkun POM between PT SSS and PT Karyatama Unggul Sejahtera number 82/LGL/Eng.US/SSS-KUS.006/VIII/2014 dated August 4<sup>th</sup> 2014. The agreement requires contractor to comply several regulations. For example:

1. The contractor has to equip their workers with the equipments required on the statute of occupational health and safety, labour social assurance (Jamsostek), and other insurance in term of manpower (clause 5 verse 9).
2. Contractor has to comply the regulation of occupational health and safety refer to the statute of occupational health and safety number 1 year 1970, decree of Manpower Ministry Number 187/MEN/1999 Clause 10, 11 and 12, OHSAS 18001, and ISO 14001, and the recommended PPE to be used refer to the Manpower Ministry Regulation number 05/MEN/1996, dated December 12<sup>th</sup> 1996, technical guidance of OHSMS, Manpower Ministry Number 08 on 2010 in term of Personnel Protective Equipment (APD) and OHSAS 18001.
3. The contractor has to employ safety officer to ensure the work and responsible for the safety work practice, company facilities and equipments, and the environment to do work.

**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.**

The company has shown the decree of President Director of PT. Citra Borneo Indah in term of manpower in each business unit affiliated to Citra Borneo Indah Group number: 0062/DIR-SK/CBI-IN/VI/2012, dated June 18<sup>th</sup> 2012. According to point 2, the company gives total freedom to unit and form union as long as no rule broken at its implementation. The company also supports the establishment of employee cooperative unit as a place to develop their economy awareness as long as referring the company and state economy principles.

The evidence of the record of routine (each semester) report of bipartite cooperative institution has been shown. According to the report, there is decree of the Head of West Kotawaringin District Manpower and Transmigration Agency (Number: KEP.010/DTT/HIPK-HI/2014) in term of PT SSS bipartite cooperative institution on January 3<sup>rd</sup> 2014. It describes the changes on PT SSS bipartite cooperative institution structural changes as follows: Leader (Muhammad Wahidul Malik/ The company representative); Vice-Leader (Listiyono/workers representative); Secretary (Bakti P.H/The company representative), Vice-Secretary (Ade Setiawan/ workers representative). The evidence of the assembly discussing changes on bipartite cooperative institution structure has been shown. The document is consisted of coordination assembly attendance list and socialization in term of bipartite cooperative institution on January 8<sup>th</sup> 2014 in Learning Institute. It was attended by 19 participants consisted of estate manager, staff, estate assistant, mill staff, the head of administration.

**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.**

The company has policy in term of workers minimum age requirement referring the applied regulation. For example:

- Policy in term of workers age requirement / child protection: there is Internal Memo, IM-006/COO Plantation-PBN/CBI/VI/2012, dated June 16<sup>th</sup> 2012.
- There is decree of the President Director of PT. Citra Borneo Indah in term of manpower in each business unit affiliated to Citra Borneo Indah Group number: 0062/DIR-SK/CBI-IN/VI/2012, dated June 18<sup>th</sup> 2012. According to Point 3, the company build school within company operational area and prohibits underage workers (<18 years old) and providing daycare and breastfeeding room within company operational area in order to support government school obligation program.
- Policy of workers age of PT SSS for period of 2013 – 2015 is written on the clause 10 in term of general requirement of employees. According to the verse 2, the recruited workers must be at least 18 years old when they are recruited by the company.

Policy Implementation:

According to the result of observation and interview with harvester and plant maintenance workers, there is no underage workers.



Status: **COMPLY**

**6.8**

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

The company has SOP of employee recruitment in SOP Number – PERS.GN – 001 which is composed, reviewed, approved and implemented by top management. It was effectively implemented since September 1<sup>st</sup> 2011. The summary of SOP are:

- a. For the daily workers, the head of assistance shall recruit the workers by interviewing the future workers. If the result satisfy him, the future workers are shall be accepted.
- b. For the non staff and staff employee, the head of recruitment division shall request the future employees who has sent letter to participate on selection. The future employee shall fill the fomulir. The accepted and non-accepted future employees (based on the result of the test) are will be informed by the Department of Personnel through letter of selection notification F (F – evaluation of the interview result).
- c. Policy in term of equal opportunity and treatment for entire worker of PT SSS is described on company regulation on chapter III clause 9 in term off employee recruitment and placement. It states that the employee recruitment is based on principle of professionalism regardless race, tribe, religion, and group.

Evidence of the policy implementation:

According to the result of document observation (employee data base), the workers is consisted of several ethnic and religions. Furthermore, the company also has procedure of career path for the high-dedication and capability employees.

Rungun Estate

- According to the monthly report on October 2014, the employees is consisted of staff: 8 workers, non-staff: 17 workers, permanent daily labour: 152 workers, temporary daily labour: 342 workers. Therefore, total of employees is 519 workers.
- Religion: Islam (479 workers), Christian (40 workers).
- The employees came from several region such as Banjarnegara, Bantul, Banyumas, Belawan, Berabai, Berain Daye, Bile Kere, Belcong, Blitar, Bonyolali, Brebes, Ciamis, Cilacap, Cirebon, Dahian Tunggal, Demak, Dampo, Doreng, Flores, Gambut, Garut, Grobogan, Gunung Kidul, Hebar, Jakarta, Jember, Karang Baru, Karang Anyar, Karawan, Karang, Kebumen, Kendal, Ketapang, Klaten, Kloang Popot, Kobar, Kotabumi, Kotawaringin, Kumai, Lajawolo, Lampung, Langko, Lombok Hilir Dan Tengah, Lumajang, Madura, Magelang, Malang, Monte, Muncar, Nanga Buktik, Ngawi, Palembang, Pangkalan Bun, Pangkalan Nesit, Pemalang, Pembuang Hulu, Pring Sewu, Purbalingga, Purworejo, Rangda, Rungun, Salatiga, Sampit, Sei Bakau, Semarang, Serang, Sidomuncul, Sleman, Sorong, Sragen, Sukabumi, Sukoharjo, Sulung, Sumber Agung, Sungai Bakau, Sungai Cabang, Tanjung Rantang, Temanggung, Trenggalek, Tulung Agung, Waidahi, Wolokoli, Wonogiri, Wonosobo, and Yogyakarta.
- Education: S1 (5 workers), D3 (1 worker), D2 (1 worker), High School (81 workers), Secondary School (37 workers) and Elementary School (394 workers).

Selangkun Estate:

- Number of monthly employee 27 workers (23 non local worker and 4 locals), staf; 8 workers, permanent daily workers: 189 workers (181 non local workers and 8 locals) and temporary daily workers: 282 workers (266 workers and 16 locals). Therefore, total of employees is 506
- The employees came from several region such as Aceh Utara, Ambon, Banjarnegara, Banyuwangi, Barubai, Batang, Batukarang, Batu Kolam, Batu Piring, Bengkalis, Bima, Blitar, Blora, Brebes, Cilacap, Cirebon, Dompou, Garut, Jakarta, Jember, Karang Anyar, Kebumen, Kediri, Kempo, Kore, Kotawaringin Lama, Lamandau, Lampung, Lampung, Megetan, Mataram, Muku, Nangasia, Nganjuk, Ngawi, NTT, Oki, Pangkalan Bun, Pasuruan, Pemalang, Pembuang, Presak Baru, Pulau Raja, Purbalingga, Purbasari, Purworejo, Rembang, Saka Batur, Sangia, Sanolo, Sape, Serang, Sidoarjo, Sidodadi, Solo, Sanco, Sandosia, Sragen, Sukabumi, Teluk Bagan, Temanggung, Tulung Agung, dan Wonosobo.
- There are 28 local workers and 478 non-local workers. Therefore, the non-local workers dominates the locals.



- Religion: 100% muslim.
- Education: S1 (11 workers), D3 (2 workers), D2 (1 worker), High School (49 workers), Secondary Workers (16 workers), and Elementary School (427 workers).

According to the data, the company does not implement discrimination on the employee recruitment and give equal opportunity for all people to get the job.

**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.**

According to Chapter V of the Work discipline and sanction, the terrible rule breaking such as pervert, sexual harassment, or gambling within workplace are described on clause 19 chapter 2, point d.

There is Internal Memo, IM-006/COO Plantation-PBN/CBI/VI/2012, dated June 16<sup>th</sup> 2012 from COO of Plantation to the Head of Regional I & II, All Group Manager, All EM, in term of the result of visit of daemeter with several points. For example, the company must terminate the contract of the underage workers, the pregnant or breastfeeding workers are should not allowed to spray, pregnancy test each quarter, sexual abuse is should be reported to the *office of head of regional, COO Plantation, and General Manager of Personnel*.

There is decree of the President Director of PT. Citra Borneo Indah in term of manpower in each business unit affiliated to Citra Borneo Indah Group number: 0062/DIR-SK/CBI-IN/VI/2012, dated June 18<sup>th</sup> 2012. According to Point 3, the company build school within company operational area and prohibits underage workers (<18 years old) and providing daycare and breastfeeding room within company operational area in order to support government school obligation program.

In order to prevent and handle sexual harassment, the company forms gender committee to handle the women employee right. The structure of gender committee has been legalized and socialized to the employees. According to the document observation, there is no complaint which is reported to gender committee.

Procedure of complaint handling over sexual harassment number SOP Pers.GN-016. It is effectively implemented on August 1<sup>st</sup> 2012.

- Procedure of complaint, for example:
  - a. Each workers who experienced sexual harassment should inform the sexual harassment to the boss (head assistant, head of administration, assistant or foreman, estate or mill manager, general manager, or the head of department) directly or indirectly. There is no role of gender committee on the procedure.
  - b. Sexual harassment complaint is should be reported immediately.
  - c. All complaint over sexual harassment is shall be handled secretly.
    - d. During the investigation the complainer and the suspect is interrogated separately.
    - e. The complainer is allowed to continue the case to the Head of Regional or the Board in writing.
- Record of the evidence of implementation over the prevention over sexual harassment is proven by the existence of Gender committee to protect women rights including the protection from sexual harassment within company operational area. The gender committee is directly guided by the highest order on the estate. The structure of gender committee in each estate and mill has been documented and socialized to the employees. For example, official record of socialization in Selangkun POM on August 4<sup>th</sup> 2014. It was attended by 8 women workers.

Company regulation on clause 3 regulates the employee reproduction right. For example, childbirth day off, misbirth day off, menstruation day off, and the procedure of the day off.

There is example of the formulit of childbirth day off on behalf Normawati NIK 13.05.3095.0064 (weighbridge operator). The proposal was proposed on October 31<sup>st</sup> 2014. The proposed day off was started from November 17<sup>th</sup> 2014 till February 18<sup>th</sup> 2014. The formulir has been approved by the direct boss and mill manager.

- There is procedure of sexual harassment complaint handle (SOP-PERS.GN-016), on August 1<sup>st</sup> 2012 which describes:
1. Basic policy: person in charge (manager), the well trained officer, reporting of the officer to the Department of Personnel.
  2. Procedure of Complaint.
  3. Flowchart of sexual harassment complaint is as follow: the victim of sexual harassment compose complaint, the complaint receiver send the complaint to the officer in charge, officer to the victim, if the officer and victim agrees that no sexual harassment occurred then the case is shall be closed and vice versa, the official complaint is composed by the victim. The investigation is conducted by the officer, internal interrogation, decision.
  4. There is formulit of record of complaint.
  5. There is formulit of the question during the complaint delivery.

Procedure of employee complaint (SOP-PERS.GN-017), dated August 1<sup>st</sup> 2012 which contains:

1. Objective:
  - Providing chance to the employee to express their complaint.
  - Providing chance to the employee to get information of company policy.
2. Reference: Statute Number 13 year 2003 in term of Manpower.
3. Detail of Procedure :
  - Complaint delivery media: (1) direct boss (orally and in writting), (2) email, (3) advise box),
  - Procedure of complaint delivery by boss.
  - Procedure of complaint delivery by advise box.
  - Monthly assembly and follow up.
4. Form of employee complaint.
5. Document of employee complaint log book.

According to the document observation, the procedure has been socialized to all employees.

**Status: COMPLY**

**6.10**

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

Selangkun POM does not buy FFB from the external party. Therefore, there is no record not procedure of FFB pricing for the common party.

The agreement over the composed contract is can bee seen on the cooperative agreement letter with the third party. According to the contract, there are binding regulations for both party on the project. For example, cooperative agreement letter between PT. Sawit Sumbermas Sarana with CV. Dona Doni for hardening the road. According to the contract, there is information in term of the profile of the both parties, procedure of payment, and dispute resolution, work volume and specification. Each party signed the contract on the law seal and maintain it as an archive.

There is example of the official record of road hardening inspection on October 15<sup>th</sup> 2014. They payment is shall be conducted in the end of the closing account period on October 25<sup>th</sup> 2014.

**Status: COMPLY**

**6.11**

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

According to the document review, the company is routinely paying tax to the regional government as the contribution over the local development. For example, property tax, vehicle tax, and heavy equipment tax annually.

**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.**

Document of environment owned by Selangkun POM unit is the document of EIA on 2006 for the establishment of PT SSS Estate and POM in South Arut Sub-District (Runtu Village, Rangda Village, and Kenambui Village) and Kotawaringin Lama Sub-District (Lalang Village, Kondang Village, and Rungun Village), West Kotawaringin District, Central Kalimantan Province with hectarage of 19,842.49 Ha and POM capacity for 90 ton of FFB / Hour (refer to the decree of West Kotawaringin Regent number 11 year 2006, dated August 3<sup>rd</sup> 2006). The document is considered as the legal permits for 2 Palm Oil Mills (Sulung POM (RSPO-certified POM) and Selangkun POM).

Evidence of the record of environment management reporting which is conducted regularly (each semester) and it is considered as part of the report of PT SSS environmental management and monitoring plan with the scope for 2 processing unit (Sulung and Selangkun POM). According to the interview with West Kotawaringin Environment Agency, the document of PT SSS environmental management and monitoring effort is no longer need to be extended referring the government regulation number 27 year 2012 in term of environment permit which has been implemented since February 23<sup>rd</sup> 2012. Specifically on clause 73 which describes that the environment document approved by referring to the previous regime is considered valid and equal as environment permit

**Status: COMPLY**

**7.2**

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

The company has shown the record of soil survey and land suitability. The soil survey was conducted by cooperating with Bogor Soil Survey Team on 1999 in Rungun-Lalang-Rangda-Natai Raya with hectarage for 14,730 Ha. The collected information of the soil survey are:

- 1) Soil Type: Organosol, Podsol, Regosol, Kambisol, Podsolik dan Oksisol
- 2) Physiography: Swamp behind the river, old marin terrace, flat and hill.
- 3) Topography (cliff): flat to concave (0 – 1%), flat (0 – 3%), flat to wavy (2 – 5%), wavy (3 - 8%), wavy to bumpy (5 – 15%), bumpy (8 – 15%) and hilly (15 – > 25%)
- 4) Main substance: organic substance, sand sedimentation, rocky sand and rocky clay, and rocky.
- 5) Land fertility: moderate and very low
- 6) Land suitability class: suitable land (S3) for palm oil plant for 10,934 Ha (74.23%) and for the unsuitable land (N) for palm oil plant for 3,796 Ha (25.77%).

According to the plan of land use within PT SSS area statement, there is no estate expansion/development.

**Status: COMPLY**

**7.3**

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

PT Sawit Sumbermas Sarana (SSS) management unit has identified HCV. It was authorized to Sonokeling Akreditasi Nusantara on August 2012. The report of final identification on September 2012 is available. The scope of HCV identification covers entire work unit of PT SSS (7 Estates dan 2 POMs) and one of their POM has achieved RSPO certificate. Therefore, the total of area identified as HCV area is the entire area of PT SSS estate.

According to the decree of PT SSS management number 001/DIR-SK/SSS-IN/2014 in term of the determined HCV area of PT SSS on January 28<sup>th</sup> 2014, the list of PT SSS forest area.

No	KBKT	Luas (Ha)	Atribut NKT
1	Bukit Simpang (Kenambui Est.)	143.1	4.1; 4.2
2	Bukit Keruing (Sulung Est.)	42.6	1.1; 1.3; 1.4; 4.1; 2.3; 4.2
3	Bukit B10, B15, B20, B25 (Sulung Est.)	75.98	1.1; 4.1; 4.2
4	Kenambui Lake (Kenambui Est.)	84.36	1.1; 1.2; 1.3; 1.4; 2.3; 4.1; 5
5	Tanjung Biru Forest (Rungun Est.)	62.7	1.1; 1.2; 1.3; 1.4; 2.3
6	Bukit Macan (Sulung Est.)	68.30	4.1; 4.2
7	Sulung Ranch Conservation Area (Kenambui Est.)	24.86	1.1; 1.2; 1.3; 1.4; 2.3
8	Forest of Block K23-24 (Selangkun Est.)	13.75	1.1; 1.3; 1.4; 2.3
9	Forest of Block H7/10/13 (Selangkun Est.)	47.30	1.1

10	Forest of Pondok Duku (Rangda Est.)	23.46	1.1; 1.3; 1.4; 2.3
11	Forest of Bravo 28 (Rangda Est.)	273.50	1.1; 1.2; 1.3; 1.4; 2.3
12	Forested area of Block A6 (Sulung Est.)	7.45	1.3; 1.4; 2.3
13	Forested area of Block J8-J11 (Selangkun Est.)	8.34	4.1
14	Forested area of Block B7 (Rungun Est.)	2.96	4.1
<b>Hectarage total of conservation area</b>		<b>878.66</b>	

**Status: COMPLY**

**7.4**

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

According to the document review, there are several maps showing the condition of company operational area. For example:

- The map of soil type of PT. Sawit Sumbermas Sarana in scale 1:100,000, from the map of estate location permit of PT. Citra Borneo Indah and Peta Land system Kalimantan. According to the map, there are 8 type of soils. For example: Dystropepts Tropudults paleudults (for 1,383.73 ha), Fluvaquents tropaquents (for 46.10 ha), Paleudults tropudults Tropaquents, (for 338.53) Placaquods Tropopsamments dystropepts (for 439.78), Tropudults dystropepts (for 240.41), Tropudults dystropepts placaquods (for 8,601.36 ha), Tropodults paleudults tropaquepts (for 3,011.74 ha), Tropudults paleudults tropohumults (for 2,706.46 ha), Tropohemists tropofibrists (for 17.78 ha). Total of hectarage is 16,785.90 ha.
- Map of slope class of PT. Sawit Sumbermas Sarana in scale 1:100,000, with the slope class: flat (0-8%, for 3,853.93 ha), declivous (8-15%, seluas 8,601.36 ha), wavy (15-25%, for 2,946.87 ha), hilly (25-40%, for 1,383.73 ha). Total of hectarage is 16,785.90 ha. According to the map, there is no land with slope class more than 40%.

The company has document of SOP of strategy for managing and planting on slope area named procedure of soil and water conservation (document number) on June 1st 2012. It was composed by the Head of Department of Management of Environment and OHS. It was reviewed by the Management Representative, and it was agreed by the Head of Enterprise Risk Management, and it was implemented by the President Director. The SOP contains:

- The stages of slope area management are by planting LCC, applying empty fruit bunch, creating individual terrace, creating siltpit, and creating trench. In order to recognize the erosion rate, the monitoring is conducted referring the SOP-EHS.GN-028 in term of erosion management and monitoring.
- The stages of peatland area management are conducted by creating drainage to reduce the water overcapacity, maintaining water level between 0.5-0.7 m of the soil surface, giving adequate P and K, micro nutrient of Cu, Mo, Zn and spreading FFB dust or lime on the planting hole. There is also SOP-EHS.GN-031 in term of water management system in peatland and swamp area.
- The stages of sandy soil management are by giving mulsa, adding clay, organic substance, LCC.
- The stages of sulfic acid soil management are by giving lime, controlling weed, and conducting manuring.

Furthermore, it is also written on the procedure of land clearing such as applying best practice for environment (blade bulldozer should not push topsoil, it must adjusted with the blade level (25 cm), terassering and individual terrace are should be created for the area with slope between 25 - 40% to hold soil erosion and reduce run off, and siltpit to reduce soil erosion and functioned as water hole.

According to the result of field visit in slope area, the erosion test has been conducted in form of erosion pole. According to the result of erosion test, there is no erosion rate exceeding the tolerated threshold.

**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.**

PT SSS is not expanding new estate yet refer to the location permit and the Land Use Title (HGU) certificate. There are evidence of land compensation for example:

**Selangkun Estate**

- Official record of verification of the map of land compensation proposal in PT SSS on behalf of Arfian on January 28<sup>th</sup> 2014.
- Map of land location

**Rungun Estate**

- Map of land acquisition of the land belongs to Supiani (Skala 1: 6,000) on December 5<sup>th</sup> 2014.
- Declaration letter of the land owner (Supiani). It was signed by the land owner and chief of village and the witnesses (sealed with law seal of IDR 6,000) on December 19<sup>th</sup> 2009.

**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.**

PT SSS is not expanding new estate yet refer to the location permit and the Land Use Title (HGU) certificate. Record of calculation and compensation available is the record of estate compensation based on the area of location permit and Land Use Title (HGU) certificate. For example:

**Selangkun Estate**

- Official Record of land compensation on behalf of Arfian. It was signed by the land owner, the company representative, and witness on January 13<sup>th</sup> 2014.
- Receipt of payment from the management to land owner (Supiani). The payment was conducted on February 20<sup>th</sup> 2014 (sealed by the law seal of IDR 6,000). The payment amount is written.
- Photographs of compensation payment.

**Rungun Estate**

- Declaration letter of Supiani (land owner). It was signed by the land owner and the chief of village and the witnesses (sealed with law seal of IDR 6,000) dated December 19<sup>th</sup> 2009.
- Receipt from the management to the land owner (Supiani). The payment was conducted on January 23<sup>rd</sup> 2014 (sealed in law seal of IDR 6,000). The payment amount is written.

According to the result of document verification and the result of interview with the locals (Rangda and Rungun Village). There are several benefits provided by the company. For example:

- Road access from and to the villages nearby is now opened.
- Job opportunity on the estate and mill based on the competence and education.
- Assistance for the religious feast. For example, the sacrificial cattle assistance for Id al-Adha.
- Assistance for heavy equipment to repair the road.

**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.**

During the audit, the company is not conducting replanting program yet. Therefore, there is no documentation of analysis for the land preparation and replanting. The company has committed to implement zero-burning principle. It is written on the SOP of land fire handling in SOP number – EHS.GN – 013.

The company conducts land clearing mechanically. It is supported by the SOP of land clearing in SOP document number SOP-KBN.GN-001 dated August 1<sup>st</sup> 2014. It has been signed by the COO of Plantation.

According to the result of interview with the Senior Assistant of Pulau Estate, the stages of land clearing is conducted mechanically by stacking and also spraying the blanket if there is weeds. The land should be then planted with LCC MB to maintain soil fertility.

The company has identified and appoint personnels in charge of the emergency situation. The personnels appointed on the emergency response organization are:

- SGE: leader (Abdul Hafiz N), first aid team: 7 personnels, land fire handling team: 14 personnels, evacuation team: 7 personnels. The description of each team responsibility is available.



- RGE: leader (Ahmad Kursani), first aid team: 7 personnels, land fire handling team: 7 personnels and evacuation team: 7 personnels.

The company has hold fire extinguishing simulation and drill. For example:

- Report of SGE drill. The drill was held in October 14<sup>th</sup> 2014. It was attended by 9 participants. Evaluation, photographs, and attendance list is available. There is no land fire simulation yet.
- RGE: the housing complex fire extinguishing drill was held on August 28<sup>th</sup> 2014. It was attended by 18 participants. There are scenario, evaluation and event photographs.

Selangkun Estate has conducted housing complex fire extinguishing simulation. However, there is no evidence of the land fire extinguishing simulation yet. **Nonconformity number 2014.14**

*Auditor Observation:*

**February 28<sup>th</sup> 2015**

Selangkun Estate has shown the evidence of corrective action such as report of land fire extinguishing drill on November 9<sup>th</sup> 2014. The training was participated by 9 participants. Program evaluation and its recommendation is available. The company is also attaching attendance list and photograph of the program. Therefore, **Major NC 5.5.3 is now CLOSED.**

The company has provided facilities to deal with emergency situation. For example:

- SGE : machine chainsaw: 1 unit, hose 1,5 in 100 feet: 5 pcs, nozzle 1,5: 2 pcs, mobile pump and tool box: 3 units, personnels fire panzer: 1 unit, handy-talki: 1 unit, radio rig (organic): 1 unit, whistle: 1 unit, patrol bike: 1 unit, machete: 1 unit, flashlight: 1 unit, fire extinguisher: 44 units, alarm: 1 unit and schedule guard.
- RGE : fork: 1 unit, peat injection: 1 unit, hose of main pump 2,5 in 100 feet: 1 unit, nozzle 1,5 in task force: 4 units, mobile pump: 2 units, mobile pump hose: 7 pcs, personnel fire panzer: 5 units, handy-talki: 20 units, radio rig 3 units, first aid kit, helm: 7 pcs, wear pack: 7 pcs, boots: 7 pair, glass: 7 pcs, farm traktor: 1 unit, binocular 1 unit, patrol bike: 1 unit, fire extinguisher: 51 unit, alarm: 2 and schedule guard.
- SG POM: there are 7 unit of hydrants, fire extinguishers, and map of evacuation.

**Status: COMPLY**

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

**8.1**

**Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.**

The company has the record of corrective action/ improvement. For example:

1. Hatchery of *Elaidobius camerunicus* in form of boxes placed in each 10 hectare of the estate hextagrage and the mobile hatchery box of elaisdubius. According to the result of interview with Sulung Estate Manager and the Head of PT SSS R&D, the hatchery impacts the immature FFB reduction rate.
2. Data collecting of all loader and harvester who are not using safety helmet yet and distributing PPE.
3. PT SSS has the data of chemicals usage written on the document of list of the registered and allowed chemicals allowed by the associated agency.
4. In order to manage the environment, PT SSS has given evidence of environmental management and monitoring plan reporting to the associated agencies regularly.
5. In order to manage waste, PT SSS has matrix of environment monitoring and test and it describes the source of waste and the contamination generated by the estate and mill operational including the plans to reduce contamination and emission by conducting machine and other operational tools *preventive maintenance*.

**Status: COMPLY**

**3.2. Summary of Assessment Report of Supply Chain Requirement**

Clause	(Module E) CPO Mills - Mass Balance Requirements																				
<b>1</b>	<b>Documented Procedures</b>																				
<b>1.1</b>	<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> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements.</p> <p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.</p> <p>Chanfes on Procedure of Supply Chain to SOP-PKS.GN-020, Revision 01, dated February 1<sup>st</sup> 2014. The procedure covers:</p> <p>6.2 FFB Dispatch to POM, Persons in Charge: Estate Manager, afdeling assistant, Traction, Transporter, Loader Clerk.</p> <p>6.2.3. The transported FFB has proper identification through stamped FFB covering letter (F-KBN.GN-009.R0). therefore, the certified and the non-certified one can be seen. The RSPO-certified FFB is shall be stamped as "Certified Sustainable Palm Oil" and the non RSPO-certified shall be stamped as "Non-Certified Sustainable Palm Oil" (the block where there is contamination of the certified and the non-certified one is shall be considered uncertified). 1 truck only transport the certified or non-certified FFB (cannot be mixed).</p> <p>6.3 FFB Receipt in POM, persons in charge: weighbridge operator, production clerk.</p> <p>6.3.3. FFB sent from the RSPO certified estate is shall be given unique code when input the data. For example "Estate Name (C)", as if "Pulau (C)"</p> <p>6.3.4. According to the production process, the company applied <i>System of Mass Balance Supply Chain 100%</i>.</p> <p>6.3.10. POM daily report is added with coloumn of "RSPO-Certified" and "Non RSPO certified" to ease calculation of the certified CPO (tonnage).</p> <p>6.3.11. Documenting/recording and balancing entire FFB receipt and certified CPO delivery (each quarter).</p> <p>6.3.12. Data of records are documented for at least 5 years.</p> <p>6.4 FFB processing in POM.</p> <p>6.5 Product Dispatch (CPO/PK/PKO) to buyer, Persons in Charge: Mill manager, the head of marketing department.</p> <p>6.5.3. According to the DO, the quantity of the CPO/PK/PKO, quality requirements of CPO/PK/PKO, Information of RSPO certificate MB, name of buyer, name of transporter/agent/ship/barge, time and place of the product hand over including the appointed surveyor are described.</p> <p>6.5.10. RSPO certified CPO/PK/PKO product is could be claimed in term of its usage or RSPO support for the certified palm oil product refer to the RSPO regulation for communication and claim.</p> <p>6.6 Awareness and Training, Persons in Charge: Head of Dept of TnD, QHSE, Mill Manager</p> <p>The company must hold regular training to its employees and staff to improve competence on supply chain system.</p>																				
	<b>Status: COMPLY AS REQUIRED</b>																				
<b>1.2</b>	<p>The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p> <p>Plan to determined certified and non-certified FFB supplier for Selangkun POM with MB SC model is:</p> <p>Supply Base Selangkun POM within the scope of RSPO certification: Selangkun Estate, Rungun Estate, Kondang Estate, Pulau Estate (Afd. F and H). The list of the RSPO certified blocks:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Estate</th> <th>Afdeling</th> <th>Blok Certified</th> <th>Blok Non-Certified</th> <th>Total Blok</th> </tr> </thead> <tbody> <tr> <td rowspan="3">1</td> <td rowspan="3">Kondang</td> <td>B</td> <td>8 – 22</td> <td>1 – 7</td> <td>22</td> </tr> <tr> <td>C</td> <td>1 – 20</td> <td></td> <td>20</td> </tr> <tr> <td>F</td> <td>2 – 15; 17; 19; 21; 23</td> <td>1; 16; 18; 20; 22; 24</td> <td>24</td> </tr> </tbody> </table>	No	Estate	Afdeling	Blok Certified	Blok Non-Certified	Total Blok	1	Kondang	B	8 – 22	1 – 7	22	C	1 – 20		20	F	2 – 15; 17; 19; 21; 23	1; 16; 18; 20; 22; 24	24
No	Estate	Afdeling	Blok Certified	Blok Non-Certified	Total Blok																
1	Kondang	B	8 – 22	1 – 7	22																
		C	1 – 20		20																
		F	2 – 15; 17; 19; 21; 23	1; 16; 18; 20; 22; 24	24																

		G	1 - 21		21
		H	1 - 24		24
2	Rungun	C	1; 3; 5 - 23	2; 4	23
		D	1 - 24		24
		E	1 – 6; 9; 13; 17; 21	7; 8; 10; 11; 12; 14; 15; 16; 18; 19; 20	21
		F	4; 8; 12; 16; 20 - 22	1 – 3; 5 – 7; 9 – 11; 13 – 15; 17 – 19	22
		G	1 – 22		22
3	Selangkun	H	1; 2; 4; 5; 7; 8; 11; 14; 16; 17; 19; 20; 22; 23	3; 6; 9; 10; 12; 13; 15; 18; 21	23
		I	1 - 21		21
		J	1, 2, 4, 5, 7, 8, 10, 11, 13, 14, 16, 17, 19, 20, 22, 23	3, 6, 9, 12, 15, 18, 21, 24	24
		K	1, 2, 4, 5, 7-11, 13-17	3, 6, 12, 18-24	24
4	Pulau	F	1-24		24
		H	1-16, 19, 22	17, 18, 20, 21, 23	23

**Status: COMPLY AS REQUIRED**

**2 Purchasing and goods in**

**2.1**

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

Plan to determined certified and non-certified FFB supplier for Selangkun POM with MB SC model is:

Supply Base Selangkun POM within the scope of RSPO certification: Selangkun Estate, Rungun Estate, Kondang Estate, Pulau Estate (Afd. F and H).

Status of the suppliers for Selangkun POM is certified (before the scope of Sulung POM - **MUTU-RSPO/023**, March 19<sup>th</sup> 2013). Example of documentation of volume of the certified and non-certified FFB:



**Status: COMPLY AS REQUIRED**

**2.2**

The facility shall inform the CB immediately if there is a projected overproduction.

Selangkun POM is not yet certified. However, PT SSS shall informs the overproduction to CB.

**Status: COMPLY AS REQUIRED**

**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.

<p>Type of the documented report of production of Selangkun POM are: daily production report, weekly production report, monthly production report, quarter production report, and annual production report. Entire bundle of document is complete, accurate, state of art, and accessible.</p>	
	<b>Status: COMPLY AS REQUIRED</b>
<p><b>3.2</b> Retention times for all records and reports shall be at least five (5) years.</p>	
<p>The company has regulated the records of supply chain document maintaining period for 5 years on the list of record of Selangkun POM quality (F-QMS.GN-004) rev-0, for example: report of FFB grading, record of replace (attachment of FFB covering letter).</p>	
	<b>Status: COMPLY AS REQUIRED</b>
<p><b>3.3</b> (a) 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. (b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. (c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.</p>	
<p>Selangkun POM is not yet certified. Therefore, entire requirement of SCCS of Modul-E Mass Balance is not yet implemented.</p>	
	<b>Status: COMPLY AS REQUIRED</b>
<p><b>3.4</b> 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.</p>	
<p>Selangkun POM is not yet certified. Therefore, entire requirement of SCCS of Modul-E Mass Balance is not yet implemented.</p>	
	<b>Status: COMPLY AS REQUIRED</b>
<p><b>3.5</b> In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p>	
<p>Not Applicable – there is no process of Palm Kernel to be PKO including the service of contractor.</p>	
	<b>Status: NOT APPLICABLE</b>
<b>4</b>	<b>Sales and goods out</b>
<p><b>4.1</b> 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 or Mass Balance) (d) The quantity of the product delivered (e) Reference to related transport documentation</p>	
<p>Selangkun POM is not yet certified. Therefore, entire requirement of SCCS of Modul-E Mass Balance is not yet implemented.</p> <p>Example of weighbridge ticket of CPO dispatch from SELANGKUN POM to the buyer: Vehicle Police Number: H 1642 WX; date: March 3<sup>rd</sup> 2014; Ticket Number: SSS – WB02/011804 Customers: PT SUKAJADI SAWIT MEKAR; Products: CPO; Transporters: BLS 009; Contracts: 07/SG/CP/02/14 MB; Nett:</p>	

16,310 kg; Moisture: 0.18%; Dirt: 0.019%; FFA: 4.51%; Destination: PT SUKAJADI SAWIT MEKAR; Seal Number: 3769/3770; Driving license number: 7806 2328 0145; Driver: Dian.	
Model of supply chain is not yet attached on the reference of purchase contract document.	
	<b>Status: COMPLY AS REQUIRED</b>
<b>5</b>	<b>Training</b>
<b>5.1</b>	
The facility shall specify and provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	
<p>Training of RSPO Supply Chain Certification Standard for Awareness &amp; Interpretation was held by SELANGKUN POM on July 24<sup>th</sup> – 25<sup>th</sup> 2013. It was attended by 25 participants consisted of GM, Mill Manager, Head of Logistics, Department of Environment OHS, Department of Marketing, Department of Quality Management, Department of Plantation, Departemen of Sales, Laboratory Assistant, Department of Training &amp; Development, Research &amp; Development.</p> <p>There was also In-House Training of Selangkun POM RSPO Supply Chain System on September 11<sup>th</sup> 2013 with the agenda of implementation of RSPO Supply Chain System in PT SSS – PKS Selangkun. It was attended by 10 participants consisted of QHSE Dept; Head of Department of Plantation; Head of Department of Marketing; Head of Department of Internal Audit; Upstream Controller; Head of Department of Processing; Head of Department of Downstream.</p>	
	<b>Status: COMPLY AS REQUIRED</b>
<b>6</b>	<b>Claims</b>
<b>6.1</b>	
The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.	
Selangkun POM is not yet certified. Therefore, the clause is not implemented yet.	
	<b>Status: COMPLY AS REQUIRED</b>



3.3. **Conformity Checklist of Certificate and Logo Use** *(Only apply for Surveillance Assessment Report)*

<b>1.</b>	<b>Bukti Persetujuan/ijin mengenai penggunaan Sertifikat dan logo dari lembaga sertifikasi</b>	<b>X or√</b>
<b>ST-2</b>	Selangkun POM management unit does not receives the RSPO certificate yet.	
	<b>Status: NOT APPICABLE</b>	
<b>2.</b>	<b>Implementasi/penerapan sertifikat dan logo oleh klien yang sesuai dengan bentuk dan ukuran seperti yang dijelaskan dalam pedoman penggunaan logo</b>	<b>X or√</b>
<b>ST-2</b>	Selangkun POM management unit does not receives the RSPO certificate yet.	
	<b>Status: NOT APPICABLE</b>	
<b>3.</b>	<b>Implementasi/penerapan sertifikat dan logo yang tidak digunakan pada produk</b>	<b>X or√</b>
<b>ST-2</b>	Selangkun POM management unit does not receives the RSPO certificate yet.	
	<b>Status: NOT APPICABLE</b>	
<b>4.</b>	<b>Pengendalian sertifikat dan logo oleh klien termasuk pengendalian/ penarikan Logo yang tidak sesuai</b>	<b>X or√</b>
<b>ST-2</b>	Selangkun POM management unit does not receives the RSPO certificate yet.	
	<b>Status: NOT APPICABLE</b>	

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

<b>Manajemen unit to observed:</b>		
1. PT Mitra Mendawai Sejati		
<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	<b>X or√</b>
	PT Mitra Mendawai Sejati: 1. Documents of Legal Company Permit: - Location Permit: SK Bupati Kotawaringin Barat No. 229.480.42/BPN/III/2004, area 11,750 Ha. - Plantation Permit: SK Bupati Kotawaringin Barat No.Ekbang/525.26/132/V/2004. - Recommendation Letter of Forest Area Release (Rekomendasi Izin Pelepasan Kawasan Hutan): SK Gubernur Kalimantan Tengah No. 525.26/147/Ek, tertanggal 21 Januari 2012( <i>still on process at Ministry of Forestry</i> ). 2. Documents of Environmental: - SK Bupati Kotawaringin Barat No. 5 Tahun 2008 tentang Kelayakan Lingkungan Hidup Pembangunan Perkebunan dan PKD dengan luas areal 10,000 Ha dengan kapasitas pabrik 45 ton TBS/jam berlokasi di Kec. Arut Selatan dan Kec. Arut Utara. - Social Environmental Impact Assessment (AMDAL) Pembangunan Perkebunan dan Pabrik Kelapa Sawit yang telah disetujui oleh Komisi Penilai Amdal daerah (Badan Pengendalian Dampak Lingkungan Daerah) Kabupaten Kotawaringin Barat No. 660/34/Bpdl-II.2/II/2008 tanggal 2 Pebruari 2008. 3. Documents of Land Ownership: - SK Kepala Badan Pertanahan Nasional RI No 35-HGU-BPNRI-2007 tertanggal 18 September 2007 luas 5,922.07 Ha. - SK Kepala Badan Pertanahan Nasional No 36 HGU-BPNRI-2007, luas 2,999.31 Ha.	
	<b>Status: COMPLY</b>	
<b>2.2</b>	<b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>	<b>X or√</b>
	PT Mitra Mendawai Sejati: 1. Location Permit: SK Bupati Kotawaringin Barat No. 229.480.42/BPN/III/2004, luas area 11,750 Ha. 2. Plantation Permit: SK Bupati Kotawaringin Barat No.Ekbang/525.26/132/V/2004. 3. Land Use Rights: - SK Kepala Badan Pertanahan Nasional RI No 35-HGU-BPNRI-2007 tertanggal 18 September 2007 luas 5,922.07 Ha. - SK Kepala Badan Pertanahan Nasional No 36 HGU-BPNRI-2007, luas 2,999.31 Ha. 4. Land Compensation: Contoh Pelepasan Hak Atas Tanah Tahun 2008, Luas tanah 82.61 Ha (10 orang pemilik lahan) di Desa Umpang Kec. Arut Selatan, Kab, Kota Waringin Barat.	
	<b>Status: COMPLY</b>	
<b>6.3</b>	<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>	<b>X or√</b>
	PT Mitra Mendawai Sejati: - Procedure of Land Conflict and Legal Resolutions (SOP-Lagal.GN-014) Tanggal 14 Juni 2012. - Procedure of Employees Grievance Resolution (SOP-PERS.GN-017) tertanggal 01 Agustus 2012.	
	<b>Status: COMPLY</b>	
<b>6.4</b>	<b>Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	<b>X or√</b>
	PT Mitra Mendawai Sejati: 1. Procedure of Land Conflict and Legal Resolutions (SOP-Lagal.GN-014) Tanggal 14 Juni 2012.	

	2. Land Compensation: Contoh Pelepasan Hak Atas Tanah Tahun 2008, Luas tanah 82.61 Ha (10 orang pemilik lahan) di Desa Umpang Kec. Arut Selatan, Kab, Kota Waringin Barat.	
	<b>Status: COMPLY</b>	
<b>7.3</b>	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	<b>X or√</b>
	PT Mitra Mendawai Sejati: 1. Document of HCV Identification: Laporan Identifikasi Nilai Konservasi Tinggi oleh Sonokeling Akreditasi Nusantara pada bulan Juli – Agustus 2012. 2. Forest Area Release Recommendation: Rekomendasi Izin Pelepasan Kawasan Hutan: SK Gubernur Kalimantan Tengah No. 525.26/147/Ek, tertanggal 21 Januari 2012. ( <i>masih dalam proses di Kementerian Kehutanan</i> ). 3. Year of Planting: 2005, 2006, 2007, 2008, 2009, 2010 dan 2011	
	<b>Status: COMPLY</b>	
<b>7.5</b>	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	<b>X or√</b>
	PT Mitra Mendawai Sejati: 1. Document of HCV Identification: Laporan Identifikasi Nilai Konservasi Tinggi oleh Sonokeling Akreditasi Nusantara pada bulan Juli – Agustus 2012. 2. Land Compensation: Contoh Pelepasan Hak Atas Tanah Tahun 2008, Luas tanah 82.61 Ha (10 orang pemilik lahan) di Desa Umpang Kec. Arut Selatan, Kab, Kota Waringin Barat.	
	<b>Status: COMPLY</b>	
<b>7.6</b>	<b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreement.</b>	<b>X or√</b>
	PT Mitra Mendawai Sejati: 1. Procedure of Land Conflict and Legal Resolutions (SOP-Lagal.GN-014) Tanggal 14 Juni 2012. 2. Land Compensation: Contoh Pelepasan Hak Atas Tanah Tahun 2008, Luas tanah 82.61 Ha (10 orang pemilik lahan) di Desa Umpang Kec. Arut Selatan, Kab, Kota Waringin Barat.	
	<b>Status: COMPLY</b>	

**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**

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
2014.01	Major 2.1.1	<p><b>Regulation Compliance</b> According to the document review, several facts identified. For example:</p> <p><b>1. Environment.</b></p> <ul style="list-style-type: none"> <li>The company is not able to show the permit of LA and its report.</li> <li>The company is not showing the evidence of report of environmental management and monitoring effort yet.</li> </ul>	Nonconformity potential	Mill and Estate	Before Stage – 2	The company must be able to ensure that the compliance over regulation.	<p><i>Auditor Observation:</i> <b>November 25<sup>th</sup> 2014</b></p> <p>c. The company has had permit of effluent study to the soil refer to the decree of West Kotawaringin Regent number 660/05/BLH.III/III/2014 dated March 20<sup>th</sup> 2014. The decree is valid for one year.</p> <p>d. The company has reported the monitoring of environmental management and monitoring effort to the agency. For example, the later sent on October 27<sup>th</sup> 2014 with letter number 023-EHS/X/2014 BLH Kotawaringin Barat to West Kotawaringin Environment Agency in term of effluent and in term of report of</p>	Closed	November 28 <sup>th</sup> 2014

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							environmental management and monitoring plan on July 21 <sup>st</sup> 2014.		
2014.02	Minor 4.2.2	<b>Record of program to maintain and improve soil fertility referring the result of analysis</b> The company has been conducting effluent application in Rungun Estate, block 15 on since January 2014. The company is not able to show the evidence of effluent application referring the result of analysis and permit of effluent analysis.	Nonconformity potential	Estate	Before Stage – 2	The company must be able to show the evidence of programs conducted to improve and maintain soil fertility referring the result of analysis and permit of effluent analysis.	<i>Auditor Observation:</i> <b>November 25<sup>th</sup> 2014</b> The company has had permit to analyze effluent on PT SSS soil referring the decree of West Kotawaringin number 660/05/BLH.III/III/2014 dated March 20 <sup>th</sup> 2014. The decree is valid for a year.	Closed	November 28 <sup>th</sup> 2014
2014.03	Minor 4.4.2	<b>Effluent Quality Test</b> The company is not able to show the evidence of the effluent quality test in Selangkun POM continuously (monthly); test in monitoring well; test in land application.	Nonconformity potential	Estate	Before Stage – 2	The company must be able to show the evidence of Selangkun POM effluent quality test.	<i>Auditor Observation:</i> <b>November 25<sup>th</sup> 2014</b> The company has conducted routine test of effluent quality and monitoring well routinely (monthly).	Closed	November 28 <sup>th</sup> 2014
2014.04	Major 5.1.2	<b>Penerapan Hasil UKL – UPL</b> The company is not able to show the evidence of the implementation of the result of environmental management and monitoring effort written on the report of environmental management and monitoring effort per semester which is reported to the agency.	Nonconformity potential	Mill and Estate	Before Stage – 2	The company must be able to show the implementation of the result of environmental management and monitoring effort refer to the applied regulation.	<i>Auditor Observation:</i> <b>November 26<sup>th</sup> 2014</b> The company is able to show the evidence of the report of environmental management and monitoring effort (combined with the report of environmental	CLOSED	<b>November 26<sup>th</sup> 2014</b>



No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							management and monitoring plan) in 2 <sup>nd</sup> semester of 2013 and in 1 <sup>st</sup> semester of 2014 to West Kotawaringin Environment Agency, Central Kalimantan Environment Agency, Environment Ministry. However, the implementation (referring the guidance of environmental management and monitoring effort) is not totally conducted yet. For example, test of effluent in inlet pond. <b>See Minor 5.6.2 Stage-2 (NC No. 2014.15)</b>		
2014.05	Major 5.2.2 5.2.3	<b>Stages of HCV area protection</b> Selangkun Est and Rungun Est do not monitor vegetation referring the applied procedure (SOP-EHS-GN.029 revision 01, April 10 <sup>th</sup> 2012 in term of vegetation and wildlife monitoring), the wildlife monitoring is conducted annually and vegetation monitoring is conducted each quarter.	Nonconformity Potential	Estate	Before Stage – 2	The company needs to ensure that all stages conducted to protect wildlife and vegetation have been conducted properly.	<i>Auditor Observation:</i> <b>November 26<sup>th</sup> 2014</b> <u>Selangkun Estate:</u> Vegetation monitoring on April 28 <sup>th</sup> 2014 was conducted by Heri at forest of Afd. H, Block 7. The analysis of vegetation is using the systematic plot method with 3 plots of monitoring. Tally Sheet of wildlife	Closed	February 28 <sup>th</sup> 2015

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>monitoring on October 12<sup>th</sup> 2014 in Afd. K. Type of the monitored wildlife are bird, maroon leaf monkey, hogs.</p> <p><u>Rungun Estate:</u> It is not yet shown.</p> <p><b>February 28<sup>th</sup> 2015</b> Rungun Estate management unit has shown corrective action in form of the result of vegetation analysis at Tanjung Biru forest, Afd. C-RGE on January 13<sup>th</sup> 2015. The scope of the monitoring is using 3 plots of monitoring based on the level of tree, pole, and stake. Therefore, the nonconformity is considered CLOSED.</p>		
2014.06	Minor 5.2.1	<p><b>Socialization and publication of HCV</b> There is no enough evidence to prove that the socialization of HCV and publication of the species to employees has been conducted by company.</p>	Nonconformity Potential	Estate	Before Stage – 2	The company needs to ensure that the identified HCV area and species is socialized and published to the all employees and communities.	<p><u>Auditor Observation:</u> <b>November 26<sup>th</sup> 2014</b> <u>Selangkun Estate:</u> HCV socialization to the employees on October 13<sup>th</sup> 2014 in conservation area of Afd. J, Block 11. It was attended by 11 employees.</p> <p><u>Rungun Estate:</u></p>	Closed	February 28 <sup>th</sup> 2015

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							It is not yet shown  <b>February 28<sup>th</sup> 2015</b> Evidence of document of Tanjung Biru forest HCV socialization to the employees has been shown. The document is dated on July 10 <sup>th</sup> 2014. Socialization is conducted during morning briefing ( <i>roll-call</i> ) in Afdeling C of Rungun Estate. Therefore, the nonconformity is considered CLOSED..		
2014.07	Minor 6.11.1	<b>Record of realization of program involving the locals and its contribution.</b> There is no evidence of program realization involving the locals (CD/CSR) in detail and the scheme smallholder partnership implemented by the company.	Nonconformity Potential	Estate	Before Stage – 2	The company needs to ensure the realized programs have involved the locals (CD/CSR, scheme smallholder partnership) in detail referring to applied aspects.	<b>Auditor Observation:</b> <b>November 27<sup>th</sup> 2014</b> PT Sawit Sumbermas Sarana management has shown the evidence of the locals in CD/CSR program implementation. For example, the empowerment of the fishermen group of 3 villages (Kenambui, Sulung and Rangda) by implementing program of the aquaponic-integrated tarpaulins fish pond.	Closed	February 28 <sup>th</sup> 2015
2014.08	SCCS 3.3.a	<b>Recording and material balance</b> Selangkun POM is not	Nonconformity	Mill	Before Stage – 2	Selangkun POM needs to ensure that the recording	<b>Auditor Observation:</b> <b>November 26<sup>th</sup> 2014</b>	Closed	November 26 <sup>th</sup> 2014

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		documenting/recording and balancing entire FFB receipt and certified and non-certified CPO dispatch (each quarter) yet.	Potential			and balancing of all FFB receipt and certified and non-certified CPO dispatch (each quarter) are conducted.	Selangkun POM has had documentation in term of Mass Balance report for each quarter for period of (Jan-Mar; Apr-Jun; Jul-Sep; Oct) 2014. The reports describes the separation of the certified raw materials with the non-certified raw materials.		

**3.5.2.1 Identification of Findings, Corrective Actions and Observations at ST2 Assessment**

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
2014.01	Major 2.2.2	<p><b>Land Demarcation Boundary Pole</b> Land demarcation boundary pole monitoring and maintenance is not yet conducted by the management unit. According to the field verification, there are several evidence. For example:</p> <ul style="list-style-type: none"> <li>i. There is no Land Use Title (HGU) Pole number 067 (Block 19 of Afd. K, Selangkun Estate).</li> <li>ii. Land Use Title (HGU) Pole number 079 (Block 12/16, Afd E, Rungun Estate) is not positioned by referring to the list of PT SSS boundary pole coordinate.</li> <li>iii. There is no Land Use Title (HGU) Pole number 090 (Block 6/7, Afd C – Rungun Estate).</li> </ul> <p>Therefore, the management unit is not maintaining the land demarcation boundary pole.</p>	Nonconformity	Estate	Prior issued certificate	Management unit must have evidence of the maintained and obvious demarcated legal boundary pole.	<p><i>Root Cause:</i> Land Use Title (HGU) Pole number 067 was unintentionally detached Land Use Title (HGU) Poles number 079 &amp; 090 were placed improperly refer to the coordinate due to miscommunication.</p> <p><i>Corrective Action:</i> Conducting field verification (inventory of the missing pole) and installing the uninstalled poles and composing management plan to install and monitor Land Use Title (HGU) pole.</p> <p><i>Preventive Action:</i> Checking physical examination routinely referring the company procedure.</p>	Closed	March 11 <sup>th</sup> 2015



No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							<p><i>Auditor Observation:</i>  <b>February 25<sup>th</sup> 2015</b>            Major verification has been conducted by auditor team by visiting the estate to ensure that the land demarcation boundary pole has been identified and maintained. According to the result of field verification, it shows several corrective actions. For example:</p> <p>iv. Land Use Title (HGU) Pole number 067 (Block 19, Afd. K, Selangkun Estate) is found and installed properly (refer to the position of its coordinate).</p> <p>v. Land Use Title (HGU) Poles number 079 (Block 12/16, Afd E, Rungun Estate) has been installed. It is written on the official record of PT SSS Land Use Title (HGU) pole installation and monitoring. It was installed on February</p>		

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							<p>19<sup>th</sup> 2015. It is supported with the photograph of pole (Land Use Title Pole) installation.</p> <p>vi. Land Use Title (HGU) Pole number 090 (Block 6/7, Afd C – Rungun Estate) is found and installed properly (refer to the position of its coordinate).</p> <p>Therefore, the auditor team considers that major nonconformity 2.2.2 is closed.</p>		
2014.02	Major 3.1.1	<p><b>Document of company 3 years period plan</b></p> <p>Management unit is not showing the document of company 3 years period plan yet. The 3 years period work plan should covers:</p> <ul style="list-style-type: none"> <li>• Concern over the quality of the planted oil palm.</li> <li>• Crop projection = trend of the output of FFB production.</li> <li>• Level of mill extraction = trend of OER</li> <li>• Production cost = cost per ton of CPO trend</li> <li>• Price prediction</li> <li>• Finance indicator</li> <li>• The recommended calculation– trend</li> </ul>	Nonconformity	Estate and Mill	Prior issued certificate	Management unit must have evidence of the document of 3 years period plan.	<p><i>Root Cause:</i> The Data of the company plan including the production is located in the Department of Plantation. The lack of coordination between the Department of EHS and Plantation during external audit.</p> <p><i>Corrective Action:</i> Informing the data of the estate and mill production budget referring the scope of Selangkun POM certification.</p>	CLOSED	March 12 <sup>th</sup> 2015

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
		of average of 3 years period operation in last a decade (FFB trend might provide low output during replanting program).					<p><i>Preventive Action:</i> Coordination inter department during external audit.</p> <p><i>Auditor Observation:</i> <b>March 6<sup>th</sup> 2015</b> Selangkun POM management unit informs the corrective action in term of production budget for period of 2014 – 2016. The document covers FFB production, processed FFB target, percentage of its extraction. According to the result of the corrective action, the Major nonconformity 3.1.1 is considered CLOSED.</p>		
2014.03	Minor 4.2.1	<b>Soil, Leaf and Visual Analysis</b> Management unit has conducted leaf analysis on June 2013. However, soil and visual analysis is not yet conducted by the management unit (according to evidence).	Nonconformity	Estate	ASA-1	Management unit must shows the documentation of soil and visual analysis.	<p><i>Root Cause:</i> Data of the result of soil and visual analysis is available at R&amp;D. However, it cannot be shown by the auditee.</p> <p><i>Corrective Action:</i> The management unit must show the result of soil and visual analysis to the auditor</p>	CLOSED	March 12 <sup>th</sup> 2015

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							<p>and gives awareness to the estate manager in term of the process and documentation in R&amp;D Dept.</p> <p><i>Preventive Action:</i> Updating data record with Research Department.</p> <p><i>Auditor Observation:</i> <b>February 25<sup>th</sup> 2015</b> Rungun and Selangkun Estate management unit has shown the evidence of corrective action in form of analysis of soil sample for Selangkun Estate (No. 061/LAB.02/INT/VIII/2014, dated August 25<sup>th</sup> 2014) and Rungun Estate (No. 065/LAB.02/INT/VIII/2014, dated August 26<sup>th</sup> 2015). Meanwhile, the evidence of visual analysis is shall be verified on the next field visit (ASA-01).</p> <p>According to the corrective action, the Minor nonconformity 4.2.1 is considered CLOSED.</p>		
2014.04	Minor 4.3.4	Program of water level management Management unit has conducted water	Nonconformity	Estate	ASA-1	The management unit must conduct water level	<p><i>Root Cause:</i> The budget program is not</p>	CLOSED	March 12 <sup>th</sup> 2015

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
		management to manage peatland area. However, according to the field observation, the management unit is not implementing procedure of water management yet such as trench cleaning and construction of water gate.				management refer to the procedure of water management.	<p>totally realized.</p> <p><i>Corrective Action:</i> Conducting the program referring the budgeting time management of Department of Plantation.</p> <p><i>Preventive Action:</i> The review over the entire estate operationals which is not referring the budget yet and create the evaluation.</p> <p><i>Auditor Observation:</i> <b>February 25<sup>th</sup> 2015</b> Selangkun and Rungun Estate management unit shows the document of trench cleaning at afdeling located within peatland area. The supporting documents are the official record of work inspection and cost analysis on November 10<sup>th</sup> 2014. According to the corrective action, the Minor nonconformity 4.3.4 is considered CLOSED.</p>		
2014.05	Minor 4.5.2	<b>Pesticide (LD50) toxicity monitoring</b> There is no enough evidence to shows	Nonconformity	Estate	ASA-1	Management unit must be able to show the	<p><i>Root Cause:</i> During the audit, the auditee</p>	CLOSED	March 12 <sup>th</sup> 2015



No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
		that the management unit has documented pesticide (LD5) toxicity monitoring.				documentation of pesticide (LD50) toxicity monitoring.	<p>is not showing the data of pesticide toxicity because the entire data are maintained in Department of Plantation in Pangkalan Bun head office..</p> <p><i>Corrective Action:</i> Informing the data of pesticide toxicity referring the period during audit.</p> <p><i>Preventive Action:</i> The system of documentation over the entire records associated with the implementation of RSPO certification system that will be centralized in Training Center of Sulung Estate.</p> <p><i>Auditor Observation:</i> <b>February 25<sup>th</sup> 2014</b> Selangkung and Rungun Estate management unit shows evidence of corrective action in form of the list of pesticide toxicity for period of January 2014 –</p>		

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							November 2014 for each pesticide used by company. According to the corrective action, the Minor nonconformity 4.5.2 is considered CLOSED.		
2014.06	Major 4.6.1	<b>Evidence of the usage of the listed and allowed agrochemicals</b> Management unit is not able to show the list of the allowed pesticide referring the applied regulation yet.	Nonconformity	Estate	Prior issued certificate	Management unit must be able to show the evidence of the list of the allowed pesticides referring the applied regulation.	<p><i>Root Cause:</i> Data of the list of the pesticide used by is available in R&amp;D (file: Internal Memo of R&amp;D). However, it cannot be shown by the auditee to auditor.</p> <p><i>Corrective Action:</i> 1. Showing the type of pesticide used by the company to auditor. 2. Giving awareness to estate manager in term of the type of pesticide used by the company.</p> <p><i>Preventive Action:</i> The system of documentation over the entire records associated with the implementation of RSPO certification system that will be centralized in Training Center of Sulung Estate.</p>	CLOSED	March 11 <sup>th</sup> 2015

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							<p><i>Auditor Observation:</i>  <b>Febraury 28<sup>th</sup> 2015</b>            Selangkung and Rungun Estate management unit shows the evidence of the corrective action in form of the list of the pesticide used by the company during period of 2014-2015. Entire type of pesticides have been registered on the pesticide commission of Agriculture Ministry. Therefore, the auditor teams considers that Major nonconformity 4.61 is now CLOSED.</p>		
2014.07	<b>Major 4.6.3</b>	<p><b>Limited Pesticide Certificate</b>            According to the document review and interview with employees, the company is still using paraquat dichloride (limited pesticide. However, the pesticide applicator is still uncertified (14 pesticide applicator – Selangkun Estate) refer to the Agriculture Ministry Regulation number 24 year 2011</p>	Nonconformity	Estate	ASA-1	Management unit must shows the certificate of the pesticide applicator (limited pesticide).	<p><i>Root Cause:</i>            It is caused by the number of the new employees during the audit (they are not participating the training yet).</p> <p><i>Corrective Action:</i>            Training of the limited pesticide will be held on December 2014.</p> <p><i>Preventive Action:</i>            The system of</p>	CLOSED	April 10 <sup>th</sup> 2015

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							<p>documentation over the entire records associated with the implementation of RSPO certification system that will be centralized in Training Center of Sulung Estate.</p> <p><i>Auditor Observation:</i>  <b>April 10<sup>th</sup> 2015</b>            Management unit has sent the evidence of corrective action in form of certificate of the limited pesticide applicator (Certificate Number: PSPPP.340/1936/XII/2014 dated December 23<sup>rd</sup> 2014) which was held by the commission of pesticide and fertilizer of West Kotawaringin District on December 22<sup>nd</sup> 2014. The example of certificate is attached.</p> <p>According to the corrective action, the Major nonconformity 4.6.3 is now CLOSED.</p>		
<b>2014.08</b>	<b>Minor</b>	<b>There is insurance of work accident</b>	Nonconfor	Estate	ASA-1	The company must be able	<i>Root Cause:</i>	Open	

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
	4.7.1	<p><b>for the workers</b></p> <p>The company is not able yet to show the evidence of:</p> <ul style="list-style-type: none"> <li>Labour social assurance payment for permanent daily labour of RGE and SGE and for temporary daily labour of SGE for period of August – October 2014 is not yet conducted.</li> <li>There is no enough evidence that the labour social assurance of RGE temporary daily workers until period of October 2014 has been paid.</li> </ul>	mity			to show the evidence of the availability of insurance for the employees including temporary daily labour and the routine insurance payment.	<p><i>Corrective Action:</i></p> <p><i>Preventive Action:</i></p> <p><i>Auditor Observation:</i></p>		
2014.09	Minor 4.7.2 4.6.2	<p><b>Regular medical check up for the workers working on high-risk station</b></p> <p>The company is not yet able to show the evidence of the regular medical check up for the workers working on high risk stations in form of (audiometri, spirometri and cholinesterase check up).</p>	Nonconformity	Estate and Mill	ASA-1	The company must be able to show the evidence of the held employee regular medical check up.	<p><i>Root Cause:</i> The company has not yet carried out the identification of high-risk activity.</p> <p><i>Corrective Action:</i> <i>The company has been done medical check up</i></p> <p><i>Preventive Action:</i> <i>Scheduling anual medical check up</i></p> <p><i>Auditor Observation:</i> <b>February 28<sup>th</sup> 2015</b> Selangkung and Rungun</p>	Closed	<b>February 28<sup>th</sup> 2015</b>



No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							Estate management unit has sent evidence of corrective action in form of recapitulation of the result of auditometri, cholinesterase and spirometri for 15 workers working on high-risk station. The medical check up was held on December 28 <sup>th</sup> – 29 <sup>th</sup> 2014. It was analyzed by the doctor.		
2014.10	Minor 4.7.4	<p><b>Record of training of OHS.</b></p> <p>1. There are uncertified (OHS certificate) 2 boiler operators, 15 welders and 3 electricians in SG POM.</p> <p>2. The company is not able to show the evidence of SIO owned by operators in SGE.</p>	Nonconformity	Estate	ASA-1	The company must be able to show that all the operators have been certified and they have had SIO.	<p><i>Root Cause:</i> Schedule from training provider is not fixed.</p> <p><i>Corrective Action:</i> Training has been conducted</p> <p><i>Preventive Action:</i></p> <p><i>Auditor Observation:</i> <b>February 28<sup>th</sup> 2015</b> The corrective action has been informed by the Selangkun POM. For example: 1. Evidence of the attendance list of training (2 boiler</p>	Closed	May 18, 2015

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							<p>operator certification) on December 15<sup>th</sup> – 22<sup>nd</sup> 2014.</p> <p><b>Verification on May 15, 2015</b>            Management unit has shown the evidences of corrective action, such as:            Certificate of two (2) boiler men, example certificate No Ser 108/OPK3/B.I/I/2015 dated 19 January 2015.            Competencies certificate of welder No: 0151/3301/I/007/Sdn/ 2014 issued by Industrial Training Hall Agency at Semarang dated 29 September 2014. Therefore, the Minor NC of 4.7.4 is not yet complied and it will be verified on the next assessment.</p> <p><b>May 18, 2015</b>            Manajemen unit has sent the corrective evidence known as Electrical Technician Certificate namely</p>		

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							Hermansyah, Cert. No: 00437/TK3-LIST/III/2015, dated 27 February 2015.  According the evidence, auditor team conclude that NC has been CLOSED.		
2014.11	Minor 4.7.7	<b>Workers who have been sent to participat on first aid training must be placed on the estate and mill operational</b> First aid training of Selangkun POM has been conducted on October 7 <sup>th</sup> 2014. The training was taught by paramedic. It was participated by supervisor, midwife, head of warehouse, and QHSE. However, the first aid training for foreman is not yet available.	Nonconformity	Estate	ASA-1	The company mus be able to show the evidence that the officer in charge to give first aid action has been well trained.	<i>Root Cause:</i> During the audit, the first aid training is not yet conducted.  <i>Corrective Action:</i> Providing the evidence of the record of first aid training for entire foreman.  <i>Preventive Action:</i> Determining each training by referring the need of company and work plan time management and it will be evaluated regularly.  <i>Auditor Observation:</i> <b>February 28<sup>th</sup> 2015</b> Evidence in form of official record of first aid training for all foremen in Selangkun Estate. It was taught by medical assistant (midwife) on December 5 <sup>th</sup> 2014.	Closed	March 11 <sup>th</sup> 2015

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							According to the corrective action, the Minor nonconformity 4.7.7 is now CLOSED.		
2014.12	Major 5.2.3	<p><b>Stages to protect HCV area over the illegal activity.</b></p> <p>The management unit has determined the HCV area refer to the decree of PT SSS management number 001/DIR-SK/SSS-IN/I/2014, dated January 28<sup>th</sup> 2014. The forest area located in Block J8-J11 of Selangkun Estate is considered as conservation area.</p> <p>However, according to the field visit to the area, there was an illegal mining activity. During the assessment, the illegal mining activity has been stopped.</p> <p>Therefore, it shows the management unit conducts crap attempt to protect HCV area.</p>	Nonconformity	Estate	Prior issued certificate	Management unit must shows the stages to protect HCV area and its monitoring to prevent any illegal activity.	<p><i>Root Cause:</i> The vegetation is not yet monitored due to the lack of knowledge of the vegetation name.</p> <p><i>Corrective Action:</i> Conducting training over the coordinator of HCV manager and conducting vegetation type.</p> <p><i>Preventive Action:</i> Monitoring shall be implemented based on management plan.</p> <p><i>Auditor Observation:</i> <b>February 28<sup>th</sup> 2015</b> Selangkun Estate management unit has informed the evidence of corrective action in form of official record of hard rod tree planting (a million tree planting) in forest area of</p>	Closed	March 11 <sup>th</sup> 2015

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							<p>Block J8-J11 (ex-mining area) on January 18<sup>th</sup> 2015. Photographs of the program are attached. There were 140 Swietina macrophylla planted on that wasteland.</p> <p>Furthermore, the company installed signboard marking the area as HCV as well referring the official record of signboard installation. The signboard was installed on February 5<sup>th</sup> 2015.</p> <p>According to the corrective action, the Major NC 5.2.3 is now CLOSED.</p>		
2014.13	Minor 5.4.2	<p><b>Record of petroleum fuel usage and its efficiency analysis.</b></p> <p>Mill management unit is not able to show the record of petroleum fuel usage on the FFB processing including the efficiency analysis.</p>	Nonconformity	Mill	ASA-1	Mill management unit must have record of petroleum fuel usage and its efficiency analysis.	<p><i>Root Cause:</i> Record of petroleum fuel usage has been recorded but the analysis of energy efficiency it not yet documented.</p> <p><i>Corrective Action:</i> Calculating the energy analysis based on the technical data in Selangkun POM. 2. Calculating the energy efficiency of Selangkun POM (PIC &amp; Assisstant Lab.)</p>	Closed	March 11 <sup>th</sup> 2015



No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							<p>3. Determining the criteria to conduct energy efficiency analysis (PIC &amp; Assisstant Lab.)</p> <p><i>Preventive Action:</i> Updating the data and input on the formula of the energy efficiency calculation regularly.</p> <p><i>Auditor Observation:</i> <b>February 28<sup>th</sup> 2015</b> Selangkun POM management unit has informed the record of petroleum fuel usage, diesel fuel efficiency, and CO2 emission reduction for period of 2013 and 2014. According to the corrective action, the Minor NC 5.4.2 is now CLOSED.</p>		
2014.14	Major 5.5.3 Minor 7.7.3	<p><b>Procedure and record of land fire emergency situation</b> Selangkun Estate has held fire extinguishing training and simulation occurred at housing complex. However, there is no evidence that the fire extinguishing simulation.</p>	Nonconformity	Estate	Prior issued certificate	Selangkun Estate must be able to show the evidence of the fire extinguishing simulation occurred at the land.	<p><i>Root Cause:</i> Selangkun Estate has held housing complex fire extinguishing training but the land fire extinguishing simulation has not yet held.</p>	Closed	March 12 <sup>th</sup> 2015

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No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							<p><i>Corrective Action:</i></p> <ol style="list-style-type: none"> <li>1. Holding land fire extinguishin simulation.</li> <li>2. Giving awareness to the work unit in term of the importance of emergency response system (PIC of QHSE Dept)</li> </ol> <p><i>Preventive Action:</i></p> <p>Agenda of land fire simulation is shall be held with the emergency situation simulation simulltaneously.</p> <p><i>Auditor Observation:</i></p> <p><b>February 28<sup>th</sup> 2015</b></p> <p>Selangkun Estate has shown the evidence of corrective action such as report of land fire extinguishing drill on November 9<sup>th</sup> 2014. The training was participated by 9 participants. Program evaluation and its recommendation is available. The company is also attaching attendance list and photograph of the</p>		

No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							program. Therefore, Major NC 5.5.3 is now CLOSED.		
2014.15	Minor 5.6.2	<b>Record of identification, monitoring, and methodology of POME management</b> The company is not testing the effluent quality from the inlet pond refer to the guidance of environmental management and monitoring yet.	Nonconformity	Estate	ASA-1	The company must shows the evidence of effluent quality test referring the guidance of document of environmental management and monitoring.	<p><i>Root Cause:</i> Selangkun POM does not maintain the document of environmental management and monitoring effort. Therefore, the team of Selangkun POM does not identify the sampling optimally.</p> <p><i>Corrective Action:</i> Sending the sample of effluent (inlet) refer to the environmental management and monitoring effort.</p> <p><i>Preventive Action:</i> Implementing the recommendation referring the matrix of environment document.</p> <p><i>Auditor Observation:</i> <b>March 17<sup>th</sup> 2015</b> According to the result of consultation between PT SSS and Regional Environment Agency on</p>	Closed	March 12 <sup>th</sup> 2015

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No.	Ref Std/ Indikator	Nonconformity Potential	Grade	Area	Deadline	Corrective Action	Observation and Date	Status	Closed Dated
							February 9 <sup>th</sup> 2015. There is no need to conduct effluent quality test due to the unavailability of guidance to do such a thing at the environmental management and monitoring plan. Therefore, the Minor NC 5.6.2 is CLOSED.		

**3.5.2.2 Opportunity for Improvement / Opportunity for Improvement during ST-2 Assessment**

No	Ref.Std	Description
1		The company needs to maintain the flatbed on land application in the land.
2	Major 8.1.1	<p><b>Routine evaluation of estate and mill operationals</b></p> <ul style="list-style-type: none"> <li>- The company has an opportunity to improve the performance of PIC involved on the certification program refer to the competence needed. For example, specific and well trained officer who manage and monitor the implementation of certification in level of estate or regio. <b>Observation</b></li> <li>- The company is able to improve effectivity of performance for providing / distributing document during assessment program including the process of administration improvement. <b>Observation</b></li> </ul>

**3.5.3 Noteworthy Positive Components**

No	Ref Std	Descriptions

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



Issues from Stakeholder	Management Response	Auditor Response
<p><b>West Kotawaringin District Manpower Agency (the Head of Industrial Relation and Monitoring).</b></p> <ol style="list-style-type: none"> <li>Obligation of the routine reporting has been informed by the company. For example, report of OHS Guiding Committee each quarter and manpower report obligation.</li> <li>The company has complied workers competence specifically. For example welding expert certificate for welder, hyperkes certificate for company doctor, etc. the latest training for crane and loader operator was held on November 2014.</li> <li>The company has had OHS Expert.</li> <li>PT SSS has formed Bipartit cooperative institution.</li> <li>The company has given wage by referring to sectoral minimum wage standard of Central Kalimantan for period of 2014.</li> <li>There is no industrial relation dispute reported to Manpower Agency.</li> <li>The company maintain good relation with Manpower Agency.</li> </ol>	<ol style="list-style-type: none"> <li>Report of OHS Guiding Committee is routinely reported by the company.</li> <li>External training is held by coordinating with Manpower Agency.</li> <li>OHS expert of PT SSS on behalf Andang.</li> <li>Bipartite cooperative institution of PT SSS has been legalized by Manpower Agency.</li> <li>Minimum wage standard for employees is routinely updated refer to the regulation.</li> <li>The relation between the company management with Manpower Agency is well maintained.</li> </ol>	<ul style="list-style-type: none"> <li>The company is always maintain good relation with all government agencies.</li> <li>The company has implement their operationals based on principles of OHS and regulations applied by the government. Therefore, it complies criteria 2.1 and 4.7 of RSPO</li> </ul>
<p><b>West Kotawaringin District Environment Agency (the Head of Environment Agency).</b></p> <ol style="list-style-type: none"> <li>There is no negative issue reported to West Kotawaringin District Environment Agency in term of environment management conducted by PT SSS.</li> </ol>	<ol style="list-style-type: none"> <li>The company always monitors the environment referring to the recommendation of environmental management and monitoring plan.</li> </ol>	<ul style="list-style-type: none"> <li>The company must maintain good relation with all government agencies.</li> </ul>



<ol style="list-style-type: none"> <li>2. The company has had document of environmental impact management in form of EIA and environmental management and monitoring plan for Selangkun POM operationals.</li> <li>3. Selangkun POM has had permit of waste utilization to the soil. The block for land application has been proposed in early 2014 and the report of debit and pH of effluent as part of monitoring is also reported each semester (period of reporting of environmental management and monitoring plan).</li> <li>4. The company has had permit of hazardous waste storage. Environment Agency allows the hazardous waste in form of package stored in estate as long as its dispatched is monitored and control. The environment agency concerns the generated medical waste due to the unavailability of incinerator nor specific facility to store that kind of waste.</li> <li>5. The company has reported environmental management and monitoring routinely (each semester). They have also reported hazardous waste management routinely (each quarter) refer to the applied format of reporting (based on the applied regulation).</li> </ol>	<ol style="list-style-type: none"> <li>2. The company has had EIA and environmental management and monitoring plan.</li> <li>3. The company has had permit of study of effluent generated by Selangkun POM and environmental management and monitoring plan is reported routinely (each semester).</li> <li>4. PT SSS (indeed) has had permit of hazardous waste storage in POM and hazardous waste storage of estate (Kondang Estate). There is no medical waste collector in Central Kalimantan.</li> <li>5. The company has reported environmental management and monitoring plan and hazardous waste routinely.</li> </ol>	<ul style="list-style-type: none"> <li>• The company has conducted its obligation to manage and monitor environment and to report it to the Environment Agency routinely. Therefore, it complies criteria 2.1 and 5.1 of RSPO.</li> <li>• Company is encouraged to manage hazardous waste (medical waste) by referring to the applied regulations.</li> </ul>
<p><b>West Kotawaringin District Forestry Agency (Head of Establishment Forest Area)</b></p> <ol style="list-style-type: none"> <li>1. Several area of PT SSS estate is still located within forest area refer to the decree of Forestry Ministry 529. It has been informed to the ministry. The final decision is the prerogative right of forestry ministry, the regional agencies is just providing technical consideration.</li> <li>2. According to the information, the forest border of West Kotawaringin District is shall be managed on 2015 in order to solve the dispute of forest legal area in Central Kalimantan.</li> </ol>	<ol style="list-style-type: none"> <li>1. PT SSS area is indeed located within forest area. However, the company has processed it refer to the procedure.</li> </ol>	<p>The company has onducted entire procedure stages refer to the applied government statute. All evidence have been shown and verified by the auditor.</p>

<p><b>Rungun Village</b> Stakeholder consultation in this village is conducted by interviewing community figure and several settlers. The main points of the result of interview are:</p> <ul style="list-style-type: none"> <li>• Positive impacts of the land clearing of PT SSS estate are: <ul style="list-style-type: none"> <li>- The road access to and from villages nearby that is used to be reached through Lamandau River is now opened.</li> <li>- Openness of job opportunity for the villagers nearby refer to the competence.</li> <li>- Economy improvement (welfare) of the community nearby. Well maintained infrastructures (road) to drive economy development faster.</li> <li>- Existence of estate has inspired the locals do the same thing. For about 20% of the villagers manage their own estate and the FFB produced by them is delivered to PT SSS.</li> <li>- West Kotawaringin Regent recommends the establishment of scheme smallholder program in nearby villages. The total hectareage of the planned scheme smallholder is 950 Ha.</li> <li>- Ardha Mewah Cooperative Unit has been formed. It becomes organization for smallholders from 4 villages (Rungun, Kondang, Bangun Jaya &amp; SP 2)</li> </ul> </li> <li>• Social interaction between community and the company is well maintained. Several assistance requests proposed by village administration government have been well responded so far.</li> <li>• There is no complaint expressed by nearby villagers in term of negative impacts over environment caused by PT SSS estate and mill operational.</li> <li>• There is no issue of land conflict between the company and nearby community.</li> </ul>	<ul style="list-style-type: none"> <li>• Road access repairment to the village has been programmed by the company. Furthermore, the locals have equal job opportunity adjusted with each villager competence.</li> <li>• Community trade has been improved (economy improvement). Furthermore, the community who manages their own estate is able to sell their FFB to the company by referring to the term and agreement.</li> <li>• Scheme smallholder establishment for Rungun Village is now conducted and monitored sustainably..</li> <li>• Department of CSR has program of scholarship for the poor students.</li> </ul>	<ul style="list-style-type: none"> <li>• The company must maintain the good relation with the nearby community.</li> <li>• The company has conducted its obligations to the community refer to the applied government regulation. The evidence has been verified by auditor.</li> </ul>
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<p><u>Aspiration:</u></p> <ul style="list-style-type: none"> <li>• The establishment of scheme smallholders is expected to be realized immediately.</li> <li>• The company is expected to give scholarship for the poor students.</li> </ul>		
<p><b>Rangda Village</b></p> <p>Stakeholder consultation in this village is conducted by interviewing the Head of Village Government Affair and several settlers.</p> <p>The main points of the result of interview are :</p> <ul style="list-style-type: none"> <li>• Positive impacts of the land clearing of PT SSS estate are: <ul style="list-style-type: none"> <li>- The road access to and from villages nearby is now opened.</li> <li>- Assistances given by PT SSS in form of: road maintenance assistance, daily logistics assistance (10 Kg of Rice, 2 Kg of sugar, and cooking oil) for each family.</li> <li>- Establishment of scheme smallholder and village land property.</li> </ul> </li> <li>• There is no complaint expressed by nearby villagers in term of negative impacts over environment caused by PT SSS estate and mill operationals.</li> <li>• The land owned by the community which is now used as PT SSS estate area has been compensated.</li> <li>• There is no issue of land conflict between the company and nearby community .</li> </ul> <p><u>Aspiration:</u></p> <ul style="list-style-type: none"> <li>• The company is expected to give scholarship for the poor students .</li> </ul>	<ul style="list-style-type: none"> <li>• Road access repairment to the village has been programmed by the company .</li> <li>• CSR program has been planned by the company and authorized to CSR Department.</li> <li>• Good relation between company and community nearby is well maintained.</li> <li>• Department of CSR has program of scholarship for the poor students.</li> </ul>	<ul style="list-style-type: none"> <li>• The company must maintain the good relation with the nearby community.</li> <li>• The company has conducted its obligations to the community refer to the applied government regulation. The evidence has been verified by auditor.</li> </ul>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<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 style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p>PT SAWIT SUMBERMAS SARANA Management Representative</p>  <p><b><u>Rudy Hendarto</u></b> Monday, 18 May 2015</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Yudwi Wisnu Rahmanto</u></b> Monday, 18 May 2015</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Dinas Sosial Tenaga Kerja dan Transmigrasi	Kab. Kotawaringin Barat	-	Direct Interview	25 November 2014	√	
2	Badan Lingkungan Hidup	Kab. Kotawaringin Barat	-	Direct Interview	25 November 2014	√	
3	Dinas Kehutanan dan Perkebunan	Kab. Kotawaringin Barat	-	Direct Interview	25 November 2014	√	
4	Desa Rungun	Kab. Kotawaringin Barat	-	Direct Interview	25 November 2014	√	
5	Desa Rangda	Kab. Kotawaringin Barat	-	Direct Interview	25 November 2014	√	
6	Walhi	Jakarta	<a href="mailto:info@walhi.or.id">info@walhi.or.id</a>	Email	17 November 2014		√
7	Sawit Watch	Jakarta	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Email	17 November 2014		√

**Appendix 2. Assessment Program**

DATE / TANGGAL		24 - 28 November 2014	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
<b>Monday/Senin, 24 November 2014</b>			
08.30 - 10.00 10.30 - 11.00 11.00 - 15.00 15.30 - 18.00		<ul style="list-style-type: none"> <li>• Jakarta → Pangkalan Bun</li> <li>• Opening Meeting</li> <li>• Stakeholder Consultation with relevant agency and local NGO</li> <li>• Pangkalan Bun → Selangkun POM</li> </ul>	<ul style="list-style-type: none"> <li>•OR / YWR / APP / SP / EH</li> <li>•WR</li> </ul>
<b>Tuesday/Selasa, 25 November 2014</b>			
08.00 - 12.00		<ul style="list-style-type: none"> <li>• Stakeholder Consultation with adjacent community (Desa Rungun &amp; Desa Ranga)</li> <li>• Internal Stakeholder Consultation (Worker Union, Gender Committee, Koperasi Karyawan)</li> <li>• Field Observation at <b>SELANGKUN POM</b>: Processing, WWTP, OSHA, Hazardous Waste Management, workshop, Application of POME</li> </ul>	<ul style="list-style-type: none"> <li>•OR</li> <li>• EH</li> <li>• SP/APP</li> </ul>
12.00 - 14.00		<b>BREAK</b>	
14.00 - 17.00		<ul style="list-style-type: none"> <li>• Verification of field observation <b>SELANGKUN POM</b>:</li> <li>• Verification of Stage-1 Assessment</li> </ul>	•OR / YWR / APP / SP / EH
<b>Wednesday/Rabu, 26 November 2014</b>			
08.00 - 12.00		<b>Field Observation of SELANGKUN Estate</b> <ul style="list-style-type: none"> <li>• Best Management Practice: Pemupukan, Penyemprotan, implementasi PHT, Panen, dll.</li> <li>• Fasilitas Pekerja , Perumahan, Pos Kesehatan, Sarana dan Prasarana Pekerja, Pengelolaan LB3 dan B3, Workshop, Sarana Kebakaran Lahan</li> <li>• Batas operasional dan pemanfaatan area, Area Konservasi / Kawasan Lindung</li> </ul>	<ul style="list-style-type: none"> <li>•APP</li> <li>• SP / OR / EH</li> <li>•YWR</li> </ul>
12.00 - 14.00		<b>BREAK</b>	
14.00 - 17.00		Verification of field observation <b>SELANGKUN Estate</b>	•OR / YWR / APP / SP / EH
<b>Thursday/Kamis, 27 November 2014</b>			
08.00 - 12.00		<b>Field Observation of RUNGUN Estate</b> <ul style="list-style-type: none"> <li>• Best Management Practice: Manuring, Pesticide Application, implementasi IPM, Harvesting, dll.</li> <li>• Worker facilities, Housing, Medical care, Hazardous waste management, Workshop, Land Fire facilities</li> <li>• Boundaries area, Conservation area</li> </ul>	<ul style="list-style-type: none"> <li>•APP</li> <li>• SP / OR / EH</li> <li>•YWR</li> </ul>
12.00 - 14.00		<b>BREAK</b>	
14.00 - 17.00		Verification of field observation <b>RUNGUN Estate</b> Completing checklist	•OR / YWR / APP / SP / EH
<b>Friday/Jumat, 28 November 2014</b>			



DATE / TANGGAL		24 - 28 November 2014	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
08.00 – 09.00 09.30 – 11.00		Internal team discussion and audit result preparation <b>CLOSING MEETING</b>	•OR / YWR / APP / SP / EH
11.30 – 12.30		<b>BREAK</b>	
13.00 – 14.15		Pangkalan Bun → JAKARTA	•OR / YWR / APP / SP / EH

**Appendix 3. Glossary**

AMDAL	:	Analisis Mengenai Dampak Lingkungan ( <i>Social and Environmental Impact Assessment</i> )
APD	:	Alat Pelindungan Diri ( <i>Personal Protection Equipment</i> )
ASEAN	:	Association of South East Asian Nations
B3	:	Bahan Beracun and Berbahaya ( <i>Hazardous Material Waste</i> )
BOD	:	Biological Oxygen Demand
CPO	:	Crude Palm Oil
CBD	:	Convention on Biodiversity
HCV	:	High Conservation Value (Nilai Konservasi Tinggi)
HGU	:	Hak Guna Usaha. ( <i>Land Use Permit</i> )
IUP	:	Izin Usaha Perkebunan. ( <i>Plantation Operation Licence</i> )
IPAL	:	Instalasi Penyaluran Air Limbah ( <i>Wastewater Treatment</i> )
JAMSOSTEK	:	Jaminan Sosial Tenaga Kerja ( <i>Social Assurance of Labor</i> )
K3	:	Keselamatan and Kesehatan Kerja. ( <i>Occupational Health and safety</i> )
KDE	:	Kondang Estate
LC	:	Land Clearing
OER	:	Oil Extraction Rate
P2K3	:	OHS Guiding Committee
PHT	:	Pengendalian Hama Terpadu ( <i>Integrated Pest Management</i> )
PLE	:	Pulau Estate
PK	:	Palm Kernel
PKS	:	Pabrik Kelapa Sawit
POM	:	Palm Oil Mill / Pabrik Kelapa Sawit
RGE	:	Rungun Estate
RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan ( <i>Environmental Management Plan/ Environment Monitoring Plan</i> )
SLE	:	Selangkun Estate
SOP	:	Standard Operating System
TBS	:	Tandan Buah Segar ( <i>Fresh Fruit Bunches</i> )
UKL/UPL	:	Upaya Kelola Lingkungan/ Upaya Pemantauan Lingkungan ( <i>Environmental Management Efforts/ Environmental Monitoring Efforts</i> )

Appendix 4. Review of Assessment Report		
<b>Name of Certificate Holder</b>	:	PT SAWIT SUMBERMAS SARANA
<b>Scope of Certification</b>	:	SELANGKUN POM and Selangkun Estate, Rungun Estate, Kondang Estate
<b>Certificate Code</b>	:	<b>MUTU-RSPO/062</b>
<b>Type of Certificate</b>	:	SINGLE
<b>Report Type (PA, ST1, ST2, S1, S2, S3, S4 or RA)</b>	:	ST-2
<b>Names of Auditors</b>	:	ST-1: Ibnu Satria Prabudi; Abdul Rahman; Yudwi Wisnu Rahmanto; I Wayan Sudiantara; Rudi Ramdani  ST-2: Y. Wisnu Rahmanto (Lead Auditor); Oktovianus Rusmin; Andi Pratama Pasaribu ; Sandra Purba; Entin Hendartin
<b>Name of Report Reviewer</b>	:	Octo HPN Nainggolan
<b>Date of Audit</b>	:	ST-1 → 09 – 12 Maret 2014 ST-2 → 24 – 28 November 2014
<b>Date report received</b>	:	15 May 2015
<b>Date of review</b>	:	17 May 2015
<b>Date of response</b>	:	19 May 2015
<b>Date report finalised</b>	:	19 May 2015
<b>Current report status:draft1, 2, 3, etc</b>	:	Draft-00
I. General comments on the evaluation		
No	Issues and Comments	Clarification/explanation TO BE FILLED IN BY MUTU
	1.2.10 Agar dilengkapi dengan nomor registrasi RSPO nya: <b>1-0111-07-000-00</b>	19 May 2015 Terimakasih, telah dilengkapi didalam laporan.
	1.4.2 Agar dilengkapi dengan Kecamatan, Kbaupaten dan Provinsi	19 May 2015 Terimakasih, telah dilengkapi didalam laporan.
	1.5.3 Agar dilengkapi keanggotaan dan lokasi kebun dari sumber pemasok lainnya.  Seperti PT Sawit Sumbermas Sarana	19 May 2015 Terimakasih, telah dilengkapi didalam laporan.
	2.4.1 Agar dilengkapi tanggalnya bahwa pengumuman public 30 hari sebelum penilaian dilakukan	19 May 2015 Terimakasih, telah dilengkapi didalam laporan.
II. General comments on the inspection report		
No	Issues and Comments	Clarification/explanation TO BE FILLED IN BY MUTU

	<p><b>Ketidaksuaia 2014.02 (Major 3.1.1)</b>          Mengapa belum tersedia identifikasi akar masalah, Tindakan perbaikan dan tindakan pencegahan ?          Agari dilengkapi kembali</p>	<p>19 May 2015          Seluruh tindakan koreksi telah dilengkapi didalam laporan sesuai tanggapan auditee.</p>
	<p><b>Ketidaksuaian 2014.03 (Minor 4.2.1)</b>          Pada akar masalah:          Apa yang dimaksud dengan "Namun pada saat audit tidak dapat ditunjukkan ke auditor karena auditee tidak tepat."...?</p>	<p>19 May 2015          Terimakasih,          Terdapat kesalahan penulisan redaksional dari auditee, seharusnya "Namun pada saat audit tidak tepat ditunjukkan kepada auditor".          Hal ini sudah diperbaiki didalam laporan.</p>
	<p>Ketidaksuaian 2014.10 (Minor 4.7.4)          No.2          Operator apakah yang belum ada SIO di SGE ?           Agar dijelaskan dengan baik bahasa ketidaksuaianya.</p>	<p>19 May 2015          Operator yang dimaksud adalah operator angkat-angkut (Dumpruck dan Back hoe loader).</p>
<p>III. Specific comments on the proposed certification decision, including any reconditions, conditions or recommendations</p>		
No	Issues and Comments	Clarification/explanation TO BE FILLED IN BY MUTU
	<p><b>Note:</b>  <i>Masih terdapat ketidaksuaian elum dilengkapi dengan AKAR MASALAH, TINDAKAN PERBAIKAN dan TINDAKAN PENCEGAHAN.</i>   <i>Sebaiknya dilengkapi terlebih dahulu hal tersebut.</i></p>	<p>19 May 2015          Seluruh tindakan koreksi telah dilengkapi didalam laporan sesuai tanggapan auditee.</p>
	<p>Unit PT Sawit Sumbermas Sarana telah mendapatkansertifiakt ISO 9001 tentang QUALITY MANAGEMENT SYSTEM.           Seharusnya dalam memberikan bukti perbaikan terkait dengan AKAR MASALAH, TINDAKAN PERBAIKAN dan TINDAKAN PENCEGAHAN sudah familiar dapat diberikan kepada team auditor.</p>	<p>19 May 2015          Seluruh tindakan koreksi telah dilengkapi didalam laporan sesuai tanggapan auditee.</p>
	<p>Agar dihindari dalam penggunaan:</p> <ul style="list-style-type: none"> <li>Nama Personil (dapat digantikan dengan jabatan atau nomor registrasi karyawan)</li> <li>Nama Perusahaan pihak ketiga.              Seperti: PT Anugrah Analisis Sempurna (dapat digantikan dengan laboratorium pengujian ang terakreditasi, dll)</li> </ul>	<p>19 May 2015          Lead Auditor telah berulang kali menjelaskan hal tersebut, akan tetapi masing-masing auditor belum sepenuhnya melaksanakannya.           Koreksi atas pencantuman nama personil, perusahaan pihak ketiga dan nilai nominal telah diperbaiki didalam laporan. Nama personil tetap dicantumkan untuk beberapa bukti ganti rugi lahan sebagai bukti bahwa tim benar-benar melakukan verifikasi data.</p>

<b>Address of Mill</b>	Selangkun POM, Rungun Village, Sub district of Kotawaringin Lama, District of Kotawaringin Barat, Province of Kalimantan Tengah , Indonesia.
<b>Site Location</b>	Provided in para 1.4.1. of Assessment Report (AR) (Pg.4)
<b>Report Type</b>	Main Assessment (ST -2)
<b>Lead Auditor name</b>	Yudwi Wisnu Rahmanto (Lead Auditor).
<b>Certification Body</b>	PT Mutuagung Lestari
<b>Details:</b>	
<b>Scope of certification.</b> Name of the mill and its supply base	Detailed Information is supplied at (Pg. 2-3 of AR) Para 1.3.1 should read as 3 estates and not 4.
<b>Details description of the certification unit</b> that should include as follows:	
i. Location (latitude and longitude)	Provided at page 1 -2 of AR.
ii. Maps of acceptable quality	Map at Fig. 1 – 3 at Page (i) – (iii) of AR of acceptable quality.
iii. Supply base composition including hectarage, age profile, production of FFB during the last financial year)	Adequate information provided at (Pg.2 - 4) of AR.
iv. Any other supply base (non-certified)	Provided at page 2 of AR
v. Volume of CPO and PK recommended for certification	Provided at (Pg.4) of AR
vi. Contact details	Rudy Hendrarto – Management Representative Company Name: PT SAWIT SUMBERMAS SARANA Company Address: JL. H. Udan Said No. 47, Kel. Baru, Pangkalan Bun, Kalimantan Tengah 74115. Tel: 0532-21297 Fax: 0532-21396 email: <a href="mailto:rudy.hendrarto@citraborneo.co.id">rudy.hendrarto@citraborneo.co.id</a>
<b>Assessment/audit process:</b>	
i. Composition of audit team member	5 Auditors with relevant expertise. CV's at Page 5 of AR.

<p>ii. Brief CV of:</p> <ul style="list-style-type: none"> <li>• Lead auditor demonstrating competency</li> <li>• Auditors</li> <li>• Local expert</li> <li>• Other audit team members</li> </ul>	<p>Yudwi Wisnu Rahmanto (Lead Auditor). Bachelor of Forestry with Silviculture background. He worked at professional independent Certification Body as an Auditor for last 3 years and has involved in auditing activities with various certification schemes. Selected training which have been followed, such as RSPO Endorsed Lead Auditor Training Course, ISPO Auditor/Lead Auditor Course.</p> <p>4 other members of Audit Team are equally qualified and have substantial exposure in auditing. All Auditors are local experts. Detailed CV's of all auditors provided at page 5 of AR.</p>	
<p>iii. Audit schedule</p>	<p>25 audit days is considered sufficient.</p>	
<p>iv. Is the time allocated are appropriate to the scope of audit and its scale of operation</p>	<p>Time allocated was appropriate considering 5 auditors were involved and the planted area is contiguous with slightly above 8,000 ha.</p>	
<p>v. Audit methodology must include site visit to the mill and supply base and cover sufficient sample to allow acceptable decision making.</p>	<p>The Audit covered the Mill and two Company owned estates which is a sufficient sample..</p>	
<p><b>Stakeholder consultation process:</b></p>		
<p>i. Date of public notification made</p>	<p>12<sup>th</sup> September 2014.</p>	
<p>ii. List of stakeholder consulted</p>	<p>List is at Appendix 1 at Page 88 of AR.</p>	
<p>iii. Must include local stakeholder</p>	<p>Appendix 1 and page 6 includes local stakeholder.</p>	
<p>iv. Issues and responses to Stakeholder comments</p>	<p>Listed at Page 82 – 86.</p>	
<p><b>Time bound plan (TBP) and adequacy of the commitment</b> (i.e. Compliance to section 4.2.4 of the RSPO Certification System)</p>	<p>Well covered in Page. 4 of AR). No comments.</p>	
<p><b>Results/assessment findings must cover each criterion.</b> Non compliances raised refer to specific indicators as listed under the specific NI. All indicators identified as major are covered in the report. Detail review of each criterion is required.</p>	<p><b>Comments by Reviewer</b></p>	<p><b>Response by audit Team</b></p>



<p>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.</p> <p>1.3 Growers and millers commit to ethical conduct in all business operations and transactions.</p>	<p>Principle 1 well covered. No comments.</p>	
<p><b>Criterion 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.</b></p> <p>2.1.1 Evidence of compliance with relevant legal requirements shall be available.</p> <p>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>2.1.3 A mechanism for ensuring compliance shall be implemented.</p> <p>2.1.4 A system for tracking any changes in the law shall be implemented.</p>	<ol style="list-style-type: none"> <li>1. Whether there is a copy of Act 1 of 1970 on Safety?</li> <li>2. Are there fire mitigation officers in accordance with the provisions of the Decree of the Minister of Manpower No. 186/MEN/1999?</li> <li>3. Whether engineers in the Mill, Boiler men, Electricians, Charge- men are authorised by the relevant authorities to perform their jobs as required by SMK3 (Occupational Health and Safety Management System by Ministry of Labor of Republic Indonesia ) ?</li> <li>4. Is there compliance to Article 3 of the Safety Act?</li> </ol> <p><i>Article 3</i>  <i>g. prevent or control the incidence or spread of temperature variations, humidity, dust, dirt, smoke, vapour, gas, draughts, variable weather conditions, rays or radiance, sound and vibration;</i></p> <p><i>h. prevent or control the incidence of occupational disease, whether, physical or psychological, poisoning, infection or contagion;</i></p>	<ol style="list-style-type: none"> <li>1. Thanks for your comment, we have revised of report. Based on document verification and field visit was known that the company already have a copy of Safety Act No. 1 of 1970 and has comply with article 3 of Safety Act No. 1 of 1970 such as providing PPE (ear muff) to employee at engine room, and monitoring air quality every six month (dust, noise level, etc).</li> <li>2. Yes, fire mitigation officers have a license from the Ministry of Manpower known as Ahli K3 Umum, also the registered card is available. Also, there are special officers assigned in fire mitigation and land fire. The company has have a fire emergency procedure, organizational structures of fire emergency response for mill and estate, annual training programme for fire prevention and has identified areas prone to fire. The company has OHS experts for mill and estate.</li> <li>3. Yes, each operator has registered from authority's body known as Operator License (Surat Ijin Operator) and all of these licenses are still valid. Ex; Boiler men with certificate No Ser 108/OPK3/B.I/1/2015 dated 19 January 2015. See criterion 4.7</li> <li>4. According the interview with those persons during the field observation, they understand to monitor and control of all indicators required under Article 3. However, person in charge to control regularly is Processing Assistant (Ahli K3 Umum) or Mill Manager.</li> </ol>

<p>Criterion 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights. 2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. 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.</p>	<p>Criterion 2.2 &amp; 2.3 well covered. No comments.</p>	
<p>Principle 3: Commitment to long-term economic and financial viability. 3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. 3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p>	<p>The document covers FFB production, processed FFB target, percentage of its extraction. (Pg.17 of AR)</p> <p>5. Does the document contain data on FFB yield/ha? 6. Is monitoring done to ensure stricter controls to ensure costs do not overrun from targeted projections?</p>	<p>5. Yes, based on the business management plan 2014 – 2016, yield/ha each supply bases are available. This information has been added in the summary report. 6. Responsible person who monitor and cash flow of budget or projection cost is Estate/Mill manager, Internal Auditor and Plantation Department.</p>
<p>Principle 4: Use of appropriate best practices by growers and millers Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored.</p> <p>4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p> <p>Criterion 4.3 Practices minimise and control erosion and degradation of soils.</p> <p>4.4 Practices maintain the quality and availability of surface and ground water. 4.4.1 An implemented water management plan shall be in place.</p>	<p>7. Are there SOP's on safe working practices and application of pesticides? 8. Do the SOP's for the mill include "permit to work system" and use of PPE's?</p> <p>Criterion 4.2 – 4.4 adequately covered. No comments.</p>	<p>7. All the SOP's on safe working practices is under "Manual of Environment Management System, Occupational Health and Safety (SOP-EHC.GN-001)", this procedure is available in place. Please refer to Criterion 4.7. 8. Yes, within the (SOP-EHC.GN-001) is already covered of all activities both in Estates and Mill, including PPE's usage. Implementation of this procedure will be verified by Department of Quality Health Safety and Environment (QHSE) periodically.</p>

<p>4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</p> <p>4.6 Pesticides are used in ways that do not endanger health or the environment</p>	<p>Good coverage. No comments.</p> <p>The company has held regular medical check up. It is authorized to the company doctor named Arif Apriyanto(Pg.22)</p> <p>9. Did the medical checkups include cholinesterase test?</p> <p>10. Did the test reveal any case of low blood cholinesterase levels?</p> <p>11. As toxic chemicals like paraquat are used have workers been interviewed to find out if they experience mouth, throat and epigastric pain and respiratory distress?</p> <p>12. Are pesticide workers provided with training?</p> <p>13. Are contractor's workers too provided with pesticide training?</p> <p>14. Are there facilities for cleaning up after work?</p> <p>15. Are there storage spaces for keeping PPE including overalls after use?</p> <p>16. Is there compliance to Material Safety Data Sheet (MSDS) in accordance with the Government Regulation (PP) No.74 of 2001.</p> <p>17. Are there facilities for cleaning up after work?</p> <p>18. Are there storage spaces for keeping PPE including overalls after use?</p> <p>19. Is there Training on use of agrochemicals and pesticide hazards?</p>	<p>9. Yes, under the Laboratory Analysis Result on 28-29 December 2014, items of Cholinesterase are tested.</p> <p>10. According to document verification and interview with relevant workers, there is no case of low blood cholinesterase level.</p> <p>11. During interview with pesticide/paraquat applicator (sprayers), physically condition of the workers are well and no health problems.</p> <p>12. Yes, it has been added within the report. Management unit has sent the evidence of corrective action in form of certificate of the limited pesticide applicator (Certificate Number: PSPPP.340/1936/XII/2014 dated December 23<sup>rd</sup> 2014) which was held by the commission of pesticide and fertilizer of Kotawaringin Barat District on December 22<sup>nd</sup> 2014.</p> <p>13. All the pesticide workers is permanent workers, there is no contractor's involved within the activities.</p> <p>14. During the interview with spraying workers and field observation, after apply the pesticides; they must be cleaning up in the specific washroom near the storage. The company has provided these facilities on site.</p> <p>15. Yes, the storage and facilities are well maintained and appropriate condition.</p> <p>16. MSDS for all chemicals have been provided in warehouse.</p> <p>17. Yes, please refer to No. 14 above.</p> <p>18. Yes, please refer to No. 15 above.</p> <p>19. Yes, pesticide hazard was included in the training (see No. 12 above).</p>
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<p>Criterion 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues.</p> <p>4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8)</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and....</p>	<p>. For example, there are records of environment, health and safety plan in Selangkun POM which describes the dangers identification and work risk which is composed by the head of assistant, reviewed by EHS department, and approved by mill manager.(Pg.23)</p> <p>20. What engineering and administrative controls were studied to prevent hearing loss of mill.</p> <p>21. Has there been an audit on all PPEs used at the Mill (by workers) to ensure they comply with the minimum standards?</p> <p>22. Were the employees exposed to high noise levels interviewed by the auditors?</p> <p>23. Were any complaints raised?</p> <p>The company is routinely providing training for the staff and employees refer to the competence of each position.(Pg.24)</p> <p>24. Did the Training Plan include training for workers exposed to high noise levels?</p> <p>25. Was the training provided by a qualified instructor?</p>	<p>20. Control system to prevent hearing loss at the mill through the regularly briefing (prior the activities started), PPE's usage properly, periodically test of noise level by accredited bodies and maintenance check of all the machinery.</p> <p>21. Yes, during the field visit at Mill, auditors has been verify and checked of the PPE's usage by the workers. Also, inspection are routinely done by safety officer and Mill manager.</p> <p>22. During the Mill inspection and interview with some workers who worked at high noise level risk, there is no case or complaint by the workers related to hearing loss.</p> <p>23. Please refer to No 22 above.</p> <p>24. It has been written on report. Training for workers exposed to high noise levels has been planned by companies such as technical training (Refreshment training on Press Station area, Certification of Boiler Operator).</p> <p>25. Training is provided by a qualified instructor, It was held by PT Indotrain (OHS Administering Agency) accredited by Ministry of Manpower.</p>
<p>Criterion 4.8 All staff, workers, smallholders and contract workers are appropriately trained.</p>		

*Criterion 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.*

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

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

*5.4 Efficiency of fossil fuel use and the use of SPO – 4006a.5*

Prepared by Mutuagung Lestari for Selangkun POM – PT Sawit Sumbermas Sarana

*5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN*

- 26. The Document of environment owned by Selangkun POM - The Audit Team should have disclosed what guidelines were used in their HCV Assessments.
- 27. Has a Public Consultation been conducted within the HCV Identification document as what has been required in and stated in the Manual for Identification of High Conservation Value Area in Indonesia, which was published by the revisionary commission for Indonesia's HCV Toolkit, June 2008?
- 28. The Company's HCV management plan should make specific reference to the threatened species found to exist in the area. Specific management measures for these species should be identified.
- 29. What activities are carried out to increase biodiversity?
- 30. Have the legal requirements relating to protection of protected species been met?

Well covered. No comments.

Well covered. No comments.

Well covered. No comments.

- 26. Selangkun POM is extension Mill of PT Sawit Sumbermas Sarana (PT SSS), which is another Mill (Sulung POM) has been certified. EIA or AMDAL of PT SSS for all area coverage (including Selangkun POM) is in place. Due to National Regulation, if one company has extend the another Mill then company must have Environmental Document known as Dokumen Lingkungan only for the new Mill. This document only identified the negative and positive impact, and management plan, not necessary made from the beginning like AMDAL. Guidelines used for Dokumen Lingkungan is based on AMDAL (as main document). Meanwhile, HCV Assessment also conducted for all covered area of PT SSS (including Selangkun area) in 2012 by Sonokeling Akreditasi Nusantara (RSPO approved assessor).
- 27. Yes, HCV Identification Assessment is following the HCVA Indonesia Toolkit 2008.
- 28. HCV area were identified within scope of Selangkun POM and its supply bases, mostly is secondary forest and riparian zone. Specific method to conserved the HCV area is maintained and preserved its area through erect the prohibition sign board, enrichment plantings at bare area adjacent the HCV area and regular monitoring of animal species.
- 29. Maintained the green belt area, including riparian zone and enhance the area through enrichment plantings by wood species.
- 30. Yes, the legal requirements relating to protect of protected species that has been met such as Government Regulation No. 7 of 1999. The company was installed sign board containing prohibition and legal requirements in each HCV Area.



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

**Principle 6: Responsible consideration of employees, and of individuals and communities affected by growers and mills.**

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

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.

Criterion 6.5: Pay and conditions for employees and foreemployees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

6.7 Children are not employed or exploited.

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

6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.

- 31. Is smoke emission being monitored – eg.does the Mill have Ringleman Smoke Observation Chart as per licence requirements?
- 32. What was the average smoke density for period of observation just before the Assessment?
- 33. Has the Company submitted their GHG emission reports (using Palmghg or an equivalent) to the RSPO Secretariat for review by the ERWG during the implementation period?


Good coverage of Principle 6. No comments.

- 31. The company also conducts periodic emission test at least once in every semester (6 month), which consist of: boilers emission, generator emissions, air ambient in housing and surround the mills on a regular basis in the Environmental Management and Monitoring Plan reports. These report was submit periodically to Environment Agency in District and Province of Central Kalimantan and to the other related agencies.
- 32. Based on monitoring of emission in January – June 2014 that still meet the previously set quality standards (Minister of Environment No.7 of 2007). Average opacity at boiler during field observation is 16 – 18 % (sighted through panel machine at engine room), threshold is max. 30 %.
- 33. During RSPO audit (November 2014), reference document are still using P&C 2008 due to National Interpretation Indonesia are not been issued. Start implementation of P&C 2013 for Indonesia is end of April 2015. Then for Selangkun POM is still using P&C 2008 where there is no requirement of GHG emission report to RSPO ERWG.





<p><b>QUESTION 2:</b> Did the evaluation team have the necessary range of skills and experience to effectively undertake the evaluation? Please explain your response.</p>	<p>Yes, the team led by Yudwi Wisnu Rahmanto (Lead Auditor) had the necessary range of skills and experience to undertake the evaluation. The four Auditors are equally well qualified in Auditing and very familiar with RSPO Certification. Detailed CV's of all auditors provided at page 5 of AR.</p>
<p><b>QUESTION 3:</b> Was sufficient time allowed to undertake the audits/evaluation? Please explain your response.</p>	<p>The Team took 25 audit days and the time allocated was appropriate considering 5 auditors were involved and they covered the Mill and the two estates.</p>
<p><b>QUESTION 4:</b> Are there any major issues, which needed to be specifically addressed that have not been included in the report? Please explain your response.</p>	<p>Workers at high noise levels should be given training on risks involved in working at high noise levels so that they will understand the need for ear plugs to prevent hearing impairment. Such workers should also undergo audiometric tests on a regular basis to enable detection of hearing impairment.</p>
<p><b>QUESTION 5:</b> Was the evaluation carried out in an objective and professional manner? Please explain your response.</p>	<p>The team did go about their audit work in an objective and professional manner. The number of non conformities and observations is ample evidence. They have ensured all major NCR's have been closed.</p>
<p><b>QUESTION 6:</b> Is the report comprehensive and of sufficient quality for public scrutiny? Please explain your response.</p>	<p>The report is comprehensive and is of sufficient quality for public scrutiny but needs. The Report follows the RSPO format.</p>
<p><b>Other observations</b></p>	<p>Nil</p>

<p><b>Peer Reviewer:</b></p>	<p>Ganapathy Ramasamy</p>		
<p><b>Signature:</b></p>	 <p align="center">GANAPATHY RAMASAMY</p>	<p><b>Date:</b></p>	<p>8<sup>th</sup> June, 2015</p>

I have gone through the responses to the issues raised in my Review and am satisfied with them.  
I have no objections to the acceptance of the assessment Report on PT Sawit Sumbermass, Selangkun POM, Kalimantan Tengah.

GANAPATHY RAMASAMY

11<sup>th</sup> June, 2015

**Lampiran 5. Hasil Komite Sertifikasi RSPO**

**PANEL COMMITTEE OF CERTIFICATION DECISION**

Date: Friday, 12<sup>th</sup> June 2015

Scheme: RSPO P&C National Interpretation Indonesia (INA-NIWG) 2008 and Supply Chain Requirement, November 2011.

Scope: SELANGKUN POM, Selangkun Estate, Rungun Estate and Kondang Estate

Date of Assessment: 24-28 November 2014

Auditor Team: Y. Wisnu Rahmanto (Lead Auditor), Oktovianus Rusmin, Andi Pratama Pasaribu, Sandra Purba, Entin Hendartin.

Panel Members: Taufik Margani, Octo Nainggolan, Y. Wisnu Rahmanto, Oktovianus Rusmin

No	Input and Responses
1.	Cover: lengkapi kolom "diperiksa oleh" Ganapathy Ramasamy <a href="#">Response: Has been updated in the report.</a>
2.	No. Certificate: MUTU-RSPO/062 <a href="#">Response: Has been updated in the report.</a>
3.	Tanggal: 12 Juni 2015 – 11 Juni 2020 <a href="#">Response: Has been updated in the report.</a>
4.	Titik koordinat menggunakan template Degree, Minutes, Second tanpa koma <a href="#">Response: Has been updated in the report.</a>
5.	Format pada basic info disesuaikan dengan template yang baru <a href="#">Response: Has been updated in the report.</a>
6.	Penentuan estimasi data produksi, terlalu tinggi dan dirubah menjadi:  FFB Aktual: 191,317.59 MT. CPO Aktual: 55,242.93 MT. PK Aktual: 10,125.91 MT. FFB Estimasi: 204,048 MT. CPO Estimasi: 48,972 MT. PK Estimasi: 8,162 MT. <a href="#">Response: Has been updated in the report.</a>
7.	Data produksi dilengkapi keterangan data sumber yaitu satu tahun setelah certified <a href="#">Response: Has been updated in the report.</a>
8.	Lengkapi Update akar masalah pada NCR dan pastikan sudah dalam bahasa Inggris <a href="#">Response: Has been updated in the report.</a>
9.	OFI: perusahaan berpeluang untuk lebih proaktif dalam berkomunikasi dengan pemerintah daerah setempat terkait penguasaan lahan <a href="#">Response: Has been updated in the report.</a>