

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

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

Name of Management Organisation : **Muara Kandis Mill – PT Djuandasawit Lestari Subsidiary of Golden Agri Resources Ltd**  
 Plantation Name : **Muara Kandis Estate and Muara Tawas Estate**  
 Location : **Village of Lubuk Pandan, Sub District of Muara Lakitan, District of Musi Rawas, Province of South Sumatra, Country of Indonesia**  
 Certificate Code : **MUTU-RSPO/059**  
 Date of Certificate Issue : 18 May 2015      Date of License Issue : 18 May 2017  
 Date of Certificate Expiry : 17 May 2020      Date of License Expiry : 17 May 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
<b>ASA-2</b>	06 – 11 March 2017	Yudwi Wisnu Rahmanto (LA), Moh Arif Yusni, Arif Faisal Simatupang, Joko Alam, Steve Mualim	Octo H.P.N Nainggolan	Tony Arifiarachman

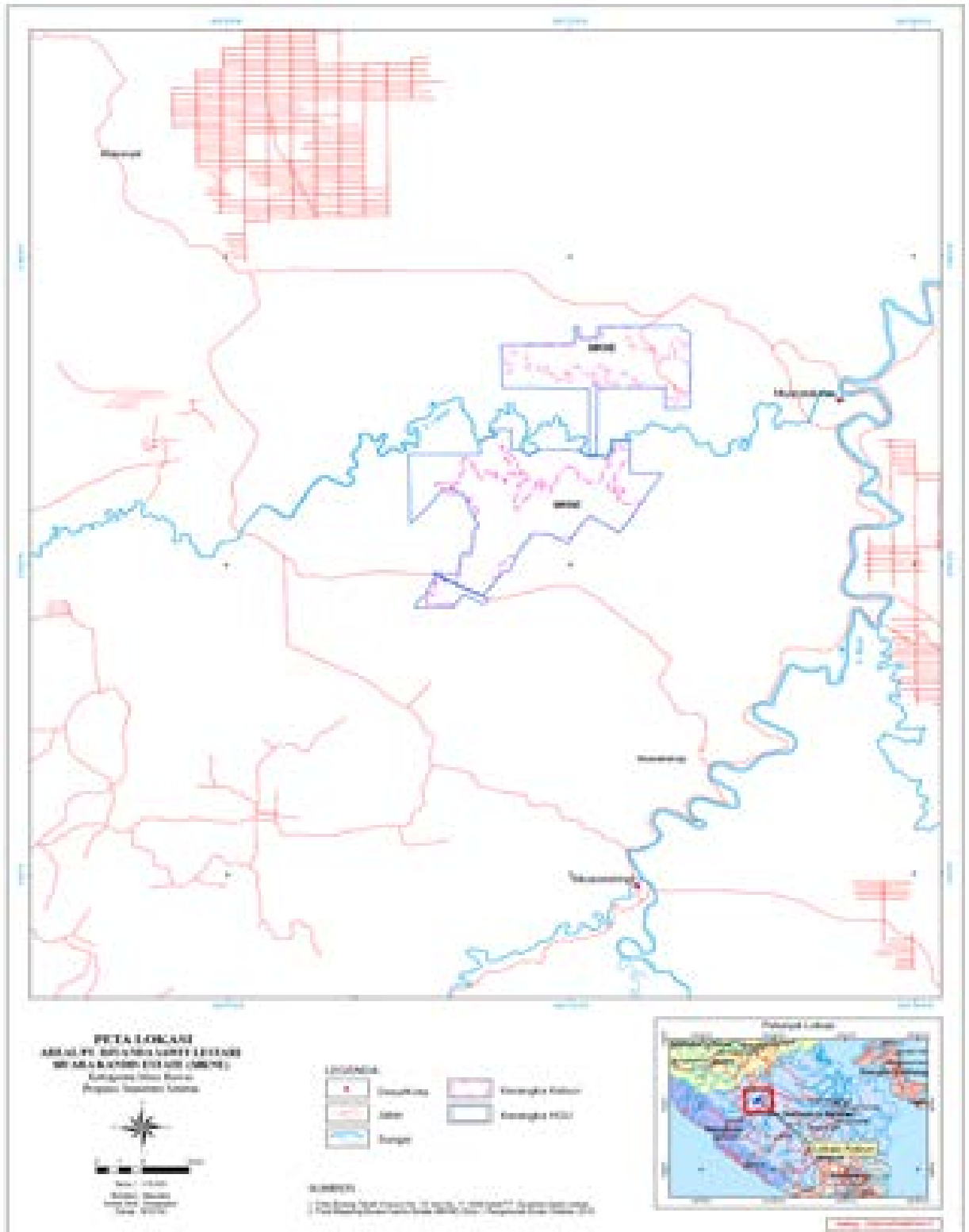
Assessment	Approved by MUTUAGUNG LESTARI on:
<b>ASA-2</b>	<b>15 May 2017</b>

### TABLE OF CONTENT

<b>FIGURE .....</b>	<b>1</b>
Figure 1. Location Map of PT Djuandasawit Lestari .....	1
Figure 2. Operational Map of PT Djuandasawit Lestari .....	3
Glossary.....	4
<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT .....</b>	<b>5</b>
1.1 Assessment Standard Used .....	5
1.2 Organisation Information.....	5
1.3 Type of Assessment.....	5
1.4 Locations of Mill and Plantation .....	5
1.5 Description of Area Statement .....	6
1.6 Planting Year and Cycles.....	6
1.7 Description of Mill and Supply Base .....	6
1.8 Estimate Tonnage of Certified Product.....	7
1.9 Other Certifications .....	8
1.10 Time Bound Plan .....	8
<b>2.0 ASSESSMENT PROCESS.....</b>	<b>11</b>
2.1 Assessment Team.....	11
2.2 Assessment Methodology, Assessment Process and Locations of Assessment .....	11
2.3 Stakeholder Consultation and Stakeholders Contacted.....	13
2.4 Determining Next Assessment.....	13
<b>3.0 ASSESSMENT FINDINGS .....</b>	<b>14</b>
3.1 Summary of Assessment Report of the RSPO Certification .....	14
3.2 Summary of Assessment Report of Supply Chain Requirements .....	37
3.3 Conformity Checklist of Certificate and Logo Use.....	41
3.4 Summary of RSPO Partial Certification .....	42
3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components .....	46
3.6 Summary of Arising Issues from Public and Auditor Verification .....	53
<b>APPENDICES .....</b>	<b>56</b>
Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process.....	56
Appendix 2. Assessment Program .....	58

### FIGURE

Figure 1. Location Map of PT Djuandasawit Lestari



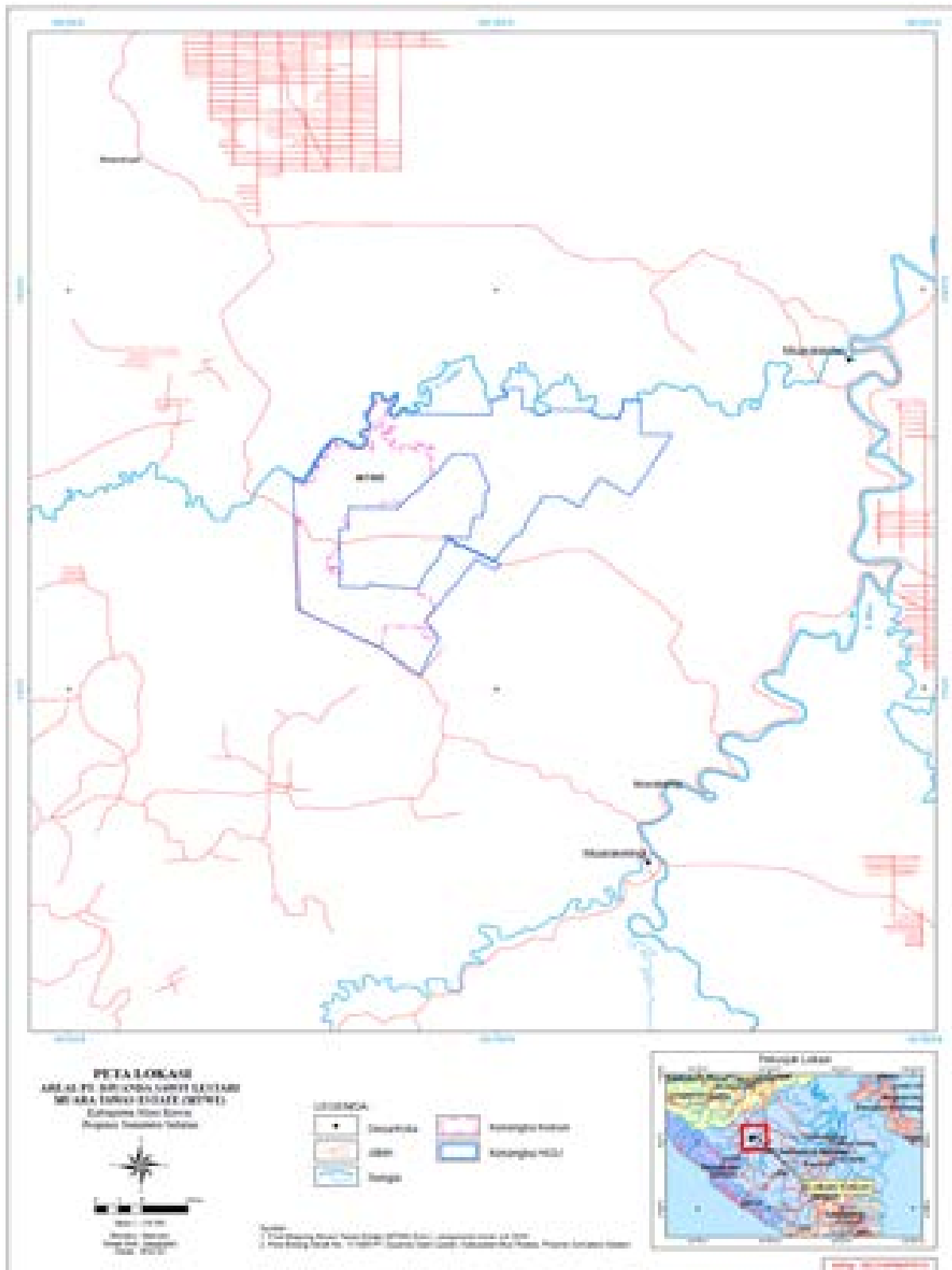
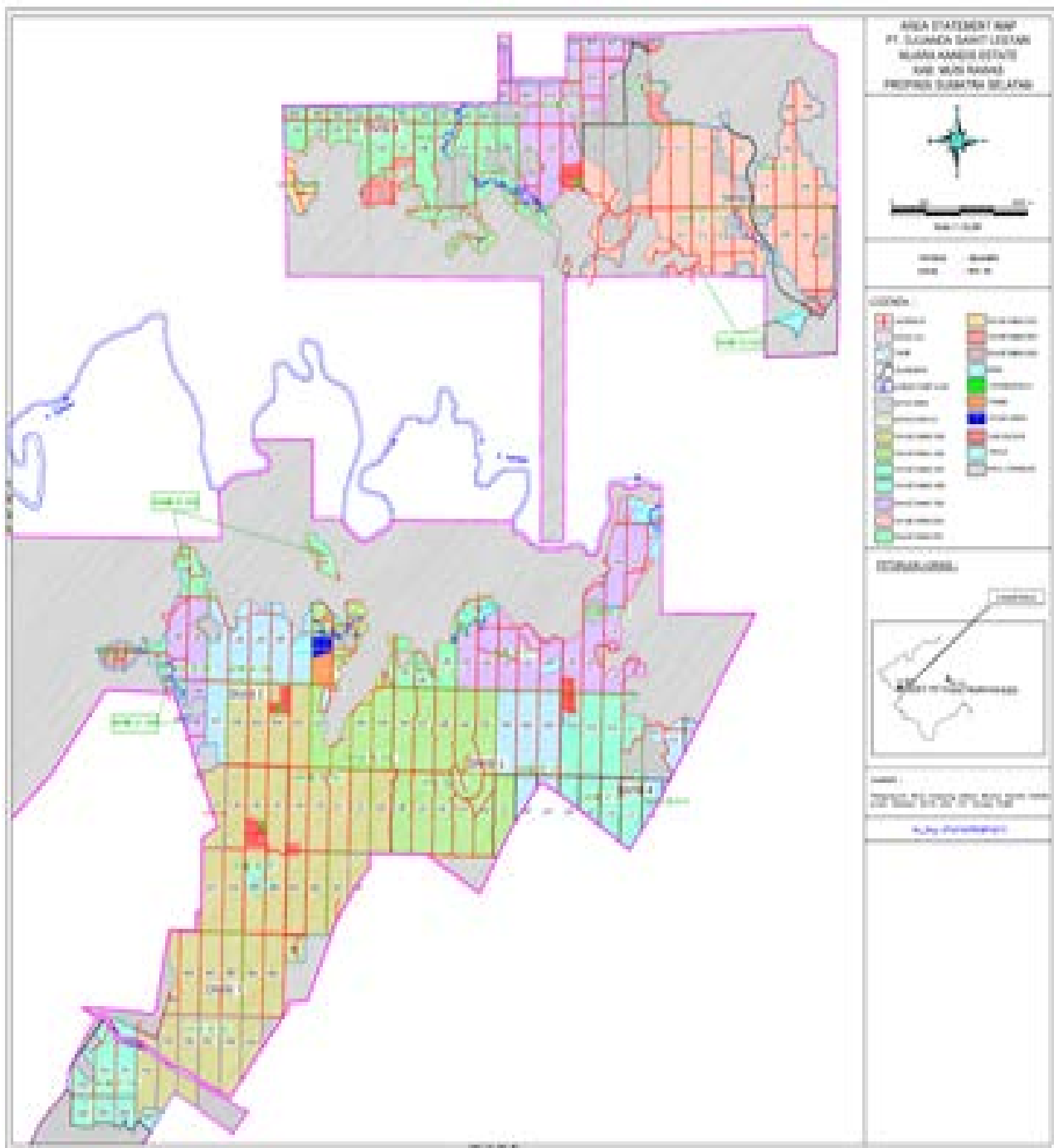


Figure 2. Operational Map of PT Djuandasawit Lestari



**Glossary**

ASA	: Annual Surveillance Assessment	MCMD	: Management Commitee for Mill Development
BMP	: Best Management Practices	MKNE	: Muara Kandis Estate
BOB	: Barn Owl Boxes	MKNM	: Muara Kandis Mill
BOD	: Biological Oxygen Demand	MTWE	: Muara Tawas Estate
CB	: Certification Body	MoU	: Memorandum of Understanding
CDP	: Community Development Program	MSDS	: Material Safety Data Sheet
CH	: Certificate Holder	MUTU	: Mutuagung Lestari
CITES	: Convention, International, Threatened, Endangered Species	NGO	: Non Government Organisation
CPO	: Crude Palm Oil	OER	: Oil Extraction Rate
CSPK	: Certified Sustainable Palm Kernel	OHS	: Occupational Health and Safety
CSPO	: Certified Sustainable Palm Oil	OHSAS	: Occupational Health and Safety Assessment Series
CSR	: Corporate Social Responsibility	P&C	: Principle and Criteria
EFB	: Empty Fruit Bunches	PIC	: Personel In Charge
EHS	: Environmental, Health and Safety	PK	: Palm Kernel
EIA	: Environmental Impact Assessment	PNDA	: Pendawa Plasma
FFB	: Fresh Fruit Bunches	POM	: Palm Oil Mill
FGD	: Focus Group Discussion	POME	: Palm Oil Mill Effluent
FR / SR	: Frequently Rate / Severity Rate	PPE	: Personel Protective Equipment
FPIC	: Free, Prior and Informed Consent	RC/PC	: Regional Controller / ProductionController
GAR	: Golden Agri resources	RSPO	: Roundtable on Sustainable Palm Oil
GHG	: Green House Gases	RKL- RPL	: Enviromental Management and Monitoring Report
GRTT	: Ganti Rugi dan Tanam Tumbuh (Land Compensation)	SCCS	: Supply Chain Certification System
GPS	: Global Potitioning System	SIA	: Social Impact Assessment
HCV	: High Conservation Value	SMD Ops	: Senior Managing Directors Operation
HGU	: Hak Guna Usaha (Land Use Title/Right)	SPO	: Suistanability Palm Oil
HIRAC	: Hazard Identification Risk Assestment and Control	SOP	: Standard Operating Procedure
HRD	: Human Resources Development/Department	ST-2	: Stage-2 Assessment/Audit
IPM	: Integrated Pest Management	WHO	: World Health Organization
ISCC	: International Susainability and Carbon Certification	WTP	: Water Treatment Plant
ISO	: International Standard Organisation	WWTP	: Waste Water Treatment Plant
ISPO	: Indonesia Sustainable Palm Oil	VPA /VPM	: Vice President Agronomy / Vice President Manufacture
IUCN	: International Union for Conservation of Nature		
IUP	: Plantation Permit/Licenses		
KAN	: Indonesian Accreditation Body		
KER	: Kernel Extraction Rate		
LD	: Lethal Dosage		
LKUP	: Laporan Kegiatan Usaha Perkebunan (Plantation Activity Report)		

<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>			
	<ul style="list-style-type: none"> <li>• <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016)</i></li> <li>• <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i></li> </ul>		
<b>1.2 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	PT Djuandasawit Lestari subsidiary of Golden Agri Resources Ltd (GAR)	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Organisation address and site address	RSPO registered company: 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535  Liaison Office: Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia	
1.2.4	Telephone	(+62-21) 318 1388	
1.2.5	Fax	(+62-21) 318 1389	
1.2.6	E-mail	ismu-zulfikar@smart-tbk.com	
1.2.7	Web page address	<a href="http://www.goldenagri.com.sg">www.goldenagri.com.sg</a>	
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Department)	
1.2.9	Registered as RSPO member	1-0096-11-000-00 – 31 March 2004	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	One (1) Palm Oil Mill (Muara Kandis Mill) and two (2) estates supply base Muara Kandis Estate and Muara Tawas Estate.	
1.3.2	Type of certificate	Single	
<b>1.4 Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Muara Kandis Mill	Village Of Lubuk Pandan, Sub district of Muara Lakitan, District of Musi Rawas, South Sumatra Province, Indonesia	<b>S</b> 2° 54' 00' <b>E</b> 103° 10' 38'
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Muara Kandis Estate	Village of Karya Sakti, Sub district of Muara Kelingi, District of Musi Rawas, South Sumatra Province, Indonesia	<b>S</b> 2° 55' 09' <b>E</b> 103° 10' 15'

	Muara Tawas Estate	Village of Karya Mukti, Sub district of Muara Kelingi, District of Musi Rawas, South Sumatra Province, Indonesia	S 2 <sup>o</sup> 58' 02'	E 103 <sup>o</sup> 07' 07'
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State		10,958.28 Ha	
	• Community		- Ha	
1.5.2	Area Statement			
	Descriptions		Total (Ha)	
	• Total Area		10,958.28	
	• Planted Area		6,259.77	
	• Mature Area		6,259.77	
	• Building and Mill		79.58	
	• Road		237.64	
	• Drain / Swamp / River		107.99	
	• Others		392.66	
	• Reserve Area		3,880.76	
	• HCV Area		385.56*	
	*) Note: HCV area is the riparian area and included planted area.			
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Muara Kandis Estate	Muara Tawas Estate	Total
	1995	861.43	0	861.43
	1996	520.92	1,620.80	2,141.72
	1997	269.75	386.06	655.81
	1998	364.90	102.79	467.69
	1999	423.18	704.17	1,127.35
	2000	443.50	0	443.50
	2001	338.96	134.76	473.72
	2002	15.99	0	15.99
	2003	33.01	0	33.01
	2005	39.55	0	39.55
	TOTAL	3,311.19	2,948.58	6,259.77
1.6.2	New Planting area after January 2010		- Ha	
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle	
1.7	Description of Mill and Supply Base			
1.7.1	Description of Mill			
	Name of Mill	Capacity	FFB Processed	CPO
				Palm Kernel



		(tonnes/ hour)	(tonnes/year)	Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Muara Kandis Mill	60	259,631	57,198	22.03	16,009	6.17
	<i>*Production data source from March 2016 – February 2017</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/yea r)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	Muara Kandis Estate	6,635.44	3311.19	67,935	20.51	67,935	100
	Muara Tawas Estate	4,322.84	2948.58	80,128	27.17	80,128	100
	<b>TOTAL</b>	<b>10,958.28</b>	<b>6,259.77</b>	<b>148,064</b>	<b>23.65</b>	<b>148,064</b>	<b>100</b>
	<i>*Production data source from March 2016 – February 2017</i>						
1.7.3	FFB description from other source						
	<b>Name of sources/Organisation (RSPO certified / non-certified)</b>	<b>Type of Organisation</b>	<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b>		
					<b>FFB (tonnes/year)</b>		
	Muara Kandis Estate, PT Djuanda Sawit Lestari (Non RSPO Certified)	-	-	555.94	22,643		
	Muara Tawas Estate, PT Djuanda Sawit Lestari (Non Certified Area)	-	-	56.27	597		
	KT Tugu Sempurna, (Non RSPO Certified)	scheme smallholders	279 smallholder	446	12,381		
	KT Revitalisasi (Non RSPO Certified)	scheme smallholders	572 smallholders	637.05	17,773		
	KT Sadar Sejahtera (Non RSPO Certified)	scheme smallholders	1,382 smallholders	1,485.50	41,594		
	KT Kredit Komersil (Non RSPO Certified)	scheme smallholders	466 smallholders	351.71	7,959		
	KT Mukti Jaya (Non RSPO Certified)	scheme smallholders	311 smallholders	311	8,616		
	<b>TOTAL</b>					<b>111,563</b>	
	<i>*Production data source from March 2016 – February 2017</i>						
1.7.4	Product categories			FFB, CPO, PK			
<b>1.8</b>	<b>Estimate Tonnage of Certified Product</b>						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim 18 May 2016 – 17 May 2017 (tonnes/year)		Actual certified product 18 May 2016 – 06 March 2017 (tonnes/year)	
	• FFB Production			168,424		126,748.44	
	• CPO Production			40,422		28,779.20	
	• Palm Kernel (PK) Production			9,954		6,908.53	
1.8.2	Estimate of Certified FFB Claim						

	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>	
	Muara Kandis Estate	6,635.44	3,311.19	73,371	22.16	
	Muara Tawas Estate	4,322.84	2,948.58	86,539	29.35	
	<b>TOTAL</b>	<b>10,958.28</b>	<b>6,259.77</b>	<b>159,910</b>	<b>25.55</b>	
<i>*Projected FFB production for 18 May 2017 -17 May 2018</i>						
1.8.3	Estimate of Certified Palm Product Claim					
	<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 (ton)</b>	<b>Extraction (%)</b>	
	Muara Kandis Mill	60	159,910	36,779	23.00	
	<i>*Projected FFB production for 18 May 2017 -17 May 2018</i>					
1.9	<b>Other Certifications</b>					
	ISO 9001:2008		-			
	ISO 14001: 2004		-			
	OHSAS 18001:2007		-			
	ISCC		-			
	ISPO		MUTU-ISPO/054 Since 5 February 2016 to 4 February 2021			
1.10	<b>Time Bound Plan</b>					
1.10.1	<b>Time Bound Plan for Other Management Units, updated 31 January 2016</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>				
	Pangkalan Panji	2013	PT Sawit Mas Sejahtera	2013	South Sumatera	Certified Sept 2015
	Bumi Sawit	2013	PT Bumi Sawit Permai	2013	South Sumatera	Certified Oct 2015
	Muara Kandis	2013	PT Djuanda Sawit Lestari	2013	South Sumatera	Certified May 2015
			Smallholder (KKPA Pandawa)	2013		
			Smallholder (Pandawa Plasma)	2013		
	Sungai Rungau	2013	PT Sumber Indah Perkasa and PT Binasawit Abadi Pratama	2013	Central Kalimantan	Certified August 2013
	Bukit Perak	2013	PT Bumi Permai Lestari	2013	Bangka Belitung	Certified September 2015
	Tanjung Kembiri	2013	PT Forestalestari Dwikarya	2013	Belitung	Certified April 2014
	Sungai Buaya	2014	PT Sumber Indah Perkasa	2014	Lampung	Certified May 2014
			Smallholder (KKPA Gedung Aji Lama)	2014	Lampung	Certified May 2014
			Smallholder (KKPA Mesuji)	2014	Lampung	Certified May 2014

Sungai Merah	2014	PT Sumber Indah Perkasa	2014	Lampung	Certified May 2014
		Smallholder (KKPA Gedung Aji Baru)	2014	Lampung	Certified May 2014
Kasuari	2018	PT Sinar Kencana Inti Perkasa	2018	Papua	ST-1
		Smallholder (KKPA Sungai Panci)	2018	Papua	ST-1
		PT Sumber Indah Perkasa (Mambruk Estate)	2018	Papua	ST-1
Pekawai	2018	PT Agrolestari Mandiri	2018	West Kalimantan	ST-1
		Smallholder (Kayung Plasma)	2019	West Kalimantan	ST-1
Kenanga	2014	PT Kencana Graha Permai	2015	West Kalimantan	Certified October 2015
		PT Cahaya Nusa Gemilang	2015	West Kalimantan	Certified October 2015
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2018	West Kalimantan	-
		Delima Estate (PT Kencana Graha Permai)	2018	West Kalimantan	-
		Gaharu Estate (PT Bangun Nusa Mandiri)	2019	West Kalimantan	-
		Smallholder (Kencana Plasma)	2019	West Kalimantan	-
		Smallholder (Kenanga Plasma)	2019	West Kalimantan	-
Perdana	2020	PT Binasawit Abadi Pratama	2020	Central Kalimantan	ST-1
Kuayan	2020	PT Agrokarya Prima Lestari	2020	Central Kalimantan	ST-1
		PT Buana Adhitama	2020	Central Kalimantan	ST-1
Belian	2018	PT Paramitra Internusa Pratama	2018	West Kalimantan	ST-1
		PT Bangun Nusa Mandiri	2018	West Kalimantan	ST-1
		PT Kartika Prima Cipta	2019	West Kalimantan	ST-1
		PT Persada Graha Mandiri	2018	West Kalimantan	ST-1
		PT Cahaya Nusa Gemilang	2018	West Kalimantan	-
Sungai Kupang	2016	PT Sinar Kencana Inti Perkasa Sungai Kupang Estate Sungai Kupang KKPA	2016	South Kalimantan	ST-2 May 2015
Sungai Kikim	2019	PT Sawit Mas Sejahtera	2019	South Sumatera	-
		PT Bumi Sawit Permai	2019	South Sumatera	-
Tangar	2020	PT Agro Lestari Sentosa	2020	Central Kalimantan	-
		PT Mitra Karya Agroindo	2020	Central Kalimantan	-
		PT Aditunggal Mahajaya	2020	Central Kalimantan	-
Sungai Magalau	2019	PT Sinar Kencana Inti Perkasa	2019	South Kalimantan	-
Jalemo Mill*	2020	PT Agro Lestari Sentosa (Balasang Estate & Jalemo Estate)	2020	Central Kalimantan	-
Sako Mill*	2020	PT Adi Tunggal Mahajaya	2020	Central Kalimantan	-
		Sulin Plasma	2020	Central Kalimantan	-
		Sapiri Plasma	2020	Central Kalimantan	-

		Sako Plasma	2020	Central Kalimantan	-
	<p>*)under construction</p> <p>Golden Agri Resources Ltd runs eight teen (18) mills and fifty four (54) estates in Indonesia and has achieved RSPO certified for nine (9) mills and supply base in Indonesia. Golden Agri Resources Ltd has informed the Time Bound Plan progress, MUTUAGUNG has considered that Golden Agri Resources Ltd is comply with the RSPO requirement for Time Bound Plan.</p>				
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	<p>Pendawa Plasma as a smallholder scheme of PT Djuandasawit Lestari consists of 3,231.26 Ha with approximate 3,010 smallholders. This smallholder's scheme planned will be involved under certificate scope and certifiable in 2018.</p>				

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>ASA-2</b>	<p><b>1. Yudwi Wisnu Rahmanto (Lead Auditor)</b> Bachelor of Forestry with Silviculture background. He worked at professional independent Certification Body as an Auditor for last 5 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, 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 RSPO 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 the assessment he assigned to verify legality, land dispute, social and SCCS.</p> <p><b>2. Moh Arif Yusni (Auditor).</b> Bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection). He has a working experience for 2 (two) years in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and Auditor / Lead auditor Management System Certification (ISO 9001-2008). Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an auditor. During the assessment he assigned to verify OHS and worker welfare.</p> <p><b>3. Arif Faisal Simatupang (Auditor).</b> Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has attended the RSPO Awareness Training, Indonesian Sustainable Palm Oil (ISPO) Auditor Training, Training of Management System Certification ISO 9001-2008, Training of Environmental Management System, Awareness of ISO 17021 and ISO 17065, and training of Management High Conservation Value (HCV). He has been 4 years of working experience as a Field Assistant on oil palm plantation companies in Indonesia. During the assessment he assigned to verify transparency and economic aspect.</p> <p><b>4. Steve Mualim (Auditor).</b> Master in Environmental and natural resources management, Bogor Agricultural University. He has worked as a freelance in several consultant in the Environmental Impact Assessment. He has followed training of Lead Auditor ISPO, RSPO awareness, Ecological Risk Assessment, Asian Network Update and Carbon, and Climate Change Mitigation and Adaptation for Agricultural Productivity. During the assessment he assigned to verify GHG, environmental impact assessment and conservation.</p> <p><b>5. Joko Alam (Trainee Auditor).</b> Livestock Departement, High School of Bogor Agricultural Extension (STPP). Having experience as a field assistant for six years as an Agronomist palm of the year 2009 - 2014. Following training ArcGIS mapping, 5S training for the management of the Company and Factory, a training laboratory for palm oil mills, trainings Awareness ISPO and RSPO, IPM, Peat Management, ISO Training 14001 (SML) and audit techniques, ISO 9001: 2015, ISO 17021, ISO 22,000; 2009. Aspects to be audited Best Management Practices, and Integrated Pest Management.</p>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-2</b>	<p>Number of auditors : 4 auditors and 1 trainee auditor</p> <p>Number of days for <b>ASA-2</b> at site : 5 days</p> <p>Number of working days for <b>ASA-2</b> at site : 25 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-2</b>	<ul style="list-style-type: none"> <li>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Djuandasawit Lestari - <b>Golden Agri Resources Ltd (GAR)</b> to the requirements of <b>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</b></li> </ul>

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results **ASA-2** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-3**). Improvement of findings from main assessment findings were observed by auditors at this **ASA-2** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-2**.

The assessment program please find Appendix 2

<b>2.2.3</b>	<b>Location of Assessment</b>
<b>ASA-2</b>	<p><b>Muara Kandis Mill (MKNM)</b></p> <ol style="list-style-type: none"> <li><b>Mill Security.</b> Observation and interview with key personnel related to implementation of Supply Chain Requirement</li> <li><b>Weighbridge.</b> Observation and interview with key personnel related to implementation of Supply Chain Requirement</li> <li><b>Grading Station.</b> Observation and interview with key personnel related to implementation of FFB grading system.</li> <li><b>All processing station (Sterilizer, Hoisting Crane, Thresher, Pressing, Digester, Clarifier).</b> Observation on FFB processing.</li> <li><b>WTP Station.</b> Observation on water management plan for Mill processing.</li> <li><b>Boiler Station.</b> Observation of renewable fuel using Fibers and shell, and interview of OHS implementation with key personnel.</li> <li><b>Workshop.</b> Observation on maintenance activities and interview with foreman related understanding of working procedure.</li> <li><b>Warehouse complex (Chemical, material warehouse, and workshop).</b> Observation and interview on environmental aspect, OHS implementation and understanding of working procedure.</li> <li><b>Hazardous Waste Temporary Warehouse.</b> Observation on hazardous waste management.</li> <li><b>Emergency Response at Mill.</b> Observation on emergency response facilities (hydrant hose reel) and drill.</li> </ol> <p><b><u>Muara Kandis Estate (MKNE)</u></b></p> <ol style="list-style-type: none"> <li><b>POME Land Application, Block K34, K33, dan M31.</b> Observation on POME land Application area, flat beds, dossage, OHS and welfare aspect.</li> <li><b>Temani River Boundary, Block J39.</b> Observation on river boundary and maintenance.</li> <li><b>FFB Harvesting, Division VI, Block C28 and C29.</b> Observation on harvesting, FFB transport, OHS, and welfare aspect.</li> <li><b>Road Maintenance, Division VI, Block C27 and C28.</b> Observation on road maintenance, OHS, and welfare aspect.</li> <li><b>Boundaries pole of BPN 127 (Block N38), BPN 125 (Block N37), BPN 124 (Block N37), BPN 123 (Block L37), BPN 122 (Block L37), BPN 291 (Block L37).</b> Observation on boundaries poles, coordinates, maintenance, and demarcation.</li> <li><b>Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop).</b> Observation and interview on environmental aspect, OHS implementation and understanding of working procedure.</li> <li><b>Clinic.</b> Observation on the health facilities, and infectious waste management.</li> <li><b>Creche and Daycare.</b> Observation on facilities and interviewing related labour aspect and grievance mechanism to the person in charge.</li> <li><b>Housing Complex of Division 5 and 6.</b> Observation on workers facilities, domestic waste management, temporary storage near division office.</li> <li><b>Emergency Response in Estate Unit.</b> Observation on emergency response facilities (fire extinguisher, water tank for fire fighting, etc.) and its mechanism.</li> </ol> <p><b><u>Muara Tawas Estate (MTWE)</u></b></p> <ol style="list-style-type: none"> <li><b>Boundaries pole of BPN 84 (Block T51), BPN 142 (Block R52), BPN 141 (Block R52), BPN 85 (Block T52).</b></li> </ol>



- Observation on boundaries poles, coordinates, maintenance, and demarcation.
2. **Petanang River Boundary, Block R59.** Observation on river boundary and maintenance.
  3. **Enclave Area, Block R60/R61.** Observation on enclave area, land cover conditions, boundary conditions, and inventory / documentation.
  4. **Reserve Area, Block T50** Observation on reserve area, land cover conditions, boundary conditions, and inventory / documentation.
  5. **Circle and path spraying. Block R50.** Observation on spraying activity, OHS, and welfare aspect
  6. **FFB Harvesting, Block L57.** Observation on harvesting, FFB transport, OHS, and welfare aspect.
  7. **Beneficial Plant, Block R42.** Observasi on integrated pest management by planting *Turnera subulata* dan *Antigonon leptopus*.
  8. **Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop).** Observation and interview on environmental aspect, OHS implementation and understanding of working procedure.
  9. **Clinic.** Observation on the health facilities, and infectious waste management.
  10. **Creche and Daycare.** Observation on facilities and interviewing related labour aspect and grievance mechanism to the person in charge.
  11. **Housing Complex of Division 3 and 4.** Observation on workers facilities, domestic waste management, temporary storage near division office.
  12. **Emergency Response in Estate Unit.** Observation on emergency response facilities (fire extinguisher, water tank for fire fighting, etc.) and its mechanism.

**Stakeholders**

1. The Village and Community Leaders in Village of Petrans Jaya, Lubuk Pandan, Karya Mukti, Muara Megang, and Karya Sakti.
2. Labour Union of Muara Kandis Mill
3. Labour Union 'Serikat Buruh Djuanda Bersatu Musi Rawas' (SBDBMR) of Muara Tawas Estate
4. Gender Committee of Muara Kandis Estate
5. Plantation Agency of Musi Rawas Regency
6. Labour and Transmigration Agency of Musi Rawas Regency
7. National Land Body of Musi Rawas Regency
8. Environmental Body of Musi Rawas Regency

**2.3 Stakeholder Consultation and Stakeholders Contacted**
**2.3.1 Summary of stakeholder consultation process.**

- ASA-2** Summary of stakeholder consultation process  
Consultation of stakeholders for PT Djuandasawit Lestari was held by:
- Public Notification where held 30 days before assessment on Mutu Certification International website: [www.mutucertification.com](http://www.mutucertification.com) (3 February 2017).
  - Public consultation meeting with external stakeholders (7 March 2017), internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples (7 March 2017).
- Numbers of input from stakeholders were clarified by PT Djuandasawit Lestari.

**2.3.2 Stakeholder contacted**

*Please find appendix 1*

**2.4 Determining Next Assessment**

The next visit (**ASA-3**) will be determined one year after this **ASA-2** (March -2018).

### 3.0 ASSESSMENT FINDINGS

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

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

During the assessment, there were one (1) Nonconformity were assigned against Major Compliance Indicator, no nonconformity was assigned against Minor Compliance Indicators; and no nonconformance against supply chain requirement for CPO mill and thirteen (13) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has not yet prepared and implemented the corrective action.

MUTUAGUNG LESTARI found that Muara Kandis Mill – PT Djuandasawit Lestari subsidiary of Golden Agri Resources Ltd complied with the requirements of *Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill).*

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
1.1.1	Certificate holder has procedure for the provision of information in SOP Communication and Consultation (No. SOP/SMART/UMUM/SADV/I/004) approved by the Head of Upstream. In the procedure, explained that the submitted suggestions will be presented by the Head Unit to the relevant departments if necessary at least one week after the letter was received. The response to incoming mail not later than three (3) weeks after the letter was received. The appointed person in charge of communication with stakeholders has the task to accommodate the implementation of social impact analysis, responsible to the top management for the implementation of communication and consultation with stakeholders, building a mutual relationship with a positive impact of the unit with the community, religious and traditional leaders, and updating stakeholder list at least every six months. Procedure of communication and consultation has been communicated to all stakeholders who are identified in the list of stakeholders.	
1.1.2	Record of information is stored in the information book on each management unit. In the book shows that there is no incoming information request, but proposals or invitation to attend a meeting held by stakeholders. However the certificate holder has submitted mandatory reports regularly to the related agencies such as employment report, environment management report, and plantation development report.	
	In consultation with local government agencies of Musi Rawas Regency (Plantation Agency, Labour Agency, Environmental Agency, National Land Agency) and surrounding villages of PT DSL (Village of Petrans Jaya, Village of Lubuk Pandan, Village of Karya Mukti, Village of Muara Megang, and Village of Desa Karya Sakti), it is known that the procedure of communication and consultation has been communicated to the stakeholders. Stakeholders already known the communication PIC, and no obstacles in dealing with the company.	



	<b>Status: Comply</b>	
<b>1.2</b>		
<b>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>		
<b>1.2.1</b>		
<p>Certificate holder already has a document of list of information for stakeholders (No. F/SMART/GENERAL/SADV/ 004/003) approved by the Regional Controller. The list of information consist of number of employees and a list of basic wages of employees, personnel tax, payment of local taxes/retribution, environmental documents, deed of establishment and its amendments, the data of area and production, and fertilizer application data, evidence of land tenure, Environmental Impact Assessment (EIA), High Conservation Value (HCV) identification report, Social Impact Assessment (SIA) identification reports, community empowerment program reports, guiding committee of occupational health and safety report, the document of improvement program, RSPO audit reports, documents of human rights policy.</p> <p>Certificate holder has conducted socialization related on information that can be accessed by stakeholders. In consultation with local government agencies of Musi Rawas Regency (Plantation Agency, Labour Agency, Environmental Agency, National Land Agency) and surrounding villages of PT DSL (Village of Petrans Jaya, Village of Lubuk Pandan, Village of Karya Mukti, Village of Muara Megang, and Village of Desa Karya Sakti), it is known that the stakeholders already know the information that can be accessed in accordance with the authority.</p>		
	<b>Status: Comply</b>	
<b>1.3</b>		
<b>Growers and millers commit to ethical conduct in all business operations and transactions.</b>		
<b>1.3.1</b>		
<p>Certificate holder has had Business Ethics Policy that approved by Production Controller. The policy states that the certificate holder committed in anti corruption and the standards of ethical behavior in all activities of business practices, which could include the way of being with each other, the stakeholders, the environment and the broader community. Employees who are found to commit corrupt practices will be given strict punishment by the company and punished according to the applicable regulations. Based on interviews with the workers in MKNM, MKNE, and MTWE, it is known that the business ethics policy has disseminated and understood by the workers.</p>		
	<b>Status: Comply</b>	
<b>PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</b>		
<b>2.1</b>		
<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>		
<b>2.1.1</b>		
<p>Certificate holder showed some evidences over its compliance toward the applicable regulation related to the field legality of land use, employment, OHS, environment, good agricultural practices and good manufacturing practices. For example there were evidences of compliance toward the land use legality, meanwhile compliance toward the environment regulation such as POME land application permit, hazardous waste temporary warehouse permit, and report of environmental management and monitoring plan.</p> <p>In consultation with Plantation Agency, Labour Agency, Environmental Agency, and National Land Agency of Musi Rawas Regency, it is known that the certificate holder has complied with the relevant regulations and have implemented good management practices and mandatory reporting.</p>		
<b>2.1.2 and 2.1.3</b>		
<p>Certificate holders has a mechanism to assess compliance with the law and regulation, in accordance with the procedures of the rules and other requirements (SOP/SPO/SMART/LH-03). Starting with inventorying and make a list of the rules applicable in regional, national, and international. The list updated semesterly by Assistant, Document Controller and assisted by the relevant department in accordance with the procedure. Certificate holder have shown list of regulation related to the field of employment,</p>		

environment, HCV, OHS, and legality of land use (updated 17 February 2017). Those list were include of regional, national, and ratified international regulations.

#### 2.1.4

Certificate holder has conducted and documented evaluation adherence to rules, regulations and other requirements employment field are updated on 17 February 2017, with the results all of regulations have been comply. For example, had update of governor regulation of minimum wages, and ministerial regulation of pressure vessel and storage tanks (Permenaker No. 37 year of 2016).

**Status: Comply**

### 2.2

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

#### 2.2.1

The Certificate Holder has had Land Use Right (HGU) certificate No. 5 and No. 6 year 1999 to showing legal ownership with total area 10,958.40 Ha. Scope of permitted area covers Muara Kandis Mill, Muara Kandis Estate and Muara Tawas Estate. Documents showing the actual legal use of the land available in Area Statement period Februari 2017 as follow:

Unit	planted	bangunan/ pks	jalan	parit/rawa /sungai	landasan terbang	areal lain	Areal cadangan	total areal terukur	No. HGU/HGB	Terbit	Luas (Ha)
MKNE	3,311.19	56.46	113.58	52.16	-	289.96	2,812.09	6,635.44	No.5/1999	08-Mar-99	2,222.70
MTWE	2,948.58	23.12	124.06	55.83	-	102.58	1,068.67	4,322.84	No.6/1999	08-Mar-99	8,735.70
<b>Total</b>	<b>6,259.77</b>	<b>79.58</b>	<b>237.64</b>	<b>107.99</b>	<b>-</b>	<b>392.54</b>	<b>3,880.76</b>	<b>10,958.28</b>	<b>-</b>	<b>-</b>	<b>10,958.40</b>

#### 2.2.2

The Certificate Holder has boundary poles monitoring report periodically every 6 months. The monitoring of poles is based on the procedures "SOP Pemeliharaan Patok HGU/HGB (SOP/SMART/CERS-EHSD/SADV/II/004), 1 Juli 2014".

Auditor verifies the 10 poles in Muara Kandis and Muara Tawas Estate boundaries by using GPS tool; it was clearly the sighted poles are in well maintained and appropriate with coordinate points. Reference document to compare the coordinate's positions is based on boundaries pole map "Peta Posisi Patok Areal PT. Djuandasawit Lestari" Scale 1:125,000.

#### 2.2.3; 2.2.4; 2.2.5

According to information gathered during stakeholder consultation with representative of village Petrans Jaya, it was confirmed that since PT. Djuandasawit Lestari has obtained Land Use Right (HGU) in 1999, there is no significant land conflict is raise. If land conflict is presence, The certificate holder has had mechanism of available land dispute resolution as provided in SOP "Ganti rugi Tanah/Lahan" No. SOP/NP/SMART/VII/ D&L002 (dated 1 July 2010) and FPIC procedure "Penerapan Persetujuan Atas Dasar Informasi Awal Tanpa Palsaan/PADIATAPA" SOP/SMART/SENS-CSR/SADV/II/003 (dated 1 July 2014), which contains the PIC, the procedure completion, the documents must be prepared, such as a minutes meeting, attendance list, Payment documents, minutes of payment, map location disputed, receipt of money compensation, etc.

#### 2.2.6

The company has a policy to circumvent instigated violence to maintain peace and order in current and planned operations described in GAR Social and Environmental Policy, issued date 8 September 2015. In section 2.1.2 stated "To refuse the use of confrontation and intimidation in land disputes".

**Status: Comply**

### 2.3

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

#### 2.3.1; 2.3.2; 2.3.3

PT. Djuandasawit Lestari is one of long-established plantations company since 1995. In related to the maps of an appropriate

scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making.

The Certificate Holder has developed a mechanism of Implementation of Free Prior Informed Consent / FPIC or PADIATAPA as document No. SOP/ SMART /SENS-CSR/SADV/II/003 (dated 1 July 2014) which describes a process for FPIC included the identification, dissemination, participatory mapping, implementation of the negotiation, compensation formula and implementation of the outcome agreement.

The Certificate Holder has had Land Use Right (HGU) certificate No. 5 and No. 6 year 1999 to showing legal ownership with size 10,958.40 Ha. Scope of permitted area covers Muara Kandis Mill, Muara Kandis Estate and Muara Tawas Estate.

According to information gathered during stakeholder consultation in with local community, it is confirmed that no customary land or other use right over the certified area.

#### 2.3.4

According to information gathered during stakeholder consultation with representative of village Petrans Jaya, it was confirmed that the representative of the community in the negotiation process is head of village.

**Status: Comply**

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

#### **3.1**

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

##### 3.1.1

Certificate holder has conducted an analysis of the long term economic viability for years 2017 to 2021. The document describes budget in 2017 and projections 2018 to 2021 for costs, the price of CPO, areal statement, replanting programme production of FFB, CPO and PK, capacity, and profitability. Evaluation of achievement conducted annually, changes will be made if necessary. One of the control function is to conduct annual financial audit by public accountants.

##### 3.1.2

In the document of long term economic viability, by period of 2017 to 2021, replanting programme will be conducted in 2020 covered 725 ha, and in 2021 covered 1,531 ha.

**Status: Comply**

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

#### **4.1**

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

##### 4.1.1

The company has the SOP document-IK Technical Oil Palm Cultivation ranging from land preparation up to harvesting compiled by a team of MCAR (Management Committee Agronomy and Research) in 2012. Besides, the company has had a complete SOP associated with the processing of palm oil into a CPO and PK in the palm oil mill contained in SOP palm oil Processing Factory No. SOP / SMART / MCMD / I / TM-MCC. SOP MCMD made by the chairman and approved by the Head of Upstream became effective on 6 December, 2013.

Based on interviews with pesticide applicator team in blocks L35 and block P59 MKNE MTWE, all pesticide operators have understood and be able to demonstrate procedures weed control in chemis well. The employees have been using PPE are adequate and able to demonstrate how a good and safe.

##### 4.1.2

Available reports for palm oil mill OIA Report 73 / II-MKNM / 11/2016, from the Deputy CEO Sumsel dated 30 November, 2016. Agronomy OIA report No. 76 / II-MKNE / 12/16. Other than, for Agronomy do Oprational Internal Audit (OIA) once every one year, for the RSPO audit performed 1 year, 1 year ISPO audit, and audit Mill / lab test 1 year. The certificate holder can show evidence results of an internal audit that was conducted in 2016.

The company carries out internal audit for RSPO held once every 1 year. Last audit reports are conducted 25 May - 28 July, 2016 by a team of sustainability policy and compliances division.

### 4.1.3

Documents available at the time the audit takes place and can be shown by the audit team at the time to visiting the office of each estate can be demonstrated well by the certification unit. Notes are in the office each Estate (estate) and the office of the factory.

### 4.1.4

The requirements of FFB Supplier which supplies to Mill Mill described in the Social and environmental policies Golden Agri Resources 2015 which explained the company committed that the operational line upstream and downstream palm oil is free from deforestation. Document verification of FFB received its known Muara Kandis mill also received FFB from other area from Muara Kandis Estate outside the scope of certifications and five cooperative scheme smallholders of PT Djuanda Sawit Lestari

**Status: Comply**

### 4.2

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

#### 4.2.1

A field visit in Muara Kandis Estate and Muara Tawas fertilization is done by using mechanical means or tractor. As for the hilly area of fertilization is done manually. Application bunch empty conducted in areas with sandy soil types such as in the Division I Block C28, C26. The dose used was 300 kg / principal or 40 tons / ha. This is in accordance with the recommendation of fertilization using an empty bunch. There were reports fertilization using empty bunch application in October 2016 in Muara kandis Estate amounted 4.60,000 kg.

#### 4.2.2

There leaf analysis results of SMARTRI for PT. DJuanda Sawit Lesatari years summarized as follows:

- Muara Kandis Estate, reference 272 / LEAF / LAB-SMARTRI / VI / 2016, for example: There are recordings leaf analysis dated June 22, 2016 a total of 150 sampling were analyzed. Demand analysis is N, P, and K, Mg Ca, B and Cl. For example, in block L32 results were: N content of 2.37%, P 0.136, K 0.59 Mg 0.28 Ca 0.75 Cl 0.46. Block L33 N 2.73 P 0.150 K 0.62 Mg 0.84 Ca 0.29.
- Muara Tawas Estate, for example: There are recordings analysis leaves April 30, 2014 in block S50 is: KA content of 1.49%; N 2.52%; P 0.148%, 0.87% K, Mg 0.28%, 0.60% Ca, 17 ppm B, Cl 0.52%. Sampling is done on four divisions with a total of 76 samples.

#### Fertilization

- Application of fertilizers Muara Tawas first half of 2016 are summarized as follows:

- HGFB total applications 15 198 kg
- Powder Kies application total 1,150 kg
- MOP 406 950 kg total applications
- RP total of 125,000 applications kg
- S. Dolomite Total Applications 86 150 kg
- TSP total 26,250 applications kg
- Urea 533 650 kg total applications

- As for applications in Muara Kandis first half of 2016 are summarized as follows:

- HGFB total applications
- Powder Kies application total 1,150 kg
- MOP 307 500 kg total applications
- RP 102 900 kg total applications
- S. Dolomite 63 350 kg
- TSP total 24,300 applications kg
- Urea 417 100 kg total applications

- There are reports of empty bunch fertilizer recommendations in 2017. As in Muara kandis Estate 1L-37 block area 28.11 with a dose of 30 ha with a number of applications 843.30 tonnes. Fertilization bunch empty only done in Muara Kandis Estate.

- Land application contained in the application program work LA period January - December 2016 as follows:

On the block M30with an area of 23.97 ha. The dose used was 375 tonnes / ha. Total applications is 71.91 tons. Application of liquid waste is only done in Muara Kandis Estate with the number of blocks to be applied is 15 blocks. Among are the M28 and M29, M30 through M36.

**4.2.3**
**Leaf analysis**

There leaf analysis results in the form of SMARTRI fertilizer recommendation for PT. Djuanda Sawit Lestari 2016 are summarized as follows:

- Muara Kandis Estate, reference 272 / LEAF / LAB-SMARTRI / VI / 2016, for example: There are recordings leaf analysis dated June 22, 2016 a total of 150 sampling were analyzed. Demand analysis is N, P, and K, Mg Ca, B and Cl. For example, in block L32 results were: N content of 2.37%, P 0.136, K 0.59 Mg 0.28 Ca 0.75 Cl 0.46. Block L33 N 2.73 P 0.150 K 0.62 Mg 0.84 Ca 0.29.
- Muara Tawas Estate, for example: There are recordings analysis leaves 30 April, 2014 in block S50 is: KA content of 1.49%; N 2.52%; P 0.148%, 0.87% K, Mg 0.28%, 0.60% Ca, 17 ppm B, Cl 0.52%. Sampling is done on four divisions with a total of 76 samples.

**Soil analysis**

- Muara Tawas Estate: reference 160 / LAND / AL / ANLZ / 11/2016 held on 16 November, 2016. The number of samples used is 78. The analytical methods used are: texture (hidrometri), pH, C.Org (titrimetri W & B), total N (kj + FIA), P, K, Mg, Chad, base Rate, (ICP-OES), P Bray, CEC (FIA), H-Altukar. Example 0-15 sample code PR, DIV I, R46. The water content of 2.92%, PH 3.71, 1:27 C.Org%.
- Muara kandis Estate: The samples used were 186 samples. The analytical methods used are: texture (hidrometri), pH, C.Org (titrimetri W & B), N total (kj + FIA), P, K, Mg, Chad, Base Rate, (ICP-OES), P Bray, CEC (FIA), H-Altukar. For example, the sample code No., lab 8029, with sample code 15 -30 PR, 3:59% moisture content, texture sand 45.7%, 18.9% Dust, List 35.3%. PH 3.83%, 0.90% C.Org.

**4.2.4**

Companies fertilization using empty fruit bunches application to the field. The company has the SOP for fertilization empty bunch ash SOP / SMART / MCAR / TA-KDP. Fertilization empty bunch according to the recommendations / SOP is at 11% moisture content recommended is 2 times the weight of the recommended dose of fertilizer MOP. Here are a bunch empty application data and the application of liquid waste in brief:

- There are reports of empty bunch fertilizer recommendations in 2017. As in Muara kandis Estate 1L-37 block area 28.11 with a dose of 30 ha with a number of applications 843.30 tonnes. Fertilization bunch empty only done in Muara Kandis Estate.
- Land application contained in the application program work LA (Land Application) period January - December 2016 as follows: On the M30 block with an area of 23.97 ha. The dose used was 375 tonnes / ha. Total applications is 71.91 tons. Application of liquid waste is only done in Muara Kandis Estate with the number of blocks to be applied is 15 blocks. Among are the M28 and M29, M30 through M36.

<b>Status: Comply</b>
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**4.3**
**Practices minimize and control erosion and degradation of soils.**
**4.3.1**

The Company has a semi-detailed soil maps that have been documented by the mapping of land suitability classes (LSC) conducted by Plantation Monitoring And Planning Division (PMNP) in 2015. There is an area of 4379.13 ha for Muara Estate Tawas Estate with the classes of soil S2 (Appropriate enough). As for in Muara Kandis total area is 470.57 ha with land suitability classes S2. The scale of the map is 1: 75,000

**4.3.2**

Until the ASA-II audit activities in the area of the company's work can not be found in the area of slope planting. But the company has a strategy for management in areas with a slope of between 0-30%. Are as follows:

- To manufacture erosion stakes in blocks L32 and K25 Muara Kandis Estate. The results of monitoring in January 2016 - January 2017 there is no erosion in the area.
- Doing the planting of grass in Vertiver ongsor-prone areas such as riverbanks. As follows: Vertiver grass planted in April the total 900, 150 and the remaining 750 were planted in the river Lakitan H18.

**4.3.3**

Certificate holder has annually and monthly road maintenance programme, mechanically and manually. In general from document review is known that the road maintenance has been conducting well. Current road maintenance activity are road grading by road grader. Based on field observations in MKNE and MTWE, main roads and collection roads are in good conditions. The drainage



system is well organized to ensure passable in all weather conditions.

#### 4.3.4 and 4.3.5

Land suitability mapping that conducted by Plantation Monitoring And Planning Division Department (PMNP) on 2007, shows that there is no peat soil in PT Djuandasawit Lestari.

#### 4.4.6

Based SOP Nomor SOP / SMART / MCAR / I / TA-PPA on Investment Planning New Area, came into force on 12 June, 2012. In the SOP explained that the class of land with a slope classification and terrace necessary (slope > 40% are not recommended to be planted) and if the class of the slope is less than <40%, then the terracing contours, hooves or stairs harvest contour terraces. Besides, planting cover crop Mucuna types, and installation of wedge erosion in some places.

**Status: Comply**

### 4.4

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

##### 4.4.1

Field visits on block R59 at MTWE for examples, found that companies managed Petanang river riparian by marked the buffer zone (throughout 50 m both sides on riparian), perform revegetation with vetivergrass, and signboard placement.

Company also conducted regularly water quality testing every semester for Temani River and Lakitan river. Based on workers interview on estate housing shown that drinking water for them originated from refill water and Muara Kandis Mill also provides clean water access for all workers.

Water sources identification and management plan are listed on 2017 water management document. These document describe the water source identification, Mill water usage monitoring & efficiency, and catchment area protections.

##### 4.4.2

Company provided procedures for these catchment areas protection/conservations listed on SOP/SPO/SMART/LH-06 document. Field visit during audit, for examples on Temani river riparian block J39 acquired information that company shown proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border.

Company has identified and shown the maps for catchment areas (including riparian) with 1:50000 scale. HCV identification document shown there is some river flow on estate such as Temani river and Tawas river (MKNE), and Petanang & Lakitan river (MTWE).

##### 4.4.3

Mill effluent produced by MKNM processed at waste water treatment plant (WWTP) based on procedure SOP/SPO/SMART/LH-09, until it complying to standards before it discharged to MKNE as land applications based on decree of Musi Rawas regent No 517/kpts/BLHD/2015 valid until 2017.

Waste water quality testing document review shown for Oct 16 - Feb 17 all of waste water testing parameters are compliant to the standards quality, and all of waste water management and monitoring has been reported to related institutions per 3 month regularly. Field visit on WWTP during audit found there is no leakage indications and these area are managed well.

##### 4.4.4

Observations on MKNM water treatment plant found monitoring for raw and process water usage was done by officer periodically, and flowmeters at inlet/outlet serves normally.

Procedure for Mill water usage and monitoring are provided and has been listed on procedure IK/SMART/MCMD/I/TM-PKS/19-Water Treatment. Standards of water usage for FFB process recorded on 2016 budget projected 1,60 m<sup>3</sup>/tonne FFB processed. Water usage monitoring was done periodically and recorded, for example on February 2017 FFB processed 19.137 tonne, process water usage 17.091 m<sup>3</sup>, and water usage efficiency was 0,89 m<sup>3</sup>/tonne FFB processed.

**Status: Comply**

### 4.5

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

##### 4.5.1

All over plan of handling and control of IPM has been documented in HPT control program set out in the annual budget plan. As examples do pest control rats every two months, UPDKS conducted every 1 month, etc.

The results of the study documents the period of 2017 are as follows:

Estate	Divisi	Total rate	Average Census	Average attack	Attack Rate (%)
<b>Muara Kandis</b>	1	83.681	8.542	161	1.88
	2	99.123	5.455	139	2.55
	3	80.341	7.544	189	2.51
	4	51.710	12.918	318	2.46
	5	64.332	19.247	400	2.08
	6	54.920	5.615	87	1.55
Total		<b>43.410</b>	<b>59.320</b>	<b>1.294</b>	<b>13.03</b>
<b>Muara Tawas</b>	1	90.270	5.838	131	2.24
	2	94.201	5.474	101	1.85
	3	98.137	4.516	81	1.79
	4	375.633	20.985	399	1.90
Total		<b>65.820</b>	<b>36.810</b>	<b>712</b>	<b>7.78 (1,09%)</b>

**Maximum economic threshold is 5%**

Based on observation of documents and interviews with officers in chemical warehouse every real team auditor to get information there is no use of chemicals (pesticides) in used prophylactically.

#### 4.5.2

Integrated pest management training has been implemented by the management on 11 November, 2016. As with the instructor governor of SMARTRI research. The training is done is about fertilizing palm, census methods and pest control UPDKS, kind UPDKS, conservation and utilization of natural enemies UPDKS, mechanical control, and biological control.

There is a list of the results of the evaluation of meeting / training on 11 November 2016, with instructors from phak SMARTRI attended from the Muara Kandis Estate 12, Muara Tawas Estate 5 people and the Pandawa Estate (plasma) 11. Training attendance list and photos attached in the document.

**Status: Comply**

#### 4.6

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

##### 4.6.1

The Company has a policy regarding the use of pesticides as an example:

- The company has had a MSDS (Material Safety Data Sheet) for each type of material agrochemicals (pesticides) which describes the manual storage and materials handling, handling in the event of an accident (effort P3K), Hazard identification, action against spills and leaks, personal protective equipment, properties physical and chemical reactivity and stability, toxicological information, ecological information, disposal and transportation.
- The Company also has a MSDS for each type of fertilizer used. The MSDS describes the identification of production, the composition of the fertilizer, fire and explosion hazards, stability and reactivity, a health hazard, special attention and leaks, spills and disposal.

Here is a list of herbicides used by Djuanda PT Sawit Lestari 2017 are summarized as follows:

Type	Aktive Ingredients	Target Weeds	No. Lisence	Expied Date
<b>Rollifos 150 SL</b>	Glufosinate – 150 g/l	Broadleaf weeds	RI. 0103011984695	13 Mei 2018
<b>Erkafuron 20 WG</b>	Metil metsulfuron	Woody Weeds	RI.01030120062405	23 July 2017
<b>Garlon 670 EC</b>	Triklopir	Narrow-leaved weeds, broadleaf weeds	RI.0103011964695	25 September 2018
<b>Roll Up 480 SL</b>	Iso Propilamina Glifosat 480 gr/liter	Broadleaf weeds	RI. 0103011988854	31 Des 2019
<b>Starane 290 EC</b>	Fluroxypir Ester	Broadleaf weeds	RI.01030120062467	15 April 2019

#### 4.6.2.4.6.3

The company has documented the related records of pesticide usage records provide information about the active ingredients used, area treated, amount applied per hectare, rotation pesticide use and toxicity data in documents monitoring of pesticide toxicity. Based on observations document, toxicity data recapitulated every month;

Type	LD50	% aktive Ingredients	Aplication	Total	FFB Production	Peticide Unit/Ton	Ha Aplication	Pesticide Unit/Ha
Rolifos	5000	0.150	115.74	17.36	77.107,760	0.0002657	9.994,48	0.0331960
Roll Up	5000	0.410	2.498,62	1.024,43	77.107,760	0.0000113	462.96	0.0000260
Erkafuron	2000	0.410	38.05	22.83	77.107,760	0.0000059	2.926,92	0.0001123
Starane	2000	0.260	379.67	132.13	77.107,760	0.0000739	6.026,51	0.0000650
Agristick	416	-						
Garlon	2000	0.670	409.54	251.46	77.107,760	0.0000046	409.54	0.0001335

#### 4.6.4

The company has a document Recomend WHO Classification of pesticides by hazard by IPS (International Programme on Chemical safety) and guidelines to clasification of 2004, and a complete list of pesticides that enter into IA or IB. Based on the results of such identification documents, the company does not have any kind of pesticides that enter into the list of WHO class 1A and 1B.

There memorandum on reducing the use of chemicals, especially Paraquate active material. Memorandum No: 032 / PD / VIII / 2016 dated August 13, 2016 by President Director, prohibit the use paraquate. Which is the core of the letter is that since the beginning of 2016, no longer allowed to use herbicides made active paraquat (trademark Rolixone) to eradicate weeds.

#### 4.6.5

Kompes training implemented by the company on 17 April 2012. Certificate No. 800 / Set-KP3.546 / 2012. On behalf of the employee foreman Sutrisno spray. Certificate valid for 5 years was issued on 19 April 2012. Employees are trained to Estate Muara kandis Estate 15, Muara Tawas Estate 24 people. During an interview with the sprayers in Tawas Muara and Muara kandis Estate. All of these have to know about spraying weeds is good and right. Namely, the right target, the right dose, and timely use of full PPE, and maintain health and safety. Many labels of chemicals used has been applied in the field, such as a red symbol on the product drigent of pesticides and herbicides. In addition there is a special label for clean water as washing hands used when the employee lunch breaks.

#### 4.6.6.4.6.7

Based on the study documents, the company already has a document related to the handling of waste pesticides in the document SOP / SPO / SMART / LH-18 on the B3 waste management, approved by the Division Head Environmental & Sustainability July 1, 2010. In the document described the work step B3 waste handling , emergency response handling temporary B3 waste storage, handling and control documentation related documents B3.

#### 4.6.8

Companies no use pesticide applications over the air. This is consistent with the results of interviews and the examination of documents.

#### 4.6.9

Available evidence that training to employees and estate smallholders are implemented once every 1 year. The training program and hold fertilization, integrated pest control, spraying technique, IPM control using biological control mice using bird Tyto alba. There is a list of the results of the evaluation of meeting / training on 11 November 2016, with instructors from phak SMARTRI attended from the Muara Kandis Estate 12, Muara Tawas Estate 5 people and the Pandavas Estate (plasma) 11. Training attendance list and photos attached in the document.

#### 4.6.10

Company possess procedure for Toxic and Hazardous waste including ex agrochemicals management listed on SOP/SPO/SMART/LH-18. These procedure stated that all ex chemicals containers were kept on temporary hazardous storage at mill/estates. Training for workers and staff regarding hazardous & toxic material handling have been conducted on November 2016.

Based on interview with sprayer team found that workers recognized how to properly disposed waste materials and workers have



been trained by company about waste and hazardous materials handling. Field visit during audit on toxic & hazardous waste storage on MTWE and MKNE found company showed proper ways for ex agrochemical disposal.

#### 4.6.11

Certificate Holder has been carrying out periodic health examinations for all employees once a year and specific medical examinations for employees who are at high risk twice a year such as workers who work with chemicals. The last medical in October 2016 to all workers who work with chemical. The test results showed that all employees are in healthy condition. Interview with workers known that they are never get experience of occupational injury which caused by chemical such as irritation.

#### 4.6.12

Certificate has a policy regarding to the prohibition to employ the pregnant and nursing women to work on a section that deals with chemicals. Based on field interviews with sprayers, it is known that there are no female employees who are pregnant or breastfeeding. In addition it also obtained information that the employees have to know if pregnant or nursing are not allowed to work which related to the chemicals because it is dangerous to their baby or their fetus.

<b>Status: Comply</b>
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### 4.7

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

#### 4.7.1

There is no revision over occupational health and safety policy in PT DJUANDA SAWIT LESTARI. The policy has been implemented based on the applicable regulation. Field visit and interview in mill and estate revealed that the occupational health and safety has been socialized and implemented by company through Socialization with personnel during muster morning before work. The results of field visits in the mill and estate shows the OHS policies have been implemented by the company include the provision of PPE to all workers, regular health examinations, installing signs / OHS warning, and conduct training activities related to OHS aspects.

#### 4.7.2

The Certificate Holder has performed the identification and assessment of risks to each operational activities described in "form of Source Hazard Identification, Assessment and Risk Control (ISBPPR)". The document informs about the type of activity, type of work (routine, non-routine and emergency), source / event, impact, existing controls, the level of probability, severity and risk level. The results of the risk assessment have been informed to the employees in accordance with the job. Based on interviews with estate and mill workers obtained information that the employee has known the potential of dangers that arise on the job. The results of the field visit at the mill, it is known that in each station has been installed document of the risk analysis.

Meanwhile based on documents verifications and field observations in Muara Kandis Mill its known if the certificate holder has had the documents related the implementation of OHS Policy such as:

- SOP Identifikasi Sumber Bahaya, Penilaian Dan Pengendalian Risiko (SOP/SMART/HESS-EHSD/SADV/II/002)
- SOP Manajemen Alat Pelindung Diri (SOP/SMART/HESS-EHSD/SADV/II/010)
- Identifikasi Sumber Bahaya, Penilaian dan Pengendalian Resiko (form of Source Hazard Identification, Assessment and Risk Control) Period of January – December 2017 (F/SMART/HESS-EHSD/SADV/002/002)
- Action plan and Review of "Identifikasi Sumber Bahaya, Penilaian dan Pengendalian" Period of January – December 2017 (F/SMART/HESS-EHSD/SADV/002/003).

In the SOP/SMART/HESS-EHSD/SADV/II/002 point 2.2.7 about risk control mentioned if "The evaluation of risk that has been set, especially the risk of moderate, high and extreme (unacceptable risk) must be carried out the risk control, and consideration for the set a OHS corrective programs. The corrective action refer to the hierarchy of controls, including Hazard Elimination, Substitution Hazard, Hazard Specialization Engineering, Administration and Personal Protective Equipment (PPE) ".

Meanwhile on SOP/SMART/HESS-EHSD/SADV/II/010 mentioned:

- **Point 2.2.1 (PPE Needs Identification)** stated if OHS experts identify appropriate of PPE in accordance with the risk of an occupational hazard refers to form of Source Hazard Identification, Assessment and Risk Control

- Point 2.2.2 (the determination of the type of PPE) stated if Health and Safety Section (HESS) set the type PPE according to the results of ISBPR using Standard Form PPE (F/SMART/HESS-EHSD/SADV/010/001) where PPE the form of safety boots or safety shoes with specification *Boot PVC with toe cap* atau *Sole resistant to soils and acids/alkalis, antistatic, steel/carbon toe cap* required at some stations among other Loading Ramp / grading, sterilizer, press, kernel and engine room

Beside that memorandum from Head of PCDB No: 685/I-HP/PCDV-MD SSSE/XII/2016 (22 December 2016) regarding OHS Target – Zero fatality and Zero Accident in all operations unit of GAR / SMART mentioned “sesuai dengan komitmen GSEP mulai 1 Januari 2017 target K3 ditetapkan menjadi: **ZERO FATALITY dan ZERO ACCIDENT**”. Upaya menuju pencapaian target salah satunya “(g) Memastikan penggunaan APD pada setiap stasiun divisi mengikuti SOP yang sudah disepakati.

In the form of Source Hazard Identification, Assessment and Risk Control period of January – December 2017, to all Station (Except Workshop) the type PPE foot protector who recommendation are Boots Shoes. Based on field observations in Muara Kandis Mill in Loading ramp/ Grading Station, Sterilizer station, Press Station, Kernel Station, and Engine room its known if the employee who works in that's station using PPE namely boots shoes without toe cap.

Related to that's issue, certificate holders has not been able implementing the risk control in accordance with the procedure and policies which is owned. **Based on that's explanation raised Non Conformities No 2017.01**

#### 4.7.3

Based on field observations its known of the employees has been using PPE in accordance with risk analysis and specified hazard identification, for example the sprayer using personal protective equipment in accordance with specified hazard identification and risk analysis like Apron, google, hand glove and safety shoes. in addition, interview with spraying personnel in Muara Tawas Estate, and Harvester in Muara Kandis Sstate revealed that company would substitute or replace the PPE if there is a damage or broken on the old one.

The results of field visits, interviews with workers and documents verification it's known that workers have been given training in safe work practices. This was evidenced when the employee can demonstrate how to work correctly and appropriately in accordance with the procedures, for example for mill employees who work at heights has been using body harness. Results of interviews with employees also obtained information that each morning roll call (before work) is always informed / socialized steps of safe work.

#### 4.7.4

The management unit has guiding committee for occupational health and safety organization and personnel in charge on implementing the occupational health and safety program. Guiding Committee of Occupational Safety & Health Board (GCOHS) has drafted an OHS working program and evaluates the implementation of OHS program in the field. In order to ensure that the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performs a monthly meeting with workers. The interview result with Manpower and Transmigration Agency in Musi Rawas Regency revealed that the management unit has submitted the guiding committee for occupational health and safety's periodic report every 3 months. The guiding committee for occupational health and safety report covers the entire occupational health and safety activity within company's operation activity. On the GCOHS report covers the entire OHS activities, including; GCOHS recommendations, investigation results of occupational accidents, GCOHS activity reports, employees' health checkup reports, and GCOHS minutes of meeting held every month.

#### 4.7.5

Certificate Holder has a procedure for emergency response, for example Procedure of First Aid, Procedure of Handling Accidents and Work Diseases and Procedure of Emergency Preparedness. Based on field visit, company has pointed the evacuation path and concentration point in order to smooth the evacuation process in emergency situation. The evacuation path is available in office and mill and has been completed with map and other *signboards*.

At the time of the field visits it is known that in the mill, warehouse, workshop and division offices have supplied First Aid box which monitored regularly. As for the operational activities in the field supervisors have been equipped with First Aid bag. The

results of the interviews obtained information that supervisors have received First Aid training and have understood the stages of first aid in case of work accidents in the field, For example, when a worker is exposed to tree's thorns, the first step to take is to clean the injury and perform first aid emergency, then the supervisor must take the worker to the estate's polyclinic for further treatment.

#### 4.7.6

Certificate Holder has been providing accident insurance for their employees in accordance with the conditions set by the government in the form of regular Social Insurance Agency for labor paid every month. Based on interviews with several employees obtained information that the employee has been registered as a participant of Social Insurance Agency for Labor.

#### 4.7.7

Certificate Holders has consistently monitoring work accidents that fully explained about the months of the incident, the number of cases, the location of the accident, type of accident, the results, work hours lost, causes, follow-up and results. Monitoring of work accidents performed every month and reported to the relevant agencies in conjunction together with regular reports of Guiding Committee of Occupational Safety & Health.

<b>4.7.2 Major</b>	<b>Status: NCR 2017.01 With Major Catagory</b>	
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### **4.8 All staff, workers, smallholders and contractors are appropriately trained.**

#### 4.8.1

Certificate holder has had the identification of personnel competence matrix unit year 2017 for MKNM, MKNE, and MTWE. The training is intended for the whole staff, workers from employee status monthly, daily employees, freelance and contract employees. The training programme has covered all aspects of the RSPO principles and criteria, OHS awareness, FPIC concept in the process of compensation and conflict resolution, environment, good agricultural and manufacturing practices, etc. Furthermore, from the matrix structured training program and plan time to be implemented. The training is intended for the whole staff, workers from employee status monthly, daily employees, freelance and contract employees.

#### 4.8.2

Certificate holder has had a worker training records for each unit stored in personal files. Based on interviews with workers in MKNM, MKNE and MTWE, it is known that workers have been trained and understand in accordance with the work being performed.

	<b>Status: Comply</b>	
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### **PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**

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

#### 5.1.1 ;5.1.2

Until ASA-2 there is no scope changes related to mill capacity, new plantings, or replanting on PT DSL areas. All company operation activities are covered on these old document.

The company has a document of Environmental Impact Assessment (EIA) covering for Muara Kandis and Muara Tawas estate, and Muara Kandis Mill approved by Agricultural minister on 2013.

These documents explained the impact that probably caused by the company's operations such as land acquisition, construction of roads, infrastructure development, processing mills development, land preparation, crop management, oil palm planting, development of conservation areas, etc. EIA documents also discribes environmental management and monitoring plan that should be done by the company.

#### 5.1.3

Company are consistently done the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring per sixth month regularly. These report described realization of monitoring and management of the

environment in accordance with environmental parameters in the RKL/RPL. Public consultation with Environmental agency of Musi Rawas indicate that the company has made environmental management and there is no issue of pollution caused by the company's operational activities.

Review for environmental monitoring / management plans have been developed on March 2016 and as the feedback of review, company has included landfires monitoring, land applications, and toxic/hazardous waste monitoring parameters since 1<sup>st</sup> semester 2016 monitoring report.

**Status: Comply**

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

#### 5.2.1

The Company has been conducted HCV assessment for the entire area of operations which done by the RSPO Approve Assessor on 2010. The process of HCV identification conducted by using HCV identification guides in Indonesia on June 2008. These identifications indicates there is HCV 1.1, 1.2, 4.1 presence on MTWE/MKNE covered for 385,56 ha areas. All of indicates HCV areas was mapped by 1:70000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape and RTE species.

#### 5.2.2; 5.2.3

HCV identification results also explain there is an vulnerable (VU) species according IUCN-Redlist namely *macaca nemestrina*. To provide protection against such species, management unit has made the hunting ban signboard, patrolling, rehabilitation of riparian as habitat and report to relevant agencies (Nature Conservation Agency).

Field visit on HCV areas Block R59 (MTWE) and block J39 (MKNE) shown that company provides HCV areas information signboards and protected species, signboard for hunting ban and marking riparian area that will be rehabilitated for species corridor. Company also conducted a periodically monitoring every month for HCV areas, species monitoring, and wild hunting by HCV officer.

Field visit on Petanang river riparian shown the condition of catchment areas has been covered by natural vegetation. Interview with spraying team found that them recognized HCV area as a protected area and the they also recognized no chemical applications on conservation areas. Workers also have deep understanding related to protected species, a ban on hunting of protected species.

Related to RTE species, company had RTE species protections policy established on 2015. Evidence for workforce educations related to RTE species are available and verified by auditors team. Housing visit on division 5 and 6 MKNE found there is no RTE / wild species reared by workers.

#### 5.2.4

Company have established HCV management plan, and implemented it well. Regularly patrols record shown company has been monitored illegal fishing, hunting, and other illegal activities. All of records for daily patrols on each estate are available and verified by auditors. For example patrols summary results 2<sup>nd</sup> semester 2016 for PT DSL found cekakak belukar (*Halcyon smyrnensis*) babi hutan (*sus scrofa*), bajing kelapa (*callosciurus sp*), meanwhile wild species trap is not presence. The result of monitoring also reported to government institution every six month.

As the results of monitoring output, company has plan feed back into the management plan 2017 for examples enhance monitoring frequency for riparian chemical boundaries from 6 months to 3 months.

#### 5.2.5

Results of the verification documents, field visits and interviews with villagers obtained information that there are no areas of HCV-related and affect the local community.

**Status: Comply**

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

#### 5.3.1

Registry for waste (included toxic and hazardous waste) products produced from mill and estates are identified and listed on 2016 identification and evaluation of pollution source document for example mill waste water are managed at waste water treatment plant before it distributed as land applications, hazardous waste were kept at temporary hazardous waste storage.

5.3.2; 5.3.3		
<p>All chemicals and their containers including hazardous waste are disposed responsibly based on procedure SOP/SPO/SMART/LH-18. Inventory for all chemicals usage and it containers are available on chemicals storehouse / temporary hazardous storage. All ex chemicals containers kept on temporary hazardous storage at MKNM, MKNE, and MTWE, and the company has a permit for hazardous and toxic waste storage issued by decree of Musi Rawas regent No 519.1/KPTS/BLHD/2014 for MKNE/MKNM, and decree No 696/KPTS/BLHD/2014 for MTWE, all these permits valid until 2019.</p> <p>Document review shown that company has sent all toxic and hazardous waste to PT Primanru Jaya (licensed collector by decree of national environmental minister) on september 15<sup>th</sup> 2016 (manifest are available and checked by auditors). Observation during audits at temporary hazardous&amp;toxic waste storage shown that all of hazardous waste are compliant with the periods in permit (&lt; 180 days).</p> <p>All settlements waste are not disposed off using open fire. Field observation on block A07 MKNE for example found that companies managed settlements/housing domestic waste by provide landfill on each division and sort the organic/an-organic waste. Observations also found these landfill are located far away (&gt; 1 km) from housing and situated on flood free areas.</p>		
	<b>Status: Comply</b>	
<b>5.4</b>		
<b>Efficiency of fossil fuel use and the use of renewable energy is optimised.</b>		
5.4.1		
<p>Company already have commitment to reducing fossil fuel by renewable energy usage. Shell and fiber usage have been monitored per month and realization of fossil fuel usage during February 2017 are 8151 litre.</p> <p>During September 2016 - February 2017, fiber and shell usage for boiler resulting average energy efficiency for diesel fuel are 1,54 litre/tonne CPO, for electricity are 73,96 kWh/tonne CPO, for shell usage are 0.27 tonne shell/tonne CPO, and 0.58 tonne fiber/tonne CPO for fiber usage.</p>		
	<b>Status: Comply</b>	
<b>5.5</b>		
<b>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.</b>		
5.5.1		
<p>The Company has a policy on open land without burning with No: 071 / SMD OPS / IX / 2007. Created on September 4, 2007 regarding the ban on land clearing without burning. Its contents include:</p> <ul style="list-style-type: none"><li>• Hold fire prevention patrol the garden and surrounding land region</li><li>• Prepare the squads and fire extinguishers in accordance with the conditions of their employees on site</li><li>• Assist the government in case of fires around the gardens and area development</li><li>• Make the warning boards or fire hazard warning symbols and ban burning of the field</li><li>• Efforts to improve coordination with relevant agencies penignkatan fire prevention</li><li>• Do not cultivate gardens or clearing land using the technique with deliberate arson.</li></ul> <p>There are reports of forest fire monitoring implementation of the Land and the period from July to December, 2016.</p> <ul style="list-style-type: none"><li>• No report 04 / EM-DJUANDA SAWIT LESTARI / MKNE / 01/2017, addressed to the Plantation Office Kab. Muara Beliti which was approved by the Estate Manager</li><li>• Report to the district BLH. Musi Rawas the Report Penaggulangan Forest and Land the period July-December, 2016</li></ul>		
	<b>Status: Comply</b>	
<b>5.6</b>		
<b>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</b>		
5.6.1; 5.6.2		
<p>To reduce pollution and emission, the company has identified the pollution sources and emissions and the management steps which are described in SOP of Waste Management. In addition, company also identified GHG sources included management plan for reducing it.</p> <p>All waste including emmissions and pollutions sources from Mill and estate are identified and recorded on waste and pollution identification risk 2017 document. Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every months and monitoring periods October 2016 - February 2017 sighted that all of waste water testing parameters is compliant to the standards quality, for example BOD on Feb '17 are 3510 mg/l (&lt; 5000 mg/l).</p>		
5.6.3		



Monitoring for emission and pollutants (air emission, ambient, odor, noise, vibration) from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. Company also conducted GHG calculation for July 2015-June 2016 period based on RSPO GHG palm V 3.1 and this calculation have been reported to RSPO by email on February 28<sup>th</sup> 2017. The calculation of GHG emissions resulting as below:

**Data PalmGHG Summary Report**

Mill: Muara Kandis Mill

Company: PT. Djuandasawit Lestari

Year of Assessment: 2015

District: Kec. Muara Kelingi, Kab. Musi Rawas, Sumatera Selatan

Country: Indonesia

**Final Emissions value per product**

Product	tCO <sub>2</sub> e/t product	Product	tCO <sub>2</sub> e/t product
CPO	0.81	PKO	0
PK	0.81	PKE	0

**Overall emissions summary**

	Own crop	Group	Outgrower
Total field emissions (tCO <sub>2</sub> e)	4870.08	0	0
Total mill emissions (tCO <sub>2</sub> e)	31485.20	0	0

**Summary of Net GHG Emissions Muara Kandis Mill**

Emissions per Product	tCO <sub>2</sub> e/tProduct
CPO	0.81
PK	0.81

Extraction	%
OER	22.75
KER	5.75

Production	t/yr
FFB processed	158077.8
CPO produced	35962.69

Land Use	Ha
OP planted area	6810.27
OP planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	385.56
<b>Total</b>	<b>7195.83</b>

**Summary of Field Emissions and Sinks**

	Own Crop		Group		3 <sup>rd</sup> Party		TOTAL	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha
<i>Emissions</i>								
<b>Land Conversion</b>	59480.89	8.65	0	0	0	0	0	0
<b>*CO<sub>2</sub> Emissions from Fertiliser</b>	3031.51	0.44	0	0	0	0	0	0
<b>**N<sub>2</sub>O Emissions</b>	3615.93	0.53	0	0	0	0	0	0
<b>Fuel Consumption</b>	3148.32	0.46	0	0	0	0	0	0
<b>Peat Oxidation</b>	0	0	0	0	0	0	0	0

<i>Sinks</i>								
<b>Crop Sequestration</b>	-	-9.36	0	0	0	0	0	0
	64406.57							
<b>Conservation Sequestration</b>	0	0	0	0	0	0	0	0
<b>Total</b>	4870.08	0.71	0	0	0	0	0	0

**Summary of Mill Emissions and Credits**

	<b>tCO<sub>2</sub>e</b>	<b>tCO<sub>2</sub>e/tFFB</b>
<b>Emissions</b>		
<i>POME</i>	30985.93	0.2
<i>Fuel Consumption</i>	499.27	0
<i>Grid Electricity</i>	0	0
<i>Utilisation</i>	0	0
<b>Credits</b>		
<i>Export of Grid Electricity</i>	0	0
<i>Sales of PKS</i>	0	0
<i>Sales of EFB</i>	0	0
<b>Total</b>	31485.20	0.2

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

Divert to compost	0 %
Divert to anaerobic digestion	100 %

**POME Diverted to Anaerobic Digestion:**

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

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

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

**6.1.1; 6.1.2**

The certificate holder has conducted a survey and Social Impact Assessment (SIA) in 2013-2014 and recorded in Report SIA - "Laporan Studi Identifikasi Dampak Sosial Perkebunan Kelapa Sawit", by Sustainability Department. During the Social Impact Assessment (2013-2014), it appears that the assessment also includes stakeholders, community leaders figure, and related government agencies etc. through a public consultation which visible on participant attendance at SIA report. Communities that participate during identification of social impacts assessment covers 9 villages, among others Lubuk Pandan, Muara Megang, Karya Sakti, Beliti Jaya, Tugu Sampurna, Karya Mukti, Petransjaya, Pelita Jaya, and Sidomulyo.

**6.1.3**

The CH has documented record to outline the plan on mitigation, implementation and monitoring according to the SIA report namely CSR programme. Plans for avoidance or mitigation of negative impacts and promotion of the positive ones and monitoring of impacts has implemented through CSR realization programme in period January to December 2016. Person in charges to handle the social program is CSR department.

**6.1.4**

The documented plan for management and monitoring of social impacts, still on-going process to be reviewed on two-yearly basis by the head office management. The evidence that the review process was provided to the auditor team during ASA-2.

6.1.5

To reduce negative impacts from surrounding communities, the CH has developed smallholder scheme namely "Pendawa Plasma" since 1997 with engaged Cooperative Unit "KUD Sadar Sejahtera".

**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.**

6.2.1

Certificate holder has had a procedure of communication and consultation with stakeholders (SOP No. SOP/SPO/SMART/LH-19). The procedure explain how to handling communication and consultation related to requirements of sustainability palm oil. This procedure includes guidance in planning, implementing, regarding communication and consultation among internal and external stakeholders. The procedure is also equipped with technical procedures, response communications, and delivery of information to stakeholders, as well as the flow chart that explains in detail the steps the implementation of activities, along with related documents.

6.2.2

The procedure appointed Estate and Mill Manager as person in charge of social which duty and responsibility in the implementation of the process of communication and consultation with stakeholders including the dissemination of the list of documents that can be accessed by stakeholders.

6.2.3

To ensure procedures have been communicated to all stakeholders, certificate holder has an inventory and documenting stakeholder list that updated semesterly. Stakeholder list consisting elements of regency, district and village government, worker unions, gender committee, cooperative, contractors, traditional leades, etc.

Based on consultation with government agency in Musi Rawas Regency, Village of Petrans Jaya, Village of Lubuk Pandan, Village of Karya Mukti, Village of Muara Megang, and Village of Karya Sakti, as well as labour unions, it is known that the stakeholders have understood the mechanism and PIC of transparency methods for communication and consultation with the certificate holder. there are no obstacles in communicating with person in charge. Based on review of documents, it is known that the stakeholders are routinely sent letters of communication or proposal, and has been addressed by management.

**Status: Comply**
**6.3**

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

6.3.1.

Certificate holder has had a mechanism for dealing with complaints from affected parties both internal and external set out in procedure of handling of complaints and dissatisfaction (No. DSL-MKNE/SOP/25). The procedure concerning grievance, dissatisfaction, and dispute resolution. For settlement of disputes related to land conflicts, the mechanism available in procedure No. SOP/NP/SMART/VII/D.

6.3.2

Records of complaints from internal and stakeholder available in the logbook of the incoming and outgoing mail in each estate or mill. Based on the document review in MKNM, MKNE and MTWE, there were some complaints from workers related to demand repair housing facilities. Based on consultation with surrounding villages, labour unions and gender committee, it is known that certificate holder has disseminate the communication and complain mechanism. Also note that the complaints submitted by stakeholders have been addressed properly by the management.

**Status: Comply**
**6.4**

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



6.4.1; 6.4.2

The procedure of "SOP Ganti Rugi Tanah/Lahan (SOP/NP/SMART/VII/D&L002, dated 1 Juli 2010)" described the mechanism for identifying legal, customary or user rights and also for identifying people entitled to compensation and determining calculation method to provide fair compensation. Evidence of Procedure Awareness was documented. It was communicated to related parties such as community leaders, and religious figures and youth leaders.

While, within the FPIC Procedure No. SOP/SMART/SENS-CSR/SADV/I/003, part 2.4 describes that identification of participatory map related to legal ownership of communities are considering gender, community leader, local or transmigrant communities, ethnic groups or communal land ownership, etc.

6.4.3

All the documents of land compensation is kept by legal department and if there is any inquiry from affected parties or relevant parties, the document can be accessed through officer/management permission.

**Status: Comply**

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

6.5.1

Based on documents verifications, interviews with workers and managements also public consultations with relevant institutions obtained information if employs wages payment conducted under the terms of Sumatera Selatan Governor Decree No. 726 year 2016 dated on 30 November 2016 about Minimum Wage of Musi Rawas Regency 2017. Based on interview with employee in mill, estate, Worker Union, Gender Committee known that company has paid the employees wage in accordance with applicable regulation, payment of wages has been held in accordance with the mechanism mentioned in employment contracts and Collective Labour Agreement. Moreover, interview with contractor also revealed that they received salary no less than government regulation's amount. Based on overtime record at MKNM The calculation of overtime has been met the applicable regulation, procedure and Collective Labour Agreement

6.5.2

The Certificate holder can show the Collective Labour Agreement between the Worker Union and PT Djuandasawit Lestari period 2015 – 2017. The Collective Labour Agreement has been registered by the Decree of the Head of Department of Labor and Transmigration Musi Rawas No.134/KPTS/IV/Nakertrans/2015, dated October 26, 2015 on the Registration of Collective Labour Agreement between the Worker Union with PT Djuandasawit Lestari the period 2015 - 2017. Resultsof the interviews with the Worker Union Muara Kandis Estate and Muara Tawas Estate, as well as the Worker Unions Djuanda Bersatu Musi Rawas submitted that the Works Agrremnet has been agreed by the company and the unions, and there are no provisions that violate labor legislation applicable.The Collectie Labour agreement has conformed to the applicable manpower regulation in Indonesia and has been written in Bahasa.

Meanwhile based on interviews with worker and document verifications obtained information if all employees has had a direct employment contract with Certificate Holder. The same thing is also demonstrated in contract employee. The employment contract is in a language under stable, written in bahasa and the copies are available for both parties, (the workers and company). Based on the interview with employees is known that the employee has had a copy of the labor agreement and has understood the agreement.

6.5.3

The certificate holder provides facility and infrastructure for personnel welfare, such as housing, polyclinic, clean water, sport yard, education facilities, worship venue, and access to electricity. Field visit at housing in Muara Kandis and Muara Tawas Estate shows that the facilities and infrastructures are in good condition. Based on the interview with employees mentioned that the infrastructures provided by company has been adequate and feasible.

6.5.4

Company facilitates all workers to access adequate food supply by establishing market during the payment day. Moreover, there are some markets in surrounding villages. Personnel have an issue to access good food with reasonable price. Based on field

visit and interview with personnel, company does not prohibited personnel to be a vendor, like selling staple food. Subsequently, there is no difficulty to access food.

**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.**

6.6.1

Until ASA-2 activity there are no changes policies PT Djuandasawit Lestari in terms of respecting the right of employees to form and join union worker. As the implementation of the policy is to have the formation of unions at each unit PT Djuandasawit Lestari, among others PUK SPSI SPPP Muara Kandis Estate and Muara Tawas Estate, and Serikat Buruh Djuanda Bersatu Musi Rawas (SBDBMR).

6.6.2

The company has also formed a workers union that serves to channel information from the workers to the company and vice versa. Labor unions are available in each unit and approved by Labor and Transmigration Agency of Musi Rawas Regency. The results of interviews with workers known that the worker has known the policy on freedom of association and workers also have known about the functioning of the unions. The meeting between the unions and the workers is conducted routinely or whenever there is a problem that must be discussed.

**Status: Comply**

**6.7**  
**Children are not employed or exploited.**

6.7.1

In the activity ASA-2 PT Djuandasawit Lestari there are no policy changes regarding minimum age requirements in the recruitment process (minimum 18 years) and the ban on employing children with reference to the employment provisions of Law No. 13 of 2003.

Result of employee's list document inspection shows that there is no employee under 18 years old. Based on field observations in Mill and estate there is no employee under 18 years old. Furthermore employees also understand that minimum age for employees to be hired is 18 years old. According to interviews with workers and Labor Agency Musi Rawas, it is known that there are no issues of underage workers employed by the company.

**Status: Comply**

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

6.8.1

Certificate Holder has possessed policy concerning antidiscrimination. Based on observation on employee list document and interview with employees, it is revealed that the hired employees have diverse educational, ethnic and religious backgrounds. Interview with village representative revealed that company opens work opportunity for local communities (in mill and estate). This can be considered as positive impact over company's existence for local communities. There is no complaint related to discrimination from local communities. During recruitment process, company conducted medical examination and the results of examination (medical records) are stored in company's clinic office.

6.8.2; 6.8.3

Document verification and interview with management employees recruitment is based on company requirement without considering ethnic, religious, racial and class backgrounds. All prospective employees have rights for employment opportunity according with their educational background and company requirement. Moreover, result of interview with employees also reveals that there is no indication of discrimination against employees. Certificate Holder is able to demonstrate evaluation of work performance assessment form of contract employee in which the assessed aspects include Discipline, Work Quantity, Work Quality, cooperation, work attitude and responsibility Assessment activity is performed once a year by each supervisor or boss.

**Status: Comply**

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

6.9.1; 6.9.2 ; 6.9.3

The policy related to special complaint in the company does not experience any change from previous assessment. The company has established a gender committee in each unit as an organization to manage the complaints of women workers in the event of sexual harassment and violations of reproductive rights.

The certificate holder has established a gender committee in each unit as an organization to manage the complaints of women workers in the event of sexual harassment and violations of reproductive rights. Interviews with the management of gender committee shows that they already know the duties and responsibilities as the socialization about the complaints mechanism, the socialization of sexual harassment, etc. The administrator of gender committee also stated that the company guarantees the anonymity of the reporting and the revealer of the case.

The interview result with the Gender Committee of Muara Kandis Estate, Muara Tawas Estate and Muara Kandis Millinforms that there is no case of sexual harassment reported to Gender Committee. The routine gender committee activity is socialization on sexual harassment and submission mechanism if there is a sexual harassment.

The interview result with women worker in Muara Taawas Estate shows that the worker has understood the existence of gender committee and the policy regarding women right protection. The administrator of gender committee also stated that the company guarantees the anonymity of the reporting and the revealer of the case.

**Status: Comply**
**6.10**
**Growers and mills deal fairly and transparently with smallholders and other local businesses.**

6.10.1

FFB prices that used by certificate holder in purchasing FFB from smallholder referring to the minutes of meeting FFB Pricing Team of South Sumatera. FFB price is regarding to the Ministry of Agriculture Regulation No. 14/2013 related to guidance of purchasing FFB from smallholder. The updated prices can be accessed from official website of Plantation Agency of South Sumatera or from circulated letter that sent to all scheme-smallholder cooperation.

6.10.2 and 6.10.3

Pricing mechanism has set in agreement letter that stated all FFB produced by smallholder referring to the government regulation. All cooperative agreement well documented. Cooperative Agreement Letter draft that has been returned to the parties to read its contents. If there has been a further agreement, the contract will be signed between the two sides on stamp duty and the copies held by each party. In the verified contracts contained clauses about the dispute resolution. It means, if there is a complaint, objection or dissatisfaction in the agreement at a later time, both parties who tied on the agreement are agreed settlement together by law in District Court that are designated together. Based on consultation in Village of Petrans Jaya, Village of Lubuk Pandan, Village of Karya Mukti, Village of Muara Megang, and Village of Karya Sakti, it is known that all scheme smallholder understand the mechanism of FFB pricing.

6.10.4

Based on document review, the company has fulfilled its obligations in terms of payment of work. Based on consultation with surrounding villages, so far there is no dissatisfaction related to the work payment.

**Status: Comply**
**6.11**
**Growers and millers contribute to local sustainable development wherever appropriate.**

6.11.1

Certificate holder has contributed to local development in the CSR programmes. Observed evidences of contribution to local economic development through empowerment of local contractors, road maintenance, religious facilities maintenance, funding on national holidays and religious holidays activities, educational equipment, etc. Based on interviews with the village around the company, it is known that the preparation of the CSR programmes has been carried out based on a consultation process with the village. The CSR realization has been in accordance with the needs and aspirations of the community.

6.11.2

Based on public consultation result with surrounding villages, auditor observed that there are no significant objection arise by community against certificate holder's performance. Positive perception mostly found on contribution to local economic development through scheme smallholder partnership, infrastructure development, CSR, local contractors, and stimulant of economic activities.

**Status: Comply**
**6.12**
**No forms of forced or trafficked labour are used.**

6.12.1; 6.12.2 &amp; 6.12.3

Document review and interviews with workers revealed that no migrant labour. There is no forced labour and illegal workers. The mechanism of human resources management system in Certificate Holder shows that every worker has a work agreement and to work in accordance with the division of labour in the labour agreement. According to interviews with workers revealed that they are working with the place and the division of tasks in the work order. Based on interview with unit management and workers in the field, up to the audit conducted no foreign workers who worked as an operational unit.

Based on field observation auditor didn't sighted harvester accompanied by the wife or children. Based on interview with management representative, it is forbidden by company

**Status: Comply**
**6.13**
**Growers and millers respect human rights**
**6.13.1**

Policy to respect the human rights set out in the Social Policy and Community (Social and Community Engagement Policy) issued on 10<sup>th</sup> November 2011, namely point 6 Respect to Human Rights (HAM). Policy has been communicated to internal and external stakeholders. The policy is communicated to all employees through the morning briefing. Based on interviews with workers until the audit carried out there is no report about cases of human rights violations.

**Status: Comply**
**PRINCIPLE #7 Responsible development of new plantings**
**7.1**

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

7.1.1; 7.1.2; 7.1.3

Certificate Holder has no expansion and development of plantation area after November 2005. Social and Environment document, management and monitoring plan kindly refer to Criteria 5.1 & 6.1

**Status: Comply**
**7.2**

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

7.2.1; 7.2.2

Certificate Holder has no expansion and development of plantation area after November 2005. Relevant information kindly refer to Criteria 4.3

**Status: Comply**
**7.3**

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

7.3.1; 7.3.2; 7.3.3

According to Planting Year database, range of planting years for this scope is 1995-2005. There is no new planting nor land

clearance was made after November 2005 and HCV Assessment conducted in 2013. The CH has submit the Liability Data and Zero Liability Disclosure to the RSPO on September 4, 2014. Based on information within the data provide, PT. Djuandasawit Lestari has zero liability.		
	<b>Status: Comply</b>	
<b>7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>		
7.4.1; 7.4.2 Certificate Holder has no expansion and development of plantation area after November 2005. Relevant information kindly refer to Criteria 4.3.		
	<b>Status: Comply</b>	
<b>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.</b>		
7.5.1 Certificate Holder has no expansion and development of plantation area after November 2005. Relevant information kindly refer to related Criteria 2.2, 2.3, 6.2 and 6.4.		
	<b>Status: Comply</b>	
<b>7.6 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>		
7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; 7.6.6 Certificate Holder has no expansion and development of plantation area after November 2005. Relevant information kindly refer to related Criteria 2.2, 2.3 and 6.4		
	<b>Status: Comply</b>	
<b>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.</b>		
7.7.1; 7.7.2; Certificate Holder has no expansion and development of plantation area after November 2005. Relevant information kindly refer to related Criteria 5.5		
	<b>Status: Comply</b>	
<b>7.8 New plantation developments are designed to minimise net greenhouse gas emissions.</b>		
7.8.1; 7.8.2; Certificate Holder has no expansion and development of plantation area after November 2005. Relevant information kindly refer to related Criteria 5.6		
	<b>Status: Comply</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>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.</b>		
<ul style="list-style-type: none"> <li>The Company has conducted an internal audit activity RSPO dated July 25 to 28, 2016 by a team of sustainability policy and compliances division. There are five mismatches in these activities. And it has been improved on August 25, 2016. The internal audit activity is carried out every year.</li> <li>There are innovative programs that are available in 2016, such as: slow control programs Moving - dead Stock, Smart Fiber Hopper, efektifive Method CaCO<sub>3</sub> savings.</li> <li>Company have performed the used of renewable energy and waste reduction such shell and fiber to reduce fossil fuel usage on Muara Kandis Mill. Company also conducted GHG calculations and maintained the HCV areas as a part of</li> </ul>		

emission reducing plan.

**Status: Comply**



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

Clause	(Module E) CPO Mills - Mass Balance Requirements																				
E.1	Definition																				
E.1.1																					
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.																					
FFB's entering to Muara Kandis Mill (MKNM) is from certified and uncertified sources. The supply chain requirements for this mill is Mass Balance model with the list of sources as follow:																					
Certified sources:																					
1. Muara Kandis Estate/MKNE (2820)																					
2. Muara Tawas Estate/MTWE (2821)																					
Non-Certified sources:																					
1. Pandawa Plasma (PNDA)/associated smallholder scheme:																					
- Kelompok Tani Tugu Sempurna (KTGA)																					
- Kelompok Tani Revitalisasi (KTRA)																					
- Kelompok Tani Sadar (KTSA)																					
- Kelompok Tani Komersil (KTNA)																					
- Kelompok Tani Mukti Jaya (KTJA)																					
2. Muara Kandis Estate/MKNE (2820) Non-Certified area																					
3. Muara Tawas Estate/MTWE (2821) Non-Certified area																					
	Status: COMPLY																				
E.2	Explanation																				
E.2.1																					
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.																					
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in the Summary Report RSPO and annual Annex of certificate. During the annual surveillance assessment, the auditor team make an updating record for real time volume of CPO and PK produced from the mill.																					
Muara Kandis Mill has a figure for estimated tonnage of certified product as follow:																					
<table><tr><th>Product</th><th>Estimate Certified Product 18/05/2016 – 17/05/2017 (MT)</th><th>Actual Certified Product 18/05/2016 – 06/03/2017 (MT)</th><th>Remaining volume on Palm Trace (MT)</th><th>Estimated volume 18/05/2017 – 17/05/2018</th></tr><tr><td>FFB</td><td>168,424</td><td>126,748.44</td><td>N/A</td><td>159,909</td></tr><tr><td>CPO</td><td>40,422</td><td>28,779.20</td><td>40,422</td><td>36,779</td></tr><tr><td>PK</td><td>9,954</td><td>6,908.53</td><td>9,954</td><td>9,275</td></tr></table>		Product	Estimate Certified Product 18/05/2016 – 17/05/2017 (MT)	Actual Certified Product 18/05/2016 – 06/03/2017 (MT)	Remaining volume on Palm Trace (MT)	Estimated volume 18/05/2017 – 17/05/2018	FFB	168,424	126,748.44	N/A	159,909	CPO	40,422	28,779.20	40,422	36,779	PK	9,954	6,908.53	9,954	9,275
Product	Estimate Certified Product 18/05/2016 – 17/05/2017 (MT)	Actual Certified Product 18/05/2016 – 06/03/2017 (MT)	Remaining volume on Palm Trace (MT)	Estimated volume 18/05/2017 – 17/05/2018																	
FFB	168,424	126,748.44	N/A	159,909																	
CPO	40,422	28,779.20	40,422	36,779																	
PK	9,954	6,908.53	9,954	9,275																	
During 12 months behind, all the palm product (CPO & PK) are sold as non-certified claim.																					
	Status: COMPLY																				
E.2.2																					
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).																					

Muara Kandis Mill has already registered for the supply chain platform. According to the RSPO Palm Trace, the registration of this Mill are:

Member Name: PT. Djuandasawit Lestari – Muara Kandis Mill

Account UID: RSPO\_AC1000001651

Member ID: RSPO\_PO1000001631

**Status: COMPLY**

### **E.3 Documented procedures**

#### **E.3.1**

**The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:**

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

Muara Kandis Mill has a revising procedure for Supply Chain “SOP Supply Chain Produk RSPO Model Mass Balance No. Dok: PT DSL-MKNM/SOP/24, tanggal 1 Dec 2014, Rev. 01”. The updated information within the procedure is on the references, that current SOP using reference as follow:

- RSPO Supply Chain Certification System, 21 November 2014.
- RSPO Supply Chain Certification Standard, 25 November 2014.
- SOP Pengolahan PKS PT. SMART, Tbk Tahun 2010 (MCMD #1).

Name of the person having responsibility over the implementation of this procedure are same and available based on job level in the mill unit.

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

**Status: COMPLY**

#### **E.3.2**

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

A documented procedures for receiving and processing certified and non-certified FFBs is details explained within the “SOP Supply Chain Produk RSPO Model Mass Balance No. Dok: PT DSL-MKNM/SOP/24, tanggal 1 Dec 2014, Rev. 01”.

According to Muara Kandis Mill data input for FFB's Receive on period 18 May 2016 – 6 March 2017, as follow:

Certified sources:

1. Muara Kandis Estate/MKNE (2820) → 57,637.47 MT
2. Muara Tawas Estate/MTWE (2821) → 69,110.97 MT

Non-Certified sources:

1. Pandawa Plasma (PNDA)/associated smallholder scheme:
  - Kelompok Tani Tugu Sempurna (KTGA) → 10,519.86 MT
  - Kelompok Tani Revitalisasi (KTRA) → 14,540.19 MT
  - Kelompok Tani Sadar (KTSA) → 36,298.68 MT
  - Kelompok Tani Komersil (KTNA) → 7,276.66 MT
  - Kelompok Tani Mukti Jaya (KTJA) → 7,321.87 MT
2. Muara Kandis Estate/MKNE (2820) Non-Certified area → 22,845.34 MT
3. Muara Tawas Estate/MTWE (2821) Non-Certified area → 682.39 MT

**Status: COMPLY**

### **E.4 Purchasing and goods in**

#### **E.4.1**

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



Sample document of Certified and non-certified FFBs received by Muara Kandis Mill during field observation is:

**Muara Kandis Estate (Non Certified Area)**

SPB No: 2820/TBS/05/17/03/1548

From: Muara Kandis Estate Divisi 05 → **marking stamp NC-05 (as Non-Certified sources)**

Quantity: 335 FFB, 5,520 kg.

WB card No: Z154 MKNM L 14301; nett weight: 5,860 kg.

Delivery Note: 2821/TBS/05/17/03/1548 → **observation: Monitoring of FFB source unit code on WB slip.**

**Muara Tawas Estate (Non Certified Area)**

SPB No: 2821/TBS/04/03/2017/34079

From: Muara Tawas Estate Divisi 04 → **marking stamp NC-04 (as Non-Certified sources)**

Quantity: 1,890 kg. (brondolan khusus).

WB card No: Z154 MKNM L 14369; nett weight: 1,460 kg.

**Pendawa Plasma (Non Certified)**

SPB No: KTSA/TBS/03/17/03/2984

From: Kelompok Tani Sadar Divisi 03 → **no marking stamp (as Non-Certified sources)**

Quantity: 326 FFB; 6,500 kg.

WB card No: Z154 MKNM L 14233; nett weight: 6,670 kg.

**Muara Tawas Estate (Certified)**

SPB No: 2821/TBS/01/17/03/4545

From: Muara Tawas Estate Divisi 01 → **no specific RSPO marking stamp (as Certified sources), but GHG Emission value is available (for ISCC scheme).**

Quantity: 170 FFB, 4,000 kg.

WB card No: Z154 MKNM L 14349; nett weight: 4,870 kg.

**Muara Kandis Estate (Certified)**

SPB No: 2820/TBS/02/17/03/1772

From: Muara Kandis Estate Divisi 02 → **no specific RSPO marking stamp (as Certified sources), but GHG Emission value is available (for ISCC scheme).**

Quantity: 278 FFB, 6,300 kg.

WB card No: Z154 MKNM L 14229; nett weight: 6,020 kg.

**Status: COMPLY**

**E.4.2**

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

During ASA-2, auditor has verified for certified volume product on Mass Balance report and client PalmTrace. It was clearly that no overproduction of certified tonnage.

Muara Kandis Mill has a figure for producing of certified product as follow:

Product	Estimate Certified Product 18/05/2016 – 17/05/2017 (MT)	Actual Certified Product 18/05/2016 – 06/03/2017 (MT)	Remarks
FFB	168,424	126,748.44	
CPO	40,422	28,779.20	
PK	9,954	6,908.53	

There is no overproduction for certified product.

	Status: COMPLY					
E.5	Record keeping					
E.5.1						
a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.						
b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.						
c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)						
Record of Mass Balance report in period 18 May 2016 upto 6 March 2017 are presented below:						
	Month	FFB		CPO		PK
		Certified (MT)	Non – Certified (MT)	Certified (MT)	Non – Certified (MT)	Certified (MT) Non – Certified (MT)
Stock						
	18-31 May 2016	4,462.19	2,290.98	914.89	469.73	231.48 118.84
	June 2016	8,238.50	5,973.74	1,759.33	1,270.80	486.65 352.87
	July 2016	7,335.98	5,774.70	1,622.82	1,277.70	433.47 341.22
	Sub Total	20,036.67	14,039.42	4,297.04	3,018.23	1,151.60 812.93
	August 2016	11,658.90	8,280.32	2,448.40	1,738.95	648.36 460.47
	September 2016	15,851.88	13,206.59	3,354.45	2,795.09	924.68 770.37
	October 2016	19,441.76	15,116.61	4,236.42	3,294.10	1,097.03 852.98
	Sub Total	46,952.54	36,603.52	10,039.27	7,828.14	2,670.07 2,083.82
	November 2016	19,193.70	14,613.41	3,964.08	3,183.33	1,061.87 852.90
	December 2016	14,906.36	12,280.01	3,400.18	2,801.17	805.38 663.48
	January 2017	14,648.66	12,008.35	3,348.51	2,744.97	744.75 610.52
	Sub Total	48,748.72	38,901.77	10,712.77	8,729.47	2,612.00 2,126.90
	February 2017	10,424.99	8,712.22	2,386.80	1,994.66	417.59 348.99
	1-6 March 2017	1,585.52	1,228.07	281.80	218.27	57.28 44.36
	Sub Total	12,010.51	9,940.29	2,668.60	2,212.93	474.87 393.35
	GRAND TOTAL	127,748.44	99,485.00	27,717.68	21,788.77	6,908.54 5,417.00
There is no record for certified product selling/claim during this period. All the palm oil product claims as non-certified.						
	Status: COMPLY					
E.5.2						
In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.						
Muara Kandis Mill has no Kernel Crushing Plant installation and there is no outsourcing activities, all the Palm Kernel product delivered to Bulking Station at Palembang.						
	Status: COMPLY					

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

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-2</b>	PT Djuandasawit Lestari has achieved approval/permit of the certificate usage with certificate number MUTU-RSPO/059.	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA-2</b>	PT Djuandasawit Lestari has achieved approval/permit of the certificate usage with certificate number MUTU-RSPO/059.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA-2</b>	PT Djuandasawit Lestari has achieved approval/permit of the certificate usage with certificate number MUTU-RSPO/059.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-2</b>	PT Djuandasawit Lestari has achieved approval/permit of the certificate usage with certificate number MUTU-RSPO/059.	√
	<b>Status: Comply</b>	

### 3.4 Summary of RSPO Partial Certification

Compliance of the uncertified management units of Golden Agri Resources, Ltd against the rules for partial certification was determined through Self Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below

Golden Agri Resources, Ltd Time Bound Plan (TBP) is explained in table 1.10. Golden Agri Resources run eighteen (18) mills and fifty four (54) estates in Indonesia and has been RSPO certified for nine (9) mills and supply base in Indonesia. Golden Agri Resources, Ltd has informed the TBP progress, MUTU has considered that Golden Agri Resources, Ltd is comply with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Golden Agri Resources, Ltd on January 31, 2016 approved by President Director and MO Sustainability Strategic & Stakeholders Engagement.

MUTU has verified partial certification for un-certified unit's subsidiary of Golden Agri Resources, Ltd based on their Time Bound Plan. There are eleven (11) uncertified management unit of GAR. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There is no significant land conflicts which have not been declared above
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company Group/Holding Statement:</b> Companies are already doing internal audits. There are internal audit reports for each company.</p> <p><b>Auditor Verification:</b> Internal Audit report available for uncertified management unit:</p> <ul style="list-style-type: none"> <li>- PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base), 24 – 28 October 2016</li> <li>- PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), 24 – 28 October 2016</li> <li>- PT Agrolestari Mandiri (Pekawai Mill and supply base), 21 – 25 November 2016</li> <li>- PT Binasawit Abadi Pratama (Perdana Mill and supply base), 19 – 23 Desember 2016</li> <li>- PT Agrokarya Prima Lestari (Kuayan Mill and supply base), monitoring via SPO Scorecard online.</li> <li>- PT Mitra Karya Agroindo (Tangar Mill and supply base), monitoring via SPO Scorecard online.</li> <li>- PT Paramitra Internusa Pratama (Belian Mill and supply base), 28 Maret – 01 April 2016</li> </ul>

		<ul style="list-style-type: none"> <li>- PT Sawit Mas Sejahtera (Sungai Kikim and supply base), monitoring via SPO Scorecard online.</li> <li>- PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) 28 Maret – 01 April 2016</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base), monitoring via SPO Scorecard online</li> <li>- PT Adi Tunggal Mahajaya (Sako Mill) (under construction)</li> </ul>
i.	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>Company Group/Holding Statement:</b> GAR and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 29, 2014 and the company has been sent data evidence of LUCA to RSPO by email dated April 11, 2016. Progress result of review LUCA at follow-up via email RSPO dated October 24, 2016 to answer RSPO is still in the review process.</p> <p><b>Auditor Verification:</b> RaCP Process for:</p> <ul style="list-style-type: none"> <li>- PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> <li>- PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base)</li> <li>- PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base)</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base)</li> </ul>
ii.	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>Company Group/Holding Statement:</b> There is no new planting.</p> <p><b>Auditor Verification:</b> Based on auditor verification there are some new planting conducted by company, but NPP has been applied to these units.</p> <ul style="list-style-type: none"> <li>- PT Binasawit Abadi Pratama (Perdana Mill and supply base)</li> <li>- PT Agrokarya Prima Lestari (Kuayan Mill and supply base)</li> <li>- PT Mitra Karya Agroindo (Tangar Mill and supply base)</li> <li>- PT Paramitra Internusa Pratama (Belian Mill and supply base)</li> <li>- PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> </ul>
iii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p><b>Company Group/Holding Statement:</b> There is no land conflict. The Company has a land conflict resolution mechanism in accordance with the RSPO criteria 6.4; 7.5; and 7.6. This procedure is outlined in the SOP Social Conflict</p>

		<p>Management (SOP/SMART/SENS-CSRD/SADV/II/02). This procedure regulates social conflict settlement agreed. Conflict resolution can be done in a participatory manner and can also be done by a third party (mediator). The company also has procedures to deal with complaints before they become conflicts. The procedure is SOP/SMART/SIGS-CSRD/SADV/II/003. The company handles complaints appropriately and quickly. GAR has been initiated to become a member of RSPO DSF as a category "out growers".</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There is no land conflict for</p> <ul style="list-style-type: none"> <li>- PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base)</li> <li>- PT Mitra Karya Agroindo (Tangar Mill and supply base)</li> </ul> <p>There is any land conflict but was in the process of completion for</p> <ul style="list-style-type: none"> <li>- PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> <li>- PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base)</li> <li>- PT Sawit Mas Sejahtera (Sungai Kikim and supply base)</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base)</li> </ul>
iv.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>Company Group/Holding Statement:</b> There is no issue of labour disputes in uncertified unit. The company also has procedures to deal with worker's complaint before it become conflict. The procedure is SOP/SMART/SIGS-CSRD/SADV/II/003.</p> <p>Procedures related employee issues is arranged in the form of internal grooves for employees included in the category of internal stakeholders. Media that is used to deliver complaint is a formal letter submitted by unions or incorporated into a suggestion box which is provided in a convenient location.</p> <p><b>Auditor Verification:</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>
v.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>Company Group/Holding Statement:</b> Companies comply with the regulations in accordance with the requirements of the RSPO</p>



		<p>2.1 and 2.2 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/I/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p><b>Auditor Verification:</b> Land legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> <li>- PT Paramitra Internusa Pratama (Belian Mill and supply base), still in the process of Committee B and the company has got plantation business permit (IUP)</li> <li>- PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance.</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base) and PT Adi Tunggal Mahajaya (Sako Mill) doesn't have Land Use Title (HGU).</li> </ul>
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### 3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

#### 3.5.1 Identification of Findings, Corrective Actions and Observations at **ASA-1** Assessment

<b>NCR No.</b>	<b>: 2016.01</b>	<b>Issued by</b>	<b>: PT Mutuagung Lestari Auditor</b>
<b>Date Issued</b>	<b>: 1 April 2016</b>	<b>Time Limit</b>	<b>: 31 May 2016</b>
<b>NC Grade</b>	<b>: MAJOR</b>	<b>Date of Closing</b>	<b>: 30 June 2016</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.2.1</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Based on field visit at border river of Bakul River Division 4 of Muara Kandis Estate (MKNE) show the main plantation area has been reach at border river on Bakul River.  While the plantation site map (Appendix Document Handling EIA to the environment agency of Musi Rawas district dated May 22, 2015) showed that Bakul River located quite far from the limit of the concession Land Use Title.  Has not provided evidence of the legality of land MKNE that exists between the Land Use Title boundaries with the border river on Bakul River.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Legality land MKNE land that is between the limit Land Use Title with riparian Bakul River still a Permit Area and has not been upgraded to Land Use Title			
<b>Corrective Action</b> <i>(filled by organization audited):</i> <ol style="list-style-type: none"><li>1. Identify the extent and location of the operational area that is outside the concession with a map.</li><li>2. The Company will issue from RSPO audit scope.</li><li>3. FFB generated will be entered into a non certified RSPO.</li><li>4. The company will take care of the legality of the land</li></ol>			
<b>Preventive Action</b> <i>(filled by organization audited):</i> The company will ensure that all operational areas are within legality clear by identifying the entire operational area that is outside the concession (the extent and location of the block) and do the filing the maintenance of the concession to the relevant agencies so that the entire area of operations managed by the company have a legal land clear.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Observation Auditor June 24<sup>th</sup> 2016</b> The company shown documents: <ol style="list-style-type: none"><li>1. A statement of the Director and CEO of PT DSL dated June 6, 2016 which states that:<ol style="list-style-type: none"><li>a. Company willing to spend most of the land area of 574.58 hectares in the MKNE from the scope of the RSPO.</li><li>b. The Company committed to taking care of the legality of land referred to in point 1 above.</li><li>c. With the issuance of the land above, the proposed extent of the company within the scope of the RSPO certification is becoming an area of 10,958.40 hectares.</li></ol></li><li>2. The Request Cadastral Map (Reg No: 929/210 / PMNP / VI / 16) with a scale of 1: 25.000 which informs the identified areas outside the concession area of 574.58 hectares.</li><li>3. Evidence of concession arrangements in the form of:<ul style="list-style-type: none"><li>• Letter of BPN RI Office of Prop Sumsel (Letter No: 2185 / 6:16 / VI / 2016 dated June 21, 2016) regarding notice of cadastral parcels measurements PT DSL ± 389.84 Ha.</li><li>• Letter of BPN RI Office of Prop Sumsel (Letter No: 2186 / 6:16 / VI / 2016 dated June 21, 2016) regarding notice of cadastral parcels measurements PT DSL ± 184.74 Ha.</li></ul></li><li>4. Evidences of FFB separation of certified and non-certified form:</li></ol>			

- Memorandum No. 553/RC-Sumsel/1/VI/ 2016 dated June 20, 2016, concerning the delivery mechanism FFB Non Certified MKNE to MKNM.
- Letter Accepted FFB with the logo NC (Non Certified), examples of No. Series 28 951 dated June 20, 2016 is derived from the block L38.
- Records of socialization implementation of separation FFB Non Certified dated June 15, 2016 which was attended by the management staff and the Assistant Division PT DSL.

**Observation 30 June 2016:**

1. The company has shown recapitulation data of FFB and CPO certified or non certified since June 1<sup>st</sup> 2016. Delivery note sample of certified or non certified FFB attached.
2. Time bound plan update signed by head of PCDV on June 28<sup>th</sup> 2016 which contain area 574.58 Ha in PT. Djuandasawit Lestari will be certified on 2020.

**Auditor conclusion:**

Based on the explanation above, the Non Conformity No. 2016.1 has closed.

**Verified by :** PT Mutuagung Lestari Auditor

NCR No.	: 2016.02	Issued by	: PT Mutuagung Lestari Auditor
Date Issued	: 1 April 2016	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 10 March 2017
Standard Ref. & Requirement	: 4.3.6		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> <b>Management of Marginal Areas</b> Based on the results of land suitability mapping conducted by a team PMNP 2007, there are areas of land suitability classes N (not appropriate) covering an area of 783.4 hectare. However, the company has not been able to show documentation and implementation of management strategies over the area.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> The company not yet documented strategy and implementation of marginal area.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> 1. Reporting of marginal area management that has implemented by company. Last measured of marginal area in PT DSL attached. 2. Checking marginal area in MKNE regularly. It will be a guidance for marginal area management.			
<b>Preventive Action</b> <i>(filled by organization audited):</i> 1. Will monitored/managed marginal area and reported of implementation. 2. Will regularly measured of land suitability in each estate.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Observation on May 19<sup>th</sup> 2016</b> Based on evidence, the company has showed: a. Description of semi detail soil map of MKNE. b. Semi detail soil survey map in MKNE and MTWE. c. Strategy of lowland management to maintain soil fertility document. d. Implementation of marginal area map document.  Therefore, the map not yet informed of issued dated.			

However, the implementation of the management of marginal areas that has documented will be observed in the next surveillance (ASA-2).

**10 March 2017**

Based on corrective action provided, the CH has management strategy for marginal land particularly lowland area to increase soil fertility. Also, there is available of soil suitability map scale 1:75,000 that representing of actual soil condition. To prevent surface water erosion in main drain nor collection drain, there is record of water drain maintenance program.

**Auditor conclusion:**

According to the evidence provided and explanation, auditor team concludes this NC is CLOSED.

**Verified by** : **Steve Mualim**

NCR No.	: 2016.03	Issued by	: PT Mutuagung Lestari Auditor
Date Issued	: 1 April 2016	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 10 March 2017
Standard Ref. & Requirement	: 4.4.1		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> : <b>Water management</b> The company has shown evidence of water management activities such as ditch cleaning activities, planting <i>vertivergrass</i> on the border river, the installation of spray boundaries, creation of embankments, etc. However, these activities have not been set out in a document of water management planning in PT. DSL.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> All water resource management activities are not integrated within the program. Currently, the program is based on relevant agriculture management practices, environment and conservation. Also, there is no explanation regarding plan and actual of the activities.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> Making a programme related to water resources management includes drain maintenance activities, planting of soil erosion grass along the river side. Installation of spraying border area, dike development and others. For all units in PT Djuanda Sawit Lestari, the program are includes plans and programs for water resources management activities.  Melakukan pembuatan program terkait pengelolaan sumberdaya air meliputi kegiatan cuci parit, penanaman vertiver Grass disempadan sungai. Pemasangan batas semprot, pembuatan tanggul, dan lainnya. Untuk seluruh unit di PT Djuanda Sawit Lestari program tersebut mencakup rencana dan program untuk kegiatan pengelolaan sumber daya air.			
<b>Preventive Action</b> <i>(filled by organization audited):</i> Ensuring that all water management activities are included within the program and should evaluate annually for the effectiveness of the water management.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>10 March 2017</b> Water management was provided by the CH for scope Muara Kandis Estate, Muara Tawas Estate and Muara Kandis Mill which is explaining management strategy that been done by the company against water sources.			
Verified by	: Steve Mualim		

<b>NCR No.</b>	<b>: 2016.04</b>	<b>Issued by</b>	<b>: PT Mutuagung Lestari Auditor</b>
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Date Issued	:	1 April 2016	Time Limit	:	ASA-2
NC Grade	:	Minor	Date of Closing	:	12 April 2016
Standard Ref. & Requirement	:	4.7.6			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor)::</i> <b>All workers should be covered under accident insurance</b> The company could not show proof of payment of insurance agents Employment in January and February 2016 for non-permanent employees					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> The high turnover (turnover non-permanent employees) became one of the problems in registering <i>BPJS</i> . And late registration due to lack of administrative requirements in the form of E-ID card, thus inhibiting also processes payments every month.					
<b>Corrective Action</b> <i>(filled by organization audited):</i> To show evidence of payment of employment insurance agent for all workers.					
<b>Preventive Action</b> <i>(filled by organization audited):</i> Each month will make payments on time and preserve evidence payment.					
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Observation of 12 April 2016</b> Companies show evidence of payment BPJS Employment in January and February 2016 to be paid on 11 April 2016 to 56 daily paid workers.					
<b>Auditor conclusion:</b> Based on the explanation above, the Non conformity No. 2016.4 has been closed.					
Verified by	:	PT Mutuagung Lestari Auditor			

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

<b>NCR No.</b>	<b>: 2017.01.</b>	<b>Issued by</b>	<b>: Moh. Arif Yusni</b>
<b>Date Issued</b>	<b>: 11 March 2017</b>	<b>Time Limit</b>	<b>: 29 May 2017</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 13 May 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>4.7.2</b> <b>Availability of Assessment and Risk Control, Documentation on Implementation</b>		

**Non-Conformance Description & Evidence Observed :**  
The Certificate Holder has performed the identification and assessment of risks to each operational activities described in "form of Source Hazard Identification, Assessment and Risk Control (ISBPPR)". The document informs about the type of activity, type of work (routine, non-routine and emergency), source / event, impact, existing controls, the level of probability, severity and risk level. The results of the risk assessment have been informed to the employees in accordance with the job. Based on interviews with estate and mill workers obtained information that the employee has known the potential of dangers that arise on the job. The results of the field visit at the mill, it is known that in each station has been installed document of the risk analysis.

Meanwhile based on documents verifications and field observations in Muara Kandis Mill its known if the certificate holder has had the documents related the implementation of OHS Policy such as:

- SOP Identifikasi Sumber Bahaya, Penilaian Dan Pengendalian Risiko (SOP/SMART/HESS-EHSD/SADV/II/002)
- SOP Manajemen Alat Pelindung Diri (SOP/SMART/HESS-EHSD/SADV/II/010)
- Identifikasi Sumber Bahaya, Penilaian dan Pengendalian Resiko (form of Source Hazard Identification, Assessment and Risk Control) Period of January – December 2017 (F/SMART/HESS-EHSD/SADV/002/002)
- Action plan and Review of "Identifikasi Sumber Bahaya, Penilaian dan Pengendalian" Period of January – December 2017 (F/SMART/HESS-EHSD/SADV/002/003).

In the SOP/SMART/HESS-EHSD/SADV/II/002 point 2.2.7 about risk control mentioned if "The evaluation of risk that has been set, especially the risk of moderate, high and extreme (unacceptable risk) must be carried out the risk control, and consideration for the set a OHS corrective programs. The corrective action refer to the hierarchy of controls, including Hazard Elimination, Substitution Hazard, Hazard Specialization Engineering, Administration and Personal Protective Equipment (PPE) ".

Meanwhile on SOP/SMART/HESS-EHSD/SADV/II/010 mentioned:

- Point **2.2.1 (PPE Needs Identification)** stated if OHS experts identify appropriate of PPE in accordance with the risk of an occupational hazard refers to form of Source Hazard Identification, Assessment and Risk Control
- Point **2.2.2 (the determination of the type of PPE)** stated if Health and Safety Section (HESS) set the type PPE according to the results of ISBPR using Standard Form PPE (F/SMART/HESS-EHSD/SADV/010/001) where PPE the form of safety boots or safety shoes with specification *Boot PVC with toe cap* atau *Sole resistant to soils and acids/alkalis, antistatic, steel/carbon toe cap* required at some stations among other Loading Ramp / grading, sterilizer, press, kernel and engine room

Beside that memorandum from Head of PCDB No: 685/I-HP/PCDV-MD SSSE/XII/2016 (22 December 2016) regarding OHS Target – Zero fatality and Zero Accident in all operations unit of GAR / SMART mentioned ""sesuai dengan komitmen GSEP mulai 1 Januari 2017 target K3 ditetapkan menjadi: **ZERO FATALITY dan ZERO ACCIDENT**". Upayamenuju pencapaian target salah satunya "(g)" Memastikan penggunaan APD pada setiap stasiun divisi mengikuti SOP yang sudah disepakati.

In the form of of Source Hazard Identification, Assessment and Risk Control period of January – December 2017, to all



Station (Except Workshop) the type PPE foot protector who recommendation are Boots Shoes. Based on field observations in Muara Kandis Mill in Loading ramp/ Grading Station, Sterilizer station, Press Station, Kernel Station, and Engine room its known if the employee who works in that's station using PPE namely boots shoes without toe cap.

Related to that's issue, certificate holders has not been able implementing the risk control in accordance with the procedure and policies which is owned. **NCR No 2017.01**

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

The OHS Expert conduct the identification and assessment of risks to each operational activities period of January – December 2017 and action plan and review of risk analysis. Meanwhile when identify risk source the OHS expert only refer to SOP "Identifikasi Sumber Bahaya, Penilaian Dan Pengendalian Risiko (SOP/SMART/HESS-EHSD/SADV/I/002)" Point 2.2.1 (PPE Needs Identification) and do not adopt another clause on point 2.2.2 the determination of the type of PPE where PPE the form of safety boots or safety shoes with specification *Boot PVC with toe cap* atau *Sole resistant to soils and acids/alkalis, antistatic, steel/carbon toe cap* required at some stations among other Loading Ramp / grading, sterilizer, press, kernel and engine room. The determination of the type of PPE is adjusted to the risk analysis and refers to the previous year's risk assessment review, which states no accidents resulting from the PPE used

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

1. Review the Risk Assessment for the period of January - December 2017 specially covering the determination of APD safety shoes for process employees and grading. Target finishes end of March 2017
2. Realize the giving of safety shoe employee process and grading with specification of boots PVC with toe cap. Target finishes end of April 2017

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

Identify Hazard Resources, Risk Assessment and Control (ISBPR) that refers to the risks in the field and adjusts to the guidelines or SOPs established by the Health and Safety Section (HESS). For the type of PPE used refers to SOP / SMART / HESS-EHSD / SADV / I / 010 point 2.2.2 (Type Specification APD)

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

**Verification of April 13, 2017**

The certificate holder may show evidence of improvement:

- Document of identification of Hazard Source, Risk Assessment and Control for the Period of January - December 2017 and the next Document of Risk Control Plan for the Period of January - December 2017 dated March 27, 2017. The document describes all activity activities and control plans. related with PPE used already refers to the procedures that have been set.
- Proof of handover of APD in the form of Safety Shoe that has been equipped with foot protector (toe cap) on April 08, 2017 stairs for all employees of Mill
- Records of socialization of PPE usage on April 10, 2017

Based on **evidence that have been submitted then the Non Conformity in this Indicator is are Closed With Observation**

**Verified by** : **Moh Arif Yusni**

### 3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	1.2	Communication with relevant agencies regarding labor agreement of PKWT (Article 4) (OBSERVATION)

2	2.3.1	The process of identification of all landowners and its area in reserves and enclaves within the land use title made by the FPIC process and participatory manner. (OBSERVATION)
3	4.4.3	Confirmation to the relevant agency related to the bloks of POME land application within the permit (No 517 / KPTS / BLHD / 2015).
4	4.6.12 4.7.1	Information on the results of medical checkup to employees.
5	4.7.4	Progress on renewal of Decree of Determining the OHS expert Muara Kandis Estate
6	4.8.2	Training and evaluation related on understanding of safe working practices for new employees (OBSERVATION)
7	5.1.3	Attaching supporting data of monitoring on social aspects in the report of RKL / RPL
8	5.2.3	Evaluation of effectiveness on socialization of HCV to all employees and the communities around the company.
9	6.3.1	Reference of RSPO Complaint System in the resolution of complaints and grievances.
10	6.3.2	Documenting and monitoring of the handling on complaint mechanism.
11	6.8	Equal treatment in employment to all employees (OBSERVATION)
12	SCCS Klausul E.4.1	Monitoring the accuracy of the code input of FFB supplier on any supporting documents used by supply chain. (OBSERVATION)
13	RSPO P&C Certification System 4.2.4 (i)	Adjustment of the area proposed as part of the process of land use title as part of partial certification in the internal audit activities. (OBSERVATION)



### 3.5.4 Noteworthy Positive Components

No	Descriptions
1	RSPO certification and sustainability commitment by the Certificate Holder.
2	Personal competence in their respective fields.
3	Mini Tractor Grabber (MTG) as mechanization in harvesting as an effort to increase production.
4	Zero Fatality and Zero Accident target in all operational units of GAR subsidiaries
5	Certified for PROPER (green) period 2016

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Plantation Agency, Musi Rawas Regency</b> <ul style="list-style-type: none"> <li>• Penilaian Usaha Perkebunan (PUP) will be conducted on 2017 by agency</li> <li>• There are no negative issues such as landfires, conflicts / disputes with local communities and other business interruptions</li> <li>• The company has a CSR program with the local government as well as the surrounding village.</li> <li>• The Company regularly reports regular reporting Plantation such as Business Progress Report.</li> </ul>	<p>It has been verified in accordance Criterion 1.1, 2.2, 2.3, 4.1, 5.2, 5.5, 6.2, 6.3, 6.8, 6.10 and 6.11.</p>
<b>Environmental Body, Musi Rawas Regency</b> <ul style="list-style-type: none"> <li>• The company has permit for toxic &amp; hazardous waste storage, EIA, and land applications permit which are still valid.</li> <li>• The Company regularly reports mandatory reporting such as hazardous waste report and report of Environmental Management Plan – Environmental Monitoring Plan.</li> <li>• There is no negative issues related to environmental management.</li> <li>• There are no issues regarding a fire or environmental pollution related to the operational management of the company.</li> </ul>	<p>Auditor has been verified the management and monitoring of environmental that has been conducted by the certificate holder, the explanation regarding to environmental aspect showed in criterion 1.1, 2.1, 5.1, 5.3, 5.4</p>
<b>National Land Agency, Musi Rawas Regency</b> <ul style="list-style-type: none"> <li>• There is no overlap with the forest area.</li> <li>• There is no new location permit.</li> <li>• No information plantings outside the concession.</li> <li>• No information about land disputes in PT DSL</li> </ul>	<p>It has been verified in accordance Criterion 2.2 and 2.3</p>
<b>Manpower and Transmigration Agency, Musi Rawas Regency</b> <ul style="list-style-type: none"> <li>• The company regularly communicates with the manpower agency and are involved in labor activities, such as socializing BPJS.</li> <li>• The company has had P2K3 structure which was approved by the Manpower and Transmigration Agency.</li> <li>• The Company has regularly reported mandatory reporting such as P2K3 report. In addition, companies regularly report non-regular workers such as daily workers and contract workers.</li> <li>• The company has set wages and overtime in accordance with applicable regulations</li> <li>• PT DSL had Operator's license for all of heavy equipment.</li> <li>• PT DSL Labour union are registered and verified by agency</li> </ul>	<p>It has been verified in accordance Criterion 1.1; 2.1; 4.6; 4.7; 4.8 6.5; 6.9; 6.12</p>
<b>Worker Union of Muara Tawas Estate (Serikat Buruh Djuanda Bersatu Musi Rawas)</b> <ul style="list-style-type: none"> <li>• Certificate holder provides the freedom of association to the employees.</li> <li>• In the past year, there are problems with the board of SBDBMR MKNM. However, these problems have been resolved to both parties. Some board of SBDBMR MKNM were terminated.</li> </ul>	<p>It has been verified in accordance Criterion 6.2, 6.3, 6.6, and 6.9</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>Currently SBDBMR MKNM to date has been inactive.</li> <li>In general the certificate holder has been solving the problem in a balanced with regulation of industrial relations.</li> </ul>	
<b>Worker Union of Muara Kandis Mill</b> <ul style="list-style-type: none"> <li>Certificate holder provides the freedom of association to the employees.</li> <li>The minimum wage of 2017 have been applied.</li> <li>There are some problems related to employment, but has been resolved by the two parties (labour and management) in accordance with the procedures and applicable regulations.</li> <li>Employees of grading unit require adequate PPE shoes. PPE that is used today is rubber boots without a protective metal toe.</li> <li>There employees of PKWT status. Unions will study and monitor the status and progress of the PKWT.</li> <li>Not available for residential electricity subsidies in MKNM, while electricity subsidies for housing MKNE have been given.</li> </ul>	<p>It has been verified in accordance Criterion 6.2, 6.3, 6.5, 6.6, 6.8 and 6.9</p>
<b>Gender Committee of MKNM and MKNE</b> <ul style="list-style-type: none"> <li>Regular meetings held every month.</li> <li>Posyandu (medical examination for baby) conducted every month and reported to the company doctor.</li> <li>Dissemination of healthy in residential neighborhood and complaints mechanism every three months.</li> <li>There is no complaints risen since 2016.</li> <li>Has been conducted socialization of abuse of women and children through morning assembly.</li> </ul>	<p>It has been verified in accordance Criterion 6.5</p>

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>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>PT Djuandasawit Lestari Management Representative</p>  <p><b><u>Ismu Zulfikar</u></b> 13 May 2017</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Yudwi Wisnu Rahmanto</u></b> 13 May 2017</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency	Musi Rawas Regency	-	Interview	7 <sup>th</sup> March 2017	√	
2	Manpower and Transmigration Agency	Musi Rawas Regency	-	Interview	7 <sup>th</sup> March 2017	√	
3	Environment Bodies	Musi Rawas Regency	-	Interview	7 <sup>th</sup> March 2017	√	
4	National Land Agency	Musi Rawas Regency	-	Interview	7 <sup>th</sup> March 2017	√	
5	Village of Petrans Jaya	Sub District of Muara Lakitan, Musi Rawas Regency	-	Focus Group Discussion	7 <sup>th</sup> March 2017	√	
6	Village of Lubuk Pandan	Sub District of Muara Lakitan, Musi Rawas Regency	-	Focus Group Discussion	7 <sup>th</sup> March 2017	√	
7	Village of Karya Mukti	Sub District of Muara Lakitan, Musi Rawas Regency	-	Focus Group Discussion	7 <sup>th</sup> March 2017	√	
8	Village of Muara Megang	Sub District of Muara Lakitan, Musi Rawas Regency	-	Focus Group Discussion	7 <sup>th</sup> March 2017	√	
9	Village of Karya Sakti	Sub District of Muara Lakitan, Musi Rawas Regency	-	Focus Group Discussion	7 <sup>th</sup> March 2017	√	
10	Worker Union MKNM	PT Djuandasawit Lestari	-	Interview	7 <sup>th</sup> March 2017	√	
11	Worker Union MTWE	PT Djuandasawit Lestari	-	Interview	7 <sup>th</sup> March 2017	√	
12	Gender Committee	PT Djuandasawit Lestari	-	Interview	7 <sup>th</sup> March 2017	√	
13	Aliansi Masyarakat Adat Nusantara	-	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Questionnaires by email	16 <sup>th</sup> February 2017		√
14	TUK Indonesia	-	<a href="mailto:office@tuk.or.id">office@tuk.or.id</a>	Questionnaires by email	16 <sup>th</sup> February 2017		√
15	Jaringan Kerja Pemetaan Partisipatif	-	<a href="mailto:seknas@jkpp.org">seknas@jkpp.org</a>	Questionnaires by email	16 <sup>th</sup> February 2017		√
16	Sawit Watch	-	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Questionnaires by email	16 <sup>th</sup> February		√



					2017		
17	Rainforest	-	<a href="mailto:ran@ran.org">ran@ran.org</a>	Questionnaires by email	16 <sup>th</sup> February 2017		√
18	Responsi Bank Indonesia	-	<a href="mailto:informasi@responsibank.id">informasi@responsibank.id</a>	Questionnaires by email	16 <sup>th</sup> February 2017		√
19	Forest peoples programme	-	<a href="mailto:info@forestpeoples.org">info@forestpeoples.org</a>	Questionnaires by email	16 <sup>th</sup> February 2017		√
20	Konsorsium pembaruan agraria	-	<a href="mailto:kpa@kpa.or.id">kpa@kpa.or.id</a>	Questionnaires by email	16 <sup>th</sup> February 2017		√
21	HUMA	-	<a href="mailto:huma@huma.or.id">huma@huma.or.id</a>	Questionnaires by email	16 <sup>th</sup> February 2017		√
22	Pusaka Indonesia	-	<a href="mailto:pusaka@indosat.net.id">pusaka@indosat.net.id</a>	Questionnaires by email	16 <sup>th</sup> February 2017		√

**Appendix 2. Assessment Program**

DATE / TANGGAL		06 – 11 March	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday/06 March 2017</b>			
12.20 – 13.20	12.20 – 13.20	<b>JAKARTA → Lubuk Linggau</b>	• YWR / MAY / AFS / STM / JKA
14.00 – 16.00	14.00 – 16.00	<b>Lubuk Linggau → PT. DJUANDASAWIT LESTARI</b>	
16.00 – 17.00	16.00 – 17.00	Opening meeting <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	• YWR / MAY / AFS / STM / JKA
<b>Tuesday/07 March 2017</b>			
08.00 – 12.00	08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations.	• YWR  • STM  • MAY
08.00 – 14.00	08.00 – 14.00	Stakeholders consultation to related agencies in Musi Rawas Regency	
		Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier PT. Djuanda Sawit Lestari	
08.00 – 12.00	08.00 – 12.00	<ul style="list-style-type: none"> <li>Review of previous (Initial assessment) findings</li> <li>Verification of Basic Information Mill and Estate</li> <li>Confirmation of Time Bound Plan</li> </ul>	• AFS / JKA
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	14.00 – 17.00	<b>Field observation to Muara Kandis Mill :</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li> </ul>	• YWR  • MAY / AFS / JKA
<b>Wednesday/08 March 2017</b>			
08.00 – 12.00	08.00 – 12.00	<b>Observasi lapangan Muara Tawas // Field observation to Muara Tawas Estate:</b> <ul style="list-style-type: none"> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, HCV Area)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries)</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	• AFS / JKA  • STM  • MAY • AFS / JKA • YWR • STM

DATE / TANGGAL		06 – 11 March	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	
14.00 – 16.00	14.00 – 16.00	<ul style="list-style-type: none"> <li>Continue Field Observation and field observation clarification</li> <li>Verification of field visit and completing checklist</li> </ul>	<ul style="list-style-type: none"> <li>YWR / MAY / AFS / STM / JKA</li> </ul>
16.00 – 17.00	16.00 – 17.00		
<b>Thursday/09 March 2017</b>			
08.00 – 12.00	08.00 – 12.00	<b>Observasi lapangan Muara Kandis Estate // Field observation to Muara Kandis Estate :</b> <ul style="list-style-type: none"> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, HCV Area)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries)</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<ul style="list-style-type: none"> <li>AFS / JKA</li> <li>STM</li> <li>MAY</li> <li>AFS / JKA</li> <li>YWR</li> <li>STM</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	
14.00 – 16.00	14.00 – 16.00	<ul style="list-style-type: none"> <li>Continue Field Observation and field observation clarification</li> <li>Verification of field visit and completing checklist</li> </ul>	<ul style="list-style-type: none"> <li>YWR / MAY / AFS / STM / JKA</li> </ul>
<b>Friday/10 March 2017</b>			
08.00 - 12.00	08.00 - 12.00	<ul style="list-style-type: none"> <li><b>Continue Field Observation to Estate; Mill and Public Consultation to</b> Company surrounded village and community leader (if needed)</li> </ul>	<ul style="list-style-type: none"> <li>YWR / MAY / AFS / STM / JKA</li> </ul>
14.00 - 17.00	14.00 - 17.00	<ul style="list-style-type: none"> <li><b>Completion of checklist and RSPO Document Review</b></li> </ul>	
<b>Saturday/11 March 2017</b>			
08.30 – 10.30	08.30 – 10.30	<b>Closing Meeting:</b> <ul style="list-style-type: none"> <li>Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/</li> <li>Comments, Responses and Questions</li> </ul>	<ul style="list-style-type: none"> <li>YWR / MAY / AFS / STM / JKA</li> </ul>
11.00 –	11.00 –	<b>PT Djuanda Sawit Lestari – Lubuk Linggau – Jakarta</b>	