

**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, Indonesia**

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

Date of Certificate Issue : 18 May 2015

Date of License Issue : 18 May 2018

Date of Certificate Expiry : 17 May 2020

Date of License Expiry : 17 May 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	26 February to 02 March 2018	Trismadi Nurbayuto (LA), Andi Pratama Pasaribu, Brigita Prita, Yudhi Yuniarto Tallutondok, Bayu Yogatama	Octo HPN Nainggolan	Ardiansyah

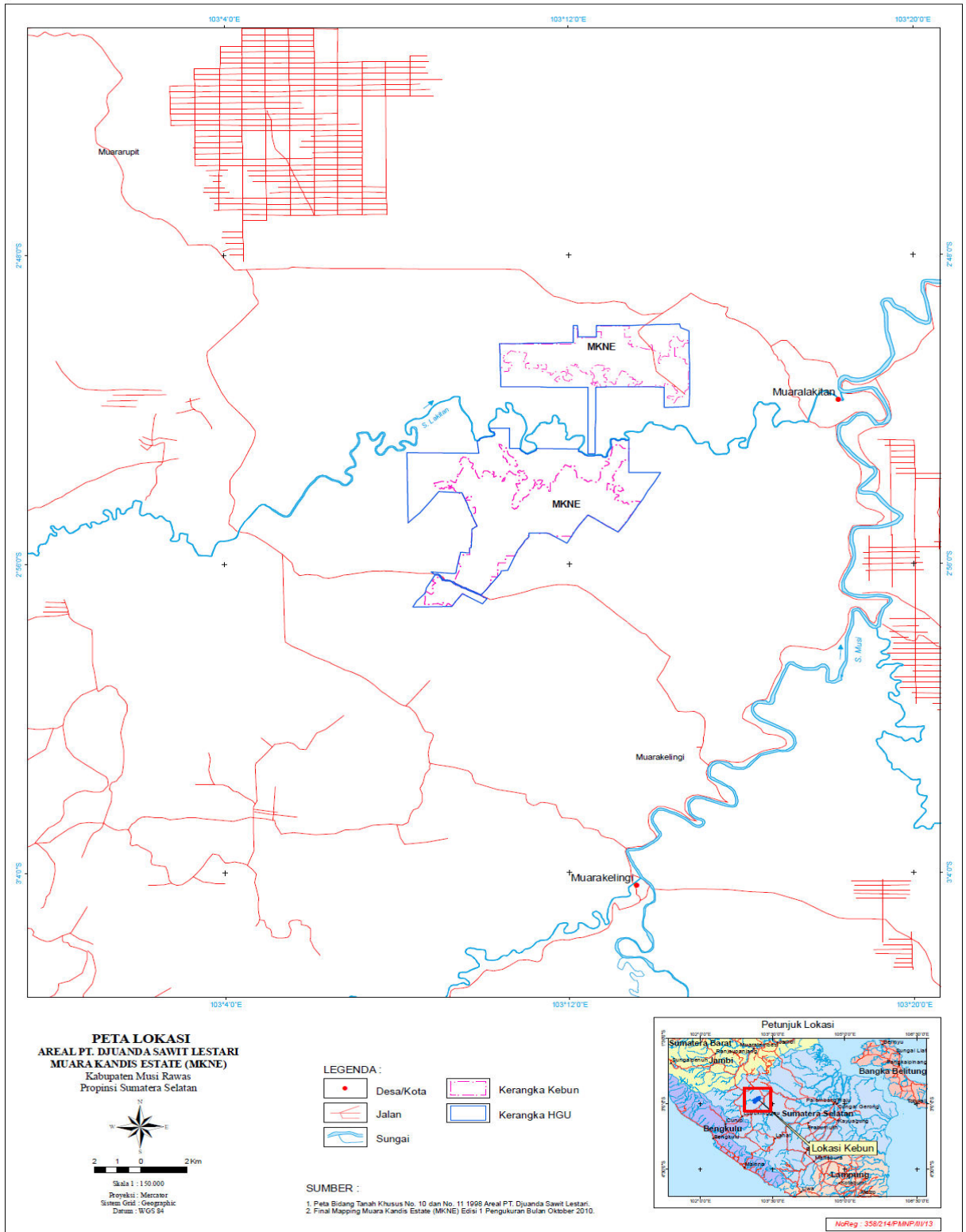
Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	28 March 2018

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FIGURE

Figure 1. Location Map of PT Djuandasawit Lestari



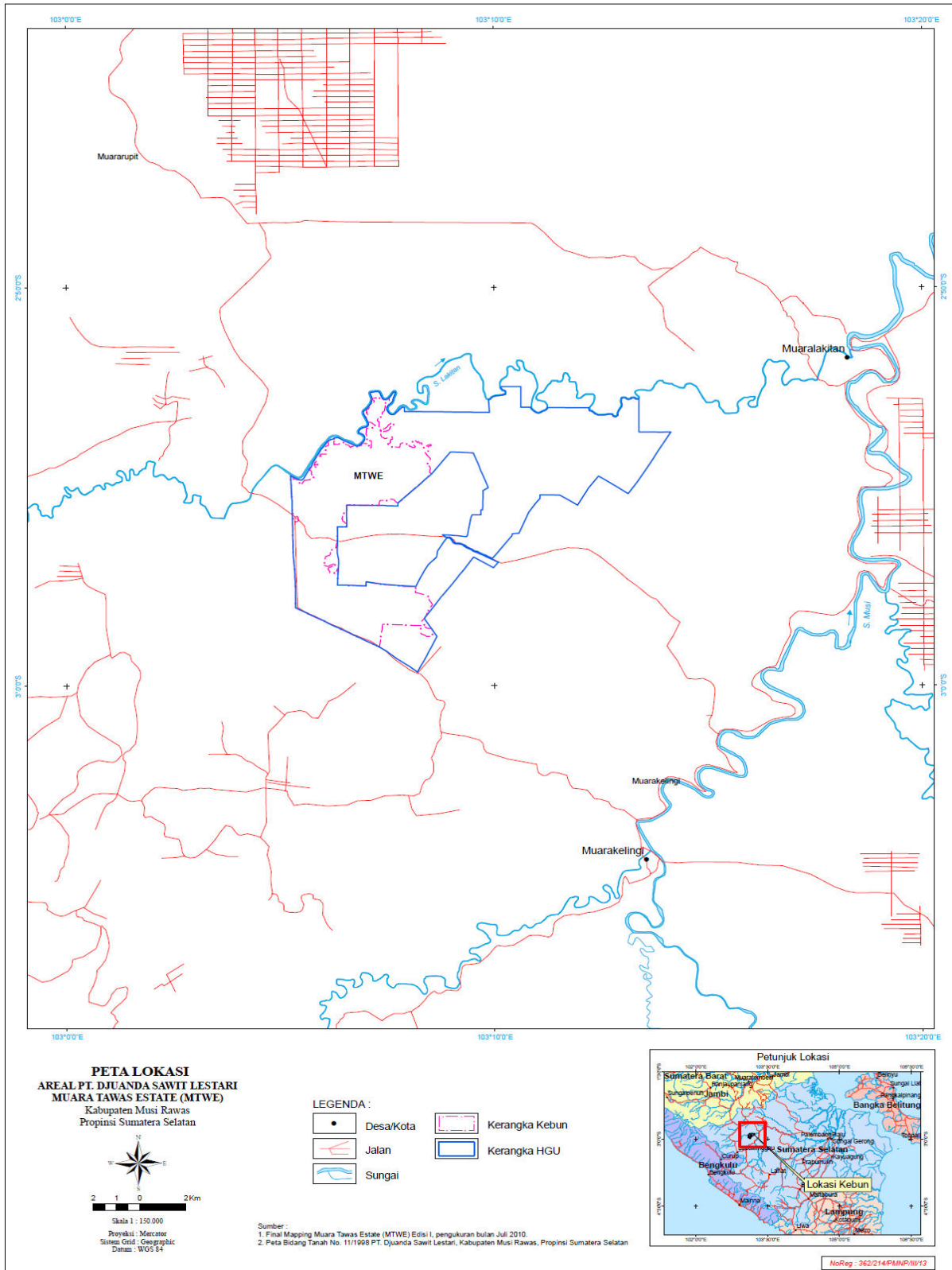
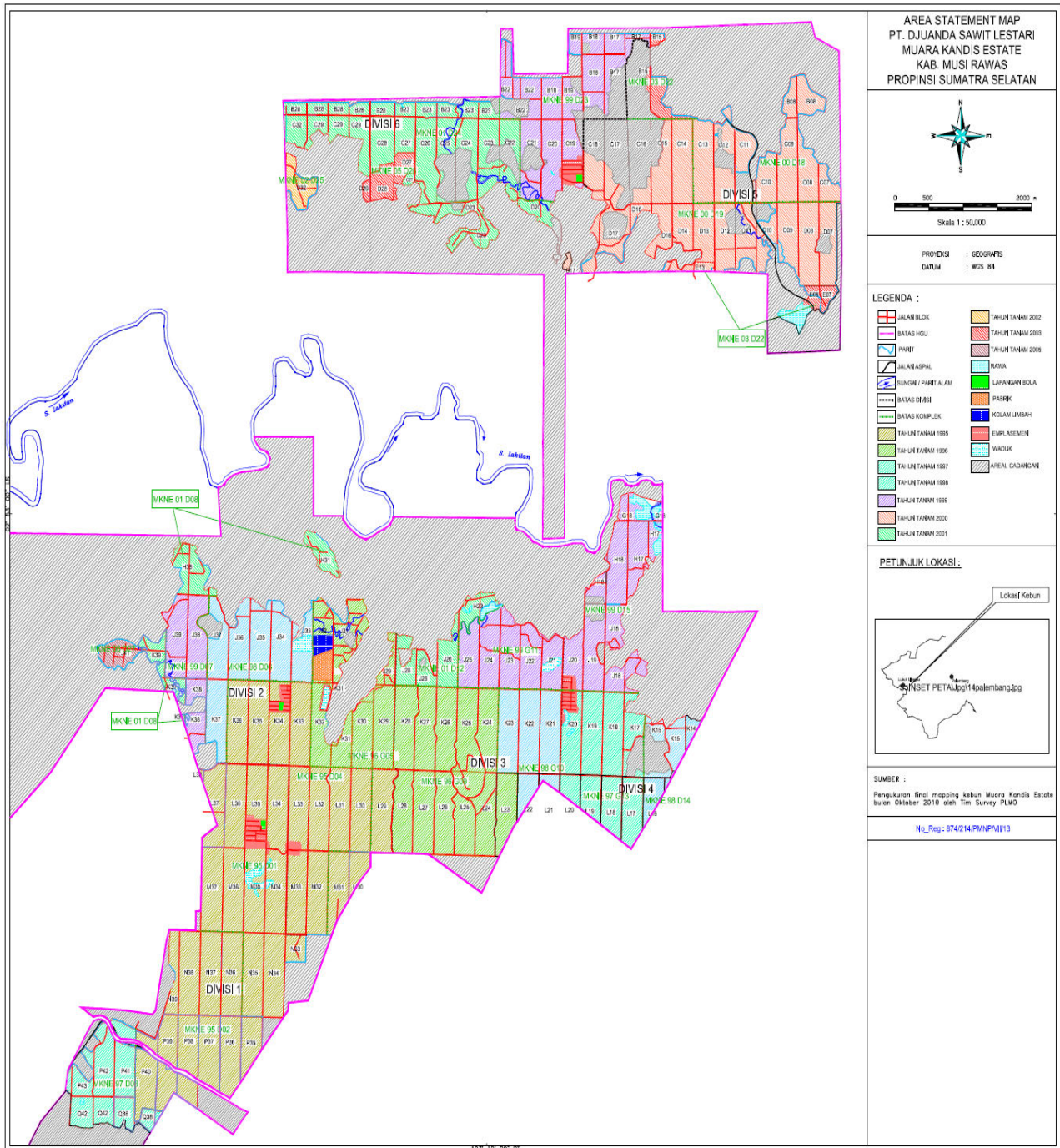


Figure 2. Operational Map of PT Djuandasawit Lestari



Glossary

ASA	: Annual Surveillance Assessment	MCMD	: Management Commite 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 Assesment 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)		

1.0 SCOPE OF THE CERTIFICATION ASSESSMEN			
1.1 Assessment Standard Used			
<ul style="list-style-type: none"> • <i>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)</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Revised on 14 June 2017)</i> 			
1.2 Organisation Information			
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) 5033 8899	
1.2.5	Fax	(+62-21) 5038 9999	
1.2.6	E-mail	ismu-zulfikar@smart-tbk.com	
1.2.7	Web page address	www.goldenagri.com.sg	
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (<i>Head of Environmental Department</i>)	
1.2.9	Registered as RSPO member	1-0096-11-000-00 – 31 March 2004	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	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	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Muara Kandis Mill	Village of Lubuk Pandan, Sub District of Muara Lakitan, District of Musi Rawas, South Sumatra Province, Indonesia	S 2° 54' 00" E 103° 10' 38"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Muara Kandis Estate	Village of Karya Sakti, Sub District of Muara Kelingi, District of Musi Rawas, South Sumatra Province, Indonesia	S 2° 55' 09" E 103° 10' 15"
	Muara Tawas Estate	Village of Karya Mukti, Sub District of	S E

	Muara Kelingi, District of Musi Rawas, South Sumatra Province, Indonesia	2° 58' 02"	103° 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
	• Mature Area		6,259.77
	• Building and Mill		79.58
	• Road		237.64
	• Drain / Swamp / River		107.99
	• Others		392.66
	• Reserve Area		3,880.64
	• HCV Area		398.56*
	*) Note: HCV area with total 398.03 Hectare is the riparian area and included to 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
	1996	520.92	1,620.80
	1997	269.75	386.06
	1998	364.90	102.79
	1999	423.18	704.17
	2000	443.50	0
	2001	338.96	134.76
	2002	15.99	0
	2003	33.01	0
	2005	39.55	0
	TOTAL	3,311.19	2,948.58
1.6.2	New Planting area after January 2010	-	Ha
1.6.3	Planting Cycle	1 st Cycle	
1.7 Description of Mill and Supply Base			
1.7.1	Description of Mill		
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)
			CPO
			Out put (ton)
			Extraction (%)
			Palm Kernel
			Out put (ton)
			Extraction (%)

Muara Kandis Mill	60	235,278.94	52,899.40	22.48	14,140.00	6.01
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**Production data source from February 2017 to January 2018*

1.7.2 Description of Certification Scope of Supply Base

Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
					FFB (tonnes/year)	%
Muara Kandis Estate	6,635.44	3,311.19	62,566.20	18.89	62,566.20	100
Muara Tawas Estate	4,322.84	2,948.58	70,973.38	24.07	70,973.38	100
TOTAL	10,958.28	6,259.77	133,539.58	21.33	133,539.58	100

**Production data source from February 2017 to January 2018*

Smallholders Pendawa Plasma is 3,010 members with five Smallholders Group (Kelompok Tani).

1.7.3 FFB description from other source

Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill	
				FFB (tonnes/year)	
Muara Kandis Estate, PT Djuanda Sawit Lestari (Non Certified Area)	-	-	555.94		19,372.36
Muara Tawas Estate, PT Djuanda Sawit Lestari (Non Certified Area)	-	-	56.27		3,739.92
KT Tugu Sempurna, (Non RSPO Certified)	scheme smallholders	279 smallholder	446		11,466.46
KT Revitalisasi (Non RSPO Certified)	scheme smallholders	572 smallholders	637.05		14,228.34
KT Sadar Sejahtera (Non RSPO Certified)	scheme smallholders	1,382 smallholders	1,485.50		37,503.93
KT Kredit Komersil (Non RSPO Certified)	scheme smallholders	466 smallholders	351.71		7,598.58
KT Mukti Jaya (Non RSPO Certified)	scheme smallholders	311 smallholders	311		7,829.77
TOTAL					101,739.36

**Production data source from March 2017 to February 2018*

1.7.4 Product categories **FFB, CPO, PK**
1.8 Estimate Tonnage of Certified Product

1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim 18 May 2017 to 17 May 2018 (tonnes/year)	Actual certified product 18 May 2017 to 24 February 2018 (tonnes/year)
	• FFB Production	159,910	102,083.47
	• CPO Production	36,779	22,974.39
	• Palm Kernel (PK) Production	9,275	6,358.07

1.8.2. Product Selling

Tonnage of selling product Period of actual selling product 18 May 2017 to 24 February

		2018						
• CSPO sold as RSPO certified product		-						
• CSPK sold as RSPO certified product		-						
• CSPO sold under other scheme		22,974.39						
• CSPK sold under other scheme		-						
• CSPO sold as conventional		-						
• CSPK sold as conventional		6,358.07						
1.8.2 Estimate of Certified FFB Claim								
Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)				
Muara Kandis Estate	6,635.44	3,311.19	66,320	20.03				
Muara Tawas Estate	4,322.84	2,948.58	75,232	25.52				
TOTAL	10,958.28	6,259.77	141,552	22.61				
<i>*Projected FFB production for 18 May 2018 to 17 May 2019</i>								
1.8.3 Estimate of Certified Palm Product Claim								
Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Module	
			Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)		
Muara Kandis Mill	60	141,552	31,849	22.5	8,493	6.00	MB	
<i>*Projected FFB production for 18 May 2018 to 17 May 2019</i>								
1.9 Other Certifications								
ISO 9001:2008		-						
ISO 14001: 2004		-						
OHSAS 18001:2007		-						
ISCC		-						
ISPO		MUTU-ISPO/054 issued by PT Mutuagung Lestari, valid from 5 February 2016 to 4 February 2021						
1.10 Time Bound Plan								
1.10.1 Time Bound Plan for Other Management Units								
Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status			
Mill	Time Bound Plan							
Pangkalan Panji (PT Sawit Mas Sejahtera)	2013	Sawit Mas Estate	2013	South Sumatera	Certified			
Bumi Sawit Mill (PT Bumi Sawit Permai)	2013	Bumi Sawit Estate	2013	South Sumatera	Certified			
Muara Kandis Mill (PT Djuanda Sawit Lestari)	2013	Muara Tawas Estate	2013	South Sumatera	Certified			
		Muara Kandis Estate	2013	South Sumatera	Certified			
		Muara Kandis Estate (HGU on progress -	2020	South Sumatera	-			

		574.58 Ha)			
		Smallholder (KKPA Pandawa)	2019	South Sumatera	-
		Smallholder (Pandawa Plasma)	2019	South Sumatera	-
Sungai Rungau Mill (PT Sumber Indah Perkasa)	2013	Sungai Rungau Estate	2013	Central Kalimantan	Certified
		Sungai Seruyan Estate	2013	Central Kalimantan	Certified
		Terawan Estate	2013	Central Kalimantan	Certified
		Tangar Estate	2013	Central Kalimantan	Certified
		Bukit Tiga Estate	2013	Central Kalimantan	Certified
Bukit Perak EMIII (PT Bumi Permai Lestari)	2013	Bukit Perak Estate	2013	Bangka Belitung	Certified
		Bukit Permata Estate	2013	Bangka Belitung	Certified
Tanjung Kembiri Mill (PT Forestalestari Dwikarya)	2013	Tanjung Kembiri Estate	2013	Belitung	Certified
		Tanjung Rusa Estate	2013	Belitung	Certified
		Tanjung Rusa KKPA	2019	Belitung	-
Sungai Buaya Mill (PT Sumber Indah Perkasa)	2014	Sungai Buaya Estate	2014	Lampung	Certified
		Smallholder (KKPA Gedung Aji Lama)	2014	Lampung	Certified
		Smallholder (KKPA Mesuji)	2014	Lampung	Certified
Sungai Merah Mill (PT Sumber Indah Perkasa)	2014	Sungai Merah Estate	2014	Lampung	Certified
		Smallholder (KKPA Gedung Aji Baru)	2014	Lampung	Certified
Kasuari Mill (PT Sinar Kencana Inti Perkasa)	2018	Cendrawasih Estate	2018	Papua	ST-1
		Nuri Estate	2018	Papua	ST-1
		Rajawali Estate	2018	Papua	ST-1
		Mambruk Estate (PT Sumber Indah Perkasa)	2018	Papua	ST-1
Pekawai Mill (PT Agrolestari Mandiri)	2018	Kayung Estate	2018	West Kalimantan	ST-1
		Pekawai Estate	2018	West Kalimantan	ST-1
		Sungai Kelik Estate	2018	West Kalimantan	ST-1
		Nanga Tayap Estate	2018	West Kalimantan	ST-1
		Smallholder (Kayung Plasma)	2019	West Kalimantan	ST-1
Kenanga Mill (PT Kencana Graha Permai)	2014	Kencana Estate	2015	West Kalimantan	Certified
		Cendana Estate	2015	West Kalimantan	Certified
		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 (Gaharu Plasma)	2019	West Kalimantan	-
		Smallholder (Kencana Plasma)	2019	West Kalimantan	-
		Smallholder (Kenanga Plasma)	2019	West Kalimantan	-
Perdana Mill	2020	Perdana Estate	2020	Central Kalimantan	ST-1
		Lenggana Estate	2020	Central Kalimantan	ST-1

(PT Binasawit Abadi Pratama)		Semandau Estate	2020	Central Kalimantan	ST-1
		Muara Dua Estate	2020	Central Kalimantan	ST-1
Kuayan Mill (PT Agrokarya Prima Lestari)	2020	Mentaya Estate	2020	Central Kalimantan	ST-1
		Kuayan Estate	2020	Central Kalimantan	ST-1
		Bukit Santuhai Estate	2020	Central Kalimantan	ST-1
		Tajur Beras Estate	2020	Central Kalimantan	ST-1
		Seranau Estate	2020	Central Kalimantan	ST-1
		Sungai Sambon Estate	2020	Central Kalimantan	ST-1
		Smallholder (Sungai Sambon Plasma)	2020	Central Kalimantan	-
		Sapiri Estate (PT Buana Adhitama)	2020	Central Kalimantan	ST-1
		Bukit Dua Estate (PT Buana Adhitama)	2020	Central Kalimantan	
		Bukit Tunggal Estate (PT Buana Adhitama)	2020	Central Kalimantan	
		Belian Mill (PT Paramitra Internusa Pratama)	2018	Belian Estate	2018
Tengkawang Estate	2018			West Kalimantan	ST-1
Kenari Estate (PT Bangun Nusa Mandiri)	2019			West Kalimantan	ST-1
KerANJI Estate (PT Bangun Nusa Mandiri)	2019			West Kalimantan	ST-1
Muara Tawang Estate (PT Kartika Prima Cipta)	2019			West Kalimantan	ST-1
Kapuas Hulu Estate (PT Persada Graha Mandiri)	2018			West Kalimantan	ST-1
Sungai Beran Estate (PT Persada Graha Mandiri)	2018			West Kalimantan	ST-1
Smallholder (Belian KKPA)	2020			West Kalimantan	-
Smallholder (Tengkawang KKPA)	2020			West Kalimantan	-
Smallholder (Kenari Plasma)	2019			West Kalimantan	-
Smallholders (Kapuas Hulu KKPA)	2020			West Kalimantan	-
Kenanga Estate (PT Cahaya Nusa Gemilang)	2018			West Kalimantan	-
Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa)	2016			Sungai Kupang Estate	2019
		Sungai Kupang KKPA	2019	South Kalimantan	
		Senakin Estate	2019	South Kalimantan	-
Sungai Kikim Mill (PT Sawit Mas Sejahtera)	2019	Sungai Kikim Estate	2019	South Sumatera	-
		Sungai Pangi Estate	2019	South Sumatera	-
		Sungai Musi Estate	2019	South Sumatera	-
		Sungai Saling Estate	2019	South Sumatera	-
		Sungai Enim Estate (PT Bumi Sawit Permai)	2019	South Sumatera	-
		Sungai Lematang Estate (PT Bumi Sawit Permai)	2019	South Sumatera	-
Tangar Mill (PT Mitra Karya Agroindo)	2020	Sulin Estate	2020	Central Kalimantan	-
		Nahiyang Estate	2020	Central Kalimantan	-
		Katayang Estate	2020	Central Kalimantan	-
		Sungai Nusa Estate	2020	Central Kalimantan	-

		Kajui Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	-
		Manuhing Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	-
		Sungai Ayawan Estate (PT Aditunggal Mahajaya)	2020	Central Kalimantan	-
Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa)	2019	Sungai Magalau Estate	2019	South Kalimantan	-
Jalemo Mill* PT Agro Lestari Sentosa	2020	Balasang Estate	2020	Central Kalimantan	-
		Jalemo Estate	2020	Central Kalimantan	-
Sako Mill* (PT Adi Tunggal Mahajaya)	2020	Sulin Plasma	2020	Central Kalimantan	-
		Sapiri Plasma	2020	Central Kalimantan	-
		Sako Plasma	2020	Central Kalimantan	-
Padang Halaban Mill (PT SMART Tbk)	2011	Padang Halaban Estate	2011	North Sumatera	Certified
		Penantian Estate	2011	North Sumatera	Certified
		Adipati Estate	2011	North Sumatera	Certified
		Kanopan Ulu Estate	2011	North Sumatera	Certified
Batu Ampar Mill (PT SMART Tbk)	2012	Batu Ampar Estate	2012	South Kalimantan	Certified
		Batu Mulia Estate	2012	South Kalimantan	Certified
		Sungai Panci Estate	2012	South Kalimantan	Certified
		Sungai Panci KKPA	2012	South Kalimantan	Certified
Tanah Laut Mill (PT SMART Tbk)	2012	Tanah Laut Estate	2012	South Kalimantan	Certified
		Kinta Pura Estate	2012	South Kalimantan	Certified
Langga Payung Mill (PT Tapian Nadenggan)	2012	Langga Payung Estate	2012	North Sumatera	Certified
		Paya Baung Estate	2012	North Sumatera	Certified
		Normark Estate	2012	North Sumatera	Certified
Hanau Mill (PT Tapian Nadenggan)	2012	Hanau Estate	2012	Central Kalimantan	Certified
		Tasik Mas Estate	2012	Central Kalimantan	Certified
		Tanjung Paring Estate	2012	Central Kalimantan	Certified
		Langadang Estate	2012	Central Kalimantan	Certified
		Medang Sari (PT Satya Kisma Usaha)	2018	Central Kalimantan	-
Semilar (PT Tapian Nadenggan)	2013	Semilar	2013	Central Kalimantan	Certified
		Sei Rindu	2013	Central Kalimantan	Certified
		Mandang	2013	Central Kalimantan	Certified
		Puri	2013	Central Kalimantan	Certified
Jak Luay Mill (PT Tapian Nadenggan)	2015	Pantun Mas Estate	2015	East Kalimantan	Certified
		Pantun Mas KKPA	2018	East Kalimantan	-
		Jak Luay Estate	2015	East Kalimantan	Certified
		Jak Luay KKPA	2018	East Kalimantan	-
		Long Buluh Estate	2015	East Kalimantan	Certified
		Bukit Subur Estate	2015	East Kalimantan	Certified
		Bukit Subur KKPA	2018	East Kalimantan	-
Leidong West Mill (PT MP Leidong West Indonesia)	2014	Leidong West Utara Estate	2014	Bangka Belitung	Certified
		Leidong West Selatan Estate	2014	Bangka Belitung	Certified

Muara Wahau Mill (PT Kresna Duta Agroindo)	2014	Muara Wahau Estate	2014	East Kalimantan	Certified
		Gunung Kombeng	2014	East Kalimantan	Certified
Gunung Kombeng Mill (PT Kresna Duta Agroindo)	2019	Gunung Kombeng KKPA	2019	East Kalimantan	-
Rantau Panjang (PT Kresna Duta Agroindo)	2020	Rantau Panjang Estate	2020	East Kalimantan	-
		Rantau Panjang KKPA	2020	East Kalimantan	-
Jelatang Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
		Tiga Serumpun KKPA	2019	Jambi	-
		Bukit Bungkul KKPA	2019	Jambi	-
		Kubang Ujo Plasma	2019	Jambi	-
Pelakar Mill (PT Kresna Duta Agroindo)	2017	Pelakar Estate	2019	Jambi	ST-1
		Tiga Serumpun KKPA	2019	Jambi	-
		Batang Merangin Estate	2019	Jambi	ST-1
		Batang Tembesi Estate	2019	Jambi	ST-1
		Kubang Ujo Plasma	2019	Jambi	-
Langling Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
		Bangko Plasma	2019	Jambi	-
		Bukit Bungkul KKPA	2019	Jambi	-
		Batang Gading Estate	2019	Jambi	-
		Batang Gading KKPA (PT Satya Kisma Usaha)	2019	Jambi	-
		Pamenang Plasma	2017	Jambi	-
Sungai Bengkal Mill (PT Satya Kisma Usaha)	2015	Sungai Bengkal Estate	2015	Jambi	Certified
		Sungai Bengkal KKPA	2015	Jambi	Certified
		Muara Kilis Estate	2015	Jambi	Certified
		Muara Kilis KKPA	2019	Jambi	-
Bukit Kapur Mill (PT SMART Tbk)	2020	Bukit Kapur Estate	2020	South Kalimantan	ST-1
		Sungai Cantung Estate	2020	South Kalimantan	ST-1
Samsam Mill (PT Ivomas Tunggal)	2009	Samsam Estate	2009	Siak-Riau	Certified
		Samsam Estate (HGU on progress – 29.09 Ha)	2020	Siak-Riau	-
		Kandista Estate	2009	Siak-Riau	Certified
		Kandista Estate (HGU on progress – 158.46 Ha)	2020	Siak-Riau	-
		Palapa Estate	2009	Siak-Riau	Certified
Libo Mill (PT Ivomas Tunggal)	2009	Libo Estate	2009	Siak-Riau	Certified
		Nenggala Estate	2009	Siak-Riau	Certified
		Nenggala Estate (HGU on progress 419.9 Ha)	2020	Siak-Riau	-
		Sei Rokan Estate	2009	Siak-Riau	Certified
		Sei Rokan Estate (HGU on progress – 102.7 Ha)	2020	Siak-Riau	-
Ujung Tanjung (PT Ivomas Tunggal)	2009	Ujung Tanjung Estate	2009	Siak-Riau	Certified
		Ujung Tanjung Estate (HGU on progress – 557.3 Ha)	2020	Siak-Riau	-
Naga Sakti Mill	2010	Naga Mas Estate	2010	Kampar-Riau	Certified

(PT Buana Wiralestari Mas)		Naga Mas Estate (HGU on process – 253.39 Ha)	2020	Kampar-Riau	-
		Naga Sakti Estate	2010	Kampar-Riau	Certified
		Naga Sakti Estate (HGU on process – 59.79 Ha)	2020	Kampar-Riau	-
		Rama Bakti Estate	2010	Kampar-Riau	Certified
Kijang Mill (PT Buana Wiralestari Mas)	2010	Kijang Mas Estate	2010	Kampar-Riau	Certified
		Kijang Mas Estate (HGU on process – 56.07 Ha)	2020	Kampar-Riau	-
		Kijang Kencana Plasma	2010	Kampar-Riau	Certified
Ramarama Mill (PT Ramajaya Pramukti)	2010	Ramarama Estate	2010	Kampar-Riau	Certified
		Ramarama Estate (HGU on process – 318.76 Ha)	2020	Kampar-Riau	-
		Amartajaya Plasma	2010	Kampar-Riau	Certified
Indra Sakti Mill (PT Meganusa Inti Sawit)	2011	Indra Lestari Estate	2011	Indragiri-Riau	Certified
		Indra Sakti Estate	2011	Indragiri-Riau	Certified
		Indragiri Plasma	2011	Indragiri-Riau	Certified
		Indrasakti Plasma	2011	Indragiri-Riau	Certified
Bumipalma Mill (PT Bumipalma Lestari Persada)	2012	Bumi Lestari Estate	2012	Indragiri-Riau	Certified
		Bumi Palma Estate	2012	Indragiri-Riau	Certified
		Bumi Sentosa Estate	2012	Indragiri-Riau	Certified
Sawita Mill (PT Sawitakarya Manunggal)	2018	Sawita Estate	2018	South Kalimantan	ST-1

*)under construction

There are revision of time bound plan, the justification from top management is:

1. Pelakar Mill and Rantau Panjang Mill is still process on disclosure & liability by RSPO, while Bukit Kapur Mill doesn't have land use title (HGU), the HGU is still on process.
2. Several associate smallholders (plasma) which refuses to follow the RSPO certification, but the management unit is still communicating with the plasma for the implementation of RSPO certification.
3. Sawita Mill had conducted pre assessment RSPO on 2015 and Another entire Management Unit under PT Ivo Mas Tunggal has been RSPO certified.
4. Rantau Panjang Mill and Estate Unit (Rantau Panjang Estate & Rantau Panjang KKPA) are still in the process of HCV Remediation and Compensation Plan (RaCP) related to land clearing above November 2005 without HCV Identifications. In accordance to RSPO requirements, if RaCP proposal not yet approved by RSPO Secretariat. Thus certification target will be postponed year of 2020.
5. Kilis KKPA as FFB Supplier to Sungai Bengkal Mill are still in the process of HCV Remediation and Compensation Plan (RaCP) related to land clearing above November 2005 without HCV Identifications. In accordance to RSPO requirements, if RaCP proposal not yet approved by RSPO Secretariat. Thus certification target will be postponed year of 2019
6. PT Kresna Duta Agro (Pelakar Estate, Batang Merangin Estate and Batang Tembesi Estate) was stage -1 audit in 2017. There are problem related to zero liability report to RSPO, was no response by RSPO secretariat. The main assessment postpone to 2019.
7. When the stage -1 conducted on May 2015, there are boundary stones issues in PT Sinar Kencana Inti Perkasa (South Kalimantan). Reconstruction of boundary stones will be finished end of this year, the certification target postpone to 2019.

There is revision of time bound plan on 1 October 2017 for HGU on process in PT Ivomas Tunggal (Samsam Estate 29.09 Ha, Kandista Estate 158.46 Ha, Nenggala Estate 419.9 Ha, Sei Rokan Estate 102.7 Ha, Ujung Tanjung Estate 557.3 Ha); PT Rama Jaya Pramukti (Ramarama Estate: 318.76 Ha); PT Buana Wira Lestari (Naga Sakti Estate 59.79 Ha; Naga Mas Estate 253.39 ha and Kijang Estate 56.07 ha). For this area is planned for audit on 2020 because waiting for HGU.

1.10.2 Progress of Associated Smallholders and Outgrowers for Certifiable Standard

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 was audit Stage-1 with Muara Kandis Mill on 2018. There are several issues related to land legality, environment impact assessment and RaCP.

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-3	<p>1. Trismadi Nurbayuto (Lead Auditor). Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001;14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; and RSPO Next. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and. During this audit, he was verify aspect Supply Chain Certification System, Long term business plan, OHS and social aspect.</p> <p>2. Andi Pratama Pasaribu (Auditor). Indonesian citizen. Bachelor degree, majoring social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training, such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, auditor OHSAS etc. He has some experiences of ISPO audit in Indonesian palm oil in best management practices, land legality, environmental, social and worker welfare aspect. During this audit, land legality and social aspect.</p> <p>3. Brigitta Prita (Auditor). Citizen of Indonesia. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism. She had attended Training ISPO by Commission ISPO on June 2013, Training ISO 9001:2008 Quality Management System on January 2014, In House Training 17021 and 17065 management system and Product Quality, Training High Conservation Value by IPB on September 2015, In House Training HCV on August 2016, In House Training Roundtable Sustainable Palm Oil on January 2014; In House Training ISO 14000:2004 Environmental Management System; Training Lead Auditor RSPO by Daemeter & Proforest. She has been audit experience ISPO & RSPO since April 2013 in the environmental, conservation, waste management and worker welfare aspects. During this audit, she verify environment and HCV.</p> <p>4. Yudhi Yuniarto Tallutondok (Auditor Trainee). Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Have experience of working over three years since 2013 as plantation operations staff in private palm oil plantation companies in Indonesia. Training have been followed including Indonesian Sustainable Palm Oil Auditor, Lead Auditor ISO 9001:2015, ISO 14001:2015, ISO 22000:2009, ISO 19011:2011, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness RSPO, ISO 17021 and ISO 17065. In this audit activity performs the assessment of best practical management and transparency.</p> <p>5. Bayu Yogatama (Auditor Trainee). Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, Awarnes RSPO, ISP RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. In this audit activity performs the assessment on environmental aspects, HCV and greenhouse gases</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-3	<p>Number of auditors : 3 auditors and 2 trainee auditor Number of days for ASA-3 at site : 5 days Number of working days for ASA-3 at site : 15 Working days</p>
2.2.2	Assessment Process
ASA-3	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Djuandasawit Lestari - Golden Agri Resources Ltd (GAR) to 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, Rev. 14 June 2017 (Module E for CPO Mill)

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-3** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-4**).

Improvement of findings from main assessment findings were observed by auditors at this **ASA-3** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-3**.

The assessment program please find Appendix 2

2.2.3 Location of Assessment

ASA-3 Muara Kandis Mill (MKNM)

1. **Security gate.** Observation and interview with security officer regarding to FFB receiving, CPO/PK dispatch and SCCS procedures and it implementation, documentation and record keeping.
2. **Weight bridges.** Observation and interview with weight bridge operator regarding to procedures FFB receiving, CPO/PK dispatch and SCCS procedures and it implementation.
3. **Loading ramp.** Observation and interview with sortation officer regarding to sortation procedures, record keeping and documentation.
4. **Mill office.** Observation and interview with mill manager and staff regarding to SCCS implementation and demonstration
5. **Storage Tank and CPO Dispatch.** Observation and interview with key personnel related to implementation of Supply Chain Requirement
6. **Water Treatment Plant.** Observation and interview related management of WTP.
7. **Chemical storage.** Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure.
8. **Oil storage.** Observation related management of oil and OHS aspect.
9. **Hazardous waste storage.** Observation and interview related management of hazardous waste.
10. **POME.** Observation and interview related management of liquid waste.
11. **Water pond Number 1 MKNM (Water Intake).** Observation related management of water process and domestic.
12. **Empty Fruit Bunch Area.** Observation related management of solid waste
13. **Grading Station.** Observation and interview with sortation officer regarding to sortation procedures, record keeping and documentation
14. **All processing station (Sterilizer, Hoisting Crane, Thresher, Pressing, Digester, Clarifier).** Observation on FFB processing.
15. **Boiler station.** Observation and interview related to OHS, health inspection and operator license. The company was provide all PPE's such as: helmet, mask, safety shoes, and glove
16. **Engine room.** Observation and interviews related to the competence of workers, medical check up, and implementation OHS
17. **Workshop.** Observations and interviews with workers related to the management and implementation of health safety, and social worker and hazardous waste management
18. **Hydrant.** Auditor was observe emergency response, all pipe and nozzle on good conditions

Muara Kandis Estate (MKNE)

1. **Boundaries pole of BPN 53 (Block L23), BPN 48 (Block L17), BPN 45 (Block K14).** Observation on boundaries poles, coordinates, maintenance, and demarcation.
2. **Temani River Boundary, Block H23.** Observation on river boundary and maintenance.
3. **Lakitan River Boundary, Block H18.** Observation on river boundary and maintenance
4. **Chemical storage.** Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure.
5. **Oil storage.** Observation related management of oil and OHS aspect.

6. **Fertilizer storage.** Observation and interview on environmental aspect, OHS implementation, management of fertilizer and understanding of working procedure.
7. **Housing of Pondok 1 (Division 1 & 2).** Observation and interview related facilities & infrastructure, domestic waste, and others.
8. **Fire extinguishers.** Observation and checking the equipment of fire extinguishers.
9. **Wash and storage of spray equipment.** Observation and interview related management of hazardous waste (pesticide).
10. **Daycare.** Observation and interview related facilities daycare and others.
11. **First aid Post.** Observation and interview related medical waste and others.
12. **Smart House.** Observation related activities in smart house.
13. **Land application Blok L31 Division 2.** Observation related management of domestic waste.
14. **Well monitoring Blok L30 Division 2.** Observation related management of domestic waste.
15. **Workshop.** Observation related activities in Workshop.
16. **Hazardous waste storage.** Observation and interview related management of hazardous waste
17. **Harvesting, Block J23 Division 3,** observation and interview related to safe harvesting work, OHS, labour, and welfare aspect.
18. **Barn Owl Box, Block K22 Division 3,** observation on nest condition and its monitoring.
19. **Erosion Pole, Block K25 Division 3,** observation of erosion monitoring by using erosion pole, which is observed regularly and reported to the SMARTRI for analyzed.
20. **Circle and Path spraying, Block N36 Division 1,** observation and interview related to safe spray work, OHS, labour, and welfare aspect

Muara Tawas Estate (MTWE)

1. **Spare part and agrochemical storage.** Observation of spare part and agrochemical management, safety guidance and interview with storage officer regarding to chemical management knowledge.
2. **Workshop.** Observation and interview with workshop officer regarding to maintenance procedure and schedule waste management.
3. **Schedule waste storage.** Observation of schedule waste management and its monitoring. Including symbol and label of schedule waste.
4. **Daycare.** Observation of daycare facility, first aid kit etc.
5. **Housing complex.** Observation and interview with family of worker regarding to housing facility, electricity and water access, complaint mechanism, worship place etc.
6. **Mixing station and pesticide application equipment.** Observation of mixing area, waste material management and OHS implementation.
7. **Education facility.** Observation of education facility for employee's children or surrounding community.
8. **Clinic.** Observation and interview with paramedic regarding to work accident and medical service for the employee and his family, scheduled waste (infectious waste) management and workers' security agency implementation.
9. **Landfill.** Observation of domestic waste management.
10. **Firefighting facilities.** Observation, interview and demonstration of firefighting facilities regarding to land fire handling by emergency response team
11. **Boundaries pole of BPN 37 (Block K55).** Observation on boundaries poles, coordinates, maintenance, and demarcation.
12. **Lakitan River Boundary, Block K55.** Observation on river boundary and maintenance.
13. **Petangan River Boundary, Block T56.** Observation on river boundary and maintenance
14. **Barn Owl Box, Block R58 Division 2,** observation on nest condition and its monitoring.
15. **Harvesting, Block R59 Division 2,** observation and interview related to safe harvesting work, OHS, labour, and welfare aspect.
16. **FFB transport, Block R59 Division 2,** observations and interviews related to safe loading of FFB, OHS, labour, welfare aspect.
17. **Circle and Path spraying, Block M63 Division 3,** observation and interview related to safe spray work, OHS, labour, and welfare aspect

Stakeholders

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

2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-3	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Djuandasawit Lestari was held by:</p> <ul style="list-style-type: none"> • Public Notification where held 30 days before assessment on Mutu Certification International website: www.mutucertification.com (January 25, 2018). • Public consultation meeting with external stakeholders (February 27, 2018), internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples (March 1, 2018). <p>Numbers of input from stakeholders were clarified by PT Djuandasawit Lestari.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4 Determining Next Assessment	
	The next visit (ASA-4) will be determined one year after this ASA-3 (March 2019).

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 two (2) Nonconformity were assigned against Minor Compliance Indicator, no nonconformity was assigned against Major Compliance Indicators; and no nonconformance against supply chain requirement for CPO mill and four (4) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has 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, Revised on 14 June 2017 (Module E for CPO Mill).

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1 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.	
<p>MAJOR 1.1.1 and Minor 1.1.2</p> <p>The certificate holder has a list of stakeholders / stakeholder lists including affected local communities. The list of stakeholders is contained in a list of stakeholder folder containing stakeholder descriptions, contact names, addresses, telephone and descriptions. The results of interviews with management known that the updating of stakeholder documents is done once every 6 months by Estate / Mill Manager.</p> <p>Interviews with management known that stakeholders can access some general company-related information such as employee data, local tax payment status, environmental documents, social documents, etc. This has been regulated in communication and consultation procedures with SOP / SMART / GENERAL / SADV / I / 2004 about the flow of information and feedback from both internal and external stakeholders. Each incoming letter should be recorded and responded by the unit head no later than 3 weeks after the letter received.</p> <p>The results of interviews with community leaders and partner companies known that each party was aware of procedures for accessing information. furthermore the company had held socialization related communication and consultation procedures to stakeholder.</p>	
<p>Status: Comply</p>	
1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	
MAJOR 1.2.1.	

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.

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

Status: Comply

1.3

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

Minor 1.3.1

The company has had a document "Code of Integrity and Ethical Conduct Policy" that signed by Production Controller on November 1st, 2015. Through this policy, the company committed to practicing responsible business ethics according to the company's shared values as integrity, positive attitude, commitment, continuous improvement, innovation and loyalty and also sustainable palm oil principle. This policy has been socialized regularly to all level of employee. For example, business ethics socialization on February 14th 2018. Based on interview with employee and the villagers concluded that they has known this ethical policy.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

MAJOR 2.1.1

1. South Sumatera Governor Decree dated on December 8th 2017 concerning the establishment of South Sumatera Province minimum wage in 2018.
2. The company has had bipartite cooperation institute as regulated in labor ministry regulation no. 32 year 2008.
3. The company and labor union has registered their final collective labor agreement period 2018 – 2020 to the labor agency of Musi Rawas District.

Certificate holder consistently conducts an evaluation of compliance with applicable legal requirements in accordance with procedure Regulations and Other Requirements (SOP / SPO / SMART / LH-03). Regular compliance evaluation is done periodically (6 months) by Assistant or Document Controller assisted by relevant Departmental Staff. Evidence of regulatory compliance such as:

- First Aid Officer License On behalf of Dedi P Manurung with license number 26 / P3K / Nakertrans / 2018 approved by Labor Agency South Sumatra Province valid from February 28, 2018 until February 28, 2021.
- Certificate of competence welder (Las SMAW Pipe 2 G) on behalf of Mujiono dated 24 Jul 2017 (valid for 3 years) by National Board of Certification (Professional certification body of metal and machinery Indonesia) with number 28900 7212 05 0 0042858 2017.
- Wheel loader Operator on behalf Makmun organized by the Department of Manpower and Transmigration of Ogan Komering Ilir District dated March 15, 2016 with registration number 66726-OPK3-LT / PAA / III / 2016 approved by the Ministry of Manpower of the Republic of Indonesia. Valid until March 15, 2021.
- Grader operator on behalf Prabowo with license number 14.32400-OPK3-PAA / II / 2014 from the Ministry of Manpower and Transmigration valid from February 21, 2014 until February 21, 2019.
- Company hygiene & occupational health Certificate on behalf Marnasip Napitupulu dated on 15-19 October 2012 located in Palembang. Approved by Integrated unit testing area (UPTD) company hygiene & occupational health and work safety South Sumatera Province

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.

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

Minor 2.1.2 and Minor 2.1.3

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 half of yearly by Assistant, Document Controler and assisted by the relevant department in accordance with the procedure. Certificate holder have shown list of regulation related to the field of employment, environment, HCV, OHS, and legality of land use (updated 17 February 2017). Those list were include of regional, national, and ratified international regulations.

Minor 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.

MAJOR 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
Total	6,259.77	79.58	237.64	107.99	-	392.54	3,880.76	10,958.28	-	-	10,958.40

Minor 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//004), 1 Juli 2014”.

Auditor verifies the 4 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.

Minor 2.2.3; MAJOR 2.2.4; Minor 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//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.

MAJOR 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.

MAJOR 2.3.1; minor 2.3.2; minor 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.

MAJOR 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.

MAJOR 3.1.1 and minor 3.1.2

The certificate holder already has documents related to the Long Term Bussiness Plan (CPR) for the period 2018 - 2021 covering operational cost, CPO price, production, CPO quality, selling price, profitability, and replanting plan. The results of the Long Term Bussiness Plan (RJP) study of 2018 - 2021, known that the company has prepared a replanting plan that is in 2020 with an area of 725 hectares and 2021 of 1,531 hectares. Based on document verification of Long Term Plans and interview with management known that the Long Term Plan also includes management plan for scheme smallholders but not covering flooding and drainability assessments because based on verification document of semi-detailed soil survey known that there is no peatland classification in the operational area of the CH.

The result of interview with the management known that the certificate holder routinely evaluates each month. Evaluation is done by management unit in this case Regional Controler and Estate Manager. further explained that management has appointed Head Unit in each estate to conduct monthly evaluation related to CPR plan and realization, after evaluated in each estate it will be evaluated by Regional Controler

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.

MAJOR 4.1.1

The certificate holder has documents related to procedures for oil palm cultivation and palm oil processing listed in SOP-IK Technical of Oil Palm Cultivation (starting from planting up to transportation of FFB) and Standard Operating Procedures in POM (starting from FFB acceptance up to processing FFB). The results of interviews with the management known that each operational staff has 1 bundle of procedures as a reference in conducting work. Procedures are also available in each estate / factory office.

Field observation results and interviews with employees at Muara Kandis POM grading station known that workers can explain their duties and responsibilities, employees can also explain the criteria of ripe fruit and provide good grading example. employees are also known to have received socialization related to the Code of conduct and have understood the purpose and objectives

minor 4.1.2 and minor 4.1.3

The certificate holder has an Internal Audit Procedures (Document No. SOP / SMART / GENERAL / SADV / 009). The certificate holder is known to regularly conduct internal audits once every 6 months conducted by the Company's Internal Auditor related to the operation of a management unit (estates and factories) .

The certificate holder shows the results of internal audit in second semester of 2017 conducted on October 5 - 11, 2017 by 3 auditors. The following sample results are found at the time of the audit activity:

- The results of field observations on October 7, 2017 found uncollected fruit that has rotten in the fruit collecting point. In this case the management unit explained that the road maintenance is done mechanically and interchangeably considering the limitations of units owned, in addition the company also conducted manual but with less than maximum results.
- The results of field observations on October 8, 2017 found the quality of the harvest that has not been optimal such as rotten fruit in the staple, and loose fruit rot in the circle. In this case the management unit explained that the location findings of losses, tend to be in low-lying areas where employees are not maximal especially if during the rain and supervision is also not done thoroughly for the area.

The results of interviews with the management known that up to the audit activities carried out the management has made improvements to the findings of internal audit

MAJOR 4.1.4

The requirements of FFB Supplier which supplies to Mill. The 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 & Muara Tawas Estate outside the scope of certifications and five cooperative scheme smallholders of PT Djuandasawit Lestari.

The company has had FFB Purchasing Procedures (PT. DSL-MKNM/RSPO-SOP/08) last revised dated on 1 July 2010). The procedures explain that objectives, scope, PIC, job description, work step, FFB payment and documentation.

Status: Comply

4.2

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

minor 4.2.1 and minor 4.2.2

The CH known to have a procedure related to the management of planting fertility listed in the procedure number SOP / SMART / MCAR / IX / TA-KDP on Fertilization. This procedure discusses the procedure of fertilizing application in breeding, fertilizing of nuts, inorganic fertilization in IU, fertilization of bare length, taking of LSU and SSU, control of fertilizer quality, fertilizing with FS, fertilizing with airplane, compost fertilization, ash, land application in MU, and quality control. At the time of the audit activity the certificate holder shows documents related to the fertilization program of 2017 for each management unit. The document describes fertilizer progress and fertilizer use per ton of FFB. The result of interview with the management is known that the certificate holder has implemented the fertilization program in 2017 well according to the recommendation issued by SMARTRI based on the analysis of leaf and soil.

minor 4.2.3

The certificate holder has procedures for leaf analysis (SOP No 101 / Leaf / LAB-SMARTI / III / 2016) and soil (SOP No: 072 / Tanah / LAB-SMARTRI / XI / 2015). Leaf and soil sampling is conducted by SMART Research Institute - Analytical Laboratory. At the time of the audit activity, the certificate holder can show the procedures to the auditor and can explain it well.

The sampling of soil for MKNE and MTWE estates was conducted on August 26, 2016. The number of samples sent respectively was 114 samples for MKNE and 72 samples for MTWE while the sampling of leaves for MKNE and MTWE estates was conducted on May 30, 2017. Total samples each delivered 15 samples for MKNE and 76 samples for MTWE.

Leaf sampling based on representation of cropping years and soil type in 1 division. Leaf sampling is only done 10% of the 1 block sample area.

The results of interviews with research staff known that soil and leaf analysis results were used as the basis for determining fertilizer recommendations. In this case the certificate holder may show a sample of temporary fertilizer recommendations for each estate

minor 4.2.4

The certificate holder known to have a nutrient recycling strategy such as the utilization of pruning, the application of POME, and the utilization of plant residues after replanting.

The certificate holder utilize Empty bunch to help with minimal soil nutrient enrichment. An empty bunch application is executed every month at a dose of 300 kg / staple or 40 tons / ha. At the time of the audit activity, the certificate holder may show the recording of the Empty bunch application for the second semester of 2017.

The certificate holder has a license to utilize the POME in oil palm plantations based on the decision of Regent Musi Rawas Number 456 / KPTS / DLH / 2017. The certificate holder can irrigate the land with an area of 380.8 Hectares located at 15 Blocks. Based on field observation in Block L31 of Division 2 of MKNE, known that the certificate holder is utilizing the liquid waste from the palm oil mill. The results of interviews with land application workers, known that employees do maintenance by reopening the blocked flow path and elevate the embankment for every bed to prevent run off.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

MAJOR 4.3.1

The certificate holder has a Detailed Soil Map containing a land map and contains information on: soil classification, texture, depth, drainage, limiting factor, rocks and conformity information for oil palm plantation development, ie map and land classification Muara Kandis Estate (No. Reg RPMNP / 18/02/214/026) and Muara Tawas Estate (No. Reg RPMNP / 18/02/214/028) presented on a scale of 1: 75,000. The map is equipped with a Table of Soil Characteristics and Land Suitability Assessment of Palm Crop Land.

Based on the document review (land map), it can be seen that the land suitability class cultivated by the certificate holder (MKNE and MTWE) is S2 (Fairly Sufficient) 6,176.31 Hectares or about 84.83% and S3 (Appropriate / Marginal) 1,644,01 Hectares or about 15.17%. The average drainage is quite good with the limiting factor is topography / relief.

minor 4.3.2

The certificate holder has a management strategy in the area with a slope of 0-30%. Are as follows:

- Installation of erosion stakes on L32 block and K25 Muara Kandis Estate. Monitoring results from January 2017 December 2017 known that there is no erosion in the area.
- Conducting Vetiver grass planting in landslide-prone areas such as river banks

The result of verification of Muara Tawas Estate's semi-detailed land map document shows that the company is managing areas with slope categories >40% in MTWE Estates with an area of 12.27 hectares or about 0.3% of the total area of MTWE. The results of interviews with management revealed that the company keeps a regular monitoring of the erosion rate for the area and up to the audit activities there has never been any significant erosion rate in the area, in this case the management shows the erosion monitoring in 2017. Further explained that the consideration will be done by the management when the area will enter the replanting period. Considerations in this regard include whether the area will be treated or will be used as a conservation area.

minor 4.3.3

The certificate holder represents a 2018 Budget document that one of the points in it describes in relation to a road improvement plan that includes re-road hardening, insertion of road hardening and mechanical / manual road repairs.

The result of interview with the management known that in 2017 the certificate holder does not do the road hardening. This is with consideration of road conditions are still conducive so it only requires mechanical and manual road service.

further explained that new road hardening will be conducted by 2018 which includes re-road hardening and insertion of road hardening

MAJOR 4.3.4 and minor 4.3.5

Based on the results of land suitability mapping conducted by Plantation Monitoring And Planning Division (PMNP) team in 2007, it is not indicated that there is a management area with peatland characteristics.

minor 4.3.6

Based on the result of soil analysis, soil texture in sandy dominance and land suitability level is S3, the strategy undertaken by the Company among others is fertilizing in accordance with dosage recommended by SMARTRI, and apply the empty bush with dose of 300 kg / staple or 40 ton /Hectares

Status: Comply

4.4

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

Minor 4.4.1

Certificate holder has identified the water source and conducted the efficiency of water use by monitoring the water use in MKNM every day. Field visits on block H18 at MKNE for examples, found that companies managed Lakitan river riparian by marked the buffer zone (throughout 100 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 2018 water management document. These documents describe the water source identification, Mill water usage monitoring & efficiency, and catchment area protections.

Major 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).

Minor 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 456/KPTS/DLH/2017 valid until 2022.

Waste water quality testing document review shown for September 2017 - January 2018 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.

Minor 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//TM-PKS/19-Water Treatment. Standards of water usage for FFB process recorded on 2017 budget projected 1.60 m³/tonne FFB processed.

Water usage monitoring was done periodically and recorded, for example on November 2017 FFB processed 17.378 tonne, process water usage 20,796 m³, and water usage efficiency was 1.20 m³/tonne FFB processed.

Status: Comply

4.5

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

MAJOR 4.5.1

The certificate holder has an integrated pest monitoring and control program listed in the budget of 2018. The budget is in accordance with the procedures listed in the integrated pest control procedures for the once month leaf eater caterpillar census, rhinoceros beetle every two weeks, the rat pest is done once a month and monitoring the barn owl box once a month.

Based on interviews with research staff, part of the other IPM plan is not spraying soft ferns, as soft ferns are a habitat for leaf eater caterpillar predators, in addition to saving pesticide use. The application of biological control agents such as *Tyto alba* and beneficial plants is also part of reducing pesticide use. Based on the rat census document and leaf eater caterpillar census document review at MKNE and MTWE from January to October 2017, no pest attacks were found that crossed the economic threshold. So there is no use of pesticides for the control of pests and diseases of oil palm

based on field observation in Blok K22 MKNE Division and Block R58 of Division 2 MTWE note that the condition of gupon in active state, there is *Tyto alba* in gupon, the former vomit and feathers that fall out.

minor 4.5.2

The certificate holder shows some documents related to employee training records by 2017 as follows:

- Spray Training conducted at MTWE on October 19, 2017 attended by 34 employees. Documentation and attendance list available. Training materials include safe spray techniques, action if poisoning, toxic mixing, use and maintenance of PPE.
- Integrated Pest Management Training conducted at MKNE on October 18, 2017 attended by 34 employees. Documentation and attendance list available. Training materials include the definition of IPM, the nature of IPM, the IPM development step, and the basic considerations of the IPM system.

Status: Comply

4.6

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

MAJOR 4.6.1 and MAJOR 4.6.2

The certificate holder has guidance on the use of pesticides listed in the following documents:

- MSDS (Material Safety Data Sheet) for each type of agrochemical material (Pesticide) which describes material storage and handling instructions, handling in case of accident (first aid effort), Hazards identification, action on spills and leaks, PPE, physical properties and chemistry, reactivity and stability, toxicological information, ecological information, waste disposal and transport.
- General guidelines on safety in working with pesticides (LAMP / VIII / TA-PGM / 03-PUKBP). In the document there are some guidelines that are selective in selecting, storing, using, overcoming contamination, understanding signs and symptoms of pesticide poisoning, first aid instructions and medical treatment guidelines for poisoning.

At the time of the audit activity, the certificate holder may show documents relating to the pesticide toxicity record (LD50) for each management unit. In the document documented product name used, active ingredient, LD50, percentage of active ingredient, total application, total active ingredient, production FFB and pesticide unit / kg, hectare application and pesticide unit / Hectares

The results of interviews with research staff found that the company attempted to replace the pesticides used periodically to avoid the emergence of resistance.

MAJOR 4.6.3

Based on document verification of Census Recap of the Pest in 2017 revealed that there were no attacks for any significant pests. The results of interviews with the management is known that within 1 year there is no use of pesticides for pest control so it can be concluded there is no use of pesticides profilaktik.

minor 4.6.4

The certificate holder present the documents relating to the policy of reducing the use of herbicide with the active

ingredients of paraquat such as Memorandum No: 032 / PD / VIII / 2016 dated August 13, 2016 by President Director Daud Darsono, regarding the prohibition of paraquate use. The main point of the letter is that since early 2016, no longer allowed to use herbicides made from aktiv paraquate (trademark Rolixone) to eradicate weeds. At the time of the audit activity, the certificate holder can show documents related to the use of paraquat period of 2013 to 2015, from the document known that there is a downward trend of paraquat use from year to year (2013-2015) and since 2016 the company no longer use pesticides with active ingredient paraquat, this is in accordance with the Memorandum No: 032 / PD / VIII / 2016.

Based on field observations in the SBNE chemical warehouse, available pesticide stocks are in accordance with those in the document (SAP). There are no pesticides with the active ingredients of paraquat or other pesticides included in WHO 1A and 1B

MAJOR 4.6.5

At the time of the audit activity, the certificate holder present documents related to the realization of employee training in 2017 and the employee training program of 2018 which includes the use and handling of pesticides while working.

The result of field observation and interview with pesticide applicator in Block N36 of Division 1 MKNE and in Block M62 of Division 3 MTWE known that pesticide applicator have been given training of safe use of pesticide, pesticide applicator can explain the action when poisoning, pesticide applicator also explained that routine health checks are conducted every 6 months and pesticide applicators have been trained in the use of good and proper PPE so they have realized the importance of maintaining health in their work.

Field observation results in the SBNE Chemicals Warehouse are known that MSDS (Material Safety Data Sheet) is available for each pesticide used. The chemical warehouse officer can explain well in terms of MSDS and its usefulness.

The auditor conducted an interview with a pesticide applicator related to the PPE replacement procedure. From the interviews known that pesticide applicators have a good understanding of the procedure of PPE replacement, for example if the glove is damaged then the applicator pesticide report to the foreman accompanied by the handover of damaged gloves, then the foreman made a report on the replacement of PPE to the assistant. The assistant will approve the replacement of the PPE if it has received the defective item. The process of replacing PPE is 2 days long.

MAJOR 4.6.6

The certificate holder has documents relating to pesticide storage in SOP / SPO / SMART / LH-18 on B3 waste management and SOP / SPO / SMART / LH-09 on handling of pesticide packaging.

The Company shows evidence that any gallon of ex-pesticide has been stored and not used for other purposes such as monitoring the exit gallon of ex-pesticide in 2017. In the document described the number of gallons of pesticides coming out of the central warehouse and the entry (after application of the spaciousness) to the schedule waste

The result of field observation in MKNE, MTWE and MKNM employee lodges, there is no indication of the use of agrochemical ex-packing for other purposes

minor 4.6.7

The application of pesticides in the field has been through proven methods to minimize the risks and negative impacts as documented in LAMP / VIII / TA-PGM / 03-PUKBP on General Guidelines on Security in Working with Pesticides, including safe guidance in selecting pesticides, storing pesticides, and using pesticides for example: the selected pesticide formula must be in accordance with the intruder's remains because a pesticide formula will only be effective against one particular type of pest.

At the time of the audit activity, the certificate holder may present documents related to the realization of employee training in 2017 and the employee training program 2018 which includes a program on the use and handling of pesticides while working.

The result of field observation and interview with pesticide applicator in Block N36 of Division 1 MKNE and in Block M62 of Division 3 MTWE known that pesticide applicator have been given training of safe use of pesticide, pesticide applicator

can explain the action when poisoning, pesticide applicator also explained that routine health checks are conducted every 6 months and pesticide applicators have been trained in the use of good and proper PPE so they have realized the importance of maintaining health in their work.

Results of field observation at MKNE and MTWE known that certificate holders have a special place for mixing pesticides, PPE storage, work tools and bathing after spraying. The same thing is expressed when the auditor conducted an interview with pesticide applicators in the field. Employees can explain well the procedure before spraying up to go home.

MAJOR 4.6.8

Results of interviews with management and community leaders around, known that the certificate holder does not do the application of pesticides by air

minor 4.6.9.

Certificate holder has conducted pesticide handling trainings such as MSDS training on 18 September 2017; 12 October 2017 and 23 November 2017 for Mill & Estate workers. Based on interviews with warehouse officers are known they have understood regarding the handling of pesticides.

The CH has provided information material and evidence of pesticide handling training during spraying and fertilization activities on 18 & 19 October 2017. Beside that, MSDS socialization program that will be held in September 2018.

Minor 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 27-28 September 2017.

Based on observations to the hazardous waste warehouse, hazardous waste management has been done in accordance with the procedure owned, carried out logging and entering the waste by the officer.

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

MAJOR 4.6.11.

Certificate holder has conducted medical examination for pesticide operators conducted by the Doctor who has Company hygiene & occupational health Certificate with license number (KEP Number 48.binwask3-pn / kk / ii / 2016) conducted in 2017 for example:

• Muara Kandis Estate

- Spirometry examination on August 28, 2017 for pesticide applicator, foreman, warehouse head and warehouse administration for 43 workers with normal results.
- Spirometry examination on November 10 & 11, 2017 for pesticide applicator, foreman, warehouse head and warehouse administration for 10 workers with normal results.
- Cholinestrace examination on August 28, 2017 for foreman, fertilizer workers & pesticide applicator for 44 spray workers with normal results.
- Cholinestrace examination on 10 & 11 November 2017 for foreman, fertilizer workers & pesticide applicator & spray for 10 workers with normal results.

• Muara Kandis Mill

- Cholinestrace examination on May 17, 2017 for pesticide applicator, foreman, warehouse head and warehouse administration for 15 workers with normal results.
- Spirometry examination on May 17, 2017 for pesticide applicator, foreman, warehouse head and welder for 41 workers with normal results.

• Muara Tawas Estate.

- Cholinestrace examination on August 28, 2017; November 10 & 11, 2017 for pesticide applicator, foreman, and warehouse head for 32 workers with normal results.
- Spirometry examination on August 28, 2017; November 10 & 11, 2017 for pesticide applicator, foreman, warehouse head and welder for 32 workers with normal results.

Based interview with pesticide applicator in Muara Kandis & Muara Estate, they have taken regular health checks especially Cholinestrase and Spirometry examination and they have been knowledge related medical check up. CH has been told them related the results.

MAJOR 4.6.12

There is Memorandum of VPA PSM-2 No. 001 / MEMO-VPA PSM2 / 04/2011 dated April 08, 2011 which explains that pregnant and lactating women forbidden work as pesticide applicator.

List of pesticide applicator for the period of January 2018 include:

- Muara Tawas Estate of 17 women.
- Muara Kandis Estate of 16 women.

Based on interviews with nurses at First aid Pos (Pondok 1) and Document Review are known pregnancy tests using test packs every 1 month for women workers. Especially for pesticide applicator and fertilizer.

Status: Comply

4.7

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

MAJOR 4.7.1

The Occupational Safety and Health Policy was approved to be updated on November 1, 2013 approved by President Director of PT SMART. The evidence of the commitment, PT SMART Tbk, establishes and will implement OSH Policy. To ensure that OSH policies are effectively implemented the CH regularly conducts Guiding Committee of Occupational Safety & Health meetings (P2K3) to ensure that the Occupational Safety and Health Management is upgraded and updated continuously.

The work plan of the OHS Program for January to December 2018 covers the areas of extension & training, supervision field, evaluation field; Field of research, Health Sector; PIC; Cost Forecast, Timeline of completion (Jan-Dec 2017) and description.

Based on interview result the workers are given guidance through socialization, warning boards and morning briefings before the work. Based on the above explanation, the workers has known about OHS policy.

MAJOR 4.7.2

CH demonstrates HIRARC and follow-up for 2017 period for the estate & mill units that describes activity information, description (Routine, non-routine & emergency), identification of potential hazards (sources / events & impacts), existing controls, preliminary risk analyzes (probability levels, severity and risk level).

Based on field visits it is known that the CH has implemented control measures contained in the HIRARC documents and attached to the product in all plantation operations (Mill & Estate), such as providing adequate training and adequate OHS facilities such as PPE and first aid kit.

MAJOR 4.7.3

OHS training program for 2018 period such as: Fire extinguisher training and maintenance, First Aid Training, Environmental Training, Training of operator boiler & Welder, PIC Social Training (Business & Human Rights), SCCS Training, RSPO training and etc.

Interview with Mill worker of Muara Kandis include WWTP Operator, WTP Operator and Workshop workers are known If PPE is damaged, workers report to the Foreman or Assistant and they get a new PPE.

- Companies have the opportunity to ensure the availability of PPE in the warehouse.
- Ensure monitoring of the use of PPE in accordance with the standards and Identification of Potential Hazards. (Observation).

MAJOR 4.7.4

Certificate holder shows the structure of Guiding Committee of Occupational Safety & Health (P2K3) such as:

Muara Kandis Estate

Guiding Committee of Occupational Safety & Health (P2K3) Muara Kandis Estate with number 03 / KPTS / NAKERTRANS / 2017 in accordance with the decision of the Head of Labor Agency of South Sumatera dated 16 October 2017. OHS Expert with certificate number 17.4260/AK3/U/VI/2017 and the appointment of OHS Expert with number KEP. 4292/NAKER-BINWASK3/VI/2017 dated June 5, 2017 (valid for 3 years).

Muara Kandis Mill

Guiding Committee of Occupational Safety & Health (P2K3) Muara Kandis Mill with number 03 / KPTS / NAKERTRANS / 2017 in accordance with the decision of the Head of Labor Agency of South Sumatera dated 25 January 2017. OHS Expert with certificate number 16.3353 // U / VI / 2016 and the appointment of OHS Expert with number KEP.3434 / NAKER-BINWASK3 / VI / 2016 dated June 20, 2016 (valid for 3 years).

Certificate holder shows the recording of Guiding Committee of Occupational Safety & Health meeting for 2017 which is conducted every month. For example: on December 11, 2017 in the meeting room MKNE discussed related the examination of compliance with the use of PPE, socialization OHS, Special Inspection second semester 2017 (audiometric follow-up) and replacement of warning board.

minor 4.7.5.

Certificate holder procedures for the handling of work accidents and emergency response for example: procedure of Emergency Response No. SOP / SMART / GENERAL / SADV / I / 005 and procedure of Accident and Occupational Disease Management SOP No. SOP / SMART / HESS - EHSD / SADV / I / 005.

Based on interview with mill & estate workers are known that the CH already know the procedure about OHS. To facilitate evacuation in the event of an emergency, the company has established an evacuation route. The evacuation route is available in offices and mill. Besides that, it has been equipped with maps and other markers and adequate sign boards. To the visitors who come will be socialize safety induction as a guide health and safety in the visit process.

There is appointment of first aid officer in Muara Kandis Mill with SK 001 / SK / FM-MKNM / II / 2018 number dated February 5, 2018. Available handover of First aid kit on February 5, 2018 is located at the location of the office, security post, laboratory, processing, workshop and hazardous storage. Based on field visits, First aid kit is available in office and estate.

minor 4.7.6.

Certificate holder shows payment evidence of Health & Labor insurance period January and February 2018. For example:

Muara Kandis Mill.

- Payment of Health insurance for February 2018 of 127 workers amounted to IDR 16,886,010, -. It was paid on February 9, 2018.
- Payment of labor insurance for January 2018 of 135 workers amounted to IDR 36,653,728. It was paid on February 8, 2018 via Mandiri Bank.

Muara Kandis Estate

- Payment of Health insurance for January 2018 of 562 workers amounted to IDR 95,437,955,-. It was paid on January 8, 2018.
- Payment of labor insurance for January 2018 of 727 workers amounted to IDR 189,234,797. It was paid on February 20, 2018 via Mandiri Bank.

Muara Tawas Estate

- Payment of Health insurance for January 2018 of 444 workers amounted to IDR 57,631,200,-. It was paid on January 22, 2018.
- Payment of labor insurance for January 2018 of 547 workers amounted to IDR 142,931,066. It was paid on January 22, 2018 via Mandiri Bank.

Based on interviews with Mill & Estate workers, every workers has receive Health and Labor insurance.

minor 4.7.7.

Certificate Holder shows the recapitulation of work accidents using LTA for the period of 2017, among others: Muara Kandis Mill → Frequency Rate (FR) = 0 and Severity Rate (SR) = 0.

Muara Kandis Estate → Frequency Rate (FR) = 73 and Severity Rate (SR) = 178.
 Muara Tawas Estate → Frequency Rate (FR) = 43 and Severity Rate (SR) = 173.

4.7.3. Status: Observations

4.8

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

MAJOR 4.8.1 and minor 4.8.2.

Certificate holder shows employee training programs for the 2018 period such as: Fire extinguisher training and maintenance, First Aid Training, Environmental Training, Training of operator boiler & Welder, PIC Social Training (Business & Human Rights), SCCS Training, RSPO training and etc.

Training records for employees of CH period of 2017 such as: hazardous toxicity handling & emergency response training, Training on fire extinguisher and Hydrant use, Training of firefighter, Boiler and power house operational training, Fire simulation in work environment, Chemical spill simulation, Socialization of PPE

Status: Comply

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

5.1

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

Major 5.1.1; Minor 5.1.2

Until ASA-3 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.

Minor 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 Februari 2018 and as the feedback of review, company has included landfires monitoring, land applications, and toxic/hazardous waste monitoring parameters since 1st semester 2016 monitoring report.

However, based on document review and auditor justification Not all environmental monitoring plans have been implemented. Based on the results of the RKL-RPL implementation study document semester 1 and semester 2 of 2017, it is known that not all parameters are monitored and managed in accordance with the directives in RKL-RPL documents. For example: the noise level testing parameters produced by the factory machine once a month. **It was raised as non conformance No. 2018.1.**

5.1.3 Status: non conformance No. 2018.1 with minor category

5.2

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

Major 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.

Major 5.2.2; Minor 5.2.3

HCV identification results also explain there is an vulnerable (VU) species according IUCN-Redlist namley *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 K55 (MTWE) and block H23 (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 Lakitan and Temani 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 appications 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 1 and 2 MKNE found there is no RTE / wild species reared by workers.

Minor 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 2nd semester 2017 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.

Minor 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.

Major 5.3.1

Registry for waste (included toxic and hazardous waste) products produced fom 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.

Major 5.3.2; Minor 5.3.3

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.

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 February 24th 2016 (manifest are available and checked by auditors). Observation during audits at temporary hazardous&toxic waste storage shown that all of hazardous waste are compliant with the periods in permit (< 180 days).

<p>All settlements waste are not disposed off using open fire. Field observation in MTWE 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 (> 1 km) from housing and situated on flood free areas. Ensure that all waste, especially the packaging of used fertilizer, is managed according to the SOP and Working Instruction owned. (OFI)</p>	
5.3.2.	Status: OFI
<p>5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>	
<p>Minor 5.4.1 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 September 2017 - January 2018, fiber and shell usage for boiler resulting average energy efficiency for diesel fuel are 1,52 litre/tonne CPO, for electricity are 16,97 kWh/tonne FFB, for shell usage are 0.27 tonne shell/tonne CPO, and 0.58 tonne fiber/tonne CPO for fiber usage.</p>	
	Status: Comply
<p>5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.</p>	
<p>MAJOR 5.5.1 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"> • Hold fire prevention patrol the estate and surrounding land region • Prepare the squads and fire extinguishers in accordance with the conditions of their employees on site • Assist the government in case of fires around the estates and area development • Make the warning boards or fire hazard warning symbols and ban burning of the field • Efforts to improve coordination with relevant agencies fire prevention • Do not cultivate estates or clearing land using the technique with deliberate arson. <p>There are reports of forest fire monitoring implementation of the Land and Forest period of July to December, 2017 to the Environment Agencies Regency of Musi Rawas.</p>	
	Status: Comply
<p>5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>	
<p>Major 5.6.1; Major 5.6.2 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. All waste including emmissions and pollutions sources from Mill and estate are identified and recorded on waste and pollution identification risk 2018 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 September 2017 - January 2018 sighted that all of waste water testing parameters is compliant to the standards quality, for example BOD on January '18 are 1,385 mg/l (< 5000 mg/l). CH already has a sound inspection mechanism that regulates audiometric tests for employees with high noise exposure, audiometric examination is conducted once a year. for example audiometric inspection on August 28, 2017 for operator generator at emplasment 1,2, & 3 and Air Pump Operator as many as 13 people (12 normal and 1 almost normal). see 4.6.11. To prevent hearing loss of mill workers with high noise exposure CH checks the worker's PPE every day before the activity begins. And place a warning sign in each area with a noisy sound.</p>	
<p>Minor 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 peridically.</p>	

Company also conducted GHG calculation for July 2016-June 2017 period based on RSPO GHG palm V 3.1 and this calculation have been reported to RSPO by email on January 29th 2018. 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	tCO2e/t product	Product	tCO2e/t product
CPO	0,69	PKO	-
PK	0,69	PKE	-

Overall emissions summary

	Own crop	Group	Outgrower
Total field emissions (tCO2e)	68,2%	4,93%	0
Total mill emissions (tCO2e)	26,88%	0	0

Summary of Net GHG Emissions Muara Kandis Mill

Emissions per Product	tCO2e/tProduct
CPO	60828,72
PK	15861,31

Extraction	%
OER	22,13
KER	5,77

Production	t/yr
FFB processed	184728,52
CPO produced	90169,89

Land Use	Ha
OP planted area	994,78
OP planted on peat	0
Conservation (forested)	434,48
Conservation (non-forested)	5,77
Total	

Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd Party		TOTAL	
	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha
<i>Emissions</i>								
Land Conversion	67262,5	9,88	493,83	9,88	0	0	0	0
*CO2 Emissions from Fertiliser	4405,74	0,65	2345,46	46,91	0	0	0	0
**N2O Emissions	5675,69	0,83	2196,31	43,93	0	0	0	0
Fuel Consumption	2328,08	0,34	717,95	14,36	0	0	0	0
Peat Oxidation	0	0	0	0	0	0	0	0

Sinks					0	0	0	0
Crop Sequestration	-	-9,36	-468,09	-9,36	0	0	0	0
	63755,93							
Conservation Sequestration	0	0	0	0	0	0	0	0
Total	15915,98	2,34	5285,46	105,71	0	0	0	0

Summary of Mill Emissions and Credits

	tCO2e	tCO2e/tFFB
Emissions		
POME	30985,93	0,11
Fuel Consumption	410,52	0
Grid Electricity	0	0
Utilisation	0	0
Credits		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	31396,45	0,11

Emissions from palm kernel crusher

Emission Source	tCO2e
PK from own mill	10878,49
PK from other sources	0
Fuel Consumption	0
Total crusher emissions	0

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.

MAJOR 6.1.1; MAJOR 6.1.2 and MAJOR 6.1.3.

The certificate holder has conducted a survey and Social Impact Assessment (SIA) in 2013-2014 and recorded in Report SIA - "Laporan Studi Identifikasi Dampak Social 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.

Social impact monitoring and monitoring plans in the SIA document include:

- Operational vehicles cause dust and harm to children.
- EFB application close to the settlement resulting in smells & flies.

- Social unrest related to social assistance.
- Maintenance of village roads is considered less than optimal.

minor 6.1.4.

Certificate holder shows the matrix of social impact analysis Year 2017, among others:

- Fertilization and management:
- Transport of production facilities of harvest (yield).
- FFB processing
- Waste management process.
- Partnerships (plasma & Community Palm Oil Rejuvenation)
- Employment
- Community empowerment

minor 6.1.5.

To reduce negative impacts from surrounding communities, the CH has developed smallholder scheme namely "Pendawa Plasma" since 1997 with engaged Coopertive Unit "KUD Sadar Sejahtera". Recommended CH negative impact management plan include:

- Operational vehicles cause dust and harm to children.
- EFB application close to the settlement resulting in smells & flies.
- Social unrest related to social assistance.
- Maintenance of village roads is considered less than optimal

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.

minor 6.2.2 & minor 6.2.3.

Person in charge of Social Estate and Mill Manager. PIC task is to accommodate the implementation of social impact analysis, be responsible to Top Management of the implementation of the communication process and consultation with stakeholders, and coordinate with HR Operations related to employment.

Communication Recordings informs the date, name of the complainant, address, subject / content, recipient, action, status of mail and PIC. For example:

Letter from Lubuk Pandan Village Head dated on 29 August 2017 with number 11/140 / LP / 2017 regarding heavy equipment rent. It has been responded by providing usage of motor graders dated September 12, 2017

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.

MAJOR 6.3.1

The company has the SOP Handling Complaints and Dis-satisfaction no. SOP/SMART/SIGS-CSR/SADV/II/003 that explain the process of delivering and handling complaints and grievances internally and externally. In the SOP also mentioned that the company guarantees the anonymity of the reporting and the revealer of the case (whistleblower). Head of Administration is responsible for hearing and record all complaints and grievances that exist both orally and in writing from the external. Responses to the complaint and dissatisfaction is given as soon as possible and no later than one month after the issue received. SOP Handling Complaints and Dissatisfaction only up to the enterprise level. Based on interviews with management, if there is no solution in the complaint mechanism, can be brought to the RSPO Complaint System.

In order to ensure stakeholder awareness regarding to complaints and dissatisfaction mechanism, SPO officer has conducted socialization of those procedure. The latest socialization has been held on February 14th 2018. According to the public consultation result to the Karya Mukti and Karya Sakti Village on February 27th 2018 and Sadar Sejahtera Cooperation on 28th February 2018 concluded that whole village representative and cooperative management has been well-known regarding to the complaint mechanism.

MAJOR 6.3.2

The whole recording and handling of related complaints recorded in the Monitoring Form Handling Complaints and dissatisfaction. Based on the form is known that there was several complaint from stakeholder. For example, complaint from labor union regarding to school bus damage on April 3rd 2017. The management has response and fixed it on April 6th 2017. According to interviews with workers and communities there are no complaints or dissatisfaction of employees and external (community).

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.

MAJOR 6.4.1; minor 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/II/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.

MAJOR 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.

MAJOR 6.5.1

The company hired their employee with status monthly rate worker, daily rate worker, peace worker, temporary worker etc. They determines minimum wages based on the Government regulation every year, the minimum wages in 2018 as regulated in South Sumatera Governor Decree dated on December 8th 2017 concerning the establishment of South Sumatera Province minimum wage in 2018

Company determines minimum wages based on the government regulation every year. The minimum wages in 2018 as regulated in South Sumatera Governor Decree dated on December 8th 2017 regarding to minimum wage in Province of South Sumatera year of 2018. Minimum wage set by the government is **IDR 2,725,800** whereas the value of wages established by the decision of CEO is **IDR 2,727,800/month** (for daily rate worker) and started from **IDR 2,765,200/month** (for lowest grade of monthly rate worker) in force since January 1, 2018 for all permanent workers below of one year work period. Based on document verification and interview with estates and mill workers that known, the company has paid all wage according to regulation. For example, according to simulation of calculation overtime payment for security officer in MTWE (58.50 hours) on January 2018 has comply with the regulation. Therefore according to interview with harvester, sighted that work hours from 7.00 am – 14.00 pm. When the low crop, they have minimum basis in accordance to target area of the least 4 hectare. There are no violating the wage regulation and force to work.

MAJOR 6.5.2.

According to the labor ministry No. 32 year 2008, the company has had bipartite cooperation institute. They also has labor union that has completed and registered collective labor agreement period 2018 – 2020 to the labor agency of Musi Rawas District. Those Collective Labor Agreement consist several labor laws such as labor rights, recruitment, probation, promotion, working day, overtime, annual and incidental leave, reproduction right, payments, health and pension program, OHS, complaint mechanism etc. Based on document verification and public consultation with labor union or employee in mill/estate known that whole employee has had working agreement before start to work. Those agreement officially verified and registered to the labor agency in Musi Rawas District.

minor 6.5.3.

Company can show a list of facilities and infrastructure for workers consisting of housing, lighting, water, daycare, cooperatives, the employee halls, worship place, school buses, clinics and educational facilities. The results of interviews with workers and their family at the housing complex, it is known that they are enough satisfied with the infrastructure and facilities that have been provided by the company. Based on interview with workers in housing complex that known: generator set (electricity) will operation every night from 18.00 – 24.00 p.m. therefor it will operation against on 03.30 – 05.30 a.m. While the clean water were provided by the company through artesian well on each housing complex.

minor 6.5.4.

According to field visits and interview with workers and their family in each housing complex MKNM, MKNE and MTWE concluded that they have no difficulty to access their basic needs. It all can be accessed in surrounding village near the housing complex. Moreover, the company has provide a place to use by local food traders during the payment day with competitive prices.

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.

MAJOR 6.6.1 and minor 6.6.2

Management has had the Chief of Operation Circular Letter dated November 15 2010 explained that the company respect the rules and regulations prevailing in Law No. 21/2000 on Labor union. Based on interview with Labor Union, management provides freedom to all workers to establish labor unions. The result of an agreement between the labor unions and the company in the form of Collective Labor Agreement which is available in bahasa and has been implemented by the company.

Based on verification and interview, the employee of PT. Djuanda Sawit Lestari has divided into three (3) labor union named *FSB Nikeuba*, *SPPPP-SPSI* and *SBDB-MR*. Whole employee are voluntary and free to join the labor union.

They also had bipartite council that approved by head labor and transmigration agency of Musi Rawas District since February 27th 2017. Based on document verification, bipartite council has attended the meeting regularly. The last meeting has been held on February and April 2018 with collective labor agreement as a concern issues to discuss.

Status: Comply

6.7

Children are not employed or exploited.

MAJOR 6.7.1.

There are Social and Environment Policy signed by Head of Upstream, CEO-Downstream & Commercial, Executive Director & CFO, and Managing Director of Sustainability & Strategic Stakeholder Engagement on November 2015. That was explain about prohibits to employ children and make a prevention the use of child labor in our operations. Take a corrective action, if founded the child labor and ensuring that the appropriate follow up and provide safety to them. According to interviews with worker union and Man Power Agency District of Musi Rawas and field observations in each estate and mill, it's known there was no child labor is found.

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.

MAJOR 6.8.1 and MAJOR 6.8.2

There are Social and Environment Policy signed by Head of Upstream, CEO-Downstream & Commercial, Executive Director & CFO, and Managing Director of Sustainability & Strategic Stakeholder Engagement on November 2015. That was explain about the company will give equal opportunities to all workers and embrace diversity, regardless of ethnicity, religion, disability, gender, political affiliation, sexual orientation and or worker union. Based on interview with some workers on estates and mill that known, there are no issues related to discrimination by company or other workers.

minor 6.8.3.

Based on interview with estate or mill manager and more than 20 person of employee during the audit, it is known that whole employee divided into different races, religion, local language, gender etc. However, there is no personally or by group discrimination that they feel so far. Every single person of employees get equal treatment in work and career according to their duties and responsibilities.

Status: Comply

6.9

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

MAJOR 6.9.1 and MAJOR 6.9.2

The Company has a policy on the prevention of sexual harassment and violence as outlined in circular letter CEO PSM2 on January 10th 2011. Besides that, according to Social and Environment Policy stated that the company practice zero tolerance of sexual and all other forms of harassment and abuse. Refer to minutes of meeting that shown, those policy has disseminated to all employee in each unit at the same date (January 26th 2018). Especially to the women worker.

minor 6.9.3

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. Interviews with the management committee of gender shows that they already know the duties and responsibilities as the socialization of the complaints mechanism, the socialization of sexual harassment, etc. The company guarantees the anonymity of the reporting and the revealer of the case. Based on interviews with Labor unions and Gender Committee, there is no cases related to abuse or violence.

Status: Comply

6.10

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

minor 6.10.1 and MAJOR 6.10.2

Muara Kandis Mill receives FFB from their own estates and nucleus estate (KKPA) with fully managed by the company and third parties. The prices were set for FFB of KKPA estates is the price from government. Based on interview with cooperative management of Sadar Sejahtera on March 1st 2018 is known that FFB price has informed by the company or local government. Annually FFB payments recorded and reported by the company and paid via bank transfer. There was no payment problem so far.

minor 6.10.3 & minor 6.10.4.

The company have agreement with local contractor dated on May 24th 2017. All contract was written in Bahasa and clear about rights and obligation both of parties. According to transfer document verification and interview with head of nucleus cooperation, there are no delayed of payments.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

Minor 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.

Minor 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.

MAJOR 6.12.1; minor 6.12.2; MAJOR 6.12.3

Based on interviews with unit management and workers in the field, up to the audit conducted no foreign workers who worked as an operational unit.

Based on documents verification list of employees of PT Djuanda Sawit Lestari noted that there are no illegal workers, it is supported by interviews with management unit and local contractors, there are no employees was hired illegally. Every worker has work agreement or letters of appointment. Therefore according to interview with harvester, sighted that work hours from 7.00 am – 14.00 pm. When the low crop, they have minimum basis in accordance to target area of the least 4 hectare. There are no violating the wage regulation and force to work.

Status: Comply

6.13

Growers and millers respect human rights

MAJOR 6.13.1.

Policy of Environment and Social GAR were including the human rights for all workers. The company has socializing this policy to all workers and contractor on each unit. For example: MKNE unit has socializing this policy to all employee dated May 27th 2017.

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.

Major 7.1.1; Minor 7.1.2; Minor 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:

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.

MAJOR 7.2.1 and minor 7.2.2

The certificate holder has a Detailed Soil Map containing a land map and contains information on: soil classification, texture, depth, drainage, limiting factor, rocks and conformity information for oil palm plantation development, ie map and land classification Muara Kandis Estate (No. Reg RPMNP / 18/02/214/026) and Muara Tawas Estate (No. Reg RPMNP / 18/02/214/028) presented on a scale of 1: 75,000. The map is equipped with a Table of Soil Characteristics and Land Suitability Assessment of Palm Crop Land

Result of document verification of area statement, known that MKNE has not cleared the land since 2006, and MTWE since 2002. The spread of planting year consists of planting year 1995 - 2005 and up to the audit activity is the oldest plant age that is year of planting 1996 which is 23 years old. The result of verification of long-term bussiness plan document known that the certificate holder has prepared the replanting plan that is in 2020 of 725 Hectares and 2021 of 1,531 Hectares.

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.

Major 7.3.1; Major 7.3.2; Minor 7.3.3; Major 7.3.4; Minorn7.3.5	
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.	
	Status:
7.4	
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.	
minor 7.4.1 and MAJOR 7.4.2	
The certificate holder has a Detailed Soil Map containing a land map and contains information on: soil classification, texture, depth, drainage, limiting factor, rocks and conformity information for oil palm plantation development, ie map and land classification Muara Kandis Estate (No. Reg RPMNP / 18/02/214/026) and Muara Tawas Estate (No. Reg RPMNP / 18/02/214/028) presented on a scale of 1: 75,000. The map is equipped with a Table of Soil Characteristics and Land Suitability Assessment of Palm Crop Land	
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	Status: Comply
7.5	
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
MAJOR 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.	
	Status: Comply
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.	
MAJOR 7.6.1; MAJOR 7.6.2; MAJOR 7.6.3; minor 7.6.4; minor 7.6.5; minor 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	
	Status: Comply
7.7	
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
MAJOR 7.7.1; minor 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	
	Status: Comply
7.8	
New plantation developments are designed to minimise net greenhouse gas emissions.	
Mjaor 7.8.1; Minor 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	
	Status:
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity	

8.1

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

The company has conducting annual internal audit of their sustainability scheme. The last internal audit was carried out on February 2017. All NC's has been closed out.

- Continuous Improvement in Best Management Practices:
The use of MTG technology (Mini Tractor Grabber) in transporting FFB and Bin System technology in FFB delivery.
- Continuous Improvement in Environment Aspect:
 - CH plans to install biogas installations to reduce greenhouse gas emissions.
 - CH has Certified for PROPER (green) period of 2017.
 - Regularly environment monitoring, such as: water and air quality.
- Continuous Improvement in Safety Aspect:
Zero Accident on Mill Activities during last year.

Status: Comply

3.2 Summary of Assessment Report of Supply Chain Requirements

3.2.1 General chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Question: Does the organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products at their premises or through the outsourcers?</p> <p>According interview with mill manager, that's known there are physically handles of RSPO Certified Sustainable oil palm products through the outsourcers. For example: CPO & PK transport, however all of transporters were under control by downstream/contract with downstream. The mill will be dispatch CPO and PK with volume in accordance to Delivery Order from Downstream. For example:</p> <ul style="list-style-type: none"> - PK Dispatch to PT Sinar Alam Permai was using transporter PT Fajar Gelora Semesta dated 23 January 2018. - PK Dispatch to PT Sumber Indah Perkasa was using transporter CV Cipta Maju Mandiri dated 10 February 2018. - CPO Dispatch to PT Sumber Indah Perkasa was using transporter PT Mitra Insan Persada dated 26 February 2018.
	Status: Comply
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Question: Is the organization buying from RSPO licensed traders who pass the certification number of the product manufacturer and the applicable supply chain model?</p> <p>According to interview with mill manager and document verification, there are no RSPO product buying by the Muara Kandis Mill.</p>
	Status: Comply
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Question: Is the site level or its parent company a member of RSPO and registered on RSPO IT platform?</p> <p>Muara Kandis Mill has already registered for the supply chain platform. According to the RSPO Palm Trace, the registration of this Mill are:</p> <p>Member Name: PT Djuandasawit Lestari – Muara Kandis Mill</p> <p>Account UID: RSPO_AC1000001651</p> <p>Member ID: RSPO_PO1000001631</p>
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Question: Is the site level or its parent had a processing aids?</p> <p>According to field observation and interview with Mill Manager, there are no processing aids on this certification scope.</p>
	Status: Comply

5.2	Supply chain model
5.2.1 The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	
Question: Has the organization applied the Supply Chain Model correctly?	
Based on document verification and field observation to Security Post and Weighbridge Station, the certification unit only apply one supply chain model (Module E/Mass Balance). During ASA-3 verification, there are several FFB supplier: <ul style="list-style-type: none"> - Muara Kandis Estate (HGU/Certified) & (Non HGU/Non Certified) - Muara Tawas Estate (HGU/Certified) & (Non HGU/Non Certified) - Pendawa Plasma (Non Certified)*. 	
Status: Comply	
5.2.2 The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
Question: Has the organization applied a combination of Supply Chain Model correctly?	
Based on document verification and field observation to Security Post and Weighbridge Station, the certification unit only apply one supply chain model (Module E/Mass Balance). During ASA-3 verification, there are several FFB supplier: <ul style="list-style-type: none"> - Muara Kandis Estate (HGU/Certified) & (Non HGU/Non Certified) - Muara Tawas Estate (HGU/Certified) & (Non HGU/Non Certified) - Pendawa Plasma (Non Certified)*. 	
Status: Comply	
5.3	Documented procedures
5.3.1 The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
Questions : Documented procedures established and covering all provisions following: <ul style="list-style-type: none"> o Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. o Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). o Identification of the role 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 organization's 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: <ul style="list-style-type: none"> - 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 noncertified sources. Consideration to adjustment the Supply Chain Procedure and internal audit in accordance to RSPO SCC Standard Revision 14 June 2017. OFI	
Status: Comply	
5.3.2 The site shall have a written procedure to conduct annual internal audit	
Question : Documented annual internal audit procedures established and covering all provisions :	

- i) Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.
 ii) Effectively implements and maintains the standard requirements within its organization.

The latest internal audit has conducted on 4 February 2017. All the SCC standard requirement was complied. Therefore internal audit program year of 2018 will be conducted on 8 – 13 July 2018.

Status: Comply

5.4 Purchasing and goods in

5.4.1

The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier

Question :

All RSPO product information is provided by suppliers in accordance with :

- The name and address of the buyer;
- The name and address of the seller;
- The loading or shipment / delivery date;
- The date on which the documents were issued;
- A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);
- The quantity of the products delivered;
- Any related transport documentation;
- Supply Chain certificate number of the seller;
- A unique identification number
- Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).
- The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.
- A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.
- The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements.

CPO

The company has record of CPO shipment, for example:

1. Contract Number: DIC/2850/140218/0002; Delivery Note: 2850/CPO/LK/18/02/0140 dated 26 February 2018 to PT Sumber Indah Perkasa Plaza BII Menara II Lt. 30, MH Thamrin-Jakarta (Boom Baru Bulking in Palembang). Non certified product: 19,360 Kg. The unique identification number N153 MKNMT 04362. Vehicle Number: BG 8859 JA (PT Mitra Insan Persada). WB Card No. A174 MKNM E 05045.

PK

The company has record of PK shipment, for example:

1. Contract Number: DIC/2850/131217/0001; Delivery Note: 2850/KER/LK/18/01/0023 dated 23 January 2018 to PT Sinar Alam Permai, Jl. Blabak No. 3 Boom Baru, Sumatera Selatan. Non certified product: 18,390 Kg. The unique identification number: N153 MKNMT 04091. Vehicle Plate Number: BG 8765 UQ (PT Fajar Gelora Semesta). WB Card No. A174 MKNM E 02224 netto: 18,390 Kg.
2. Contract Number: DTC/2859/300118/C001; Delivery Note: 2850/KER/LK/18/02/0033 dated 10 February 2018 to PT Sumber Indah Perkasa Plaza BII Menara II Lt. 30, MH Thamrin-Jakarta (Boom Baru Bulking in Palembang). Non certified product: 20,640 Kg. The unique identification number: N153 MKNMT 04255. Vehicle Number: BG 8404UN (CV. Cipta Maju Mandiri). WB Card A 174 MKNM E 03872.

According to interview with head of administration of MKNM and palm trace account verification, that's known there are no RSPO Certified of CPO and PK Selling since 18 May 2017 to 24 February 2018.

	Status: Comply
5.4.2	
The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents	
Question :	
Has the organization established mechanism in place for handling non-conforming oil palm products and/or documents?	
The company has procedure FFB sortation 06-03/MCMD-SE-PG/096 dated 2 March 2006. Therefore there are also procedure of Mill Operational SOP/SMART/MCMD//TM-PKS Rev.6, it was explain about mechanism for handling nonconforming of CPO and PK.	
	Status: Comply
5.5	Outsourcing activities
5.5.1	
In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.	
Question : Are the outsourcers RSPO certified?	
According to interview with Mill Manager and Mass Balance record, all CPO sell to PT Sumber Indah Perkasa (Palembang) and PK sell to PT Sinar Alam Permai; the transportation is responsible buyer. There are no CSPO and CSPK (Certified RSPO) during last year.	
	Status: Comply
5.5.2	
Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:	
<ul style="list-style-type: none"> a. The site has legal ownership of all input material to be included in outsourced processes; b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance 	
Question : Has the site established outsourcing procedures, agreement and keeps legal ownership of the products during the outsourcing	
According to interview with Mill Manager and Mass Balance record, all CPO sell to PT Sumber Indah Perkasa (Palembang) and PK sell to PT Sinar Alam Permai; the transportation is responsible buyer. There are no CSPO and CSPK (Certified RSPO) during last year. There are sample of Work Order between PT SIP with PT Mitra Insan Persada No. 0180/SPK/PLMB/SIP/NT/XII/2017 dated 22 December 2017; Volume: 300 MT to Bulking Boom Baru; transport period: 22 December 2017 – 5 January 2018.	
Consideration to ensure all third party contract on transport and physical handling of oil palm RSPO Certified Product is comply with latest SCC Standard Revision on 14 June 2017. OFI	
	Status: Comply
5.5.3	
The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	
Question : Has the site maintained names and contact details of all outsourcers?	
According to interview with mill manager, that's known all CPO and PK transport was agreement with downstream. However there are list of names and contact details of all outsourcers, such as:	
<ul style="list-style-type: none"> - CV. Cipta Maju Mandiri (PK transporter) - PT Mitra Insan Persada (CPO transporter) 	

	Status: Comply
5.5.4	
The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products	
Question : Has MUTU informed about any new outsourcers?	
The company has a stakeholders list, include a transporter. The list of stakeholders will be updated every year or if any changed.	
	Status: Comply
5.6	Sales and goods out
5.6.1	
The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
Question :	
All RSPO product information is provided by the organisation in accordance with :	
<ul style="list-style-type: none"> • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number. • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products • For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. • 	
CPO	
The company has record of CPO shipment, for example:	
<ol style="list-style-type: none"> 1. Contract Number: DIC/2850/140218/0002; Delivery Note: 2850/CPO/LK/18/02/0140 dated 26 February 2018 to PT Sumber Indah Perkasa Plaza BII Menara II Lt. 30, MH Thamrin-Jakarta (Boom Baru Bulking in Palembang). Non certified product: 19,360 Kg. The unique identification number N153 MKNMT 04362. Vehicle Number: BG 8859 JA (PT Mitra Insan Persada). WB Card No. A174 MKNM E 05045. 	
PK	
The company has record of PK shipment, for example:	
<ol style="list-style-type: none"> 1. Contract Number: DIC/2850/131217/0001; Delivery Note: 2850/KER/LK/18/01/0023 dated 23 January 2018 to PT Sinar Alam Permai, Jl. Blabak No. 3 Boom Baru, Sumatera Selatan. Non certified product: 18,390 Kg. The unique identification number: N153 MKNMT 04091. Vehicle Plate Number: BG 8765 UQ (PT Fajar Gelora Semesta). WB Card No. A174 MKNM E 02224 netto: 18,390 Kg. 2. Contract Number: DTC/2859/300118/C001; Delivery Note: 2850/KER/LK/18/02/0033 dated 10 February 2018 to PT Sumber Indah Perkasa Plaza BII Menara II Lt. 30, MH Thamrin-Jakarta (Boom Baru Bulking in Palembang). Non certified product: 20,640 Kg. The unique identification number: N153 MKNMT 04255. Vehicle Number: BG 8404UN (CV. Cipta Maju Mandiri). WB Card A 174 MKNM E 03872. 	
According to interview with head of administration of MKNM and palm trace account verification, that's known there are no RSPO Certified of CPO and PK Selling since 18 May 2017 to 24 February 2018.	
	Status: Comply

5.7	Registration of transactions
<p>5.7.1 Supply chain actors who:</p> <ul style="list-style-type: none"> • are mills, traders, crushers and refineries; and • take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable 	
<p>Question : Has the organization registered their transactions in the RSPO IT platform? (mills, traders, crushers and refineries only)</p>	
<p>Muara Kandis Mill has already registered for the supply chain platform. According to the RSPO Palm Trace, the registration of this Mill are:</p> <p>Member Name: PT Djuandasawit Lestari – Muara Kandis Mill</p> <p>Account UID: RSPO_AC1000001651</p> <p>Member ID: RSPO_PO1000001631</p>	
<p>Status: Comply</p>	
<p>5.7.2 The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> • Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. • Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. • Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. • Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements/ Announcements. 	
<p>Question : Did the organization correctly perform the applicable actions on RSPO IT Platform?</p>	
<p>According to interview with head of administration of MKNM and palm trace account verification, that's known there are no RSPO Certified of CPO and PK Selling since 18 May 2017 to 24 February 2018.</p>	
<p>Status: Comply</p>	
5.8	Training
<p>5.8.1 The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff</p>	
<p>Question : Has the organization established RSPO training plan?</p>	
<p>The company has annual RSPO SCCS training program, year of 2018 will be conducted on October. The latest training SCCS has been conducted on 28 February 2018 to all FFB, CPO and PK transport driver. While internal training to CCP (security, weighbridge operator, grading operator, CPO Dispatch operator, laboratory/sample boy was conducted on 20 November 2017.</p>	
<p>Status: Comply</p>	
<p>5.8.2 Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed</p>	
<p>Question :</p>	

Has the organization Delivered Effective RSPO training?	
The management unit has evaluate effectiveness of SCCS training, therefore according to interview with weighbridge operator. They can demonstrate about SCCS procedure.	
	Status: Comply
5.9	Record keeping
5.9.1	
The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements	
Question :	
All records are accurate, complete, up-to-date and accessible?	
The company has Mass Balance record to informing the accurate, complete and up to date data of Supply Chain. This document was monitor by Head of Administration in Mill and easily to access.	
	Status: Comply
5.9.2	
Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock	
Question :	
All records are kept for minimum two years and comply with legal and regulatory requirements?	
The certification holders has document and recording kept procedure number SOP/SMART/UMUM/SADV//001 dated 1 July 2014. All the document will keeping for 10 years. After all document was expired, its document consider to be dispose with known by management.	
	Status: Comply
5.9.3	
The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	
Question :	
For all palm oil / palm kernel oil volumes purchased (input) and claimed (output) records kept over a period of twelve (12) months?	
The certification holders has document and recording kept procedure number SOP/SMART/UMUM/SADV//001 dated 1 July 2014. All the document will keeping for 10 years. After all document was expired, its document consider to be dispose with known by management.	
	Status: Comply
5.10	Conversion factors
5.10.1	
Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries	
Question :	
Conversion rates applied accurately?	
Not applicable, the certification scope only palm oil mill and estates supply bases, there are no relevant for derivatives of PK and PKO.	
	Status: Comply

5.10.2	
Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
Question : Conversion rates periodically updated?	
Not applicable, the certification scope only palm oil mill and estates supply bases, there are no relevant for derivatives of PK and PKO.	
	Status: Comply
5.11	Claims
5.11.1	
The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
Question : Any communication to any stakeholder group / customers issued in accordance with RSPO Rules on Market Communications and Claims?	
According to document verification (WB Card, Delivery Note, Contract, etc) there are no RSPO Certified Product Claim during certification period (18 May 2018 – 24 February 2018).	
	Status: Comply
5.12	Complaints
5.12.1	
The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Question : Documented procedures for stakeholders complaints established?	
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.	
	Status: Comply
5.13	Management review
5.13.1	
The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
Question : Management reviews performed annually at planned intervals?	
The company has internal audit SOP/SMART/UMUM/SADV/II/009 signed by Sustainability Division Head dated 1 July 2014, Sustainable Palm Oil will be conducted annually by internal audit team (Sustainability Division). Therefore, there are also Management Review SOP/SMART/UMUM/SADV/II/010 Sustainability Division Head dated 1 July 2014. The management review will attended by Top management, Management Representative, and Related Staff will be conducted after internal audit final report raised.	
	Status: Comply
5.13.2	
The input to management review shall include information on:	
<ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. 	

- Recommendations for improvement.

Question :

Has all input required above has been included in the management review?

According to interview with mill manager, that's known the management review will conducted every month. For example: Management Review dated 15 September 2017, it was covering RSPO Supply Chain Certification Standard, customer feedback, status of preventive and corrective actions. Since January – September 2017 there are no complaints from transporter and bulking related to quality product. If any complaints from customer, during transporting or selling activity. It should be resolved by related stakeholders.

Status: Comply

5.13.3

The output from the management review shall include any decisions and actions related to:

- Improvement of the effectiveness of the management system and its processes.
- Resource needs.

Question :

Has all output required above has been included in the management review?

According to interview with mill manager, that's known the management review will conducted every month. For example: Management Review dated 15 September 2017, it was covering RSPO Supply Chain Certification Standard, customer feedback, status of preventive and corrective actions. Since January – September 2017 there are no complaints from transporter and bulking related to quality product. If any complaints from customer, during transporting or selling activity. It should be resolved by related stakeholders.

Status: Comply

3.2.2 (Module E) CPO Mills - Mass Balance Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements																				
E.1	Definition																				
E.1.1	<p>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.</p> <p>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:</p> <p>Certified sources:</p> <ol style="list-style-type: none"> Muara Kandis Estate/MKNE (2820) Muara Tawas Estate/MTWE (2821) <p>Non-Certified sources:</p> <ol style="list-style-type: none"> Pandawa Plasma (PNDA)/associated smallholder scheme: <ul style="list-style-type: none"> Kelompok Tani Tugu Sempurna (KTGA) Kelompok Tani Revitalisasi (KTRA) Kelompok Tani Sadar (KTSA) Kelompok Tani Komersil (KTNA) Kelompok Tani Mukti Jaya (KTJA) Muara Kandis Estate/MKNE (2820) Non-Certified area Muara Tawas Estate/MTWE (2821) Non-Certified area 																				
	Status: COMPLY																				
E.2	Explanation																				
E.2.1	<p>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.</p> <p>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.</p> <p>Muara Kandis Mill has a figure for estimated tonnage of certified product as follow:</p> <table border="1"> <thead> <tr> <th>Product</th> <th>Estimate Certified Product 18/05/2017 – 17/05/2018 (MT)</th> <th>Actual Certified Product 18/05/2017 – 24/02/2018 (MT)</th> <th>Remaining volume on Palm Trace (MT)</th> <th>Estimated volume 18/05/2018 – 17/05/2019</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>159,910</td> <td>102,083.47</td> <td>N/A</td> <td>141,552</td> </tr> <tr> <td>CPO</td> <td>36,779</td> <td>22,974.39</td> <td>36,779</td> <td>31,849</td> </tr> <tr> <td>PK</td> <td>9,275</td> <td>6,358.07</td> <td>9,275</td> <td>8,493</td> </tr> </tbody> </table> <p>During 12 months behind, all the palm product (CPO & PK) are sold as non-certified claim.</p>	Product	Estimate Certified Product 18/05/2017 – 17/05/2018 (MT)	Actual Certified Product 18/05/2017 – 24/02/2018 (MT)	Remaining volume on Palm Trace (MT)	Estimated volume 18/05/2018 – 17/05/2019	FFB	159,910	102,083.47	N/A	141,552	CPO	36,779	22,974.39	36,779	31,849	PK	9,275	6,358.07	9,275	8,493
Product	Estimate Certified Product 18/05/2017 – 17/05/2018 (MT)	Actual Certified Product 18/05/2017 – 24/02/2018 (MT)	Remaining volume on Palm Trace (MT)	Estimated volume 18/05/2018 – 17/05/2019																	
FFB	159,910	102,083.47	N/A	141,552																	
CPO	36,779	22,974.39	36,779	31,849																	
PK	9,275	6,358.07	9,275	8,493																	
	Status: COMPLY																				
E.2.2	<p>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).</p>																				

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. MKNE (2820)-HGU = 48,946.99 MT
2. MTWE (2821)-HGU = 53,136.48 MT

Non-Certified sources:

1. Pendawa Plasma (PNDA):
 - Kelompok Tani Tugu Sempurna (KTGA) = 8,759.00 MT
 - Kelompok Tani Revitalisasi (KTRA) = 11,263.23 MT
 - Kelompok Tani Sadar (KTSA) = 28,629.92 MT
 - Kelompok Tani Komersil (KTNA) = 6,490.19 MT
 - Kelompok Tani Mukti Jaya (KTJA) = 5,913.96 MT
2. MKNE (2820) Non-HGU = 12,982.38 MT
3. MTWE (2821) Non-HGU = 2,600.98 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/02/18/01/8526 dated 26 January 2018

From: Muara Kandis Estate Divisi 02 → **marking stamp NC-05 (as Non-Certified sources)**

Quantity: 428 FFB, 8,000 kg.

WB card No: A174 MKNM E 02637; nett weight: 8,500 kg.

Muara Tawas Estate (Non Certified Area)

SPB No: 2821/TBS/03/18/01/4315 dated 16 January 2018

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

Quantity: 586 FFB, 9,370 Kg

WB card No: A174 MKNM E 01444; nett weight: 9,020 kg.

Pendawa Plasma (Non Certified)

SPB No: KTSA/TBS/02/18/02/1880 dated 24 February 2018

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

Quantity: 316 FFB; 6,520 kg.

WB card No: A174 MKNM E 04965; nett weight: 6,710 kg.

SPB No: KTJA/TBS/04/18/02/1586 dated 24 February 2018

From: Kelompok Tani Mukti Jaya Divisi 04 → **no marking stamp (as Non-Certified sources)**

Quantity: 303 FFB; 6,980 kg.

WB card No: A174 MKNM E 04989; nett weight: 7,650 kg.

SPB No: KTNA/TBS/03/18/02/1745 dated 24 February 2018

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

Quantity: 395 FFB; 4,000 kg.

WB card No: A174 MKNM E 04974; nett weight: 4,490 kg.

SPB No: KTGA/TBS/01/18/02/4712 dated 24 February 2018

From: Kelompok Tani Tugu Sempurna Divisi 01 → **no marking stamp (as Non-Certified sources)**

Quantity: 314 FFB; 8,000 kg.

WB card No: A174 MKNM E 04987; nett weight: 8,260 kg.

SPB No: KTRA/TBS/02/18/02/8464 dated 24 February 2018

From: Kelompok Tani Revitalisasi Divisi 02 → **no marking stamp (as Non-Certified sources)**

Quantity: 640 FFB; 8,410 kg.

WB card No: A174 MKNM E 04967; nett weight: 6,810 kg.

Muara Tawas Estate (Certified)

SPB No: 2821/TBS/01/18/02/0857 dated 24 February 2018

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

Quantity: 258 FFB, 6,000 kg.

WB card No: A174 MKNM E 04960; nett weight: 6,630 kg.

Muara Kandis Estate (Certified)

SPB No: 2820/03/02/18 dated 24 February 2018

From: Muara Kandis Estate Divisi 03 → *no specific RSPO marking stamp (as Certified sources), but GHG Emission value is available (for ISCC scheme).*

Quantity: 566 FFB, 10,750 kg.

WB card No: A174 MKNM E 04966; nett weight: 10,800 kg.

Status: **COMPLY**

E.4.2

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

During ASA-3, 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/ 2017 – 17/05/2018 (MT)	Actual Certified Product 18/05/2017 – 24/02/2018 (MT)	Remarks
FFB	159,910	102,083.47	
CPO	36,779	22,974.39	
PK	9,275	6,358.07	

There is no overproduction for certified product.

Status: **COMPLY**

E.5

Record keeping

E.5.1

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

Record of Mass Balance report in period 18 May 2017 – 24 Feb 2018 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 2017	4,687.98	3,952.68	1,050.62	885.83	595.25	487.66
June 2017	9,112.10	6,641.49	2,015.68	1,469.16	529.27	389.93
July 2017	13,538.34	10,385.79	3,006.27	2,306.23	816.36	624.55
Sub Total	27,338.42	20,979.96	6,072.57	4,661.22	1,940.88	1,499.14
August 2017	12,496.56	8,571.32	2,769.59	1,889.65	724.27	495.62
September 2017	11,400.70	8,491.26	2,593.88	1,913.92	654.16	486.62
October 2017	13,048.35	9,185.41	2,876.67	2,025.03	806.01	569.22

Sub Total	36,945.61	26,247.99	8,240.34	5,856.60	2,184.44	1,551.46
November 2017	13,447.64	9,695.50	3,015.56	2,174.16	832.38	600.15
December 2017	9,713.49	7,275.35	2,231.18	1,760.72	564.33	440.48
January 2018	8,733.86	4,776.44	2,013.08	1,676.90	508.79	423.82
Sub Total	31,894.99	24,636.17	7,259.82	5,611.78	1,905.50	1,464.45
1 – 24 February 2018	5,904.45	4,776.44	1,401.88	1,134.06	327.26	264.74
Sub Total	5,904.45	4,776.44	1,401.88	1,134.06	264.74	264.74
GRAND TOTAL	102,083.47	76,640.56	22,974.39	17,263.66	6,358.07	4,779.79

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

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

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>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit:</p> <ul style="list-style-type: none"> - PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base), 24 – 28 October 2016 - PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), 24 – 28 October 2016 - PT Agrolestari Mandiri (Pekawai Mill and supply base), 21 – 25 November 2016 - PT Binasawit Abadi Pratama (Perdana Mill and supply base), 19 – 23 Desember 2016 - PT Agrokarya Prima Lestari (Kuayan Mill and supply base), monitoring via SPO Scorecard online. - PT Mitra Karya Agroindo (Tangar Mill and supply base), monitoring via SPO Scorecard online. - PT Paramitra Internusa Pratama (Belian Mill and supply base), 28 March – 01 April 2016 - PT Sawit Mas Sejahtera (Sungai Kikim and supply base), monitoring via SPO Scorecard online. - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) 28 March – 01 April 2016

		<ul style="list-style-type: none"> - PT Agro Lestari Sentosa (Jalemo Mill and supply base), monitoring via SPO Scorecard online - PT Adi Tunggal Mahajaya (Sako Mill) (under construction) - PT Kresna Duta Agroindo (Pelakar Mill and supply base) 24 – 29 October 2016 - PT SMART (Bukit Kapur Mill and supply base) 15 – 19 Februari 2016 - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) 19 – 23 Desember 2016 - PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base) 06 – 10 Februari 2017 - PT Sawitakarya Manunggal (Sawita Mill and supply base)
<p>i.</p>	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: 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>Auditor Verification: RaCP Process for:</p> <ul style="list-style-type: none"> - PT Agrolestari Mandiri (Pekawai Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) - PT Agro Lestari Sentosa (Jalemo Mill and supply base) - PT Kresna Duta Agroindo (Pelakar Mill and supply base) - PT SMART (Bukit Kapur Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base)
<p>ii.</p>	<p>Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure.</p>	<p>Company Group/Holding Statement: There is no new planting.</p> <p>Auditor Verification: Based on auditor verification there are some new planting conducted by company, but NPP has been applied these.</p> <ul style="list-style-type: none"> - PT Binawit Abadi Pratama (Perdana Mill and supply base) - PT Agrokarya Prima Lestari (Kuayan Mill and supply base) - PT Mitra Karya Agroindo (Tangar Mill and supply base) - PT Paramitra Internusa Pratama (Belian Mill and supply base)

		<ul style="list-style-type: none"> - PT Agrolestari Mandiri (Pekawai Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) any new planting since January 1st 2010 and NPP has been applied these.
iii.	<p>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>	<p>Company Group/Holding Statement: There are no land conflicts. 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 Management (SOP/SMART/SENS-CSR/SADV/I/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-CSR/SADV/I/003. The company handling complaints appropriately and quickly. GAR has been initiated to become a member of RSPO DSF as a category "out growers".</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no land conflicts for</p> <ul style="list-style-type: none"> - PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base) - PT Mitra Karya Agroindo (Tangar Mill and supply base) - PT Kresna Duta Agroindo (Pelakar Mill and supply base) - PT SMART (Bukit Kapur Mill and supply base) <p>There are any land conflicts but was in the process of completion for</p> <ul style="list-style-type: none"> - PT Agrolestari Mandiri (Pekawai Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) - PT Sawit Mas Sejahtera (Sungai Kikim and supply base) - PT Agro Lestari Sentosa (Jalemo Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) - PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base)
iv.	<p>Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>Company Group/Holding Statement: There is no issue of labour disputes in uncertified unit. The company also has procedures to deal with complaints workers before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/I/003.</p> <p>Procedures related employee issues is arranged in the form of internal grooves for employees included in the</p>

		<p>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>Auditor Verification: There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>
v.	<p>Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>Company Group/Holding Statement: Companies comply with the regulations in accordance with the requirements of the RSPO 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>Auditor Verification: 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"> - 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) - PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance. - PT Agro Lestari Sentosa (Jalemo Mill and supply base) and PT Adi Tunggal Mahajaya (Sako Mill) doesn't have Land Use Title (HGU). - PT Kresna Duta Agroindo (Pelakar Mill and supply base), there is a difference the concession area between Land Use Title (HGU) and Plantation Business Permit (IUP) and Permits Location. - PT SMART (Bukit Kapur Mill and supply base, doesn't have land use title (HGU), the HGU is still on process. - PT Sawitakarya Manunggal there is an area is still in process for HGU (Committee B meeting). - PT Djuanda Sawit Lestari is an area is still in process for HGU Muara Kandis Estate (574.58 Ha) - PT Ivomas Tunggal there is an area is still in process for HGU Samsam Estate (29.09 Ha), Kandista Estate (158.46 Ha), Nenggala Estate (419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha) - PT Buana Wiralestari Mas there is an area is still in process for HGU Naga Mas Estate (253.39 Ha), Naga Sakti Estate (59.79 Ha), Kijang Mas Estate (56.07 Ha)

		- PT Ramajaya Pramukti there is an area is still in process for HGU Rama Rama Estate (318.76 Ha)
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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-2* Assessment

NCR No.	: 2017.01.	Issued by	: Moh. Arif Yusni
Date Issued	: 11 March 2017	Time Limit	: 29 May 2017
NC Grade	: Major	Date of Closing	: 13 May 2017
Standard Ref. & Requirement	: 4.7.2 Availability of Assessment and Risk Control, Documentation on Implementation		
<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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) • Actiion plan and Review of "Identifikasi Sumber Bahaya, Penilaian dan Pengendalian" Period of January – December 2017 (F/SMART/HESS-EHSD/SADV/002/003). <p>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) ".</p> <p>Meanwhile on SOP/SMART/HESS-EHSD/SADV/II/010 mentioned:</p> <ul style="list-style-type: none"> • 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 <i>Boot PVC with toe cap</i> atau <i>Sole resistant to soils and acids/alkalis, antistatic, steel/carbon toe cap</i> required at some stations among other Loading Ramp / grading, sterilizer, press, kernel and engine room <p>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.</p>			

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 employooye 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 – Deceber 2017 and action plan and review of risk analysis. Meanhile when identify risk source the OHS expert only refer to SOP "Identifikasi Sumber Bahaya, Penilaian Dan Pengendalian Risiko (SOP/SMART/HESS-EHSD/SADV/II/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 stationsamong 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 Assesment 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):*

erification 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**

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment

NCR No.	: 2018.1	Issued by	: Bayu Yogatama
Date Issued	: 2 March 2018	Time Limit	: Next Surveillance
NC Grade	: Minor	Date of Closing	: 16 March 2018
Standard Ref. & Requirement	: 5.1.3 There is an environmental monitoring plan document and its implementation report and an improvement plan for the monitoring results if discrepancies are found. This plan is reviewed at least 2 years.		
Non-Conformance Description & Evidence observed (filled by auditor): Not all environmental monitoring plans have been implemented yet. Based on the results of the RKL-RPL implementation study document semester 1 and semester 2 of 2017, it is known that not all parameters are monitored and managed in accordance with the directives in the RKL-RPL document. For example: the noise level testing parameters produced by the factory machine once a month.			
Root Cause Analysis (filled by organization audited): The noise testing parameters only appear in the PT DSL RPL matrix, but the RPL description document and the significant impacts that will arise according to the ANDAL document do not mention the need for noise management and testing.			
Correction (filled by organization audited): <ol style="list-style-type: none"> 1. Environment staff of Muara Kandis Mill develops noise testing program in MKNM working area 2018 dated 05 March 2018 2. The Company will purchase a noise testing app on March 09, 2018 Evidence: <ol style="list-style-type: none"> 1. Noise testing program in MKNM working area of 2018 dated 05 March 2018 2. Proof of purchase of noise testing equipment dated March 09, 2018 			
Corrective Action (filled by organization audited): <ol style="list-style-type: none"> 1. Environment staff Muara Kandis Mill will conduct noise testing at MKNM working area every month until the new EIA Document PT DSL is legalized 2. The management of PT DSL shall conduct an addendum of PT DSL EIA documents. Evidence: <ol style="list-style-type: none"> 1. Certificate of preparation of EIA Addendum no 001 / SK / DSL-EGS / III / 2018 dated 06 March 2018 2. Addendum LOA no 005 / CCSD / SPK Addendum AMDAL / DSL-EGS / I / 2018 dated 06 March 2018 			
Assessor Evaluation and Conclusion (filled by auditor): Verification of Auditors March 15, 2018 Management has shown evidence of improvement such as: <ul style="list-style-type: none"> - Statement from PT Environesia Global Sraya dated March 06, 2018 which is known by the Head of Environmental Office of Musi Rawas about Certificate of preparation of EIA Addendum no 001 / SK / DSL-EGS / III / - LOA Addendum no 005 / CCSD / SPK Addendum AMDAL / DSL-EGS / I / 2018 dated March 6, 2018 between PT Djuanda Sawit Lestari with PT Environesia Global Saraya which has included Pendawa Plasma Area in scope assessment. - Evidence of purchase of noise testing equipment dated March 09, 2018. - Noise testing program at sterilizer station, press station, clarification station, nut & kernel station, power house station, boiler station, workshop, WWTP, Factory Office and WTP (Pump Room) March - June 2018. March 2018 testing will be conducted on March 20, 2018. Auditor's Conclusion: Based on the root cause analysis, corrective actions and the evidence, Non-Conformance has been closed, with observation status.			
Verified by	: Bayu Yogatama		

NCR No.	: 2018.2	Issued by	: Trismadi N
Date Issued	: 2 Maret 2018	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	<p>RSPO Certification System Clause 4.2.3. The unit of certification shall be the mill and its supply base: All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years.</p>		
<p>Non-Conformance Description & Evidence observed (filled by auditor): Associated smallholders of Muara Kandis Mill not yet certifiable standard within 3 years. Based on Time Bound Plan of GAR verification, that's known the Pendawa Plasma is supplied bases of Muara Kandis Mill. However, until this assessment there are no evidence that the Pendawa Plasma are certifiable standard.</p>			
<p>Root Cause Analysis (filled by organization audited): PNDA legality (Land Certificate, EIA, and Agronomy Register Permit Letter (STDB) until ASA-3 is in process.</p>			
<p>Correction (filled by organization audited):</p> <ol style="list-style-type: none"> 1. The company will facilitate board of Cooperative to register Agronomy Register Permit Letter (STDB) and also Land Certificate process. 2. The company will revised EIA to include the PNDA scope. <p>Evidence :</p> <ol style="list-style-type: none"> 1. Statement from PT Environesia Global Sraya dated March 06, 2018 which is known by the Head of Environmental Office of Musi Rawas about Certificate of preparation of EIA Addendum no 001 / SK / DSL-EGS / III /. 2. Addendum of Work Agreement no 005/CCSD/SPK Addendum AMDAL/DSL-EGS/II/2018 dated 6 March 2018. 3. Agronomy Register Permit Letter (STDB) no 12/KUD SS/II/2018, dated 27 January 2018. 4. Letter No 524/03/Disbun/2018 from Plantation Agency of Musi Rawas Regent about Agronomy Register Permit Letter (STDB) form. 			
<p>Corrective Action (filled by organization audited): The company will be ensure that all PNDA area have legality document and EIA.</p>			
<p>Assessor Evaluation and Conclusion (filled by auditor): Verification on 14 March 2018</p> <p>The company was shown several evidence, such as:</p> <ol style="list-style-type: none"> 1. Statement from PT Environesia Global Sraya dated March 06, 2018 which is known by the Head of Environmental Office of Musi Rawas about Certificate of preparation of EIA Addendum no 001 / SK / DSL-EGS / III /. 2. Addendum of Work Agreement no 005/CCSD/SPK Addendum AMDAL/DSL-EGS/II/2018 dated 6 March 2018. 3. Agronomy Register Permit Letter (STDB) no 12/KUD SS/II/2018, dated 27 January 2018. 4. Letter No 524/03/Disbun/2018 from Plantation Agency of Musi Rawas Regent about Agronomy Register Permit Letter (STDB) form. <p>Auditor Conclusions: There are no evidence that all PNDA was certifiable standard (it should be initial assessment RSPO process).</p>			
Verified by	:	Trismadi N	

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	SCC Standards Rev 14 June 2017. Clause 5.3.	Consideration to adjustment the Supply Chain Procedure and internal audit in accordance to RSPO SCC Standard Revision 14 June 2017.
2	SCC Standards Rev 14 June 2017. Clause 5.5.2.	Consideration to ensure all third party contract on transport and physical handling of oil palm RSPO Certified Product is comply with latest SCC Standard Revision on 14 June 2017.
3	4.7.3.	<ul style="list-style-type: none"> - Companies have the opportunity to ensure the availability of PPE in the warehouse. - Ensure monitoring of the use of PPE in accordance with the standards and Identification of Potential Hazards. (Observation).
4	5.3.2	Ensure that all waste, especially the packaging of used fertilizer, is managed according to the SOP and Working Instruction owned.



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 2017

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Tuesday, 27 February 2018</p> <ul style="list-style-type: none"> ✓ Village representative from Karya Sakti Village ✓ Village representative from Karya Mukti Village <ol style="list-style-type: none"> 1. The company has had a good relationship with villager near the operational area. 2. Whole land dispute cases has been resolved since 2016. 3. The company has given CSR program since their operational started. 	<p>Whole information has confirmed and written in criterion 2.2; 2.3, 6.1 and etc.</p>
<p>Tuesday, 28 February 2018 Public consultation with cooperative management of Sadar Sejahtera</p> <ul style="list-style-type: none"> • The company had a good relationship with the cooperative institution since the agreement has signed. • The company has provided job and strives opportunity to the villagers. • During the cooperation was initiated, all FFB payment has been transparent and on scheduled. 	<p>Whole information has confirmed and written in criterion 6.10.</p>
<p>Gender committee head of Muara Kandis & Muara Tawas Estate</p> <p>Based on interviews with gender committees are known in each estate unit and mill has been a representative of the Gender Committee.</p> <p>Gender committee board and managers have socialized the reporting mechanism if there is sexual harassment. During this time, there has never been any reporting from workers. A form is available for reporting.</p> <p>Reproductive rights policy has also been submitted to workers regarding H1 leave for 1-2 days and H2 leave for 3 months. Every woman workers is given a special time to breastfeed their baby.</p>	<p>This has been accordance with the RSPO's implementation regarding the handling of sexual harassment (Criterion 6.9).</p>
<p>Head of Labor Union (SBDBMR & SBPSI)</p> <p>Labor Union (SPSI & SBDMR) has been established since 2002 and approved by labor agency. CLA is still valid from 2016-2018. Until now, SPSI members have 110 members and SBDBMR members have 125 members. Monthly fee of IDR 20.000, -. During this time, there is no compulsion to become a union member. Every worker is free to participate in or choose a union. Internal meetings are held every 3 months.</p> <p>Complaints from workers through to labor union related weighing conducted at the Mill are different from those in the estate. So there is a difference between Mill and estate calculations. In addition, since the Mini Tractor Graders exist, harvester have experienced a reduction in FFB transport.</p>	<p>In order for companies to communicate with each other related to workers complaints to get the best solution.</p>
<p>Local Contractors</p> <ul style="list-style-type: none"> • Cooperate with companies relating to the transport of FFB • PPE is the responsibility of the contractor • Monthly payments are made on time • Contractor workers may use company health facilities. 	<p>It has been verified in accordance Criterion 6.11, 6.12</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> Labor is a local community. 	
<p>Environmental Body, Musi Rawas Regency</p> <ul style="list-style-type: none"> The company already has legality related to environmental issues such as environmental documents (EIA), land application permits, and hazardous waste warehouse The Company has conducted report of Environmental Management Plan – Environmental Monitoring Plan every semester, reports of liquid waste and hazardous waste management periodically. There have been environmental issues from the community, but verification has been done by officers from Environmental Body. The issue of the community is not in accordance with the conditions in the field. It is expected to follow up on the wide differences in Environmental Permits with Land Use Title owned by the company. 	<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>
<p>Manpower and Transmigration Agency, Musi Rawas Regency</p> <ul style="list-style-type: none"> Normatively related to regulatory compliance, licensing and reporting has been well-documented. The Company guarantees freedom of association of employees and the company has a union The operator's license for related work on the PT DSL plantation has been owned by the company Operator training was conducted in early February Approved P2K3 certification in October for 1 factory and 2 Estate. 	<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>
<p>Plantation Agency, Musi Rawas Regency</p> <ul style="list-style-type: none"> <i>Penilaian Usaha Perkebunan (PUP)</i> was carried out in early February, currently in the stage of approval to the Bupati. There are no negative issues such as landfires, conflicts / disputes with local communities and other business interruptions The company has a CSR program with the local government as well as the surrounding village. The Company regularly reports regular reporting Plantation such as Business Progress Report. 	<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>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Djuandasawit Lestari Management Representative</p>  <p><u>Ismu Zulfikar</u> 23 March 2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Trismadi Nurbayuto</u> 23 March 2018</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency	Musi Rawas Regency	-	Interview	February 27 th , 2018	√	
2	Manpower and Transmigration Agency	Musi Rawas Regency	-	Interview	February 27 th , 2018	√	
3	Environment Bodies	Musi Rawas Regency	-	Interview	February 27 th , 2018	√	
4	National Land Agency	Musi Rawas Regency	-	Interview	February 27 th , 2018	√	
7	Village of Karya Mukti	Sub District of Muara Lakitan, Musi Rawas Regency	-	Focus Group Discussion	February 27 th , 2018	√	
9	Village of Karya Sakti	Sub District of Muara Lakitan, Musi Rawas Regency	-	Focus Group Discussion	February 27 th , 2018	√	
10	Labor Union (SBDBMR & SBPSI)	PT Djuandasawit Lestari	-	Interview	March 1 st , 2018	√	
12	Gender Committee	PT Djuandasawit Lestari	-	Interview	March 1 st , 2018	√	
13	Sawit Watch	-	jefri@sawitwatch.or.id	Questionnaires by email	February 19 th , 2018		√
14	WALHI	-	nego@walhi.or.id	Questionnaires by email	February 19 th , 2018		√
15	WWF Indonesia	-	media@wwf.or.id	Questionnaires by email	February 19 th , 2018		√
16	Internal stakeholders: <ul style="list-style-type: none"> • 5 female spraying workers in Muara Kandis Estate and Muara Tawas Estate. • 1 babysitter in Muara Kandis Estate and 1 babbysitter in Muara Kandis Estate • 4 harvesters in Muara Kandis Estate and 5 harvesters in Muara Tawas Estate • 2 loader of FFB in Muara Tawas Estate. • 1 store keeper in Muara Kandis Estate and 1 store keeper in Muara Kandis Estate • 3 security, 2 weighbridge operator, 3 grading officer, 1 boiler operator, 1 power plant operator, 1 dispatch operator, 2 mechanic, and 1 effluent operator in Muara Kandis POM. 	PT Djuandasawit Lestari	-	Interview	During field visit	√	

Appendix 1. Assessment Program

DATE		26 February – 2 March 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Senin / Monday, 26 February 2018			
08.45 – 10.00 10.00 – 12.00 11.00 – 12.00	08.45 – 10.00 10.00 – 12.00 11.00 – 12.00	JAKARTA → LUBUK LINGGAU LUBUK LINGGAU → PT DJUANDA SAWIT LESTARI	<ul style="list-style-type: none"> • TNB / APP / BRP / YTT / BYY • TNB / APP / BRP / YTT / BYY • TNB / APP / BRP / YTT / BYY
12.00 – 14.00	12.00 – 14.00	LUNCH & BREAK	• TNB / APP / BRP / YTT / BYY
14.00 – 15.00	14.00 – 15.00	Opening Meeting (Brief Introduction, Audit scope confirmation, Standards Use, Audit Objectives and Audit Agenda Explanation)	• TNB / APP / BRP / YTT/ BYY
15.00 – 17.00	15.00 – 17.00	Document Review: <ul style="list-style-type: none"> • Review of Previous Visit Non-conformance (ASA-2 RSPO) • Collect Basic Information (Mill and Estates) • Clarification of Time Bound Plan • Review of Partial Certification 	• TNB / APP / BRP / YTT/ BYY
Selasa / Tuesday, 27 February 2018			
08.00 - 12.00	08.00 - 12.00	Stakeholders Meeting and Consultation: <ul style="list-style-type: none"> • Musi Rawas District Government and local NGO • Nearest village, cooperation board and community leader 	<ul style="list-style-type: none"> • TNB • APP
08.00 - 12.00	08.00 - 12.00	Field Observation to Muara Kandis Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Best Agricultural Practices, Integrated Pest Management • Worker Welfare (payments, complaint mechanism) • Worker facilities (housing, health clinic, clean water, etc) • Fire Fighting facilities, Chemical Storage, ect.. • Schedule Waste management, Land Fill management, Land Application • Boundary Stones & HCV PT Djuanda Sawit Lestari 	<ul style="list-style-type: none"> • YTT • YTT • BRP • BRP • BRP • BYY
12.00 – 14.00	12.00 – 14.00	LUNCH & BREAK	
14.00 – 17.00	14.00 – 17.00	Field Observation to Muara Kandis Mill <ul style="list-style-type: none"> - SCCS - Mill Processing and OHS Implementation - POM waste management (hazardous, emission, pollution, POME, etc.) and Water management - Verification of field visit and completing checklist 	<ul style="list-style-type: none"> • TNB • YTT/APP • BRP/BYY • ALL TEAM
Rabu / Wednesday, 28 February 2018			
08.00 - 12.00	08.00 - 12.00	Stakeholders Meeting and Consultation: <ul style="list-style-type: none"> • Gender Committee, Workers Union, Workers Cooperation • Local Contractors: FFB Transport, CPO transport, PK Transport, others 	<ul style="list-style-type: none"> • BRP • TNB

DATE		26 February – 2 March 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	12.00 – 14.00	LUNCH & BREAK	
14.00 – 17.00	14.00 – 17.00	Document Review: <ul style="list-style-type: none"> Review of Previous Visit Non-conformance (ASA-2 RSPO) Collect Basic Information (Mill and Estates) Clarification of Time Bound Plan Review of Partial Certification 	<ul style="list-style-type: none"> TNB / APP / BRP / YTT
Kamis / Thursday, 1 March 2018			
08.00 – 12.00	08.00 – 12.00	Field Observation to Muara Tawas <ul style="list-style-type: none"> Manuring & Spraying Worker Welfare (payments, complaint mechanism) Worker facilities (housing, health clinic, clean water, etc) Fire Fighting facilities, Chemical Storage, ect.. Schedule Waste management, Land Fill management 	<ul style="list-style-type: none"> YYT APP APP BYY
12.00 – 14.00	12.00 – 14.00	LUNCH & BREAK	
14.00 – 17.00	14.00 – 17.00	Document Review: <ul style="list-style-type: none"> Review of Previous Visit Non-conformance (ASA-2 RSPO) Collect Basic Information (Mill and Estates) Clarification of Time Bound Plan Review of Partial Certification 	<ul style="list-style-type: none"> TNB / APP / BRP / YTT / BYY
Jumat / Friday, 2 March 2018			
07.30 - 09.30	07.30 - 09.30	Closing Meeting	<ul style="list-style-type: none"> TNB / APP / BRP / YTT / BYY
09.30 - 12.00	09.30 - 12.00	PT DJUANDA SAWIT LESTARI → LUBUK LINGGAU	<ul style="list-style-type: none"> TNB / APP / BRP / YTT / BYY
14.00 – 15.10	14.00 – 15.10	LUBUK LINGGAU → JAKARTA	<ul style="list-style-type: none"> TNB / APP / BRP / YTT / BYY