



**TÜVRheinland®**  
Genau. Richtig.

## **Roundtable on Sustainable Palm Oil**

### **Annual Surveillance Audit Report**

Report no.: ASA11\_14009

Surveillance assessment against the RSPO Principles & Criteria INA-NI year 2016 and RSPO  
SCCS year 2014

**Name of client**  
**Wilmar International Limited**  
**PT Mustika Sembuluh**

**Head Office :**

Multivision Tower 12<sup>th</sup> floor, Jl. Kuningan Mulia Kav.9B, Guntur, Setiabudi Village, Kuningan Sub District, South  
Jakarta District, DKI Jakarta Province, Indonesia

**Representative Office :**

Jl.Jenderal Sudirman KM. 2,3 No.41A, Sampit, Kotawaringin Timur District, Central Kalimantan Province

**Estate & Mill :**

Pondok Damar Village, Bangkal Village, Tanah Putih Village and Sei Babi Village, Mentaya Hilir Utara  
and Telawang Sub-District, Kotawaringin Timur District, Central Kalimantan, Indonesia

**Date of surveillance audit : June 05 - 09, 2017**

Report prepared by:

**Wahyu (RSPO Lead Auditor)**

Certification decision by:

**Abdul Qohar**

**(Director of TUV Rheinland Indonesia)**

**Certification Body:**

PT TUV Rheinland Indonesia  
Menara Karya, 10<sup>th</sup> Floor,  
Jl. H.R Rasuna Said Blok X-5 Kav.1-2  
Jakarta 12950, Indonesia  
Tel : +62 21 579 44 579  
Fax: +62 21 579 44 575  
[www.tuv.com](http://www.tuv.com)

## TABLE OF CONTENTS

<b>1.0 SCOPE of SURVEILLANCE AUDIT .....</b>	<b>3</b>
1.1 National Interpretation / Standard Used.....	3
1.2 Scope of Assessment.....	3
1.3 Certification Details.....	3
1.4 Location and Maps .....	<b>Error! Bookmark not defined.</b>
1.5 Organisational Information / Contact Person .....	7
1.6 Description of Supply Base .....	<b>Error! Bookmark not defined.</b>
1.7 Actual production volumes, tonnages and projected outputs. ....	<b>Error! Bookmark not defined.</b>
1.8 Dates of Plantings and Replanting Cycles .....	<b>Error! Bookmark not defined.</b>
1.9 Area of Plantation (Total, Planted and Mature).....	11
1.10 Progress Against Time Bound Plan .....	13
1.11 Compliance to Rules for Partial Certification.....	<b>Error! Bookmark not defined.</b>
1.12 Progress of associated smallholders or outgrowers towards RSPO compliance:	<b>Error! Bookmark not defined.</b>
1.13 Approximate Tonnages Certified.....	<b>Error! Bookmark not defined.</b>
<b>2.0 ASSESSMENT PROCESS.....</b>	<b>18</b>
2.1 Certification Body .....	18
2.2 Qualifications of Lead Assessor and Assessment Team.....	18
2.3 Assessment Methodology & Agenda .....	19
<b>3.0 ASSESSMENT FINDINGS .....</b>	<b>23</b>
3.1 Summary of Findings pertaining to RSPO Principles & Criteria .....	23
3.2 Status of Previously Identified Non-conformities .....	69
3.3 Identified Non-conformances against RSPO P&C Requirements, Corrective Actions Taken and Auditors Conclusions.....	<b>Error! Bookmark not defined.</b>
3.4 Noteworthy Positive Components.....	<b>Error! Bookmark not defined.</b>
3.5 Conclusion and Recommendation for RSPO P & C and Supply Chain Certification	<b>Error! Bookmark not defined.</b>
3.6 Issues Raised by Stakeholders and Findings Pertaining to Issues..	<b>Error! Bookmark not defined.</b>
<b>4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>	<b>Error! Bookr</b>
4.1 Date of Next Surveillance Visit .....	<b>Error! Bookmark not defined.</b>
4.2 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client	<b>Error! Bookmark not defined.</b>
<b>APPENDICES .....</b>	<b>76</b>
Appendix 1: Details of certificate .....	76
Appendix 2: List of abbreviation .....	76
Appendix 3: List of Stakeholders Interviewed and Contacted .....	79
Appendix 4: Observations and Opportunities for Improvement .....	<b>Error! Bookmark not defined.</b>

**1.0 SCOPE of 2<sup>nd</sup> SURVEILLANCE AUDIT**

**1.1 National Interpretation / Standard Used**

The operations of the palm oil mills and its supply base of FFB were assessed against RSPO P&C Indonesian Nasional Interpretation (INA-NI) year 2016 and RSPO SCCS November 2014. Selected Supply Chain Model according to company's FFB supply base is Mass Ballance.

**1.2 Type of Assessment**

The 2<sup>nd</sup> surveillance audit was carried out on 2 mills and 3 estates under PT Mustika Sembuluh Palm Oil Mill owned by Wilmar International Limited and 1 smallholder scheme i.e.: Koperasi Bitu Maju Bersama. The date of 2<sup>nd</sup> certificate of this unit was August 24, 2015 where valid until August 23, 2020.

**1.3. Location and Maps**

**Table 1: GPS locations for all estates and mills included in annual surveillance assessment**

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
PT MS POM 1	Pondok Damar Village, Mentaya Hilir Utara Sub-district, Kotawaringin Timur District.	2° 35' 27.867" S	112° 30' 45.407" E
PT MS POM 2	Sebabi Village, Telawang Subdistrict, Kotawaringin Timur District.	2° 27' 25.569" S	112° 29' 59.026" E
PT MS Estate 1	Pondok Damar Village, Mentaya Hilir Utara Sub-district, Kotawaringin Timur District.	2° 35' 9.918" S	112° 30' 32.301" E
PT MS Estate 2	Pondok Damar Village, Mentaya Hilir Utara Sub-district, Kotawaringin Timur District. Bangkal Village, Danau Sembulu Subdistrict, Seruyan District.	2° 39' 47.510" S	112° 32' 17.894" E
PT MS Estate 3	Tanah Putih Village, Telawang Subdistrict, Kotawaringin Timur District.	2° 30' 17.129" S	112° 30' 36.949" E
Koperasi Bitu Maju Bersama	Jl. Macan Lantut RT 001 RW 001, Pondok Damar village, Mentaya Hilir Utara Sub District, Kotawaringin Timur District	2° 40' 12.960" S	112° 34' 15.990" E

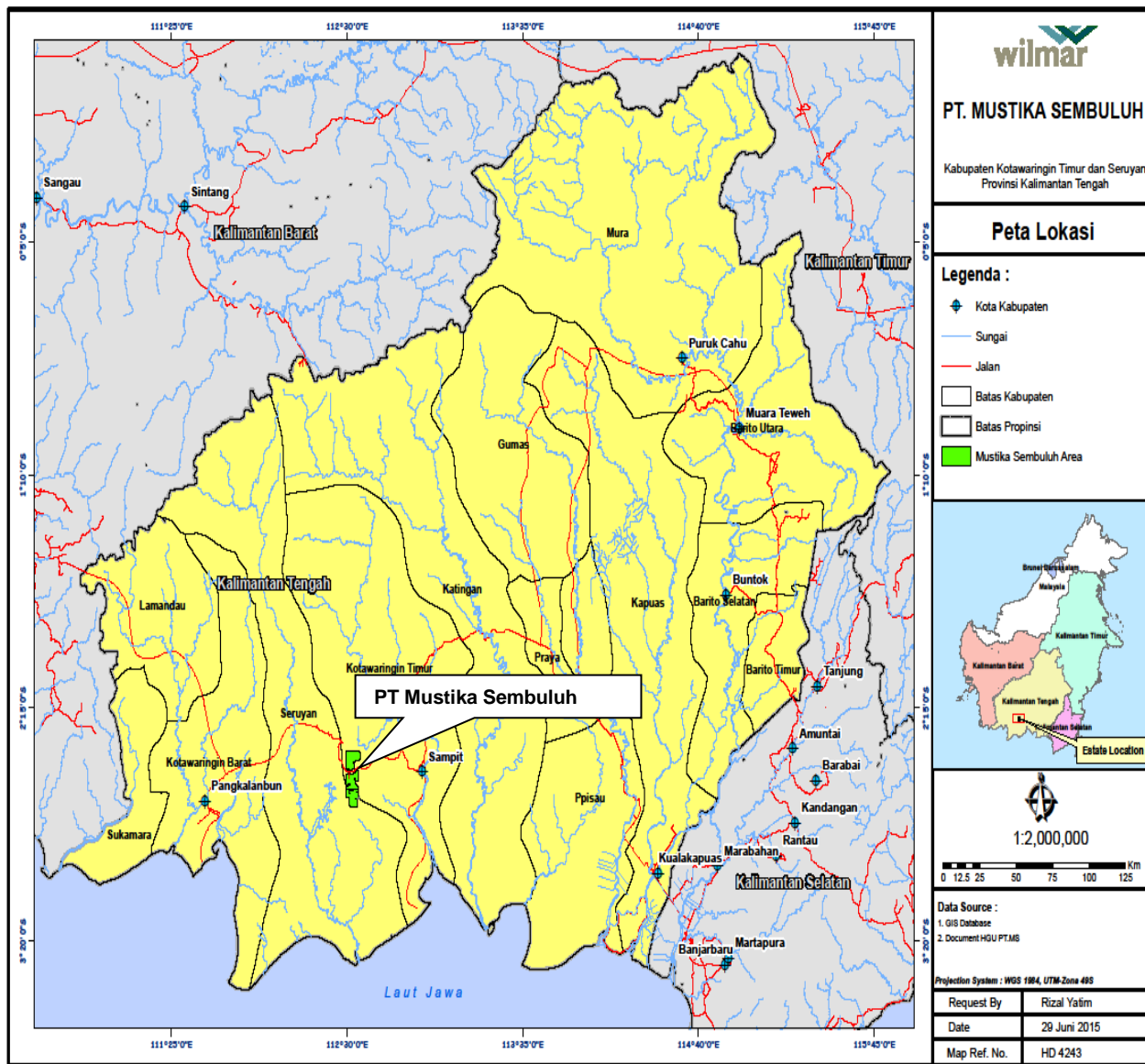


Figure 1: Location map of PT Mustika Sembuluh within Central Kalimantan, Indonesia

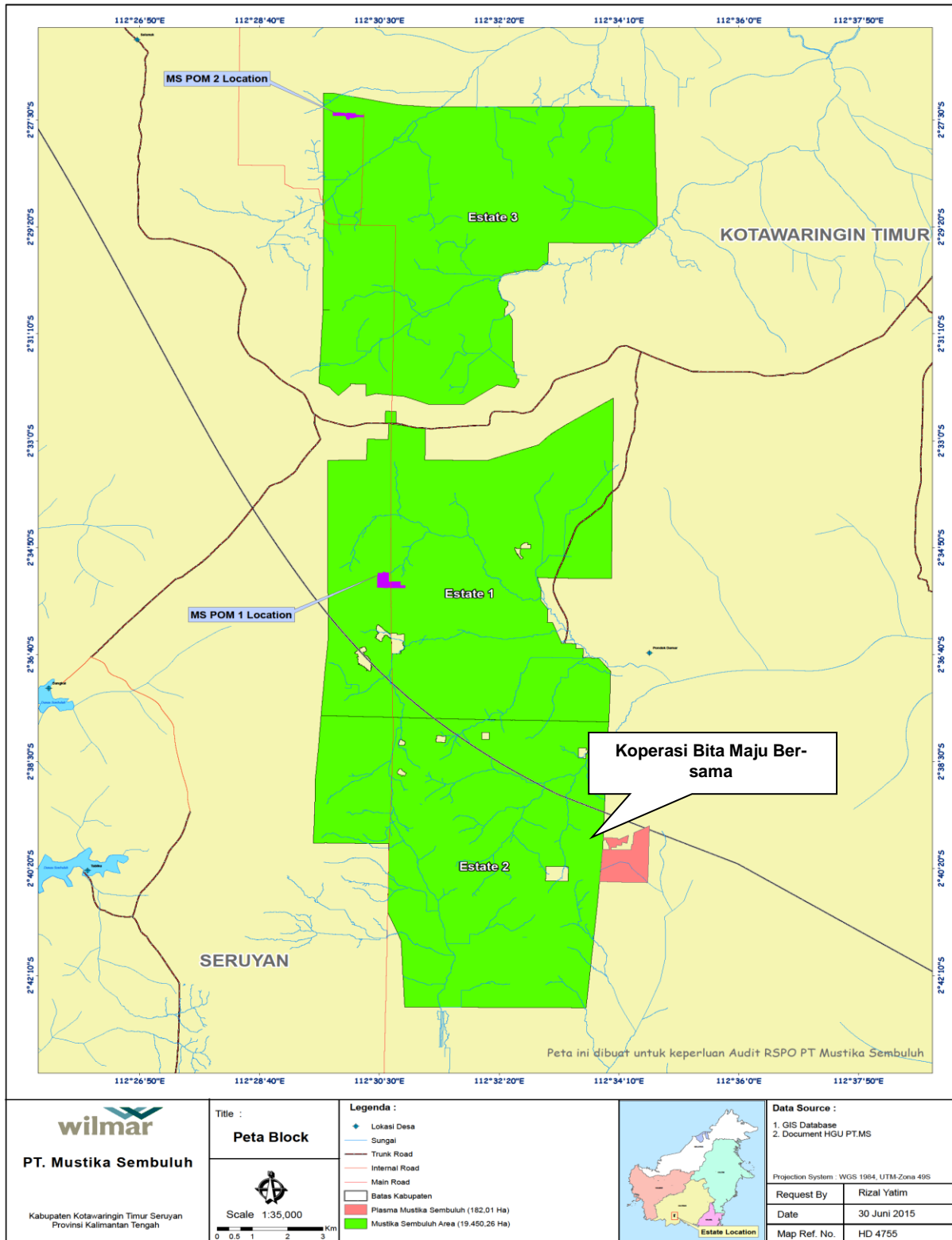


Figure 2: Map of PT MS Estates 1, 2 and 3, and PT MS Palm Oil Mill (POM 1 & POM 2)

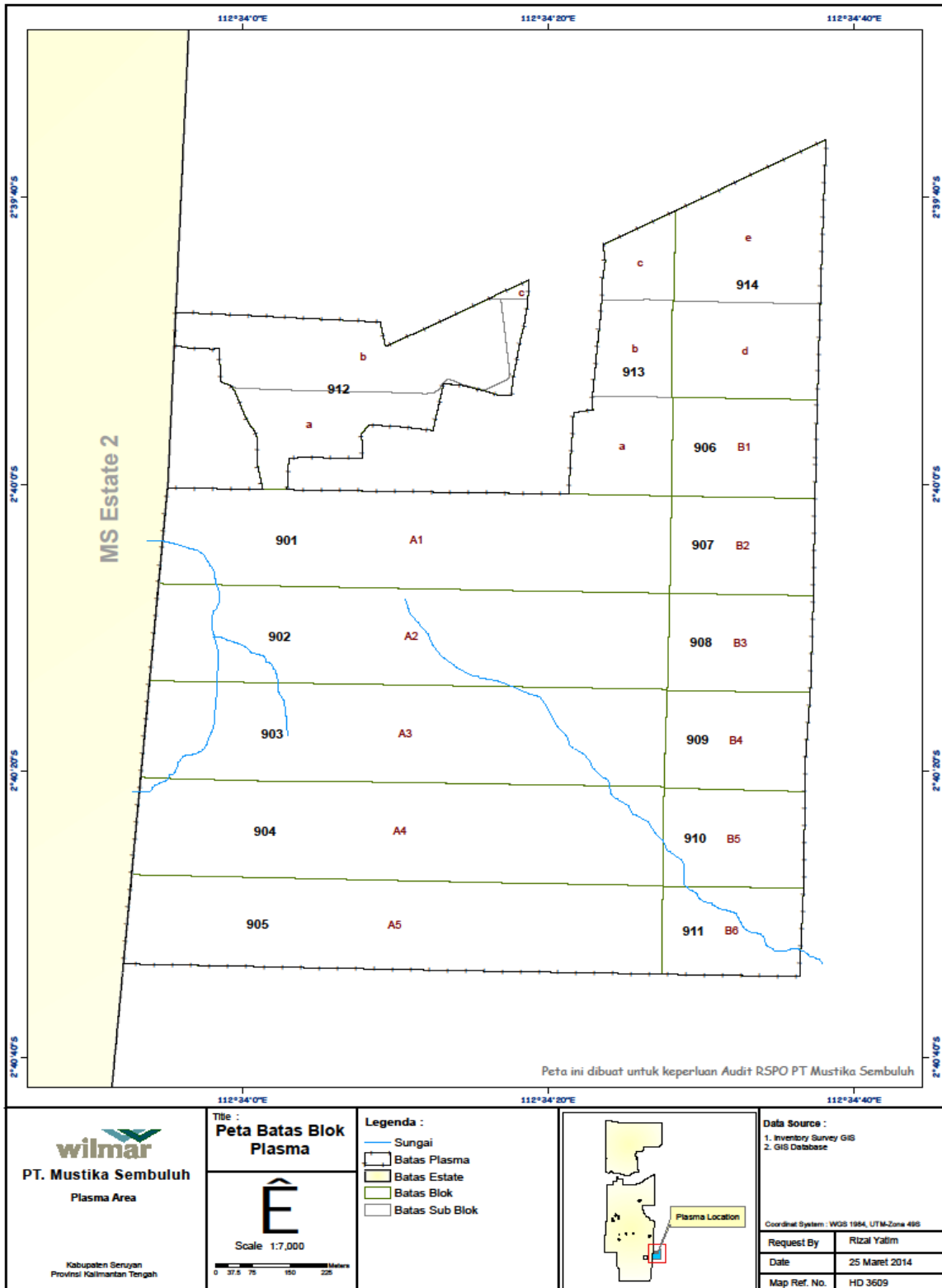


Figure 3: Map of Koperasi Bitu Maju Bersama (Smallholder)

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

**1.4 Description of Supply Base**

Table 2a: FFB Supply Information for PT Mustika Sembuluh POM – 1 in year 2016 & 2017 (before grading)

FFB Contributors	FFB supplied Jan - Dec 2016		FFB supplied Jan - Dec 2017 (Projection)	
	Tonnes	%	Tonnes	%
<b>PT Mustika Sembuluh Mill 1</b>				
<b>Company owned estates :</b>				
Mustika Sembuluh 1*	121,105.090	54.33	140,300	55.02
Mustika Sembuluh 2*	52,810.540	23.70	95,200	37.02
Mustika Sembuluh 3*	9,069.943	4.07	0	0
<b>Sub Total</b>	<b>182,985.573</b>	<b>82.10</b>	<b>235,500</b>	<b>92.35</b>
<b>Wilmar's group estate :</b>				
PT Kerry Sawit Indonesia**	17,826.850	8.00	7,800	3.06
PT Sarana Titian Permata**	5,583.960	2.50	7,600	2.98
PT Bumi Sawit Kencana**	7,545.630	3.39	0	0
PT Rimba Harapan Sakti **	4,048.580	1.82	0	0
PT Kerry Sawit Indonesia POM 1**	55.440	0.03	0	0
<b>Sub Total</b>	<b>35,060.46</b>	<b>15.73</b>	<b>15,400</b>	<b>6.04</b>
<b>Smallholders :</b>				
Koperasi Bitu Maju Bersama*	<b>3,653.707</b>	1.64	<b>4,100</b>	<b>1.61</b>
Plasma Kerry Sawit Indonesia***	450.840	0.20	0	0
<b>Sub Total</b>	<b>4,104.55</b>	<b>1.84</b>	<b>4,100</b>	<b>1.61</b>
<b>Independent Outgrowers :</b>				
1. I Wayan ***	726.500	0.33	0	0
<b>Sub Total</b>	<b>726.500</b>	<b>0.33</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>222,877.080</b>	<b>100</b>	<b>255,000</b>	<b>100</b>

Table 2b: FFB Supply Information for PT Mustika Sembuluh POM – 2 in year 2016 & 2017 (before grading)

FFB Contributors	FFB supplied Jan - Dec 2016		FFB supplied Jan - Dec 2017 (Projection)	
	Tonnes	%	Tonnes	%
<b>PT Mustika Sembuluh Mill 2</b>				
<b>Company owned estates :</b>				
Mustika Sembuluh 1*	15,036.280	10.76	0	0
Mustika Sembuluh 2*	1,140.160	0.82	0	0
Mustika Sembuluh 3*	65,247.910	46.70	64,200	59.17
<b>Sub Total</b>	<b>81,424.35</b>	<b>58.27</b>	<b>64,200</b>	<b>59.17</b>
<b>Wilmar's group estate :</b>				
PT Kerry Sawit Indonesia**	287.130	0.21	0	0
PT Sarana Titian Permata**	51.190	0.04	0	0
PT Bumi Sawit Kencana**	57,525.900	41.17	44,300	40.83
PT Karunia Kencana Permai Sejati***	443	0.32	0	0
<b>Sub Total</b>	<b>58,307.22</b>	<b>41.73</b>	<b>44,300</b>	<b>40.83</b>
<b>TOTAL</b>	<b>139,731.52</b>	<b>100</b>	<b>108,500</b>	<b>100%</b>

Note: \*Certified FFB (include scope certification)

\*\* Certified FFB (out of scope certification)

\*\*\*uncertified FFB

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

**Table 3a: CPO and PK production from POM MS-1 in year 2016 (certified only)**

FFB Contributor	FFB supplied in 2016 (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
<b>Company owned estates:</b>					
Mustika Sembuluh 1	121,105.090	21.44%	25.964,931	5.41%	6.551,785
Mustika Sembuluh 2	52,810.540	21.44%	11.322,580	5.41%	2.857,050
Mustika Sembuluh 3	9,069.943	21.44%	1.944,596	5.41%	490,684
<b>Sub-total</b>	<b>182,985.573</b>	<b>21.44%</b>	<b>39.232,107</b>	<b>5.41%</b>	<b>9.899,519</b>
<b>Wilmar's group estate :</b>					
PT Kerry Sawit Indonesia	17,826.850	21.44%	3.822,077	5.41%	964,433
PT Sarana Titian Permata	5,583.960	21.44%	1.197,201	5.41%	302,092
PT Bumi Sawit Kencana	7,545.630	21.44%	1.617,783	5.41%	408,219
PT Rimba Harapan Sakti	4,048.580	21.44%	868,016	5.41%	219,028
PT Kerry Sawit Indonesia POM 1	55.440	21.44%	11,886	5.41%	2,999
<b>Sub Total</b>	<b>35,060.460</b>	<b>21.44%</b>	<b>7.516,963</b>	<b>5.41%</b>	<b>1.896,771</b>
<b>Smallholders</b>					
Koperasi Bitu Maju Bersama	<b>3,653.707</b>	21,44%	783.355	5.41%	197.666
<b>Sub Total</b>	<b>3,653.707</b>	<b>21.44%</b>	<b>783.355</b>	<b>5.41%</b>	<b>197.666</b>
<b>TOTAL</b>	<b>221,699.740</b>	<b>21.44%</b>	<b>47,532.424</b>	<b>5.41%</b>	<b>11,993.956</b>

**Table 3b: CPO and PK production from POM MS-2 in year 2016 (certified only)**

FFB Contributor	FFB supplied in 2016 (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
<b>Company owned estates:</b>					
Mustika Sembuluh 1	15,036.280	21.44%	3.223,778	5.41%	813,463
Mustika Sembuluh 2	1,140.160	21.44%	244,450	5.41%	61,683
Mustika Sembuluh 3	65,247.910	21.44%	13.989,152	5.41%	3,529,912
<b>Sub Total</b>	<b>81,424.350</b>		<b>17.457,381</b>		<b>4405,057</b>
<b>Wilmar's group estate :</b>					
PT Kerry Sawit Indonesia	287.130	21.44%	61,561	5.41%	15,53373
PT Sarana Titian Permata	51.190	21.44%	1,113	5.41%	0,280779
PT Bumi Sawit Kencana	57,525.900	21.44%	12.333,553	5.41%	3112,151
<b>Sub Total</b>	<b>57.818.220</b>	<b>21,44%</b>	<b>12.396,226</b>	<b>5,41%</b>	<b>3127,966</b>
<b>TOTAL</b>	<b>139,242.570</b>	<b>21,44%</b>	<b>29,853.607</b>	<b>5,41%</b>	<b>7,533.023</b>



**Table 3c: CPO and PK production from MS – 1 Mill in year 2016 (non-certified only)**

FFB Contributor	FFB supplied in 2016 (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
Plasma Kerry Sawit Indonesia	450.840	21,44%	96.660	5.41%	24.390
I Wayan	726.500	21.44%	155.762	5.41%	39.304
<b>GRAND TOTAL</b>	<b>1,177.340</b>	<b>21.44%</b>	<b>252.422</b>	<b>5.41%</b>	<b>63.694</b>

**Table 3d: CPO and PK production from MS – 2 Mill in year 2016 (non-certified only)**

FFB Contributor	FFB supplied in 2016 (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
PT Karunia Kencana Permai Sejati	443.00	21.44%	94.979	5.41%	23.966
<b>GRAND TOTAL</b>	<b>443.00</b>	<b>21.44%</b>	<b>94.979</b>	<b>5.41%</b>	<b>23.966</b>

**Table 4.a: PT MS – 1: CPO and PK production from period 2016 and projected for year 2017**

FFB supplied in 2016 (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
222,877.080	21.44	47,784.846	5.41	12,057.65
Projection FFB supplied in 2017 (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
255,000.000	24.00	61,200.000	5.50	14,025.00

**Table 4.b: PT MS – 2: CPO and PK production from period 2016 and projected for year 2017**

FFB supplied in 2016 (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
81,482.78	22.27%	18,146.22	5.19%	4,228.96
Projection FFB supplied in 2017 (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
108,500.00	24.00%	26,040.00	5.25%	5,696.250

**1.5 Dates of Plantings and Replanting Cycles**

The company follows a replanting cycle of 25 years. Information on the dates of plantings is as per the table below.

**Table 5: Year of plantings of company estate supplying to PT Mustika Sembuluh Palm Oil Mill**

Year of Plantings	Oil palm planted area at each estate(ha)				
	MS 1	MS2	MS3	Total	Plasma
2000	51.41	-	-	51.41	-
2001	1,123.14	-	-	1,123.14	-
2002	1,017.97	-	-	1,017.97	-
2003	2,469.57	-	-	2,469.57	-
2004	1,289.67	1,878.57	-	3,168.24	-
2005	-	1,935.09	1,641.33	3,576.42	-
2006	-	1,844.54	1,068.02	2,912.56	-
2007	-	-	697.43	697.43	143.18
2008	51.23	-	119.72	170.95	38.83
2009	12.99	-	215.99	228.98	-
2010	20.18	-	179.67	199.85	-
2011	24.94	-	29.47	54.41	-
2012	20.47	-	33.37	53.84	-
2013	-	-	31.10	31.10	-
<b>TOTAL</b>	<b>6,081.57</b>	<b>5,658.20</b>	<b>4,016.10</b>	<b>15,755.87</b>	<b>182.01</b>

**Table 6: Planned and actual oil palm replanting activities for PT Mustika Sembuluh**

Year	Total planned replanting area (ha)	Total planned replanting area for each estate (ha)			Actual total area replanted (ha)
		MS-1	MS-2	MS-3	
-	-	-	-	-	-

*Remark: There is no oil palm replanting until year 2025*

**1.6 Area of Plantation (Total, Planted and Mature)**

**Table 7: Oil Palm Planted Area Summary, FFB Production and Average yield/ha for PT Mustika Sembuluh estates**

Estate Name	Total area (ha)	Oil Palm Planted area (ha)	Mature (Production) area (ha)	Immature (Non-production) area (ha)	FFB Production* (tonnes)	Average yield/ ha
MS 1	6,590.20	6,089.22	6,089.22	-	136,149.440	22.36
MS 2**	6,107.59	5,658.20	5,658.20	-	132,856.470	23.48
MS 3	6,752.47	4,016.10	3,985.00	31.10	74,372.020	18.66
Koperasi Bitu Maju Bersama	182.01	182.01	182.01	-	3,663.638	20.13
<b>TOTAL</b>	<b>19,632.27</b>	<b>15,945.53</b>	<b>15,914.43</b>	<b>31.10</b>	<b>347,041.568</b>	<b>21.81</b>

\* Periode January to December 2016

\*\* FFB from MS2 estate deliver to MS1 mill and other mill under Wilmar International group

**Table 8: Land use data for PT Mustika Sembuluh Plantation (per May 2017)**

Estate Name	Total area (ha)	Oil Palm Planted Area (ha)	HCV/ Potential HCV areas (ha)	Land clearing area (ha)	Land used for other purposes (ha)			
					POM	Land occupation	Road, housing/ Drainage	Unplanted and non Plantable
MS 1	6,590.20	6,081.57	99.09	0.00	22.94	52.91	322.40	11.29
MS 2	6,107.59	5,658.20	203.77	0.00	-	20.03	214.14	11.45
MS 3	6,752.47	4,016.10	1,227.40	0.00	14.41	728.66	202.11	563.79
<b>Sub Total</b>	<b>19,450.26</b>	<b>15,755.87</b>	<b>1,530.26</b>	<b>0.00</b>	<b>37.35</b>	<b>801.60</b>	<b>738.65</b>	<b>586.53</b>
Koperasi Bitu Maju Bersama	182.01	182.01	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>19,632.27</b>	<b>15,937.88</b>	<b>1,530.26</b>	<b>0.00</b>	<b>37.35</b>	<b>801.60</b>	<b>738.65</b>	<b>586.53</b>

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

**1.7 Organisational Information / Contact Person**

Contacts details of the company are as follows:

<b>Company Name:</b>	<b>PT Mustika Sembuluh</b>
<b>RSPO Membership no.:</b>	2-0017-05-000-00 on behalf Wilmar International Limited since on 15 August 2005
<b>Addresses:</b>	<p><b>Head office:</b> Multivision Tower 12th floor, Jl. Kuningan Mulia Kav.9B, Guntur, Setiabudi Village, Kuningan Sub District, South Jakarta District, DKI Jakarta Province, Indonesia .</p> <p><b>Branch office:</b> Jl.Jenderal Sudirman KM. 2,3 No.41A, Sampit, Kotawaringin Timur District, Central Kalimantan Province</p> <p><b>PT Mustika Sembuluh mill 1 :</b> Pondok Damar Village, Mentaya Hilir Utara Sub-district, East Kotawaringin Timur District, Central Kalimantan.</p> <p><b>PT Mustika Sembuluh mill 2 :</b> Sebabi Village, Telawang Subdistrict, Kotawaringin Timur District .</p> <p><b>PT Mustika Sembuluh Estate 1 :</b> Pondok Damar Village, North Mentaya Hilir Sub-district, East Kotawaringin District</p> <p><b>PT Mustika Sembuluh Estate 2:</b> Pondok Damar Village, North Mentaya Hilir Sub-district, East Kotawaringin District. Bangkal Village, Danau Sembulu Sub-district, Seruyan District</p> <p><b>PT Mustika Sembuluh Estate 3 :</b> Tanah Putih Village, Telawang Sub-district, East Kotawaringin District</p> <p><b>Koperasi Bitu Maju Bersama :</b> Jl. Macan Lantut RT 001 RW 001, Pondok Damar village, Mentaya Hilir Utara Sub District, Kotawaringin Timur District</p>
<b>Contact Person</b>	<b>Mrs. Eka Amana</b>
<b>Telephone / Fax</b>	Tel. (0531) 34520-24 / Fax. (0531) 34534
<b>Email:</b>	<a href="mailto:eka.surezti@id.wilmar-intl.com">eka.surezti@id.wilmar-intl.com</a>

**1.8 Time Bound Plan for Other Management Units**

**Table 9 : Time Bound Plan of the Other Management Units (per September 2016)**

<b>Name of Holding</b>	<b>Location</b>	<b>Time bound plan for certification (year)</b>	<b>Remarks</b>
Sapi (1 + 2)	Sandakan, Sabah	2008	Certified
Sabahmas	Lahad Datu, Sabah	2008	Certified
Reka Halus	Sandakan, Sabah	2008	Certified
Saremas (1 + 2)	Miri Serawak	2008	Certified
Kaminsky	Miri Serawak	2008	Certified
Suai	Miri Serawak	2008	Certified
Segarmas	Miri Serawak	2008	Certified
Terusan (1 + 2)	Sandakan, Sabah	2009	Certified
Kiabau	Sandakan, Sabah	2009	Certified
Ribubonus	Sandakan, Sabah	2009	Certified
PT Perkebunan Milano (Sungai Daun, Batang Saponggol & Merbau estate)	North Sumatra	2009	Certified
PT Mustika Sembuluh	Central Kalimantan	2009	Certified
PT Kencana Sawit Indonesia	West Sumatra.	2010	Certified
PT Kerry Sawit Indonesia	Central Kalimantan	2010	Certified
PT Tania Selatan (Burnai Barat & Burnai Timur estate)	South Sumatra	2010	Certified
Hibumas	Sandakan, Sabah	2010	Certified
Sri Kamusan	Sandakan, Sabah	2010	Certified
Sekar Imej	Sandakan, Sabah	2010	Certified
Aktif Kukuh & Koerasi	Sandakan, Sabah	2010	Certified
PT AMP Plantation	West Sumatra	2011	Certified
PT Primatama Muliajaya	West Sumatra	2011	Certified
PT Agro Nusa Investama (Sambas)	West Kalimantan	2012	Certified
PT Buluh Cawang Plantations	South Sumatra	2012	Certified
PT Tania Selatan	South Sumatra	2012	Certified
PT Bumi Sawit Kencana	Central Kalimantan	2012	Certified
PT Sarana Titian Permata	Central Kalimantan	2012	Certified
PT Gersindo Minang Plantations	West Sumatra	2013	Certified
PT Daya Labuhan Indah	North Sumatra	2013	Certified

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

Name of Holding	Location	Time bound plan for certification (year)	Remarks
PT Permata Hijau Pasaman	West Sumatra	2013	Certified
PT Perkebunan Milano (Cabang Dua Estate)	North Sumatra	2013	Certified
PT Sinar Siak Dian Permai	Riau	2014	Gap Assesment on 19/09/2014
PT Agro Pelindo Sakti	South Sumatra	2014	Certified
PT Mentaya Sawit Mas	Central Kalimantan	2014	Certified
BBPOP (Benso Plantation)	Ghana	2015	Certified
PT Murini Sam Sam	Riau	2015	Certified
PT Bumi Pratama Khatulistiwa	West Kalimantan	2015	Full Assessment 26/09/2016
PT Karunia Kencana Permaisejati	Central Kalimantan	2015	Certified
PT Rimba Harapan Sakti	Cntral Kalimantan	2015	Certified
PT Pratama Prosentindo	West Kalimantan	2016	Planned
PT Putra Indotropical	West Kalimantan	2016	Planned
PT Agronusa Investama (Pahauman)	West Kalimantan	2016	Planned
PT Buluh Cawang Plantation	West Kalimantan	2016	Planned
PT Daya Landak Plantation	West Kalimantan	2016	Planned
PT Indoresins Putra Mandiri	West Kalimantan	2016	Planned
PT Agro Palindo Sakti	West Kalimantan	2016	Planned
PT Agro Indah Persada 2	Jambi	2017	Planned
PT Musi Banyuasin Indah	South Sumatra	2017	Planned

**1.9 Compliance to Rules for Partial Certification**

Compliance of the uncertified management units of PT Mustika Sembuluh against the rules for partial certification according to RSPO Certification System clause 4.2.4 was assessed by verification of company's internal audit.

A summary of findings is as stated below

Partial Certification Requirements	Audit Findings	Status (Comply/not Comply)
(a) The parent organization or one of its majority owned and / or managed subsidiaries is a member of RSPO.	PT Mustika Sembuluh is subsidiary of Wilmar International Indonesia is RSPO member with membership number <b>2-0017-05-000-00</b> .	Comply
(b-d) A challenging time-bound plan for certifying all its relevant entities is submitted to the Certification Body (CB) during the first certification audit. The time-	Refer to the time bound plan under Section 1.8 above	Comply

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

Partial Certification Requirements	Audit Findings	Status (Comply/not Comply)
<p>bound plan should contain a list of subsidiaries, estates and mills.</p> <p>Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed. for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified</p>		
<p>(e) No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure</p>	<p>There are some newly developed plantation areas under Wilmar International such as in Jambi province, West Kalimantan province Indonesia and Nigeria as explained on the table 9 above. Some areas have undergone the New Planting Procedure (NPP) and been approved while some areas are still undergoing the NPP, as shown in Table 9 above.</p>	<p align="center">Comply</p>
<p>(f) Land conflicts, if any, 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>PT Asiatic Persada, which was previously a subsidiary of Wilmar had a significant land conflict issue but has been sold to other plantation company and is now no longer a subsidiary of Wilmar Plantation.</p> <p>Wilmar International carried out the New Planting Procedure for BIASE Plantation Limited (Ibiae estate) in Nigeria with an announcement made on the RSPO website on 9 November 2012. During this NPP process, a complaint was submitted by the Rainforest Resource &amp; Development Centre (RRDC) on behalf of the Ibiae Land Lord Community. The complaint covered infringements to several aspects of Principle 1 and Principle 2 of the RSPO P&amp;C. The case was taken up and investigated by the RSPO Complaints Panel, with decision made for RSPO to a lawyer well acquainted with Nigerian laws to review and give an authoritative opinion on whether the company had complied with the legal requirements of Nigeria. The legal opinion was received by the RSPO on 27 August 2014, and based on this opinion, the RSPO confirmed that BIASE Plantations was in compliance with legal requirements and closed the case. However, the result was not accepted by RRDC as well as the NGO, Friends of the Earth and the issue remains ongoing with no resolution. As the company has complied with requirements to attempt to resolve the dispute through the RSPO grievance procedure, this is noted by the TUV Rheinland audit team as an observation and progress of the case will be</p>	<p align="center">Comply</p>

Partial Certification Requirements	Audit Findings	Status (Comply/not Comply)
	<p>monitored.</p> <p>Further details on this case is available here: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/26">http://www.rspo.org/members/complaints/status-of-complaints/view/26</a></p> <p>There is also on ongoing land dispute at PT Gersindo Minang Plantation (GMP), West Sumatra under Wilmar, which has been ongoing since year 1997 with the village of Jaorang Rantau. This company has been RSPO certified by another certification body who is monitoring the status of the dispute with the RSPO.</p>	
(g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	A previously ongoing labour conflict in PT Tania Selatan regarding employee bonus has been solved. There are no other identified labour disputes ongoing at other subsidiary companies of Wilmar.	Comply
(h) Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	Some of Wilmar's other management units have not complied with certain legal requirements, for example in PT Sarana Titian Permai, PT Kerry Sawit Indonesia, PT Mustika Sembuluh estate under another Wilmar International management unit, there is an issue with the land area stated in the land use right certificate (HGU). However, the company is taking action by inviting the National Land Agency (BPN) to remeasure the land and resolve the issue. The process is still ongoing.	Comply

#### 1.10 Compliance to other RSPO Procedure

Name of Holding	Location	Total area	NPP Status according to RSPO NPP procedure
PT Agro Indah Persada	Merangin. Jambi	1,200 ha	Approved
PT Agro Nusa Investama Sambas	Sambas, West Kalimantan	1,024 ha	Approved
Biase Plantations (Ibiae Estate)	Calabar, Nigeria	5594 ha	Approved
Biase Plantations (Calaro Extension)	Calabar, Nigeria	3066 ha	Not submitted (Pending HCV/HCS study)
Eiyup Industry (Oban Estate)	Calabar, Nigeria	2986 ha	Not submitted (Pending HCV/HCS study)
Biase Plantations (Biase estate)	Calabar, Nigeria	8029 ha	Overlapping boundaries



**1.11 Compliance to RSPO Guidance on GHG calculation**

During the audit, the audit team verify and confirm that:

The RSPO PalmGHG Calculator used	Version 3.01
Accurate data has been put into the RSPO PalmGHG Calculator	Data used for GHG calculation is from January 2016 until December 2016 and data has been put into RSPO PalmGHG Calculator. The data consist of FFB received by mill, milling production, milling extraction rate, mill fuel consumption, and etc. The calculation has been send to RSPO Secretariat to approval thru email dated May 16, 2017. The secretariat RSPO has responded the email on the same date.
Net GHG Emission Figure (tCO <sub>2</sub> e/tCPO)	MS-1: 0.71 MS-2: 1.98

**1.12. Plan for certification of associated smallholders**

The company has a smallholder scheme (Koperasi Bita Maju Bersama), that supplied FFB to their mill and include of the scope of audit since 30 January 2015 (RSPO certificate no. 824 502 14009).

**1.13 Approximate Tonnages Certified**

The approximate tonnages certified, based production in 2017 for company owned estates and certified smallholders only are as follows:

Crude Palm Oil (CPO) : 87,240.00 tonnes  
 Palm Kernel (PK) : 19,721.25 tonnes

**1.14 Recommendation for Certification**

PT Mustika Sembuluh has established and maintains an effective system to ensure compliance with the RSPO principles and criteria. The audit team has confirmed through the audit process that the company's practices complies with, adequately maintains and implements the requirements of RSPO Principles and Criteria INA-NI 2016

PT TUV Rheinland Indonesia recommends that PT Mustika Sembuluh be approved as a producer of RSPO Certified Sustainable Palm Oil.

**1.15 Date of Certificate Issued and Scope of Certificate**

Scope of this second surveillance is same with previous audit (1<sup>st</sup> surveillance audit), that is PT MS POM-1 and PT MS POM -2 with their supply base, i.e.: PT MS – 1, PT MS – 2, PT MS-3 and a smallholder, i.e: Cooperation of Bita Maju Bersama,

**1.16 Other Achievements and Certification Helds**

**Table 9: Details of other certifications or awards held by PT Mustika Sembuluh**

Name of mill / estate	Certification Standard / Award achieved	Certification Body / Awarder	Date Achieved
PT. Mustika Sembuluh POM1	ISCC	ASG Cert	18 Juni 2016
PT. Mustika Sembuluh POM2	ISCC	ASG Cert	18 Juni 2016
PT. Mustika Sembuluh POM1	PROPER	Kementrian Lingkungan Hidup	2016
PT. Mustika Sembuluh POM2	PROPERDA	Badan Lingkungan Hidup Provinsi	2016

**2.0 ASSESSMENT PROCESS**

**2.1 Certification Body**

PT TUV Rheinland Indonesia is member of Group TÜV Rheinland Group, a global leader in independent testing and assessment services. The TÜV Rheinland Group was established in 1872 with offices located in over 500 locations in 65 countries on all five continents. PT TUV Rheinland Indonesia offers certification for a wide range of management systems according to established international standards including ISO 9001, ISO 14001, OHSAS 18001, SA 8000, RSPO (RSPO-ACC-013) and ISPO (LS-P&K-005-ISPO). PT TUV Rheinland Indonesia office is located in Jakarta, Indonesia.

**2.2 Qualifications of Lead Assessor and Assessment Team**

The assessment team members of this surveillance audit are as per the table below:

Name	Position	Qualifications / Experience
Wahyu	Lead Auditor	<p><b>Education:</b> Bachelor degree of Mechanical Engineering - University of Indonesia and Magister of Manufacturing - Pancasila University</p> <p><b>Trainings attended:</b> ISO 9001 and ISO 14001 IRCA Lead Auditor Training, Training of ISO 28000, TOT of Maritime Security, ISO 22000, and OHSAS 18001, SVLK Lead Auditor Training, COC – LEI Lead Auditor Training, VLO &amp; RIL Training, ISPO Lead Auditor Training, and RSPO Lead Auditor Training.</p> <p><b>Working experience:</b> Around 8 (eight) years as technician and engineer at manufacturing industries, 3 (three) years as QHSE Head at independent surveyor and inspection services company, 3 (three) years as QHSE Consultant, and 6 (six) years as auditor of ISO 9001, ISO 14001, OHSAS 18001, SVLK, COC – LEI, SVLK for Industry, ISPO and RSPO.</p>
I Wayan S.	Auditor	<p><b>Education:</b></p> <p>Bachelor of Agriculture Technology (soil and water technic) – Bogor Agriculture University.</p> <p><b>Training attended:</b></p> <p>Assesor for Sustainable Natural Production Forest Management – LEI,</p>

		<p>Assesor for Sustainable Plantation For-est Management – LEI, Auditor for Sustainable Forest Management – Ministry of Forestry, Indonesian Sustainable Palm Oiln(ISPO) – ISPO Commision, Awarness of RSPO – TUV Rheinland</p> <p><b>Working experience:</b></p> <p>Experience in consulting in forestry sector (1996-2010 &amp; 1990-1994), assistant training manager (1994-1996) and auditor of ISPO &amp; RSPO (environmental sector) in TUV Rheinland Indonesia (2014-now) as non-permanent auditor</p>
Irpan Kadir	Auditor	<p><b>Education:</b> Bachelor of Agriculture, Department of Social and Economic of Agriculture, Bogor Institute of Agriculture.</p> <p><b>Trainings attended:</b> Sustainable Natural Production Forest Management (Pengelolaan Hutan Alam Produksi Lestari - PHAPL) assessor training (May 2003); Forest Plantation Management (August 2003) training - Indonesian Ecolabel Institute (LEI).</p> <p><b>Working experience:</b> Experienced as external auditor of PT. TUV International Indonesia for Sustainable Forest Management and RSPO Principles &amp; Criteria. Has experience in conducting assessments of performance and social mapping for mining and forestry companies. He is a senior researcher and trainer at A + CSR Indonesia.</p>
Andreas Budi R.	Auditor	<p><b>Education:</b> Forestry Undergraduate – Universitas Gadjah Mada.</p> <p><b>Relevant trainings:</b> RSPO LA Training, Upgrading ISO 9001:2015; Lead Auditor IRCA Approved ISO 9001, ISPO Lead Auditor Training, IFCC Auditor Training, RSPO Supply Chain Auditor Training, FSC FM/CoC Auditor Training.</p> <p><b>Professional experience:</b> 5 years of working experience. Consultancy in several environmental projects (forestry and climate change) i.e. Forest Carbon Partnership Facility (Ministry of Forestry – World Bank), UNDP REDD+, and Indonesian Palm Oil Pledges (IPOP). Auditing experiences as palm oil and forestry auditor for several certification bodies i.e. Control Union, Bureau Veritas, and currently as permanent auditor at TUV Rheinland</p>

### 2.3 Assessment Methodology & Agenda

The 2<sup>nd</sup> surveillance assessment combined with supply chain certification assessment was conducted on June 05 - 08, 2017 as per the assessment program below. The assessment was carried out in accordance with TUV Rheinland Indonesia's RSPO audit procedure as well as the RSPO Certification Systems document and RSPO Supply Chain Certification Systems document. During assessment, the qualified TUV Rheinland assessors used the RSPO standard as endorsed for the country in which the assessment took place and recorded their findings.

Due to the location and proximity of the estates, combined with common management systems, it was possible to carry out both field and document assessments of all estates and the mill within the time frame without compromising the integrity of the assessment in anyway.

All 3 estates, 2 mill and 1 smallholder were visited and the assessment team carried out field and document assessments of compliance to selected RSPO principles and criteria. Common systems were identified and specific evidence was recorded for individual estates. Interviews were conducted at all estates and the mill.

The company proposed the correction and corrective action for all identified non conformities raised and documented evidence of closure of all major non-conformities to the certification body (CB) within 60 days from the last day of audit or the closing meeting. The minor non-conformities will be verified on the next surveillance audit. The surveillance assessment agenda is as explained below.

**Surveillance Assessment Agenda:**

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

Date / Time	Location/ Main sites	Main activities
<b>First day, Monday, June 05, 2017</b>		
05.45 – 07.45	-	All auditor: Flight from Jakarta to Palangkaraya
07.45 – 14.00	-	All auditor: Travelling from Palangkaraya to site
14.30 – 15.00	MS-1 Office	Opening Meeting
15.00 -17.30	MS-2 Office	All auditors - Verification of previous audit findings - Verification of documents both estates and mills as audit plan
17.30 - .....	-	End of 1 <sup>st</sup> day audit
<b>Second day, Tuesday, June 06, 2017</b>		
08.00 – 12.00	MS-1, MS-2 & MS-3 Es- tates	- All auditors: Documents verification of all estates as audit plan - Fields observation: 1. Irpan Kadir: MS-1 & MS-2 Estates 2. Wahyu: MS-1 & MS-2 Estates 3. I Wayan S.: MS-1 & MS-2 Estates 4. Andreas Budi R. : MS-1 & MS-2 Estates
<b>12.00 – 13.00</b>	-	<b>Break</b>
13.30 – 17.30	MS-1, MS-2 & MS-3 Es- tates	All auditors: Continued morning agenda
17.30 - .....	-	End of 2 <sup>nd</sup> day audit
<b>Third day, Wednesday, June 07, 2017</b>		
08.00 – 12.00	POM MS-1	- All auditors: Documents verification of all estates and POMs as audit plan - Fields observation: 1. Irpan Kadir: External stakeholders 2. Wahyu: POM MS-1 3. I Wayan S.: MS-3 Estate & POM MS-1 4. Andreas Budi R. : POM MS-1 continue to Cooperation Bitu Maju Bersama
<b>12.00 – 13.00</b>	-	<b>Break</b>
13.30 – 17.30	-	All auditors: Continued morning agenda
17.30 - .....	-	End of 3 <sup>rd</sup> day audit
<b>Fourth day, Thursday, June 08, 2017</b>		
08.00 – 12.00	POM MS-2	- All auditors: Documents verification of all estates and POMs as audit plan - Fields observation: 1. Wahyu: POM MS-2 2. Andreas Budi R.: POM MS-2 3. Irpan Kadir:: POM MS-2
<b>12.00 – 13.00</b>	-	<b>Break</b>
13.30 – 15.00	-	All auditors: Conformation of audit findings
15.00 – 15.30	-	All auditors: Preparation of closing meeting
15.30 – 16.30	MS-1	All auditors: Closing meeting
16.30 - .....	-	End of 2 <sup>nd</sup> surveillance audit
16.30 – 22.00	-	All auditor: Travelling to Palangkaraya
<b>5<sup>th</sup> day, June 09, 2017</b>		
08.20 – 10.05	-	All auditors: Flight from Palangkaraya to Jakarta

**Agenda for Verification of Closure of Major and Minor Non-conformities**

Date	Location / Main sites	Auditor	Main activities
June 05, 2017	PT MS-1	Wahyu	<p><b>P&amp;C: 2.1.1 - Major</b></p> <p><b>Non-conformance: RSPO 00408</b>                      Law register of OHS field, as mentioned on page 53, evaluation on Regulation of Labour &amp; Transmigration Minister (Permenakertrans) No. PER.15/MEN/VIII/2008, regarding First Aid in the Workplace, stated that the organization already comply with article 2, paragraph 1 and article 5, paragraph 2 of the regulations. The statement does not fit because the organization has not evaluated article 3 which is a continuation of article 2, and in fact the organization has not comply with article 3.</p> <p><b>Verification findings:</b>                      Some documents were reviewed such as:</p> <ul style="list-style-type: none"> <li>- Revision of Law Register on OHS,</li> <li>- Program on Compliance to OHS's Law and Regulations.</li> <li>- Lisensi Petugas P3K di Tempat Kerja, on behalf Anik Andriyani, License No. 273/WAS KK-P3K/2016, issuance date August 23, 2016. And valid until August 23, 2019.</li> </ul> <p>Based on the documents, the compliance evaluation of Permenaker No, PER.15/MEN/VIII/2008, regarding First Aid in the Workplace was evaluate article 3 of the regulation. i.e. about First Aid Officer.                      During this surveillance audit, the organization has Licensed First Aid Officer as required by the regulations.</p> <p><b>Compliance Status: Closed</b></p>
June 05, 2017	PT MS-1	Wahyu	<p><b>P&amp;C: 2.2.1 - Major</b></p> <p><b>Non-conformance: RSPO 00409</b>                      Cooperatives do not have a legal legitimate land until now and it can not show the latest progress from year 2014 and other supporting legality (SITU, SIUP, TDP and HO).</p> <p><b>Verification findings:</b>                      Some of documents were reviewed, such as:</p> <ul style="list-style-type: none"> <li>- Time frame of licensing proposal of Plasma</li> <li>- In Progress of Licensing such as SITU, SIUP, TDP &amp; HGU</li> </ul> <p>Based on the above documents, the organization has been proposed a set of documents to Integrated Licensing Office of Seruyan District regarding application of licensing on June 28, 2016.</p> <p><b>Compliance Status: Closed</b></p>

June 05, 2017	PT MS-1	Wahyu	<p><b>P&amp;C: 4.5.2 - Minor</b></p> <p><b>Non-conformance: RSPO 00410</b></p> <p>Based on the minutes of P &amp; D training dated March 31, 2016, there is pests officers in the sub division 2A, 2B, 3A, 3B have not attend training P &amp; D (MS-2).</p> <p><b>Verification findings:</b> Based on documents Official Report of P&amp;D Detection Training and Attendance List of the Training at PT MS-2, the training was conducted on June 21, 2016 and attended by 17 of Pest Officers from PT MS-2 Sub Divisions of 1A, 1B, 2A, 2B/Plasma, 3A and 3B.</p> <p><b>Compliance Status: Closed</b></p>
June 05, 2017	PT MS-1	Wahyu	<p><b>P&amp;C: 4.7.5 - Minor</b></p> <p><b>Non-conformance: RSPO 00411</b></p> <p>The organization has not First Aider Officer at Workplace as required regarding to Permenakertrans Nomor Per-15/Men/VIII/2008, dated August 13, 2008.</p> <p><b>Verification findings:</b> The organization has assigned first aaid officers who have license as required by the Permenakertrans Nomor PER-15/MEN/VIII/2008, dated August 13, 2008. For example first aidr license on behalf Anik Andriyani, License No. 273/WAS KK-P3K/2016, issuance date August 23, 2016. And valid until August 23, 2019</p> <p><b>Compliance Status: Closed</b></p>

#### 2.4 Stakeholder Consultation and Stakeholders Contacted

The stakeholder consultation involved both external and internal stakeholders. External stakeholders were notified to make comments on the surveillance assessment by placing an invitation to comment on the RSPO website. Stakeholders included those immediately linked with the operation of the company such employees, out-growers, the local government, NGO's, trade and labour unions and local communities.

Stakeholder consultation took place in the form of meetings and interviews. Meetings with stakeholders were held to seek their views on the performance of the company with respect to the sustainability practices outlined in the RSPO Principles & Criteria, and to comment on aspects where improvements could be made. Meetings with local communities were held at their respective premises within and near the company's area.

In all the interviews, the objectives of the RSPO and the purpose of the assessment was clarified at the outset followed by an evaluation of the relationship between the stakeholders and the company before discussion proceeded to obtain the stakeholders feedback on the company's compliance to different aspects of the RSPO Principles & Criteria. Although several stakeholders were not familiar with RSPO but they agreed with its objective and expressed their willingness to collaborate in the promotion of sustainable palm oil in North Sumatera province. In all interviews, the assessment team did not restrict discussion of both the positive and negative aspects of operations conducted by PT Mustika Sembuluh estates and mills

#### 2.5 Date of Next Surveillance Visit

The next surveillance visit is planned for June 2018.

### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of Findings

During this surveillance audit, there are **4 (four)** nonconformities were raised, 3 (three) nonconformities Major Compliance and 1 (one) nonconformity Minor Compliance Indicator. 11 observations or opportunities for improvement were identified. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in Section 3.2. The observations & opportunities for improvement are listed in Appendix 5.

The following is a summary of findings made for the criteria listed in the RSPO Principles & Criteria November 2013 (INA-NI September 2016) and RSPO SCCS 2014 for detail information about company's compliances to RSPO P & C. Appendix

***Criterion 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.***

**Findings:**

The last of list stakeholder of PT MS, file No. 1/BM-MS/MS/2017 updated on January 2017. Stakeholder categorized as: Province Government of Central Kalimantan, Kotawaringin Timur and Seruyan Regency, district, Head of Village of surrounding company, community figures, police and army office, NGO, supplier, and also contractor. To provide information to the parties as a form of business transparency, company has SOP No. 47/PR/6/0516 effective on May 1, 2016 as a guideline. Company report their activity regarding their operation to the parties, especially to the government, i.e:

- Document report on fire prevention activities in the workplace from July to September 2016. No letter: 003/MS/EHS-CKP/III/2016.
- Report Document Result of P2K3 activity from October to December 2016. No letter: 004/EHS-CKP/IV/ 2016 (estate), 37/MSPOM2/P2K3/I/2017 (Mill)
- Document of progress of plantation business from July to September 2016. No letter: 36/BM-MS/X/2016.
- Temporary B3 (toxic hazardous materials) waste storage report document from January to March 2017. No letter: 008/MS/EHS-CKP/IV/2017
- Document of Bipartite Forum activity report period of July-December 2016. No letter: 001/HRD-MS/IV/2017

While, based on information request logbook, there is no information that request by community or other parties. However, interview with Tanah Putih Village officer, they know how to ask for information and to whom the request is submitted.

PT MS record incoming and outgoing mail of the parties in the logbook. The logbook contains the date of the entry, the origin of the letter, purposes and addressed to whom, as well as responses from the company. Provision of information arranged in SOP 47/PR/6/0516, effective on May 1, 2016. At the time of the SOP regulates the provision of information during the two weeks since the request information is received and the SOP also governs related to the officer responsible for provide information (Ministry of Regional Development Partners). The retention time for record of a request for information document is for 3 years.

**Compliance status:**

Yes  No

NCR No: -

**Criterion 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.**

**Findings:**

SOP No. 47/PR/(6)/0516 regulate list of documents that can be accessed extensive and a list of documents that confidential and require the approval of the General Manager.

The list of documents with extensive access such as:

- (1) Certificate and land tenure rights,
- (2) Health and safety plan,
- (3) Plan for the reduction and prevention of pollution,
- (4) Documentation of HCV,
- (5) Plan and Social Impact Assessment,
- (6) Complaints and Complaints in Detail,
- (7) The Procedures for negotiations,
- (8) Continuous improvement plan,
- (9) Summary of certification assessment,
- (10) Human Rights Policy.

The data can be accessed with the approval of the General manager such as:

- (1) Title certificate and change of status of the company certificate,
- (2) The profit / loss of companies,
- (3) The balance of the company,
- (4) Salary staff / employees,
- (5) The identity of the shareholders and the management of the Company,
- (6) The identity of operational leadership, staff and employees,
- (7) The list of assets of the company,
- (8) A list of land / plantation land,
- (9) Plan community development (community development),
- (10) Land acquisition payment data,
- (11) Complaints and grievance,
- (12) Map of the distribution of rare animals in the conservation area,
- (13) 3rd party donations.

Retention time for record of incoming and outgoing letter has defined for at least for three (3) years in the company and cooperative.

**Compliance status:**

Yes  No

NCR No: -

**Criterion 1.3. Growers and millers commit to ethical conduct in all business operations and transactions**

**Findings:**

The management unit showed its code of conduct policy No. 044/DIR-KP/XII/2015 effective on December 15, 2015.

Code comprises 3 (three) main principles

- To avoid complicit of interest
- To Avoid misuse and or abuse of position
- To ensure confidentiality of information and to prevent misuse of information gained through the company's operations, either for personal gain or for any purpose other than that intended by the company.

The code of ethics of the company consists of 14 codes are:

**Compliance status:**

Yes  No

NCR No: -



- General
- The principles of the code of ethics
- Conflicts of Interest
- Accurate Reports
- Bribery and Illegal practices or unethical trade practices
- Fun and prizes
- Positions abuse
- Insider trading (Human trafficking)
- Confidential
- Restrictions petition
- Media Relations
- Unions, Political and Social Activities
- Installing software on a computer Illegal
- Reporting, in collaboration with investigators and law enforcement related offenses.

Socialization code of ethics is checked through company documentation, which is: document of socialization of policy of code of ethics and company policy. On 21 December 2016, attended by 12 representatives. On 5 April 2017, five contractor representatives were attended. Materials discussed: conflicts of interest, bribery and illegal and unethical practices in trade, entertainment and gifts, abuses of office, trade by internal pretext, secrecy, union-politics and social activities.

**Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.**

**Findings:**

The company has complete list of legal requirements and copies of legal requirements available at all estates and mills. The list of legal requirements (law register) categorized into 4 (four) fields, i.e.:

- Law register of Plantation (Daftar Peraturan dan Perundangan Perkebunan), Document No. Form 02/SOP 08/CKP/(3)/0416; Revision 14; effective dated May 01, 2017 (next update on November 01, 2017). The document prepared by Legal Officer, Checked by Binamitra Regional and approved by General Manager. Found that in the 14<sup>th</sup> revision, there are some revisions, i.e:
  - a. Added regulation of Central Kalimantan Governor No. 49 year 2015 concerning withdrawal of regulation of Central Kalimantan Governor No. 52 year 2008, concerning Guidance of Land and Yard Opening for Peoples of Central Kalimantan and regulation of Central Kalimantan Governor No. 15 year 2010 concerning Guidance of Land and Yard Opening for Peoples of Central Kalimantan.
  - b. Added regulation of ministry of environmental and forestry (PermenLHK) No. P.32/MenLHK/Setjen/Kum.1/3/2016 concerning Control of Fire on Land and Forest.
- Law register of Environmental (Daftar Peraturan dan Perundangan Lingkungan Hidup), Document No. Form 02/SOP 08/CKP/(3)/0416; Revision 14; effective dated May 01, 2017 (next update on November 01, 2017). The document prepared by Legal Officer, Checked by Binamitra Regional and approved by General Manager.
- Law register of OH&S (Daftar Peraturan dan Perundangan Keselamatan dan Kesehatan Kerja), Document No. Form 02/SOP 08/CKP/(3)/0416; Revision 14; effective dated May 01, 2017 (next update on November 01, 2017). The document prepared by Legal Officer, Checked by Binamitra Regional and approved by General Manager.

**Compliance status:**

Yes  No

NCR No:  
RSPO01146 and  
RSPO01147

- Law register of Employment (Daftar Peraturan dan Perundangan Ketenagakerjaan), Document No. Form 02/SOP 08/CKP/(3)/0416; Revision 14; effective dated May 01, 2017 (next update on November 01, 2017). The list prepared by Legal Officer, Checked by Binamitra Regional and approved by General Manager.

The law register contained legal and other requirements, i.e.: Undang-undang, PP, Keputusan Presiden, Peraturan Menteri, Keputusan Menteri, Peraturan Gubernur, Peraturan Bupati and etc.

There is evidence that the latest revision of all law registers has been disseminated to all functions within the organization. Among others: Attendance List of Law Register Socialization, dated April 10, 2017 and Berita Acara Sosialisasi of Evaluation/Review of Law Register, dated April 10, 2017,

Some evidence of legal compliance were reviewed:

**MS-1; MS-2; and MS-3; POM -2**

- OHS License (SIO) on behalf of Rohmatullah, license no.70989-OPK3-T/PAA/VI/2016. The licence still valid until June 09, 2021.
- Availability of Licensed First Aider Officer to meet the Labor Minister's regulation (Permenaker No. 15 Tahun 2018 regarding first aider of accident at workplace)
- Reporting of OHS committee's activities regularly (on 3 month basis) to Head of Dinas Tenaga Kerja dan Transmigrasi Kabupaten Kotawaringin Timur.- Receipt records are available.

**MS POM-1**

Some documents and records were reviewed and proven that compliance with legal requirements are met, such as:

- POM's legality/licensing such as: location permit, Surat Izin Tempat Usaha (SITU), Surat Izin Penyelenggaraan Pelatihan Kerja (SCT), Izin Usaha Tetap (IUT), Izin Gangguan (HO), Izin Mendirikan Bangunan Pabrik dan Perumahan, Izin Mendirikan Bangunan (IMB) TPS LB3, Izin Usaha Perkebunan (IUP)/Izin Usaha Perkebunan dan Pengolahannya (IUPP), Izin Pemanfaatan Air Limbah Industri Minyak Kelapa Sawit – IPAL, dan Izin Land Aplikasi (LA)

Installations permit, machineries and equipments of POM. All licenses/permits of POM's equipments has expired on March and May 2017, however the organization (Mill manager) has proposed a letter to extend the licences. The Inter Office Memo dated May 16, 2017 from Mill Manager to Legal Officer at RO subject to Requested of extension of POM's Equipments Licenses. The list of equipments are:

- Akte Izin Bejana Uap Sterilizer No.1 to No. 11
- Bejana Uap BPV
- Bejana Uap Dearator
- Akte lin Ketel (BPV)
- Akte Izin Bejana Uap Terminal Daerator
- Akte Izin Bejana Uap Steam Separator
- Akte Izin Turbin Uap
- License of OHS Operator (SIO) for all operator are available (Monitoring Sertifikat / SIO Operator), such as:
  1. Sumino, Sterilizer Operator; License No. Reg.7759.OPK3-PUBT-B.II/IX/2015: the license valid until 21-09-2020
  2. Sobirin, Sterilizer Operator; License No. Reg.7760.OPK3-PUBT-

<p>B.II/IX/2015: the license valid until 21-09-2020</p> <p>3. Sahruni, Sterilizer Operator; License No. Reg.7763.OPK3-PUBT-B.II/IX/2015: the license valid until 21-09-2020</p> <p>4. Fian Dule, Sterilizer Operator; License No. Reg.7761.OPK3-PUBT-B.II/IX/2015: the license valid until 21-09-2020</p> <p>5. Supiyannur, Sterilizer Operator; License No. Reg.12.1944-OPK3-PUBT/BII/VIII/2013: the license valid until 13-09-2018</p> <p>6. Waldi, Sterilizer Operator; License No. Reg.7762.OPK3-PUBT-B.II/IX/2015: the license valid until 21-09-2020</p> <p>7. Rafael Sabon, Sterilizer Operator; License No. Reg. 12.1945-OPK3-PUBT/BII/VIII/2013: the license valid until 13-09-2018</p> <p>8. Bardainii, Sterilizer Operator; License No. Reg.566.560/313/WAS-KK/SIO-PUBT/2014: the license valid until 09-08-2016</p> <p>9. Emei Sterilizer Operator; License No. 8391.OPK3-PUBT-B.IV/2015: the license valid until 22-05-2020</p> <p>10. Sudar, Sterilizer Operator; License No. 9851 OPK3-PUBT-B.I/VII/2016: the license valid until 18-07-2021</p> <p>11. Rusliansyah, Sterilizer Operator; License No. 9838 OPK3-PUBT-B.I/VII/2016: the license valid until 18-07-2021</p> <p>12. Zulkarnain, Sterilizer Operator; License No. 9841 OPK3-PUBT-B.I/VII/2016: the license valid until 18-07-2021</p> <p>13. Demi Parmono, Sterilizer Operator; License No. 9819 OPK3-PUBT-B.I/VII/2016: the license valid until 18-07-2021</p> <p>14. And etc.</p> <p>- Calibration result of Weightbridge Electronic available as follows:</p> <p style="margin-left: 20px;">a. Merk / Type: Mettler Toledo/IND 780; last calibration August 18, 2016 (remark of Test Result No. 692/UPTD-METRO/VIII/2016; valid until/next calibration: August 17, 2017. Test conducted by UPTD Balai Metrologi Dinas Perindustrian dan Perdagangan Pemerintah Provinsi Kalimantan Tengah.</p> <p style="margin-left: 20px;">b. Merk / Type: Avery Weigh – Tronix/E1205; last calibration November 21, 2016 (remark of Test Result No. 203/PKTN.4.11/SKHP/TU/11/2016); valid until/next calibration: November 17, 2017; Test conducted by Direktorat Metrologi Balai Standardisasi Mmetrologi Legal Regional III, Kementerian Perdagangan RI, Dirjen Perlindungan Konsumendan Tertib Niaga.</p> <p>- And etc.</p> <p><b>POM-2</b></p> <p>- Document of Monitoring of SIO PT Mustika Sembuluh POM 2. Evidenced that all operators has valid SIO as required by national regulations. Otherwise, for expired SIO has been proposed for extent.</p> <p>- List of Permits (Daftar Perizinan Perusahaan) has been updated on May 31, 2017.</p> <p>- Invoice No. SA.13/15.03.2017, dated March 15, 2017 from CV Sumber Aman for charge of routine inspection of machineries and equipments of POM.</p> <p>- Official report of testing of Vertical Sterilizer, 3 units, dated April 17, 2017</p> <p>- Decree of Head of Manpower and Transmigration of Central Kalimantan Province No. KEP.163/DISNAKERTRANS/P2K3/2017, dated March 29, 2017, concerning determining of P2K3 (OHS committee) of PT MS POM 2. The decree valid since determined till if any revisions.</p> <p>- Dcree of Kotawarngin Timur Regent No. 02/IK-BP/KP3M/III/2013, dated</p>	
--	--

March 11, 2017, concerning License of Company's Clinic. The license valid from March 11, 2013 to March 10, 2018.

- Report no. 002/EHS/MS2-Mill/IV/2017, about P2K3 activities for period January to March 2017 to Head of Manpower and Transmigration Agency of Central Kalimantan Province, Head of Manpower Supervisory District of Kotawaingin Timur.
- Decree of Ministry of Manpower and Transmigration of RI No. Kep.8603/M/DJPPK/IX/2014, dated September 23, 2014. Concerning General OHS Expert (Ahli K3 Umum) on behalf Roni Susanto, Registration No. 15877/PK3/AJ/62/2014/P0, valid until September 23, 2017.

The organization has documented procedure related information on legal requirements including personnel in charge to manage, set of legal documents, relevant section within the laws that is identified and linked to activities, and comprehensive list of international, national, sub-national and provincial laws which details the requirements of specific to the mill and estate operations, i.e: SOP 08/CKP/(3)/0416, revision 3, effective date April 01, 2016; namely Identifikasi Aturan dan Persyaratan Hukum. The SOP prepared by PR Manager and Approved by General Manager.

Personel in charge to manage was described in the SOP, i.e: legal officer, estate manager and general manager. The SOP said that the Legal Officer has responsibility to identifying, creating, and conducting periodical audit (2 times a year). And in other part of SOP said: The Legal Officer has responsibility to ensure that all related regulations are obeyed by conducting audit ( 2 times a year).

The copy of documents (SOP, list of law & regulations, and etc) are available at levels such as staf and managers.

The organization also has defined a SOP namely Internal Audit, SOP No. 65/CKP/(0)/0811; Rev.0; Effective date August 01, 2011. The SOP prepared by Coordinator Sustainability and approved by General Manager. The SOP said: "Coordinator sustainability will create an annual internal audit program.

The last internal audit was conducted on April 10 - 18, 2017; scope of internal audit area MS 1; MS 2; and MS 3 Estates; MS POM 1; MS POM 2 and Plasma Estate ; The audit standards used are RSPO & ISPO P&C. Records and documents of internal audit well documented and maintained. Some internal audit records were reviewed, e.g.;

- Internal Office Memo, No. (001-003)/MS-RO/IV/2017, dated April 01, 2017; Regarding Internal Auditor Assignment
- Internal Audit Report of RSPO Nucleus and Plasma of PT Mustika Sembuluh (FRM 04/SOP 65/CKP/(0)/0811) – The internal audit has been conducted on February 6-10, 2017; Reported 24 NCR, 3 positive observation and 35 negative observation
- Correction and Corrective Action (Perbaikan dan Tindakan Perbaikan Berkelanjutan) (FRM 02/SOP 63/CKP/(0)/0811) – Reported that correction and corrective actions of 23 NCR has taken and 1 NCR still in progress.
- Verification of Correction and Corrective Action taken dated April 10-18, 2017. Reported all 23 NCR has closed and 1 NCR still in progress.

The organization has defined a SOP for ensuring legal compliance, i.e.: SOP 08/CKP/(3)/0416, revision 3, effective date April 01, 2016; namely Identifikasi Aturan dan Persyaratan Hukum. The SOP prepared by PR Manager and Ap-

proved by General Manager. Personnel in charge to manage was described in the SOP, i.e : legal officer, estate manager and general manager. The SOP said that the Legal Officer has responsibility to identifying, creating, and conducting periodical audit (2 times a year). And in other part of SOP said: The Legal Officer has responsibility to ensure that all related regulations are obeyed by conducting audit (2 times a year).

However, there are several issues found which become non conformances, i.e.:

**NCR No.RSPO001146:**

- The IUP area stated on Central Kalimantan Governor Decree no: 343 year 2003 regarding Pemberian izin Usaha Perkebunan kepada PT Mustika Sembuluh dated 13 Agustus 2003 is not in line with the total HGU, whereas IUP area is 15,990 ha while HGU area is 19,450.26 ha. Moreover the POM 2 is not yet included in the IUP scope.
- There is no evidence on the follow-up against the overlap between a portion of company's area based on SK No.8/HGU/BPN/2005 for an area of 5.227 ha with Production Forest area as stated on SK Menhut no. SK.529/Menhut-II/2012 dated 25 September 2012 regarding Perubahan Kawasan Hutan di Kalimantan Tengah
- During the time of audit the HO, SIUP, SITU, and TDP of Koperasi Bitu Maju Bersama are still not available.
- There is no land legality yet (IUP and HGU) for Koperasi Bitu Maju Bersama, since there is no respon yet against principle permit application through the letter no: 29/KBMB-PDM/MHU/XI/2016 dated 3 November 2016 regarding Permohonan Ketersediaan Lahan kepada Dinas Kehutanan dan Perkebunan Kab. Seruyan
- Until the time of audit there is no surface water permit available as regulated in PermenPUPR no: 01/PRT/M/2016 regarding Tentang Tata Cara Perizinan Pengusahaan Sumber Daya Air dan Penggunaan Sumber Daya Air
- There is no document of IUP-P for POM 2 PT Mustika Sembuluh

**NCR No.RSPO001147:**

The Company legal list (Daftar Peraturan dan Perundangan Lingkungan Hidup no dok: Form 02/SOP08/CKP/(3)/0416 rev.14 tanggal 1 Mei 2017 update 1 November 2017) has already included PP no. 38 year 2011, however the SOP Pengelolaan Sempadan Sungai (Riparian Belt) (SOP 20/HCV/(1)/0115) still refer to the old regulation i.e PP no. 35 year 1991.

**Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.**

**Findings:**

The company already has legal maps showing locations of boundry markers. Based on fields observation, found that boundary markers available on the boundaries. Some documents were reviewed at Mustika Sembuluh 1, 2 and 3: Estates, i.e:

- Mustika Sembuluh - 1 Estate: boundary map (Peta Patok Boundary), scale 1:40,000; this map issued by request Eko Yuliadi (Group Estate Manager) dated May 30, 2017; Map reference: HD 6916. The map showed 70 boundaries was identified. The map sources are: Coordinate point by BPN, GI S database, HGU document of PT MS and result of boundary monitoring on May 2017.
- Mustika Sembuluh - 2 Estate: boundary map (Peta Patok Boundary), scale 1:40,000; this map issued by request Eko Yuliadi (Group Estate Manager)

**Compliance status:**

Yes  No

NCR No: -  
RSPO01017

dated May 30, 2017; Map reference: HD 6916. The map showed 49 boundaries was identified. The map sources are: Coordinate point by BPN, GI S database, HGU document of PT MS and result of boundary monitoring on December 2016.

- Mustika Sembuluh - 3 Estate: Peta Patok Boundary, scale 1:45,000; this map issued by request Eko Yuliadi (Group Estate Manager) dated May 30, 2017; Map reference: HD 6916. The map showed 91 boundaries was identified. The map sources are: Coordinate point by BPN, GI S database, HGU document of PT MS and result of boundary monitoring on December 2016.

Based on field observation on MS-3 estate; Boundary No. MS49 found the boundary made by concrete with clear identity number. The boundary berbatasasn dengan kebun lain. Based on ground verification of boundary marker by GPS found the coordinate is accordingly.

The organization has defined a SOP for boundary demarcation and maintenance, i.e.: SOP Pemasangan dan Monitoring Patok Batas document No. 001/SOP/GIS/2014, Rev.-01, Effective date July 01, 2014. SOP was prepared by GIS Officer and Approved by GIS Senior Manager. The SOP said boundary monitoring will be conducted 3 month since the boundary installed; Responsible persons to boundary maintenance are Group Manager and Estate Manager.

Result of Boundaries survey are available for MS-1, MS-2 and MS-3 estates and Plasma estate. Monitoring of boundary of GHU on MS-1 estate was conducted on May 2017; MS-2 estate on November 2016; MS-2 Plasma on October 2016 and MS-3 on December 2016.

The company has identified several land dispute as mentioned on Cr.2.3 below. All records of dispute resolution has been maintain properly for each case. The complete information as mentioned on Cr. 2.3 below.

The Company also provides maps of areas of land conflicts that describe where Sighted map with a scale of 1: 50,000 showing the location of the enclave area because there are claims from villager.

***Criterion 2.3: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.***

**Findings:**

There are still a number of land claims in Mustika Sembuluh. All land claims are recorded and documented. Until 2<sup>nd</sup> surveillance there are 10 claim locations in Estate I, 8 claim sites in Estate II, and 15 claim locations in Estate III with a total claim area of 801.60 Ha. Explanation from the company, the claim has been responded and communicated with the claimer. Most claims areas that have fixed decisions have been made enclave. Company with claimer then create and agree management of the enclave area. For other claims that have not been completed yet, the company still responds to the claimer, including if claimer want to use litigation process.

A number of parties are also involved in efforts to resolve claims, including village government and community leaders. Confirmation from community leaders in Sebabi village and village officer of Tanah Putih stated that the company involves them both to seek opinions as well as to witness in the discussion of land claims

**Compliance status:**

Yes  No

NCR No: -

between the company and the claimer.

Checked a number of claims documents following the response that has been done by the company, namely

- No Letter 004/SPT/DS-PYG/032015 from Cing'an K. Tungai dated 14 Sep 2016 regarding land fencing notification, response from company was given on 30 september 2016 (no. letter 34/BM-MS/IX/2016)
- No Loose/IV/TP-2017 from Ed Uwar Johan dated 23 April 2017 regarding land claim settlement, response was given on May 12, 2017 (no letter 20/BM-MS/V/2017)

Interview with a claimer in block 718 of Estate III, which has a land area of 2.05 Ha. According to the claimer's statement, the land is comes from family heritage. The Company enclaves the land and never forces the claimant to sell / sell the land. The boundaries of the area are made clearly, in the form of an elephant trench. Claimer now plants the land with palm oil.

Mustika Sembuluh has an SOP for settlement of land disputes, SOP No. 30/BM/(1)/0217, which effective since February 2017. As a procedure, company already implement step by step. They also response any concern from claimer, for example, by accepting the demands, held a consultation, direct observation, together with the claimer to the location of the conflict, and make a deal with the claimer.

For areas already enclosed, companies with villager who have claims make an agreement as outlined in the MoU related to land management. One of the documents checked is MoU no 002/MoU\_Enclave/MS.III/BM-LAND/IV/2017 with claimer in B47-B48Bu Block. The contents of the MoU are among others claimers are permitted to utilize land for farming, livestock, using company road access, protecting from land fires.

**Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.**

**Findings:**

The company has already documented business or management plan for period 5 (five) years, that include land area statement (planting years, non-planted areas, i.e. HCV, conservation areas, fragile soils, enclaves) with updated location maps, quality of planting materials, crop projection, mill extraction rates, cost of production = cost per tonne of Crude Palm Oil (CPO) trends, forecast prices, financial indicators – profitability forecast (income vs cost), sustainability implementation cost, and etc. Herewith summary of management plan of MS-1, MS-2, and MS-3 estates and POM-1 and POM-2.

Parameters	2015	2016	2017	2018	2019	2020
Land clearing, annual (ha)	0	0	0	0	0	0
New planting, annual (ha)	0	0	0	0	0	0
Immature area, cumulative (ha)	52	0	0	0	0	0
Replanting (ha)	0	0	0	0	0	0
Mature area (ha)	15,721	15,769	15,769	15,769	15,769	15,769
Total planted area (ha)	15,773	15,769	15,769	15,769	15,769	15,769

**Compliance status:**

Yes  No

NCR No:

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

Unplanted area (ha)	3,676	3,681	3,681	3,681	3,681	3,681
Total area (ha)	19,449	19,449	19,449	19,449	19,449	19,449
FFB production (MT)	436,200	432,700	429,500	431,000	425,400	419,600
<b>Milling</b>						
Installed (ton per year)	911,400	911,400	911,400	911,400	911,400	911,400
Own FFB processed (MT)	365,900	382,500	376,600	377,100	375,100	369,400
Related co. FFB processed (MT)	37,800	148,550	195,400	219,700	233,150	238,100
Outside FFB purchased (MT)	4,800	4,900	5,000	5,100	5,200	5,300
Total FFB processed (MT)	408,500	535,950	577,000	601,900	613,450	612,800
Mill utilization (%)	44,80	58,80	63,30	66,00	67,30	67,20
OER (%)	24,00	24,00	24,00	24,00	24,00	24,00
KER (%)	4,75	4,75	4,75	4,75	4,75	4,75
CPO production (MT)	98,040	128,628	138,480	144,456	147,228	147,072
PK production (MT)	19,404	25,458	27,408	28,590	29,139	29,108
Own FFB sales to related co (MT)	70,300	50,200	52,900	53,900	50,300	50,200
Own FFB sales to outsider (MT)	0	0	0	0	0	0

**MS POM - 1**

Schedule 4, FFB Processed

Description	2017	2018	2019	2020	2021	2022
Mill capacity (ton ffb per hour)	75	75	75	75	75	75
Mill throughput	75	75	75	75	75	75
Mill utilization	57,82	60,45	64,75	65,53	60,75	56,78
OER	24	24	24	24	24	24
KER	5,50	5,50	5,50	5,50	5,50	5,50
Own estate	235,500	259,000	277,400	281,000	260,000	245,000
Own group	15,400	2,800	3,100	2,800	2,800	300
Plasma	4,100	4,800	5,100	5,200	5,100	5,100
Outside	-	-	-	-	-	-
Total FFB Processed	255,000	266,600	285,600	289,000	267,900	250,400

Schedule 7: Capital expenditure - MS – 1.

Consist of data projected for Plant & machiney, land and building, Agri & transport vehicle, Office equipment, tank-piping and equipments, Capex project

Schedule 11 – Sustainability Implementation Cost – MS – 1

1. Environment (POME treatment measure, studies/consultation & Emission mitigation measures, studies/consultation)
2. Social (Cultural & religious studies/consultation)
3. Health & Safety (certification, mill inspection, First Aider, fire fighting measures & training, and other)

The company has established and implemented a mechanism to review and evaluate to ensure that all of business or management plan are running effectively. The review and evaluation performed started form unit until HO graduall and performed regularly from monthly until annually.

PT Mustika Sembuluh Estates (MS-1, MS-2, and MS-3) has documented information of replanting program of 6 (six) years (2015 – 2020).



**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

There is evidence that replanting programme reviewed yearly basis for example as documented on Areal Statement (MS-1), there is no replanting since year 2014 to 2020.

**Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.**

**Findings:**

Company has all SOPs regarding estates and mills activities and keeps the SOPs well documented, evidenced by Master List SOP April – Juni 2017. SOPs regarding mill operations are available at the mills, and SOPs regarding plantation operation are available at the estate office. There have been several changes/revisions against SOPs and these revisions are identified on SOP numbering format. The SOPs already cover key processes, harvesting, transportation, manuring, IPM, GAP, Supply Chain requirements for the mill. All SOPs are available in Bahasa Indonesia thus relevant personnel can understand them very well. To ensure full understanding of relevant personnel against relevant SOPs, the company has conducted training, evidenced by training records on SOPs, i.e.: pest and disease, spraying, manuring, harvesting & loading.

To ensure compliance with SOP, the company has established SOP Internal Audit (SOP 65/CKP/(0)/0811 rev.0 date 1 Aug 2011). There are 3 internal auditors, i.e. Mr. Roni Susanto, Ms. Rezka Raminda, and Mr. Muhammad Chumaidi who are under the Sustainability Department. The appointment of internal auditor has been done by the company through: Internal Office Memo regarding Penunjukan Auditor Internal upon those personnel i.e. no: 001/MS-RO/IV/2017; No: 002/MS-RO/IV/2017; and No: 003/MS-RO/I/2017 dated 1 April 2017 for respective personnel. The internal audit program is stipulated on spreadsheet file of Rencana Sertifikasi Audit Tahun 2017 Kalteng which consists of all 7 companies in CKP Region (including PT Mustika Sembuluh). The internal audit activity is conducted according to relevant certification schemes applied by the company, i.e. RSPO, ISPO, and ISCC in order to prepare for external audit by CB. Based on interview with Mr. Roni Susanto (Internal Auditor), he has attended ISPO Formal training, RSPO and ISCC internal training. Knowledge regarding environmental management system is acquired by discussion and information sharing with co-worker who had attended ISO 14001 i.e Ms. Sari and Mr. Roy Sianturi.

The 2017 internal audit activity regarding RSPO had been conducted, evidenced by Internal Audit report, namely Laporan Internal Audit RSPO Inti dan Plasma PT Mustika Sembuluh (no dok: FRM 04/SOP65/CKP(0)/0811) conducted on 6 – 10 February 2017. The internal audit was done according to RSPO P&C. The identified NCs of Internal Audit was then rectified by the management, evidenced by Perbaikan & Tindakan Perbaikan Berkelanjutan (no dok: FRM 02/SOP63/CKP(0)/0811), which consists of correction and corrective actions. The internal auditor was also conducted verification againsts those corrections evidenced by Verifikasi Hasil Perbaikan & Tindakan Perbaikan Berkelanjutan (no dok no dok: FRM 03/SOP63/CKP(0)/0811) dated 10 – 18 April 2017.

The mill records all incoming FFB from their respective sources which are still under Wilmar Group. Example of the records are available on the document of PT Mustika Sembuluh POM 2 List of Supplier Certified RSPO 2017 effective on 9 February 2017 which consists of the following suppliers:

**Compliance status:**

Yes  No

NCR No: -

- Mustika Sembuluh Estate 1, 2, and 3
- Kerry Sawit Indonesia Estate 1, 2, and 3
- Sarana Titian Permata Estate 1, 2, and 3
- Bumi Sawit Kencana Estate 1 and 2
- Rimba Harapan Sakti Estate 1 and 2

There is also record of refinery which POM 2 supplies to, i.e. List of Refinery Certified RSPO 2017 which consists of:

- PT Sinar Alam Permai – Kumai
- PT Wilmar Nabati Indonesia – Sampit

**Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

**Findings:**

To maintain soil fertility the company has established SOP, i.e SOP Aplikasi Pemupukan (SA 05/EMU/(1)/0811 dated 1 August 2011) which states the flow process of fertilising activity from transport to application along with fertilizer dosage. This procedure is also accompanied with SOP Aplikasi Pemupukan (manuring) (PSKK 03/CKP/(2)/1209), which describe the health and safety guidance for manuring activity.

The company keeps records of fertiliser input, verified the 2016-2017 data, i.e. Mature Manuring Schedule for Year 2016 and 2017 PT Mustika Sembuluh 1, 2, 3, and plasma which are divided on each divisions and field number, for plasma based on planting year. The document consist of several data, i.e. field number, planting year, hectare, amount of palm, major soil types and schedule per month. On the document of Monitoring Fertilizer Application 2017 there are data of fertilizer types used by the company, i.e. NPK13, Kieserite, Dolomite, SOA/ZA, and Urea. The data consist of schedule from January – December 2017, and from May – December 2017 it is planned to use NPK13, Borate, MOP, RP, SOA/ZA, and Urea. There is record of fertilizer usage per tonne of FFB production for each estates and plasma based on GHG calculation data for each estates and plasma in 2016 and 2017.

To utilise the right fertiliser type and dosage the company conducts regular leaf and soil sample analysis. The leaf sampling is conducted annually, while the soil sampling is conducted every 6 years. This is stated on SOP- Agronomy Pengambilan Sample Tanah untuk Status Kesuburan Tanah (SA 12/EMU/2/0916 rev.2 dated 1 September 2016) and Panduan Pengambilan Sample Daun Kelapa Sawit untuk Rekomendasi Pemupukan. The records of 2016 leaf analysis are available for each estates and plasma. The data consist of block number, year of planting, frond number, major element analysis result (N, P, K, Mg, Ca), and minor element analysis result (B, Cu, Zn, Fe). The analysis results are stipulated on 2017 Fertilizer Recommendation for each estates and plasma. The recommendation comes up with type of fertilizer in Kg per palm for each block for the months of February, March, May, June, August, September, and October. The recommended fertilizer types are Kieserite, Dolomite, SOA, MOP, RP, B, and NPK. The soil analysis result is stipulated on the document of 1st Report on Soil and Nutritional Fertility Assessment of the Various Types in Mustika Sembuluh and Kerry Sawit Indonesia Estates in Relation to the Overall Soil Fertility Status of the Central Kalimantan Project (CKP) – Region 5, established by Eco Management Unit Wilmar CKP on October 2011. Based on the analysis it is recommended to add EFB application particularly to sandy soils. There is recommended nutrients input for mature oil palm which dis-

**Compliance status:**

Yes  No

NCR No: -

tinguished by soil type, i.e. Ultisols & Inceptisols, Spodosol (sandy textured), and Histosol (peat).

The company implements nutrient recycling strategy through EFB mulching and POME land application. There are documents of 2017 EFB mulching monitoring for 3 estates. The data consist of block number, EFB recommendation and applied EFB mulching. There is also the map of EFB distribution through out the blocks for each estate, i.e. Peta Realisasi Aplikasi EFB up until May 2017. The company also conducts POME application through procedure on POME land application i.e. SOP Pemanfaatan Limbah Cair PKS di Perkebunan Kelapa Sawit (SOP 14/EHS/(2)/1214 rev.2 dated 20 December 2014) which describes the process for land application from permit, application, construction of furrow system, POME analysis and soil and water monitoring due to land application. The permit for POME land application exists for each POM, whereas POM 1 discharges its POME to MS-1 estate while POM 2 discharges it to PT Bumi Sawit Kencana (neighbouring plantation company). For POM 1 there is Regent permit, i.e. Surat Ijin Bupati Kotawaringin Timur no: 660/216/BLH/III/2010 tentang Izin Pemanfaatan Air Limbah Pada Tanah di Perkebunan PT Mustika Sembuluh dated 24 June 2010 valid for 5 years, which is currently expired. Until the time of audit, there is no permit renewal available although since 2015 the company had conducted series of permit renewal procedures to authority. For POM 2 there is Keputusan Bupati Kotawaringin Timur no: 660/197/EK.SDA-BLH/IV/2016 tentang Izin Pemanfaatan Air Limbah Industry Minyak Sawit pada Tanah di Perkebunan Kelapa Sawit PT Mustika Sembuluh 2 di Desa Sebabi Kecamatan Telawang Kabupaten Kotawaringin Timur Prov. Kalteng dated 29 April 2016 valid for 5 years.

Based on field verification to MS-1 estate block 087 Division 2A it was evidenced that the land application of POME is implemented. Based on interview with field conductor there is 40 ha of application in this block and a total of 719 ha within MS-1 estate. The Land application distribution uses pipeline and the POME is flown through furrows to be distributed in the block. Based on interview with field conductor the area still being manured regularly in spite of land application. This makes a higher FFB yield.

**Criterion 4.3: Practices minimise and control erosion and degradation of soils.**

**Findings:**

The company has map of soil detail with scale 1:40,000. Which contains a peat area of 606.24 Ha (embedded 583.47 Ha) in Mustika Sembuluh-3 estate and peat-land area of 8.38 Ha (embedded 7.88 Ha) in Mustika Sembuluh-2 estate. The company has map with slope: level (0-4%); undulating (4-12%); rolling (12-24%). Based on field visit at Mustika Sembuluh Estate, the location is flat so the company not has management plan for location with steep areas.

The company has a schedule of plan and realization of road repair includes compactor and grader tools every month, eg May 2017 realization 24 HM Compactor and 111 HM Grader. A road map location location is available. The company has data on the realization of road maintenance every month eg. May 2017 sampling covering 10,000 m main road roads, covering Grading block road. Available data budgeting for heavy equipment road maintenance.

The company has management and monitoring of peat soil for palm oil plantation procedure (SA03/EMU/(4)/1215 revision 04 effective date December 01, 2015). In the procedure described about the thickness of the peat, the nature of maturity, peat subsidence, nature and type of peat, a drainage, canal maintenance, water management. In the procedure is also explained that the water level is maintained at 50 cm - 75 cm. This procedure still refer to old regulation rather than new regu-

**Compliance status:**

Yes  No

NCR No: RSPO001148

lation i.e. PermenLHK No. P.15/MENLHK/SETJENKUM.1.2.2017 and P.16/MENLHK/SETJEN/KUM.1/2017 that require te water level less than 40 cm. This is company's potential for improvement to revise the SOP, the auditor raise as Observation finding. The company conducts monitoring of water level every day and conduct monitoring of peat degradation once a year. The company installed weirs for reduce the rate of water and installed wells to monitoring the peat degradation.

Monitoring results for 3.5-4 m peat depth (Block 041 and Block 050) occur in subsidence ranging from 52-69 cm (for 6 years). The result of check mark 3 in Block 050 occurred subsidensi of> 7 cm / Year since 2014.

**However, a NCR No. RSPO001148, i.e.:**

The Company has not been able to show any significant follow-up evidence on peat subsidy that has exceeded the standard (PP 150/2000 on control of soil damage for biomass production). The result of monitoring of peat subsidency with a depth of 3.5 - 4 m, subsidency has occurred >7 cm / year since 2014 (Subsidency monitoring result is 52-69 cm for 6 years).

The company has a management plan on marginal land with conducting EFB application and solid application. The company has procedure of EFB mulsa application for marginal land. Based on field visit on Block 057 Mustika Sembuluh 3 Estate, the company has been conduct EFB application in accordance with the procedure

The company has peat soil on Mustika Sembuluh 3 Estate as large as 606.24 ha. The company does not conducted drainability assessment before replanting because the replanting program still a long time where the planted in this area is 2006.

**Criterion 4.4: Practices maintain the quality and availability of surface and ground water.**

**Findings:**

The water management plan is in place evidenced by the document of Water Management PT Mustika Sembuluh 2017. The plan already includes identification of water sources, i.e. rain water, surface water, and ground water. The water needs/necessity has already been identified, e.g. for domestic purpose, office work, plantation activity, and mill process. The efficient use of water is planned through several basic behavioural measures, e.g. efficient bath, inspection on water tank, fixing nozzles, efficient way of washing the vehicle, efficient way of plant watering and laundrying. Stated in the plan are data of total water ponds in the estates along with the capacity. There is also a map namely Peta Lokasi WTP dan Air Operasional scale 1:100.000 showing the distribution of operational water and water treatment plant, which is 10 WTP. Regular monitoring is conducted against flow meter and water gate. There is also regular monitoring on peatland water availability. The company also conducts annual water management review, evidenced by Berita Acara Review Water Management PT Mustika Sembuluh on 23 January 2017 prepared by EHS Staff and acknowledged by Eko Yuliadi.

The water monitoring program is stipulated on matrix of water management and monitoring plan contained in the environmental evaluation document at the stage of plantation and mill operations including river water quality testing, water soil quality testing, and testing of soil chemical substances. The company also uses Water Treatment Plant for bathing, washing and sanitary and each division has a Water Treatment Plant (WTP) for employees' drinking water. The company has been test-

**Compliance status:**

Yes  No

NCR No: -

ing the quality of drinking water from WTP in regular basis once every 6 months. To ensure proper monitoring of water, the company has established relevant procedures, i.e.:

- SOP Pengambilan Sample Air Limbah (SOP 88/EMU/(0)/1015 rev.0 dated 1 October 2015), for waste water sampling at mill.
- SOP Pengambilan Sample Air Sumur Pantau (SOP 89/EMU(0)/1015 rev.0 dated 1 October 2015) for POME application impact monitoring against water courses, conducted every 6 months.
- SOP Pengambilan Sample Air Permukaan (SOP 84/EMU/(0)/1015 rev.0 dated 1 October 2015), for water sampling at riverbeds.
- SOP Water Treatment Plant (SOP 75/CKP/(0)/1214 rev.0 date 15 December 2014) to ensure the quality of water is safe for consumption.

The company has established the map of rivers flow through the estates. There are maps of river flow distribution stated on map titled Pengelolaan Riparian Belt tahun 2013 – 2014 for each estate. Those maps are the references for the company to protect riparian zone with 5 m buffer from the river bank. To protect the river the company has SOP Pengelolaan Sempadan Sungai (Riparian Belt) (SOP 20/HCV/(1)/0115) in place. The procedure says that there is bufferzone criteria at the riparian area from the riverbank based on river width, i.e:

- Width < 5m uses buffer of 5m
- Width 5 – 10 m uses buffer of 10 m
- Width 10 – 30 m uses buffer of 50 m
- Width > 30 m uses buffer of 100 m

Thus no chemical spraying activities conducted within the perimeter. Based on field visit to Anak Sungai Sampit at block 052/062 division 2B MS-1 Estate (2°35'00.615"S 112°32'5.717"E) and Anak Sungai Batu at Block 326 Div. 1A MS-3 Estate there are markings in the form of small poles to indentify the 5 m buffer zone. Also there are signboards prohibiting chemical spraying in the area.

However the existing regulation of PP no. 38 year 2011 regarding River regulates that the riparian buffer zone in uninhabited area without dike shall be for a minimum of 50 m. This term is different with the company's actual condition which is only uses 5 m bufferzone. The company stated that the 5 m bufferzone is based on RSPO P&C Draft 2008 and direct consultation with Civil Service Authority (Dinas PU), that the 50 m bufferzone is only applicable for registered river. Meanwhile the existing streams in the plantation are not registered since they are second/third tier of streams from the main river.

The company needs to formally clarify to the relevant authority regarding the correct riparian bufferzone width according to government regulation, this is due to the grey area between these regulations:

- Perda Provinsi Tingkat I Kalimantan Tengah no. 7 tahun 1997 tentang Garis Sempadan Sungai dan Daerah Penguasaan Sungai di Provinsi Daerah Tingkat I Kalimantan Tengah pasal 4 point 2
- PPR I no. 38 Tahun 2011 tentang Sungai pasal 16

The company conducts treatment against mill effluent through quality control of the effluent chemical compounds, especially BOD through SOP Pengambilan Sample Air Limbah (SOP 88/EMU/(0)/1015 rev.0 dated 1 October 2015), for waste water sampling at mill. There is a POME utilisation mechanism in place which is basically divided into two stages, i.e. Methane Capture Plant and POME land application. Based on the visit to methane capture plant at POM 1 and POM 2 it was known

that the capacity is around 72.963 m<sup>3</sup> in volume. The residual methane gas at POM 1 is already utilised for housing electricity, while at POM 2 the gas is still flared out since there is no generator in place yet. Based on the interview with Mr. Lidik Panjaitan (POM 2 methane-biogass staff) the methane capture plant can lower the BOD level in a significant value, which is estimatedly from 40.000 – 60.000 mg/l (incoming) to become 900 – 2.000 mg/l (outgoing). The company conducts POME application through procedure on POME land application i.e. SOP Pemanfaatan Limbah Cair PKS di Perkebunan Kelapa Sawit (SOP 14/EHS/(2)/1214 rev.2 dated 20 December 2014) which describes the process for land application from permit, application, construction of furrow system, POME analysis and soil and water monitoring due to land application.

To monitor the impact of POME land application the company conducts soil and water quality monitoring which are done as per the land application permit requirements. The result is stipulated on the environmental permit report (Laporan UKL/UPL) semester II 2016. The soil monitoring is conducted annually with chemical parameters, i.e. texture, N, C, P2OS, pH, Ca, Mg, Na, K, KTK, KB, Cu, Cd, Pb, Zn, and fat. The soil physical parameters are i.e. permeability, bulk density, particle density, and porosity. The POME water quality monitoring is conducted monthly with parameters i.e. BOD, COD, pH, oil and fat, Pb, Cu, Cd, Zn, N, and TSS. The government regulation referred is KepmenLH no 29 year 2003 regarding Pedoman Syarat dan Tatacara Perizinan Pemanfaatan Air Limbah Industri Minyak Sawit pada Tanah di Perkebunan Kelapa Sawit, which based on the latest monitoring all parameters are inline with government threshold.

The company monitors the water usage both for POM 1 and POM 2. The total POM 2 water usage in 2017 is as much as 1,42 m<sup>3</sup>/ton FFB (from January – May), while back in 2016 the total water usage was 1,5 m<sup>3</sup>/ton FFB (from January – December). Due to the audit time limitation, the total usage of POM 1 need to be clarified during the next audit. The company has also record of mill water usage for other domestic purposes such as laboratory, office, housing, cafeteria, and mosque

**Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.**

**Findings:**

The company has established IPM plan which stated in Work Program Divisi and outlined in the monthly work pro-gram. The plan consists of pest detection, pest census and pest control. The work program is available for MS-1, MS-2, and MS-3 which consist of planned activity for each month in 2017. To make sure that the plan runs accordingly, the company has established Budget 2017 Plan to allocate finance to the planning, sighted the plan for MS 1, MS 2, and MS 3 Estates which includes the hectarage target and mandays needed. The financial availability is ensured by monthly budgeting stipulated on Monthly Work Program for the Month June 2017 for MS-1, MS-2, and MS-3. The budget consists of all activities including pest and disease monitoring, chemical spraying, manuring, infrastructure maintenance, and harvesting.

The company uses biological pest control such as planting of *Turnera subulata*, *Cassia cobanensis* and *Tyto alba* (owl). To conduct pest and disease monitoring the company has SOP Deteksi dan Sensus Hama dan Penyakit Kelapa Sawit (SA 02/EMU/(1)/0710 dated 1 July 2010) there, it is stated the threshold for chemical pesticide application against each types of pest, e.g. rats, worms, etc.

**Compliance status:**

Yes  No

NCR No: -

The actual data of existing owl boxes throughout the entire nucleus are available on the document of Sensus Burung Hantu PT Mustika Sembuluh, i.e.:

- MS-1, census on 25 – 30 April 2017 as much as 196 boxes.
- MS-2, census on 20 – 24 May 2017 as much as 141 boxes
- MS-3 census on April 2017 as much as 100 boxes.

The matrix sheet shows information i.e. division, blocks, box number, owl amount, egg, and box condition.

There is data on the existence of beneficial plants and biological agent which are distinguished per division and block in each estates (1,2,3). There is no beneficial plants in the plasma area. The monitoring report is conducted monthly, sighted the 2017 report of Perawatan Beneficial Plant Sebagai Program PHT PT Mustika Sembuluh 2 Bulan Mei 2017 Estate 2 Divisi 2A. The information is distinguished by Field number, Ha, amount of beneficial plant, SOP compliance in terms of planting, and whether other species planted. The beneficial plant types are as follow:

- MS 1 : *Cassia cobanensis*, *Turnera subulata/ulmifolia*, *Antigonon leptosus*
- MS 2: *Turnera subulata/ulmifolia*, *Antigonon leptosus*
- MS 3: *Turnera subulata/ulmifolia*, *Antigonon leptosus* (with far lesser amount)

The company conducts regular pest and disease monitoring every 2 months with rotation system all over the blocks. On the document of Summary Deteksi Serangan Hama & Penyakit it was evidenced that the data are distinguished into division and block monitored. The training for pest and disease management has already conducted, evidenced by Berita Acara Training P&D dated 11 April 2017, regarding detection, census on oil palm pest and disease by EMU attended by field conductors and P&D Officers from MS 1, 2, 3 and Plasma as many as 81 participants.

**Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment.**

**Findings:**

The company commits not to use prohibited pesticides. Based on field observation at Block 101 Div. 3A MS-1 Estate, Block 63 Div. 1A MS-2 Estate, and spraying activity at MS-3 Estate it was evidenced that there is no usage of prohibited pesticide and paraquat. Also during the visit to chemical warehouse at MS-1 Estate there is no stock of paraquat following Wilmar policy since year 2010 paraquat is prohibited in all Wilmar area. The active ingredients being used are listed on the document Analisa Pemakaian Bahan Aktif per ha Tahun 2017. To make sure that chemical pesticides are being used in a responsible manner, the company has developed procedure to handle chemical in a responsible and safe manner, i.e.

- SOP Penyemprotan Bahan Kimia Untuk Pengendalian Serangga Pemakan Daun Kelapa Sawit (PSKK 11/CKP/(0)/0409 rev.0 date April 2009)
- SOP Spraying and Fogging (PSKK 2/CKP/(2)/1111 rev.2 date November 2011)

Those procedures contain the health and safety aspect for chemical application, e.g. PPE and mitigation measure should there be an accident. The company has established a guidance on chemical dosage for each targeted pest, evidenced by the document of Dosis Lapangan. The guidance classify maintenance activity (e.g. circle spraying, path spraying, selective spraying, assystasia, wooden bush, grass). There are also types of pesticide and dosage (ltr/ha). Based on field verification to chemical spraying activity at Block 101 Div. 3A MS-1 Estate, Block 63 Div. 1A MS-2 Estate, and spraying activity at MS-3 Estate it was evidenced that the sprayers understand the procedures and wear appropriate PPE. Trainings have also been

**Compliance status:**

Yes  No

NCR No:

attended by the total of 16 interviewed workers.

The company keeps records of the pesticides by using digital SAP system for stock monitoring, evidenced by document of Stock Pestisida PT Mustika Sembuluh 1, 2, and 3. The documents show information such as material number, material description (pesticide type), unit of measurement, and balance quantity at warehouse. During a visit to the chemical warehouse at MS-1 estate it was found that the record keeping of the incoming and outgoing material is done by bincard. The information from bincard (filled by warehouse officer) will then be input to SAP. The records of pesticide use are also available for MS-1, MS-2, and MS-3 evidenced by document of Summary Data Penggunaan Agrochemical Tahun 2017. The data record is divided for each estates and available for all types of pesticides each month from January – April 2017. Chemical LD50 is also recorded on the sheet of Analisa Pemakaian Bahan Aktif per Ha Tahun 2017 which states the oral, dermal, and inhalation LD50 for each pesticide along with active ingredient information. On the sheet there are also information regarding the use of pesticide per ha for each active ingredients. There is also records of pesticide usage for each type of maintenance work on the sheet of Data Pemakaian Agrochemical Berdasarkan Jenis Kerja tahun 2017, e.g. circle spraying, path spraying, weeds control, palm wildings, selective spraying, bums spraying, FFB collecting-spot spraying, landscaping, *Assystasia*, and wooden bush. The pesticide usage in plasma area is stipulated on Data Penggunaan Agrochemical Mustika Sembuluh – 2 untuk January – April 2017 which also indicates the month and location of application. The plasma management is under MS-2 estate thus the data summary is jointly managed with MS-2. The company also keeps record of the pesticide use (planning and achievement) for each block number within MS-1, 2, and 3, this is evidenced by document of Program dan Realisasi Kerja Tahun 2017. There, it is stated the information regarding type of spraying works for each blocks, planting year, heactarage, and monthly planning and achievement in ha.

The company has already demonstrated that they have committed to minimize the use of chemical pesticide in controlling pest and disease. So far the pesticide are only used for weed spraying, while animal pest management is conducted through organic measures such as owl. There have been no major outbreak of pest invasion in the estates, thus the on-going activity is regular pest and disease monitoring. There is no prophylactic use of pesticide, all pesticide use are planned and monitored thoroughly for the sake of budget efficiency. The IPM plan is stipulated on Program dan Rencana Kegiatan Manajemen Lingkungan (Tujuan dan Sasaran) year 2017 for estate 1, 2, and 3, prepared by Adri Sugianto (EHS Supervisor). The plan to reduce pesticide are i.e.:

- No spraying at riparian belt,
- Planting of beneficial plants
- Barn owl breeding (*Tyto alba*)
- No spraying during high rain intensity
- Pheromone trap application for Rhinoceros beetle
- EFB application

There are also indicators set out for the abovementioned plans along with monthly regular monitoring, verified that the monitoring have been done for January – May 2017. Although the company still uses pesticides, there has been a permit from government to use several types of pesticides, i.e. Letter no: 560.566/64/WAS-KK/V/2017 dated 29 May 2017 from Manpower and Transmigration Authority Central Kalimantan regarding Rekomendasi Penggunaan Bahan Kimia Pestisida valid



until 30 May 2008. The recommended Pesticide lists are 33 types with active ingredients stated.

The company has set threshold for pesticide application based on 2 monthly monitoring:

- Bagworms: 5 larve/fronds
- Fireworms: 5 larve/fronds
- Oryctes : 5% detection of the total scope area
- Rats: 5% detection of the total scope area
- Ganoderma: 0%
- Termites: 0%

Those thresholds are based on the holdings' agronomic guidance namely Panduan Agronomy dan SOP Perkebunan Kelapa Sawit 2015. So far there is no data to compare the effectiveness of biological vs chemical agent, however the biological agents in the company area is by far effective, since there is no usage of chemical pesticide to kill animal pest.

The company employs procedures, i.e:

- SOP Penyemprotan Bahan Kimia Untuk Pengendalian Serangga Pemakan Daun Kelapa Sawit (PSKK 11/CKP/(0)/0409 rev.0 date April 2009)
- SOP Spraying and Fogging (PSKK 2/CKP/(2)/1111 rev.2 date November 2011)
- SOP – Agronomy Kalibrasi Alat Semprot Agrokimia (SA 06/EMU/(0)/0811 rev.0 date 1 Aug 2011)

During field observation to MS-1, MS-2, and MS-3 spraying activity the foremen have demonstrated the knapsack calibration procedure along with proper spraying technique according to SOP. Chemical sprayers have also attended training evidenced by:

- Berita Acara Pelaksanaan Training BMP Spraying, PSKK Penyemprotan, PTD Keracunan & K3 Spraying dated 18 April 2017, regarding technical instruction on safe spraying activity. The training was conducted by field officer PT MS2 and Plasma and attended by 56 participants from all divisions and Plasma.
- Berita Acara Pelaksanaan Training BMP Spraying, PSKK Penyemprotan, PTD Keracunan & K3 Spraying dated 6 May 2017, regarding technical instruction on safe spraying activity. The training was conducted by field officer PT MS3 and attended by 30 participants from all divisions.
- Berita Acara Pelaksanaan Training BMP Spraying, PSKK Penyemprotan, PTD Keracunan & K3 Spraying dated 16 March 2017, regarding technical instruction on safe spraying activity. The training was conducted by field officer PT MS1 and attended by 48 participants from all divisions.

During field visit it was evidenced that the use of appropriate PPE by sprayers have been implemented, which are mask, apron, goggle, rubber gloves, trousers and boots. This is done according to the PPE matrix i.e. Identifikasi Penggunaan APD no dok: FRM 01/SOP 03/EHS/(2)/1109 rev.0 date 1 Desember 2009, where for sprayer and fogger need to wear PPE i.e. as mentioned above.

After conducting spraying activity, the PPEs will be washed at chemical warehouse by warehouse attendant. The PPE usage period is determined by the company based on Inter office Memo dated 15 July 2016 no: 006/IOM-EHS Dept/PT MS/2016, whereas for goggle, mask, apron, and boot are for 6 months period, while rubber gloves have only 3 months period. Based on field observation it was evidenced that the MSDS is carried by foreman, which are relevant to the types of pesticide used. The complete MSDS are also available at the pesticide warehouse. The company also keeps record of the sprayer personnel on Data Karyawan Job

Spraying MS- 1 as many as 58 personnel, Nama Petugas Spraying MS-2 as many as 50 personnel, and MS-3 as many as 48 personnel.

The company has established relevant procedures to conduct proper handling and storage of pesticides, i.e.:

- SOP Tempat Penyimpanan Pestisida, Kemasan Bekas Pestisida (SOP 17/EHS/(0)/0409 rev.0 by April 2009). Describing the specification of proper storage facility to prevent pollution and accident.
- SOP Pengelolaan B3 (Bahan Berbahaya dan Beracun) dan Limbah B3 (SOP 22/EHS/(4)/0816 rev.4 dated 15 Aug 2016), which describes proper handling of hazardous waste including pesticide containers.

It was evidenced that the handling of pesticide hazardous waste has been conducted according to SOP, where waste are put in the designated hazardous waste warehouse. There is also no trace nor proof of indiscriminate handling of waste on plantation, nor any evidence of empty container usage for other purposes. Based on visit to pesticide storage facility in Estate MS-1 it was evidenced that the building is in good condition and there is no spillage of pesticide. The company has never conducted aerial pesticide application.

In order to keep its worker safe and healthy the company conducts regular medical surveillance especially for chemical handlers. Based on direct interview with sprayer workers (MS 1, 2, 3) it was known that they have attended regular medical surveillance. There is also the document of medical surveillance record namely Hasil MCU Berkala Tenaga Spraying, Manuring, Gudang, Operator Genset, Operator Grasscutter, Land Aplikasi for MS 1, 2, 3 estates. The latest medical surveillance for MS1 was on March 2017, for MS 2 was on Januari 2017, while MS 3 was also on March 2017. There is no medical recommendation for the personnel to be transferred or having a break. All results are in good condition, which are the workers can continue to work with appropriate PPE and to consume milk as antidote.

Based on field interview to female sprayers there is no pregnant women which is currently working. The pregnancy test is conducted along with regular medical surveillance, other than that should there be an indication of pregnancy against each personnel (absence of menstrual period) then the worker will report it to the clinic. The company itself prohibits the use of pregnant women as pesticide sprayer through Inter office Memo form GM no: 016/GM/VIII/2009 on 26 August 2009 regarding Worker Substitution for Breastfeeding and Pregnant Women, where they cannot be employed as pesticide sprayer, manuring worker, and transportation operator.

***Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.***

**Findings:**

The organization was established OHS Policy, i.e.: Kebijakan Kesehatan dan Keselamatan Kerja “Wilmar Group Indonesia”. The policy has written in Bahasa Indonesia and English, so can understand by all personnel at all levels within the organization. The policy has been approved by Country Head on May 22, 2015.

The policy was cover mitigation of risks to workers health and safety at all workplace activities within the organization. Based on the observation and interview with some employee has been demonstrate that the workers aware and under-

**Compliance status:**

Yes  No

NCR No:

stand the policy.

The organization has establishes OHS plan including targets for improving OHs performances , for example OHS Plan at POM-1 as below:

- OHS Program year 2017 e.g.: review HIRA (hazard identification and risk assessment), monthly safety inspection/patrol, OHS & environmental implementation, P2K3 meeting & reoprtng, safety talk each Monday and Thursday, OHS Training: EHS Refesment, workk permit, PPE Inspection, fire firgting, emergency drill, Signboards, and etc.
- Program of OHS year 2016 (OHS day ceremonial on January - February; installing OHS pamflet K3 on POM at February; Sosialization and simulation/drill of emergency responses, OHS campaign, OHS socialization OHS Inductions, health monitoring through medical check up. The programs has already implemented as shown on some documents reiewed, such as: Official report of National OHS day ceremony, official report of OHS socialization dated February 18, 2016; Official report of socialization smoking prohibition dated February 23, 2016;
- 2017 - OHS & environmental improvement program for example:
  1. Providing appropriate PPE to contractor (e.g.: faceshield, full body harness, and etc) Pelatihan teknsi operasional methane capture
  2. Socialization to trucks drives on how safety drive.
  3. Provided Electric Safety Training and preventive maintenance
  4. Socialization of gas-tube safety
  5. Training and inspection of hazardous waste to avoid environmental contamination.
  6. And etc.

There is evidence that the established programs monitored and evaluated continually.

**MS-1, MS-2, MS-3 Estates**

The organization has defined a documented procedure, i.e.: SOP Penilaian Bahaya dan Resiko (Risk Assessment), document no. SOP 11/EHS/(0)/0409, Revision 00, effective dated April 2009. The identification of hazard and risk assessments using qualitative and quantitative combined methods. The risk assessment was taken account probability and severity levels fo defined initial risk levels matrix. Based on the matrix risk levels divided into 3 levels, they area: Low (point 1 – 4); Moderate (point 5 – 12) and Serious (point 15 – 25). Then, risk control established and applied according to each risk levels respectively, such as:

- Low level: acceptable risk, may be no need to reduced risk level → monitoring need only
- Moderate level: need to applied control of risk accordingly → any actions shall be applied to reduce risk level
- Serious level: Any actions shall be taken immediately to reduce the risk levels → The task/job/work must be stopped until risk level reduced.

An observation or opportunity for improvement recommended, i.e.: The procedure no. SOP 11/EHS/(0)/0409, about hazard identification & risk assessment risk assessment and risk control should be explain that the risk assessment will be review after any accidents.

The organisation has conducted risk assessment for all operations such a: Office

and housing, Land/plantation, Store, Genset house, Laboratory, Central Clinic, Central Warehouse, Central Engineering Services, Central Workshop and Contractor, and also mill operations. Last update of the risk assessment was conducted on January 2017.

Based on interview with Harvesting Mandore at MS-1, Block 089, Divison 2A and result of document reviewed, found there are any workplace accidents, for example:

- Name of victim: Baryatun, date of accident March 03, 2017, lost time is 6 days; Remark : The index finger of the right hand was torn by Egreg during setting the Egreg (a sharp equipment using for harvesting); Conclusion of the cause of the accident: The victim is not careful  
 Based on the Risk Assessment document: existing control are: pay attention to hand position during extention and lock the harvesting stik/clamp (harvesting clamp)
- Name of victim: Darmono, date of accident April 26, 2017, lost time is –; Remark: The right eye is exposed to insect (Investigation Report available –
- Name of victim: Parjo, date of accident April 13, 2017; lost time is 12 days; Remark: The left leg is torn because of falls from Titian Panen (usully made from logs beam or concrete)

**MS POM-1& POM-2**

Procedure for hazard identification and risk assessment & control was same with estates procedure. The hazard identification combined with environmental aspect assessment. Last update of hazard identification was performed on January 2017 and cover processes/activities/locations Contractor, Laboratory, Engine Room, WTP, Methane Capture, Land Aplicationi, hazardous waste temporary storage (TPS LB3), Dispatch, Stores, POME (IPAL), Sounding, office, mills housing, Security, Sortation, weight bridge, kernel station, clarification station, press station thresher station, loading ramp, boiler, contractor, maintenance, electrical, and sterilizer station.

**MS-1, MS-2, MS-3 Estates**

During fields observation on spraying and harvesting activities, there is evidence that all workers provides appropriate PPE and the workers able to demonstrated their ability in safe working practices. OHS Programs area available at all sites both of for year 2016 and 2017. There is record that training was performed and conducted by qualified persons.

The organization has defined matrix of activities vs PPE. There is evidence that the PPE has been distributed to appropriate workers as define matrix.

**POM-1**

- Training program of 2016, consist of : risk assessment, hazardous waste management, first aid (P3K), fire extinguisher (APAR), OHS & environmental auditor, work permit, fire hydrnt, work at high, fire drill/simulation, basic safety, RSPO & SCCS, PPE, SOP's of processes, company regulation (PP), accident and health insurance (BPJS). There is evidence that all training programs has been performed. Reporta and list of attendances are available.
- Training program of 2017, consist of: fire emergency responses drill/simulation, (planned on July), fire extinguisher - APAR (planned on June), LOTO (planned on Nopember), Basic Safety (has been performed on March), Work Permit

(has been performed on April), first aid - P3K (has been performed on May), emergency response of spillage (planned on August), workplace illness (planned on December), hazardous waste/LB3 (has been performed on February), and etc.

- All work permit of operators (SIO) are available and still valid.

**POM-2**

- Document of PPE identification, contain matrix processes, activities, potential hazards and list of PPE must be provided (for head, eyes, ears, foot, hand, fingers, body and face).
- Document of PPE Identifikasi APD 2017 for each section (elektrikal, maintenance, Security, Store, Land Aplikasi, Laboratorium, effluent pond, Despatch CPO, Sounding, weighbridge, Sortasi, Loading Ramp, Sterilizer, Thresher, Press, Klarifikasi, Kernal, dan WTP, Boiler, Engine Room,

The company has assigned responsible team to implement OHS, i.e.: OHS committee (P2K3). Meetings between P2K3 and workers has conducted every month and reported to authority agency every 3 (three) month once as required by regulation. Minute meetings recording issues discussed at these meeting and attendance list available. Some documents were reviewed as sampled below:

**MS POM-1**

- OHS committee (P2K3) has been approved by authority agency, i.e.: based on Decree of Head of Social, Manpower and Transmigration Agency of Kotawaringin Timur District, decree No. KEP.560.566/177/WAS-KK.P2K3/V/2016, dated May 18, 2016, about Approval of Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) at PT Mustika Sembuluh – POM 1. The decree valid for 2 (two) years and valid until May 17, 2018). Organizational structure of P2K3, as follows: chairman: M.Arif Siregar; Secretary: Andri Sugianto; and sections (i.e: emergency response, incident/accident investigation, workplace safety, OHS training, OHS Best Practices, environmental, and paramedic).
- Monthly meeting records of P2K3, attendance list, photos, minute meetings and meeting recommendations, e.g.:
  - a. Official report and minute meeting of P2K3, and attendance list dated December 19, 2016. The meeting was attended by 8 persons.
  - b. Official report and minute meeting of P2K3, and attendance list dated November 09, 2016. The meeting was attended by 7 persons.
  - c. Official report and minute meeting of P2K3, and attendance list dated October 13, 2016. The meeting was attended by 12 persons.
- P2K3 meetings was discussed OHS, environmental and others issues.
- On-site interview with workers shown that they are known about P2K3 organizational structural and ever involved on P2K3 activities.

The organization has defined documented procedures for accidents and emergencies, i.e. Prosedur Tanggap Darurat (PTD) that consist of:

- PTD01/CKP/(0)/0409, namely Kerusakan Tanggul
- PTD02/CKP/(0)/0409, namely Upaya Bunuh Diri
- PTD03CKP/(0)/0409, namely Kebakaran Lahan dan Hutan
- PTD04/CKP/(0)/0409, namely Tumpahan Bahan Kimia dan Pupuk
- PTD05/CKP/(0)/0409, namely Kebakaran
- PTD07/CKP/(0)/0409, namely Kecelakaan dan Penyakit Akibat Kerja

- PTD08/CKP/(0)/0409, namely Keracunan
- PTD09/CKP/(0)/0409, namely Kekerasan di Tempat Kerja

All procedures written in bahasa Indonesia so easy to understand by all workers at all levels and functions within the organization. The SOP cover all major potential emergencies, such as, fire, chemical spillage, and potential flood. The documented procedures

Records of accidents investigation and action taken to prevent recurrence are available. There is evidence that accident records provided to the local authority in accordance with local legal requirements, i.e.: Dinas Tenaga Kerja Kabupaten OKI held with P2K3 report.

The organization has been assigned operators trained in first aid both field and other operation. Records of training of the first aides available, e.g.:

- Certificate of First Aider Officer Training on behalf Tarman, certificate dated September 8, 2016. The training was performed on July 25-28, 2016 in accordance Permenaker RI No. PER.15/MEN/VIII/2008.
- Certificate of First Aider Officer Training on behalf Nurjayanti, certificate dated September 8, 2016. The training was performed on July 25-28, 2016 in accordance Permenaker RI No. PER.15/MEN/VIII/2008.

Now, the company has 2 (two) licensed first aiders officers, i.e.:

1. Tarman with license no 286 / WAS KK-P3K/2016, valid from August 2016 to September 23, 2019.
2. Nujayanti with license no 284 / WAS KK-P3K/2016, valid from August 2016 to August 23, 2019.

There is evidence that all workers provided with medical care and covered by accident insurance by the company, e.g.:

- List of contribution of insurance (BPJS) members of PT Mustika Sembuluh, consist of 1,583 members.
- Payment slip (bank of Mandiri) for insurance contribution dated May 10, 2017.

The organization maintain records of OHS injuries/accidents by using LTA metrics, some documents were reviewed as follows:

No	Parameters	MS POM-1	MS POM-2
1	Fatality	0	0
2	Heavy injuries/Luka berat (lost time ≥ 3 days)	5 times	0
3	Light injuries/Luka ringan (lost time ≤ 2)	0	1
4	Medical treatment (first aids) (no lost time)	0	0
5	Employee no.	184 persons	310
6	Recordable accident (1+2+3+4): 5 time	5 times	1 time
7	Total of accident cases (lost time ≥ 3hari)	5 times	1 time
8	Total lost Time (lost time)	63 day	2 day
9	Total working hour + over time	576.875 hrs	203,109
10	FR = Item (6) x 1.000.000 / Item (9)	8,57	4.92
11	LTIR = Item (2) x 200.000 / Item (9)	1,23	0.98
12	SR = Item (8) x 200.000 / Item (9)	21.84	1.97

**Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.**

**Findings:**

The company has established training program that covers all aspect of the RSPO P&C. The training program defined based on training need analysis, and include for workers and smallholder and cover the following: risk of pesticides exposure, way to minimize exposure, and etc. As sample, training program were reviewed as follows:

- Training program of 2016, consist of : risk assessment, hazardous waste management, first aid (P3K), fire extinguisher (APAR), OHS & environmental auditor, work permit, fire hydrnt, work at high, fire drill/simulation, basic safety, RSPO & SCCS, PPE, SOP's of processes, company regulation (PP), accident and health insurance (BPJS). There is evidence that all training programs has been performed. Reporta and list of attendances are available.
- Training program of 2017, consist of: fire emergency responses drill/simulation, (planned on July), fire extinguisher - APAR (planned on June), LOTO (planned on Nopember), Basic Safety (has been performed on March), Work Permit (has been performed on April), first aid - P3K (has been performed on May), emergency response of spillage (planned on Agust), workplace illness (planned on December), hazardous waste/LB3 (has been performed on February), and etc.

The company maintained training records for each employee, that is recorded on FRM 02/SOP 38/HRD/(0)/0409 – Record of Competency Level & Training. The record contained personal data of employee, function, level, training has been attended (including courses, seminars, workshop dl)| both internal and external, trainer's name/institutions training date, duration, and etc. Sample on MS POM-1 as follows. Contoh atas nama:

1. Cinkiong (Kebijakan cuti, Lembur- Proses, Work Permit , LOTO , P3K)
2. Sugiyarto (APAR, Kebijakan, Proses, Work Permit, LOTO, P3K)
3. Ismail Waji (APAR, Kebijakan, Proses, Work Permit, LOTO dan P3K)

**Compliance status:**

Yes  No

NCR No: -

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

**Findings:**

The company has environmental documents covering:

- AMDAL Plantation Development and Palm Oil Processing Factory PT. MUSTIKA SEMBULUH of 15,990 Ha with capacity of 60 Ton TBS / Jam (Plantation Business License No. 343 Year 2003) and in Kec. Telawang, Kec. North Downstream Mentaya, Kab. Kotim and Kec. Lake Sembuluh, Kab. Seruyan Prov. Kalteng. Has been published by Bapedalda of Kotawaringin Timur Re-gency no. 16 / Commission-Kotim / IV / 2003 dated April 10, 2003
- Related to the change of area to 19,990 Ha; Adding factory capacity to 120 Ton TBS / Hour; Utilization of wastewater; Integrated laboratory; Development of Kernel Crasher Plant; Construction of B3 waste warehouse and composting fertilizer from empty field, compiled Environmental Evaluation Document (DELH). Approved by Decree of Head of Environmental Agency of Prov. Central Kalimantan No. 660/760/2011 dated October 3, 2011.

**Compliance status:**

Yes  No

NCR No: RSPO001149

- UKL-UPL Planned Development Activity of Palm Oil Plant (CPO) with Processing Capacity 90 Ton/Jam and supporting facilities by PT MUSTIKA SEMBULUH in Sebaby Village Kec. Telawang. There is an Environmental Permit based on the Decree of the Regent of Kotawaringin Timur no. 188.45 / 183 / Huk-BLH / 2013, April 14, 2013.
- UKL-UPL Development of Plasma Plantation Bitu Maju Bersama Cooperation for 182.01 Ha in Pematang Limau Village Seruyan Hilir Seruyan District. Approval is based on Letter of the Head of Environmental Agency no. 550 / /BLH.II/X/2014 dated October 31, 2014. There is an Environmental Permit based on Seruyan Regent's Decree no. 188.45 / 337/2014 November 3, 2014.

**However, a nonconformity no RSPO 001149 raised, i.e.:**

The Company has not been able to show environmental documents for Methane Capture Plant development activities at MS-1 POM and MS-2 POM.

- The company (estates and MS-1 POM) was carried out periodic monitoring of the aspects set forth in the environmental evaluation (DELH). The results of periodic monitoring reports be made in the RKL / RPL was reported every 6 months where the final report is Semester II period from July to December, 2016. Periodic monitoring include: (a) measurement of temperature, humidity, wind direction, wind speed and weather, (b) measurement of rainfall and the number of rainy days, (c) Air quality monitoring: testing of ambient, boiler funnel emission testing, mill generator flue testing, estate generators flue testing, vehicle flue testing, and testing the odor, (d) noise monitoring: noise measurement the outdoor courtyard, the noise indoor, the working environment illumination measurement, measurement of shock in buildings, (e) monitoring the physical properties and chemical properties of soil, (f) monitoring of river water quality: surface water (river water) quality measurement, measurement of the quality of effluent (POME), (g) ground water quality monitoring, (h) erosion monitoring, (i) monitoring of potential fire, (j) Monitoring of natural vegetation, (k) monitoring of wildlife, (l) monitoring of aquatic biota, (m) monitoring of employment opportunities, (n) monitoring of public income, (o) monitoring of attitudes and perceptions, (p) monitoring of public unrest, (q) monitoring of values and cultural norms community, (r) Monitoring the social process, (s) Monitoring of community health problems.
- The company (MS-2 POM) was carried out periodic monitoring of the aspects set forth in the UKL-UPL. The results of periodic monitoring reports be made in the UKL / UPL was reported every 6 months where the final report is Semester II period from July to December, 2016. Periodic monitoring includes: (a) activities of processing fresh fruit bunches: monitoring of noise (noise indoors and the noise outside courtyard), ambient air, the odor, boiler funnel emission, generators flue emissions, vehicle emissions, illumination work environment, vibration absorbers in buildings, the quality of waste water, waste water flow, groundwater quality, physical and chemical quality of the soil, (b) operational facilities utility: monitoring the volume of sludge, (c) Maintenance of machines and other supporting equipment: monitoring the volume of hazardous and toxic waste, (d) Transporting CPO: monitoring of cases of accidents, (e) waste management: monitoring of waste types and volumes of waste.
- In the UKL-UPL, Bitu Maju Bersama Cooperative (scheme smallholder) is required to conduct environmental management and monitoring periodically. Management and monitoring required in the UKL-UPL include: (a) planting and maintenance activities of Immature (TBM): surface water quality monitoring,



monitoring of the abundance of aquatic biota, (b) maintenance activities of mature plant (TM): river water quality monitoring, monitoring of the abundance of aquatic biota, (c) Harvesting and transportation of fresh fruit bunches (FFB) to the mill activities: monitoring of air quality and noise monitoring. Plasma is still in the process of preparation of the report UKL-UPL to be reported to government agencies.

The companies have the opportunity to include the results of testing the quality of river water around POM-2 and LA into reporting, to ensure the absence of river water pollution due to POM-2 activities.

Supervision procedures have been incorporated into the plans contained in the document DELH, UKL-UPL. There are no changes to the environmental document (UKL UPL) either POM 1, 2 and Bitu Maju Bersama Cooperative.

Report on the implementation and monitoring of the criteria set out in the environmental document (UKL-UPL), contained in the report UKL UPL, which is submitted every six months, to the relevant agencies (BLH Kotawaringin East, BLH Central Kalimantan Province, and the Ministry of Environment and Forestry).

The company have the opportunity to review and clarify public unrest due to contamination of river and air water allegedly caused by company activities.

**Criterion 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.**

**Findings:**

HCV identification has already done both in main estate and plasma estate. HCV document of main plantation (MS1, MS 2 and MS3) conducted by external party (Malaysian Environmental Consultant Shd Bhd (MEC), meanwhile HCV for plasma estate conduct by Wilmars International HCV team on June 2013. HCV team has already obtained HCV identification training and wildlife monitoring training conduct by ZSL and Outrop organization.

Record of results of identification HCV within main estate consist of HCV 1.3 landscape range of Orang Utan (MS1-MS3), HCV 2.2 wetland ecosystem, corridor linking island refuges (MS1), HCV 2.2 Kerangas and wetland ecosystem, corridor linking island refuges (MS2), HCV3 threatened Kerangas forest ecosystem (MS3), HCV4.2 riverine buffer for water quality and soil erosion (MS1-MS3), HCV4.3 riverine buffer for control of destructive fires (MS1-MS3), HCV5 areas of importance to support local communities (MS1), HCV5 & 6 areas of importance to support local communities and maintain cultural sites (MS3), HCV 6 areas of importance for cultural identity (MS1).

The details of HCV existence in Mustika Sembuluh as follows:

- Unit MS-1: 49.28 ha of HCV 5,6 and 46.22 ha of HCV 4 (riparian),
- Unit MS-2: 125.74 ha of HCV 5,6 and 93.50 ha of HCV 4 (riparian),
- Unit MS-3: 1,211.51 ha of HCV 1,2,3,4,5,6, riparian : 36,62 ha and swamp 257.68 ha.

MS-1		MS-2		MS-3
MS1D1-075	4,57	MS2D1-012	7,86	MS3D1-023

**Compliance status:**

Yes  No

NCR No: -

MS1D3-117	20,81	MS2D1-031	117,87	MS3D1-098	27,54	
MS1D3-131	2,9			MS3D2-115	110,81	
MS1D3-136	12,51			MS3D2-149	159,78	
MS1D3-141	6,42			MS3D2-200	798,62	
MS1D3-142	2,07			MS3D2-227	89,54	
				MS3D1-113	8,74	
				MS3D2-821	10	
<b>TOTAL</b>	<b>49,28</b>		<b>125,74</b>		<b>1.211,51</b>	<b>1.386,53</b>
MS1 2009-2011	34,45	MS1 2009-2011	70,28	MS3/09-11	26,37	
MS1/13	8,11	MS1/13	13,07	MS3/13	6,83	
MS1/14	3,66	MS1/14	10,16	MS3/14	3,42	
<b>TOTAL</b>	<b>46,22</b>	<b>TOTAL</b>	<b>93,50</b>		<b>36,62</b>	<b>176,34</b>
				MS3/11/Swamp	246,86	
				MS3/13/Swamp	10,82	
					<b>257,68</b>	
	<b>95,5</b>		<b>219,24</b>		<b>1.505,81</b>	<b>1.820,55</b>

There is a difference in the area of HCV area. Result of identification (2008) covering 1,820.55 Ha; Management plan (2016) covering an area of 1,633.67 Ha and a statement area (2017) of 1,530,26 Ha. Based on the explanation of the staff, there is a river border area that has already been planted prior to HCV identification.

The companies have the opportunity to review HCV identification results using the latest and regulatory methods.

Management plan year 2016 & 2017 and their implementation records was available such as on February: planting tree in block 107-109 with kind of blangiran, mahang, ubar (100 pcs); Do tree planting in block 026-046 with kind of ubar (508 pcs). In March: planting block tree 014-030 with mahang (78 pcs).

The company has carried out re-socialization of flora and fauna founded on MS areas to Pondok Damar village, Bangkal village and Pasit Putih village. The company has agreed with communities that the communities will inform/report to company if any/found the communities to capture, harm, collect or kill these RTE species. Re-socialization of HCV to employees has carried on dated on 29 January 2016 (MS-1 estate) and 02 February 2016 (MS-3) such as HCV awarness, base and goal was done HCV assessment, regulations/rules in HCV areas, SOP no.20 (management of riparian areas), SOP no.18 (protection to wild animal and protected and RTE species include roles of vanism for employees or communities which capture, harm, collect or kill RTE species).

The company (MS1, MS2 and MS3 estate) have agreement/MoU (Memorandum of Understanding) with communities regarding safeguard HCV areas and these rights because location HCV areas set-asides or near with existing rights of local communities. Examples for MoU or agreement are MoU between PT Mustika Sembuluh with community in Pondok Damar village dated on 13 November 2009, in Bangkal village dated on 17 December 2009, dated on 16 October 2009 with

one of communities in Tanah Putih village, etc regarding management of traditional right and HCV areas.

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

**Findings:**

All waste products and sources of pollution have been identified and documented in document registry/list of waste products produced, as documented in document "Identifikasi Limbah & Emisi Gas Rumah Kaca (FRM 01/SOP75/EHS(0)/0414). The sources of waste product and pollution are come from organization's activities, such as: security, weight-bridge, office activities, store, laboratory, POME, Land application, maintenance, sortation, sterilizer, thresher, pressing, clarification, kernel, boiler, engine room, water treatment plant, dispatch, housing, logistic, methane capture, transportations, workshop, and etc. Type of waste products are liquid waste, solid waste and gaseous waste. And also categorized as hazardous waste, non-hazardous waste, and green house gas.

All chemicals and their containers have been disposed of responsibly, by storage on licensed temporary storage of hazardous waste (based on decree of Regent of Kotawaringin Timur District, No. 660/08.1/BLH/IX/2011 and No:660/535/BLH-Ek.SDA/VIII/2014 dated August 06, 2014 and valid for 5 years since issuance).before pick up by approved vendor.

The company has an agreement with third party i.e.: PT Maju Asri Jaya Utama (by agreement no. 001/MS/VIII/2015, dated August 01, 2015 and valid until August 01, 2020). The third party (PT Maju Asri Jaya Utama) is a company has licensed for collecting and processing of hazardous waste from authority agencies.

Inventory of chemicals and their containers are available and kept on site, i.e.: "Log Book Limbah B3" (FRM-SD-22-01). All hazardous materials and waste including their container stored in accordance best practices as required by the manufacturers and requirements.

A waste management plan been sighted at PT Mustika Sembuluh palm oil mills and estates includes hazardous waste management, solid waste management and sewage management. The mitigation measures identified as recycle of waste, no open burning, disposal of domestic waste and providing enough bins at workers houses.

Sewage management is not directly discharge to waterway, septic tanks at each house and replaced them with new units. This will be monitored by periodic visit at housing area.

**Compliance status:**

Yes  No

NCR No: -

**Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimized.**

**Findings:**

The organization has a plan and realization for improving efficiency of the use of fossil fuels and to optimise renewable energy, i.e. by utilization fibre and shell. There is evidence that the plan has implemented and monitored monthly. Available Record of usage of fuel i.e diesel, shell and fiber and volume of FFB processed.

**Compliance status:**

Yes  No

NCR No: -

Items	POM-1		POM-2	
	Year 2016	Jan- Mei 2017	Year 2016	Year 2017

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

<b>FFB Though</b>	<b>223.043</b>	<b>103.159</b>	<b>139.731,570</b>	<b>68.547.410</b>
<b>Diesel consumption</b>	<b>338.292</b>	<b>120.680</b>	<b>198.284</b>	<b>78.145</b>
<b>Use of shells</b>	<b>15.501</b>	<b>7.222</b>	<b>9.669,135</b>	<b>4.802,985</b>
<b>Use of fiber</b>	<b>35.401</b>	<b>18.688</b>	<b>21.519,430</b>	<b>9.243,928</b>

The diesel consumption for year 2016 in POM 1 is around 1.5/ton FFB and in POM is 1.4/ton FFB.

The company already has Methane Capture Plant with capacity of 400 Kwh. In 2016 produced biogas (gas engine) of 656,549 Nm<sup>3</sup>.

The company has monitoring the use of diesel for FFB transportation

Items	Jan- Mei 2017		
	MS-1	MS-2	MS-3
<b>FFB Production (Ton)</b>	<b>54.869</b>	<b>55.820</b>	<b>38.750</b>
<b>Fuel consumption (Liter)</b>	<b>327.280</b>	<b>182.665</b>	<b>168.888</b>
<b>Ltr/Ton TBS</b>	<b>5,96</b>	<b>3,27</b>	<b>4,20</b>

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

**Findings:**

All estates do not conduct open burning for land clearing, This is in accordance to the Zero Burn Method under the section on Land Clearing, Preparation and Planting listed in Agriculture Manual and Standard Operating Procedure for Oil Palm in 2015.

There is observed proved on the filed that land clearing activities do not use burn methods, for example in MS-1, record of minutes of activity by using the excavator of land clearing ie Block 263: 33.75 Ha, block 277: 8.01 Ha, block 293: 3.29 Ha, block 294: 3,7 Ha, block 149 : 17.48 Ha, block 549: 12.99 Ha, block 349: 3,24 Ha, block 301: 24.94 Ha and block 214: 6.74 Ha.

There were no open burning sighted in any of the planting areas, landfills as well as workers and staff quarters during the field visits.

**Compliance status:**

Yes  No

NCR No: -

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

**Findings:**

The organization has established a registry/list of waste products produced, as documented in document "Identifikasi Limbah & Emisi Gas Rumah Kaca (FRM 01/SOP 75/EHS(0)/0414, Rev. 0, dated April 2014). List of waste products produced also include of pollution sources. The sources of waste product and pollution are come from organization's activities, such as: security, weight-bridge, office activities, store, laboratory, POME, Land application, maintenance, sortation, sterilizer, thresher, pressing, clarification, kernel, boiler, engine room, water treatment plant, dispatch, housing, logistic, methane capture, transportations, workshop, and etc. The waste product produced divided into 2 (two) categories that is hazardous and non-hazardous waste. and green house gas was identified are: CO<sub>2</sub>, CH<sub>4</sub>, and HCFC

The company has Mitigation and GHG emission reduction efforts such as fuel savings, engine maintenance, afforestation, bare blank application, methane capture etc. The Company has a Program & Plan of Environmental management activities including: Reduction of herbicides, reduction of household waste, the management of used chemical containers, the reduction of water use for spraying, the

**Compliance status:**

Yes  No

NCR No: -

management of raw water into clean water to employees, the reduction of fuel consumption.

The company has been conducted an assessment of all polluting activities including gaseous emissions, particulate/soot emissions and effluent and documented in document "Identifikasi Aktivitas Emisi Gas Rumah Kaca (GRK)" / Identification of Greenhouse Gas (GHG) Activities. The document has contained information of type of emission, activities, risk levels, risk management, and frequency of monitoring. Based on the document, identified polluting activities consist of boiler emission, generator emission, biogas generator emission, operational of methane capture.

The organization has established a program for mitigation and reduces GHG emission in document "Mitigasi dan Usaha Pengurangan Emisi Gas Rumah Kaca". The program has included objective, targets, PIC, and timelines. Some program of GHG mitigation are utilization renewable energy such as fibre and shell for Boiler at POM, applied fertilizer appropriately, perform maintenance of vehicle appropriately and etc.

*A system to monitor emission of pollutants including greenhouse gases from estate (plantation) and mill operations has documented in SOP Perhitungan Gas Rumah Kaca (GHG Calculation), document no. SOP 67/ISCC/(1)/0911, Rev.01, dated Nopember 12, 2011. There is evidence that the system has implemented.*

*Palm GHG summary report for MS-1 & MS-2 mill was available where using appropriate tools i.e RSPO Palm GHG calculator version 2.1.1. The Result of monitoring regarding final emissions at MS-1 mill is 0.30 tCO<sub>2</sub>e/t CPO or PK, whereas at MS-2 POM is 2.07 tCO<sub>2</sub>e/t CPO or PK. There is evidence that Palm GHG Calculation has been reported to RSPO Secretariat by email (javin.tan@rspo.org dan Devaladevi@rspo.org) dated May 26, 2016. Response from RSPO secretariat still on progress.*

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

**Findings:**

The latest MS SIA document was created in 2016. The document is an update of SIA made 2013. In the methodology section it is explained that data collection uses interview techniques, FGD and questionnaire distribution to employees and village communities around the company. Data collection was conducted from January to May 2016. Social impacts management plan for 2016 – 2018 has developed as the part of SIA document.

SIA document of PT MS explain all factor that can become potential impact of palm oil, including: social organizations, ethnic groups, customs, socio-cultural changes, local wisdom, religion, livelihood, education, health, land use, economic infrastructure, the pattern of revenue, spending patterns, and others.

SIA report consists of positive and negative impact of the palm oil plantation. The positive impact among others is increasing of community income, working opportunity. The negative impact is reducing area for traditional cultivation activities such as paddy field and some vegetables. There was evidence of stakeholder participation in attendants list. SIA process has been conducted involving the affected parties and using method such as: focus group discussions, questionnaires and inter-

**Compliance status:**

Yes  No

NCR No:

view with employees and also community in the Seabiand Tanah Putih Village (village chief, Chairman of the Village Representative (BPD), community leader, etc).

Regarding impact management and monitoring plan, there are document contain: a description of the social impact, the impact parameter, the source of the impact, the impact of the benchmarks, management objectives, management plans, indicators of success, the period of management, location management, PIC, realization, advice and recommendations.

Evaluation of impact reduction, as a result of operations at PT MS, conducted every six months, and has involved stakeholders such as community and village government, which is on a 3 village, are, Bangkal village, Tanah Putih Village, PondokDamar Village, as well as employees. Evaluations include employment, business opportunities, and institution, and public perception, social and cultural changes. The management unit PT MS has well documented the results of the meeting with the parties.

Company also already conducts Social Impact Assessment special for smallholder (plasma) in 2017. The document consist of explanation of plasma areal, productivity, training, and plasma management (BitaMajuBersama Cooperative). There are documentation of training for plasma, such as:

- 1) Training of bookkeeping and technical administration of financial report of cooperatives. Held on October 3, 2016
- 2) Socialization of standard safety procedures and emergency response procedures, held on June 6, 2017
- 3) Disseminate the use of fire extinguisher and waste management. Held on May 4, 2017

**Criterion 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.**

**Findings:**

Company has developed some procedure regarding stakeholder consultation and communication, such as:

- SOP 35/PR/(0)/0409, on the Implementation Mechanism of the Consultation Process with the Community
- SOP 44/PR/(5)/0515, on Appointment of Community Consultation and Communications Officers
- SOP 47/PR/(6)/0516, on the Provision of Information to Outsiders (Transparency)
- SOP 46/PR/(0)/0709, on Initial Information and Free Consent (FPIC)
- SOP 42/HRD/(0)/0609, regarding Complaints & Employees Grievance

The last of list stakeholder of PT MS, file No. 1/BM-MS/MS/2017 updated on January 2017. Stakeholder categorized as: Province Government of Central Kalimantan, Kotawaringin Timur and Seruyan Regency, district, Head of Village of surrounding company, community figures, police and army office, NGO, supplier, and also contractor.

The company established Bina Mitra department that has responsibility for consultation and communications with all stakeholders especially external stakeholders. All of documents completed with detail information regarding procedures, flowcharts and officer who responsible. The company also has a schedule for

**Compliance status:**

Yes  No

NCR No: -

planned meetings with surrounding communities in PondokDamar, Bangkal and Tanah Putih Villages. All of communication process has recorded and maintained by the company. Communication and consultation document kept by the company for 3 years.

Community leader from Tanah Putih and Sebabi stated that they can communicate with company personnel, especially from BinaMitra (community relation and partnership) division. BinaMitra also regularly visits villages to discuss Community Development program plans. In addition to regular visits, company visits are also made to address land claims (if any), policy/SOP information, invited to attend village activities by community, etc.

There is a procedure open to all affected parties for grievances, complaints and dispute resolutions process. The procedure documented as SOP 34/PR/(3)/0217 rev. 03, issued in February 2017. This document has also communicated to stakeholders at the same time with other procedure dissemination.

This procedure only covers complaints and grievance from external stakeholder but not internal stakeholder. As mentioned in Company's regulations, internal stakeholder (workers) could deliver their aspirations by two channels, directly to their supervisor and through Bipartite Forum. These two channels has effectively use by internal stakeholder to express their aspirations.

**Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.**

**Findings:**

The management unit has a policy related Whistleblowing Policy, No. 042/DIR-KP/VIII/2015 dated August 5, 2015. This SOP contains: Who is covered by the policy, aim of the policy, reportable incidents, protection against reprisals, confidentiality, concerns and information provided anonymously, reward for whistleblowers, how to raise a concern or provide information, important points to note, how Wilmar group will respond (whistle blower complaint respond).

The results of interviews with employees, it is known that they understand how the company's policies related to complaints or reporting. The employees are free to make a complaint to superiors without fear of sanction; in addition the company also protects the identity of the complainant, so that they feel comfortable in submitting the complaint.

Company takes records of community, employee and other party complaints in the logbook. But while during 2<sup>nd</sup> surveillance, there is no complaint recorded. Explanation from management, this is because community and employee prefer to communicate directly to company personnel (BinaMitra/community relation PIC) or employee's superiors.

Company has documented procedures regarding grievances and complaints mechanism; land dispute; and land acquisition. Detail mechanism for those three procedures describe as follows :

- a. SOP 34/PR/(3)/0217, regarding "Mechanism of Complaints and Grievance Acceptance, and conflict/dispute Resolutions (outside legal actions)". This SOP define some key process such as:
  - All complaints in written form deliver to Estate/Mill manager and for-

**Compliance status:**

Yes  No

NCR No: -

<p>ward to regional Office.</p> <ul style="list-style-type: none"> <li>• Complaints will register and categorized based on subject matters.</li> <li>• Coordinated with related department to identify the problems, then open communications with related stakeholders</li> <li>• Conducted mediations and legal actions if only there are no agreements between company and related stakeholders</li> </ul> <p>b. SOP30/BM/(1)/0217, issued February 2017, regarding “Land Dispute Resolutions”. This SOP define some key process such as:</p> <ul style="list-style-type: none"> <li>• Main issues causes to land dispute</li> <li>• Land Dispute as latent problem for every plantation</li> <li>• Land dispute characteristics, categorized into to kind, customary land dispute and villages land and land dispute with incomer</li> <li>• Guidance for Conflict resolutions.</li> </ul> <p>c. SOP 29/BM/(0)/0409, issued April 13<sup>th</sup> 2009, regarding “Technical Guidance for Land Acquisitions”. This SOP define some key process such as:</p> <ul style="list-style-type: none"> <li>• The origin of the related land</li> <li>• Land title</li> <li>• RSPO P&amp;C as guidance</li> <li>• Definition of land use, and land acquisitions</li> <li>• Mechanism of land acquisitions and compensation payment</li> </ul>	
--	--

***Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.***

**Findings:**

Company can shown their archives documents and records regarding agreements and compensations process. The documents are well maintained by PR and Legal department. At the latest land dispute resolution process between MS and community members of PondokDamar, company officer have involving local head of customary leader as mediator. This local community leader has strategic role because he has both formal and traditional authority regarding land dispute resolution process in this area as define by Governor Regulations Number 13 year 2009 regarding “Customary land and Customary Rights in Central Kalimantan Province. Payment of compensation (GRTT), to the parties who have rights to the land, such as: the customary communities, land arable farmer groups, or individuals. The company also set up plasma plantation development, if they prefer, as part of a fair compensation.

As explanation in indicator 2.3, most of land claim has settled, whether through compensation process or taken out as enclave. There are two case of land claim still remain, but the process has not been continued because the claimer has not responded. Land conflicts in PT MustikaSembuluh well documented by the company in the document "Status of Land Problem in PT MustikaSembuluh". The company has the complete documents related to: negotiation, attendance of the parties, as well as witnesses, proof of payment of compensation, and a map of the conflict. Until now, the land conflict did not cause the company's operations disrupted. The public, in accordance with SOP No SOP 47/PR/6/0516, can access documents related to land conflicts, on a limited basis.

**Compliance status:**

Yes  No

NCR No: -



The management unit PT MS, has the SOP, the Land Acquisition related Technical Guide, or the acquisition of land, SOP No. 29/BM/(0)/0409. The SOP provides a way of land acquisition, which are:

- a. Based on the provisions of law
- b. Considering the provisions of local customary law
- c. Considering the benefits of the land, and the basic functions of the soil, to the lives and livelihood, among other social functions, cultural functions, economic functions and political functions attached to the ground.
- d. Noting the interest, as well as the existence of the legal rights, customary laws of the community, in plantations.
- e. Considering the RSPO principles and criteria
- f. Considering the principle of Free, Prior and Informed Consent (FPIC)

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

**Findings:**

There are several types of MS workers based on status and payment of wages:

- a. Permanent Worker (PKWTT – Working Contract Agreement with un-defined Duration)
  - Staff
  - Payroll or monthly rate worker
  - Daily rate Worker
- b. Non Permanent Worker (PKWT – Working Contract Agreement with specific duration).
  - Contract worker
  - Migrant worker (Expatriate)

Company has developed payment structures and scales for every kind of worker and always responds to local governance regulation regarding minimum wage payment. There were evidences showed during audit such as:

- a. Governor of central Kalimantan Official Letter No 23 year 2016, regarding sectoral minimum wage for plantation 2017 is IDR2.294.126,- starting on January 1, 2017.
- b. Intern office Memo from the General Manager to all managers related on Sectoral Minimum Wage, East Kotawaringin, year 2017
- c. Pay slips for PKWTT and PKWT workers of Mill 1, Mill 2, MS1 Estate, MS2 Estate, and MS3 Estate. For example, check on payslip for April 2017: 1) Mrs S, maintenance worker, gross remuneration IDR2.546.000, insurance deduction (BPJS) IDR94.571, after deduction she receive IDR2.451.249; 2) Mrs M, gross IDR2.780.760, insurance deduction IDR71.063, total receive 2.709.697

Examination of payroll and interviews with employees obtained information that the salary received is in accordance with the applicable provisions

Mustika Sembuluh has Company Regulations that has been approved by Manpower Office of East Kotawaringin District (Letter of decree no 439/HI-KESJA/IV/2016). The employment agreement is in accordance with the existing labor regulations in Indonesia, and it is written in a language and understood by the worker, the interviews with workers in the estate and mill showed that the workers

**Compliance status:**

Yes  No

NCR No: -

have known about the rights and obligations described in the Company Regulations.

The company has been providing housing facilities, electricity, water, daycare, cooperatives, employee halls, and places of worship, school buses, clinics and educational facilities. From observation and interview with worker at Estate III concerning housing and other facility, they stated adequate. Workers can report if there are any damage to their assistant or head of the neighborhood.

The Company monitors the price of basic needs every 6 months. Benchmark prices are done in 3 locations: employee cooperatives, Bangkal village market, and local stalls with reference prices from Sampit market. The company encourages employees to purchase basic needs from employee cooperatives, which in addition to providing a slightly cheaper price, employees are also provided with a non-cash purchase facility. Employees can pay for their purchases in the next month directly deducted from salary.

***Criterion 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.***

**Findings:**

The company showed the Internal Memorandum No. 026/WIP-HRD/INT-VIII/2009 about the conditions of employment. In point 1 about the freedom of association stated that every employee is free to form and join worker unions and Labor unions in accordance with applicable regulations.

Workers of PT MS to date have neither established nor become union members, But both parties adhere to labor regulations by forming the Bipartite Forum and have been approved by the Manpower Office (Decree of Head of Social Service Manpower and Transmigration, EastKotawaringin, No. 565/79/Kep/HI-Kesja/I/2016) on January 21, 2016. As a forum for the settlement of the existing industrial relations and related to the compliance with the applicable regulations. The results of interviews with workers known that the worker has known about the policy on freedom of association and workers also have known about the function of the worker unions.

There is documentation of Bipartite Forum meeting, among others:

- January 9, 2017. The issues discussed are: information of Regency Minimum Wage 2017, information of technical procedures for complaints and grievance of employees, the use of PPE, the prohibition of employing children and sanctions. Attended by 15 people.
- February 17, 2017. Issue discussed are: for new harvesters, company provide working equipment for free, also company clear off debt/outstanding of the working equipment for harvester, information regarding procedures for women workers who will take maternity leave, reassertion on sexual harassment prevention, attended by 23 persons
- March 15, 2017. Issue discussed is: the use of PPE, freedom of association rights within the company, socialization of insurance (BPJS). Attended 16 people.
- April 17, 2017. Issue discussed is: dissemination of SOP for submission of

**Compliance status:**

Yes  No

NCR No: -

complaints about MCU. Attended by 14 people.

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

**Findings:**

Document check and field check found that there is no presence of child workers. Child worker restrictions has documented in Company's Policy. It Also has strictly mentioned in Company Regulations 2015, article 3, point 2, that state "Company has commitment to not recruit workers under 18 years old". This regulations also documented in recruitment procedures. Checking toward employee data of PT MS in May 2017 there was not found employees whose age when received work less than 18 years

**Compliance status:**

Yes  No

NCR No: -

**Criterion 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.**

**Findings:**

There is no evidence of discrimination in this company. Workers come from various ethnic groups in Indonesia such as Java, Dayak, Malay, Batak, and others. The workers also come from various religions (Moslem, Christian, and Hindu). Interview with worker, Bipartite Cooperation, and gender committee confirmed that there is no indication found in working areas and emplacement areas showing discrimination issues among worker and staffs. This policy has also clearly stated at Company Regulation 2015, article 3, point 7, "Company open equal opportunity to each individual person with respects, dignity, free from discriminations based on gender, race, ethnic, religion and believe backgrounds". Audit evidences regarding recruitment procedure and process shows that company still keeps their commitment.

The results of the document examination of employee data found that PT MS does not discriminate in recruiting employees. As announcement of the labor requirements, the terms and conditions determined by the company are:

- Minimum age 18 years
- Physical and mental health
- Making a job application letter
- Attaching Electronic Identity cards
- Attaching a photocopy of family card
- Attaching a letter from the local village chief

Job vacancy announcement shows that the company does not discriminate in accepting employment. In addition, the company can show the evaluation of employee performance appraisal form with the aspects, among others.

**Compliance status:**

Yes  No

NCR No: -

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

**Findings:**

Company maintains policy against sexual harassment and violence, the printed documents attached at boards in every office, estates and Mill. This policy has also clearly stated at Company Regulation 2015, article 3, point 3, "Company sup-

**Compliance status:**

Yes  No

NCR No:

porting (encourage) efforts to prevents, reports and actions over sexual harassment and violence". As implementations of the policy, company showed documents and records of Gender Committee Structure and activities (meeting and socializations). Special procedure has developed to accommodate complaints and grievances regarding these issues.

At mill MS 1, There is an organizational structure of the latest gender committee 2017 at Palm Oil Mill 1. Interview with the board of the gender committee, in the last 6 months there have been no complaints or sexual harassment and violence cases. The gender committee has program plans for the year 2017: Posyandu (center for pre- and postnatal health care), yasinan (Reciting Al-Qur'an), arisan (woman rotating savings club), women's health education, and socialization of sexual harassment and violence policies and reproductive rights. Gender committees documented the realization of their activities, including yasinan (Reciting Al-Qur'an) activities on March 29, 2017. In the event, the board also conducted socialization on policies on sexual harassment and violence, child labor and reproductive rights.

There are no changes on procedure related to the specific complaints from the previous assessment. No specific complaints were found during 2<sup>nd</sup> surveillance both in estate and mill. Interviews with the board of gender committee showed that they have already known the duties and responsibilities as the socialization about the complaints mechanism and also the socialization of sexual harassment.

**Criterion 6.10: Growers and millers deal fairly and transparently with smallholders and other local businesses.**

**Findings:**

The team FFB pricing, coordinated by the Plantation Office, Central Kalimantan Province, sets FFB prices. The price is set every month around the 25<sup>th</sup>. For example, obtained document of pricing FFB for period May 2017. Smallholders stated that the information of FFB price, attached in each purchase transaction documents.

The price information then distribute to mills (by email) and suppliers (by SMS). The current FFB prices also attached (sign board) at Mills and During audit, company shows their buying prices for 3 past months detail for each days and each planting year (March, April and May).

Mill I MustikaSembuluh shows some examples of the sale and purchase agreement between smallholder and PT MS POM. Agreement contains:

- The identity of the parties
- Basic agreement
- The quality standards of the FFB
- Price
- Payment
- Duration of the agreement
- The environment, health and safety (K3) aspects

Company documented all transaction process (contract, progress of work, invoice, etc.). For example of FFB transaction, obtained documents of FFB reception No 005/LOG-MSPOM1/PKS-MS/V/2017 from independent smallholder. The FFB received as much as 100.544kg for May 2017 delivery. Supplier can submit invoice

**Compliance status:**

Yes  No

NCR No: -

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

after company ask, usually after financial closing book. Company will pay 2 weeks later. There is no complaint log from supplier/contractor. Payment timing, term and condition, etc. listed on the contract.

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

**Findings:**

As stated in Company Regulations 2015, article 3, point 5, company has commitment to contribute to local development by developing Community Development Program. Audit evidences such as Document of CD/CSR Program 2015 and 2016, records of implementations, meeting records and payments slips. The CD/CSR program has considered SIA Documents, company's operation areas as group and stakeholder consultation result (PondokDamar. Village, Tanah Putih Village, Bangkal Village). CD/CSR program activities that has implemented form January until May 2017 are:

No	Aspect	Realization of Community Development Year 2017 (Rp)
1	Infrastructure	45.592.000
2	Education	42.000.000
3	Society	56.000.000
4	Religious	12.750.000
5	Health	
6	Arts, Culture & Sports	26.578.000
7	Economy	
8	Emergency Response	50.000.000
Total		208.490.000

Based on the location of activities, the largest allocation is distributed in the villages around the company, especially PondokDamar Village. The rest, community development activity and social contribution distributed in level district and regency. The program, the result of consultation with village staff, and the public, in the three villages namely PondokDamar, Bangkal village, and the village of Tanah Putih. As stated by community leader from Tanah Putih, company involves community participation.

Interviews with staff CD-CSR division, companies are always trying to meet the public demand, in accordance with the priorities and budget available, and any request for assistance through the proposals suggested by the company. According to officer of Tanah Putih Village, it is known that the program CD-CSR of PT MustikaSembuluh has been planned in consultation with the community.

**Compliance status:**

Yes  No

NCR No: -

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

**Findings:**

There is no issue concerning migrant worker at PT MustikaSembuluh. Company only recruit migrant worker for managerial positions (staff up – expatriate), there's no migrant worker that work at low-level positions. All of harvester and maintenance worker (permanent and in-permanent) are Indonesian, thus there's no trafficked labor are use. There's also no substitute contract occurred

**Compliance status:**

Yes  No

NCR No: -

**Criterion 6.13: Growers and millers respect human rights.**

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

<p><b>Findings:</b></p> <p>Human rights policies issued by Group CSR Head and Group Head Plantation, on June 2014.</p> <p>Human Rights Policy has clearly stated by the company In Company Regulation 2015 article 3. Human Right policy as state by UN guiding principle on Business and Human Rights has detailed into 7 points. PT MustikaSembuluh policy related human right definition covers two aspects as:</p> <ol style="list-style-type: none"> <li>1. Labor Rights: <ul style="list-style-type: none"> <li>• Freedom of Association</li> <li>• No Forced or Bonded Labor</li> <li>• No Child Labor</li> <li>• Conductive Working Conditions</li> </ul> </li> <li>2. Indigenous and Local Communities Right: <ul style="list-style-type: none"> <li>• Respect Land Tenure Rights</li> <li>• Commit to Obtaining Free Prior and Informed Consent From Local Communities before commencing new operations</li> <li>• Commit to open, transparent, fair and equitable conflict Resolution.</li> </ul> </li> </ol> <p>Implementation of the policy:</p> <ul style="list-style-type: none"> <li>• Dissemination of human rights policy, held in conjunction with the socialization of freedom of association, prohibition of employment of children, equal opportunities for employees, prevention of sexual abuse, and the oppression of women</li> <li>• Socialization is also done during morning assembly</li> </ul> <p>Based on interviews with employees, it is known that the employee understands the policy of human rights. The right of workers: get facilities such as housing, and working equipment (PPE), get health insurance, earn a decent wage, whereas, community rights are: the right to work and FPIC (Free, Prior, Informed and Consent).</p>	<p><b>Compliance status:</b>  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p>
<p><b>Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</b></p>	
<p><b>Findings:</b></p> <p>There is no new development area period of year 2014 to 2015 in nucleus areas. PT Mustika Sembuluh has plantation after year 2005 inside their legal land area in MS 1, MS 2 and MS 3 estate as mentioned on table 5 above. The social and environmental impact assessment for plantation after year 2005 has been included in PT Mustika Sembuluh SIA assessment report. ,So the information is still same as with previous surveillance audit that this is criterion not applicable.</p>	<p><b>Compliance status:</b>  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p><b>Criterion 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.</b></p>	
<p><b>Findings:</b></p> <p>There is no new development area period of year 2014 to 2015 in nucleus areas. PT Mustika Sembuluh has plantation after year 2005 inside their legal land area in MS 1, MS 2 and MS 3 estate as mentioned on table 5 above. The information about soil survey analysis has been provide incorporated with soil survey for al Mustika Sembuluh area. ,So the information is still same as with previous surveillance audit that this is criterion not applicable”.</p>	<p><b>Compliance status:</b>  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

**Criterion 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.**

**Findings:**

There is no new development area period of year 2014 to 2015 in nucleus areas. PT Mustika Sembuluh has plantation after year 2005 inside their legal land area in MS 1, MS 2 and MS 3 estate as mentioned on table 5 above. No specific HCV assessment for the plantation after year 2005 in PT Mustika Sembuluh, the existing HCV assessment has been incorporated in all HCV assessment under PT Mustika Sembuluh. So the information is still same as with previous surveillance audit that this is criterion not applicable

**Compliance status:**

Yes  No

**Criterion 7.4: Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.**

**Findings:**

There is no new development area period of year 2014 to 2015 in nucleus areas. PT Mustika Sembuluh has plantation after year 2005 inside their legal land area in MS 1, MS 2 and MS 3 estate as mentioned on table 5 above". However there is no extensive planting on steep terrain, in PT Mustika Sembuluh area, some of MS 3 estate is peat soil, the company has specific procedure to control peat soil, as mentioned on Cr. 4.4 above.

**Compliance status:**

Yes  No

**Criterion 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.**

**Findings:**

There is no new development area period of year 2014 to 2015 in nucleus areas. PT Mustika Sembuluh has plantation after year 2005 inside their legal land area in MS 1, MS 2 and MS 3 estate as mentioned on table 5 above, most of new planted area above year 2005 inside PT MS HGU area it was delayed to open the land due to land compensation has not finalized waiting for negotiation process, after final decision PT MS acquired and manage the land. The complete information about land compensation and negotiation process were explained on the Cr.2.3; Cr.6.3 and CR.6.4 above.

**Compliance status:**

Yes  No

**Criterion 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**

**Findings:**

See explanation on Cr.7.5 above.

**Compliance status:**

Yes  No

**Criterion 7.7: No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN Guidelines or other regional best practice..**

**Findings:**

As explain on the Cr. 5.5 above there is no evidence that company use fire during land clearing process. The company has zero burning policy that is implemented for all company's activities both for land preparation and non plantation activities.

**Compliance status:**

Yes  No

**Criterion 7.8: New plantation developments are designed to minimise net greenhouse gas emissions.**

**Findings:**

PT Mustika Sembuluh has program to minimize net greenhouse gas emission not only focus on new plantation area but for all PT Mustika Sembuluh activities, detail

**Compliance status:**

Yes  No

information has been explained on Cr. 5.6 above.	
<b>Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
<p><b>Findings:</b></p> <p>Regarding plantation best practice, the company has conducted continual improvement in all of its elements, such as IPM, regular leaf and soil analysis, water management, appropriate chemical handling, etc. To ensure each element is working properly as per RSPO standard there is internal audit program conducted against RSPO Principle and Criteria. As part of innovation and continual improvement, it was evidenced that the company has developed methane capture plant as effort to minimize GHG. The Methane Capture Plant have capacity of 400 Kwh. In 2016 produced biogas (gas engine) of 656,549 Nm<sup>3</sup>.</p>	<p><b>Compliance status:</b>  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p>

• **RSPO SCCS**

Mustika Sembuluh Palm Oil Mill (MS POM) is located in Central Kalimantan - Indonesia. Mustika Sembuluh Mill 1 (POM 1) was established in 2006 with a processing capacity of 120 tonnes FFB/hours (revision of permanent business permit (IUT) and plantation business permit (IUP) in process). The location of Mustika Sembuluh Palm Oil Mill 1 (POM 1) is within Mustika Sembuluh 1 (MS-1) of estate. Mustika Sembuluh Mill 2 (POM 2) was established in 2013 with a production capacity of 90 tonnes FFB/hours. The location of Mustika Sembuluh Palm Oil Mill 2 (POM 2) is within Mustika Sembuluh 3 (MS-3) of estate.

The company implements SCC-RSPO with “**Mass Balance (MB)**” model according to the nature of mill FBB supply condition. The following is a description of the company’s supply chain management system according to the RSPO SCCS requirements (it was assessed/audited against Module E), including status of compliance of the company and their outsourced third parties to RSPO SCCS requirements. Results of audit/assessment as describe on the explanation belows:

<b>Module E – CPO Mills: Mass Balance</b>	
<b>E.1. Definition</b>	<b>ComplianceStatus</b>
<p><b>Findings:</b></p> <p>The organization (MS-1 &amp; MS-2 Mill) was implemented the RSPO-SCCS <b>Mass Balance (MB)</b> model since get certificate. This SCCS model allowed to mixing of certified and uncertified product but shall be control by the Mass Balance record to ensure the quantity of certified product, and only certified product could be claim by the organization as certified palm oil product. Organization has identified the volume of certified and uncertified FFB supplied to the mill.</p> <p>Herewith, data of certified and uncertified FFB received both MS-1 &amp; MS-2 for year 2016.</p> <ol style="list-style-type: none"> <li>MS-1 POM <ul style="list-style-type: none"> <li>- Certified FFB : 221,699.740 Mt (± 99.47%)</li> <li>- Uncertified FFB : 1,177.340 Mt (± 0.53%)</li> <li>- Total FFB Received : 222,877.080 Mt</li> </ul> </li> <li>MS-2 POM <ul style="list-style-type: none"> <li>- Certified FFB : 139,242.570 Mt (± 99.68%)</li> <li>- Uncertified FFB : 443.000 Mt (± 0.32%)</li> <li>- Total FFB Received : 139,243.013 Mt</li> </ul> </li> </ol> <p>Or, totally FFB received both POM-1 and POM-2 on 2016 as below:</p>	<p><b>Compliance status:</b>  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p>



**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

- Certified FFB : 362,120.092 Mt (± 99.55%)
- Uncertified FFB : 1,620.340 Mt (± 0.45%)
- Total FFB Received : 363,740.432 Mt

MS-1 & MS-2 Palm Oil Mills produced Crude Palm Oil (CPO) and Palm Kernel (PK) only.

Mass balance records in both mills also showed the certified and non-certified products. During year 2016 the Mills (MS-1 & MS-2) was produced CPO and PK as follow:

**MS-1**

**a. CPO**

- Certified : 47,532.42 Mt
- Non-certified : 125.537 Mt

**b. PK**

- Certified : 11,993.96 Mt
- Non-certified : 69.345 Mt

**MS-2**

**a. CPO**

- Certified : 29,853.61 Mt
- Non-certified : 9,411.525 Mt

**b. PK**

- Certified : 7,533.02 Mt
- Non-certified : 543.725 Mt

**Compliance status : Full Compliance**

**E.2. Explanation**

**Findings:**

Estimated of tonnage CPO and PK products has been recorded in to the public summary of the P&C certification report.

The actual of certified CPO and PK year 2016 are 77,386.031 MT (CPO) and 19,526.979 MT. Whereas, projection of certified product year 2017 are 87,240.00 MT (CPO) and 19,721.25 MT (PK) with projection of certified FFB process is 346,771.47 MT and extraction rate are 24.00% (OER) and 5.20% (KER). This information gets from budget of mill year 2017.

Register in eTrace on behalf PT Mustika Sembuluh (MS-1 & MS-2 POM). All transactions of certified sold available in e-Trace.

**Compliance status : Full Compliance**

**Compliance status:**

Yes  No

NCR No: -

**E.3. Documented procedures**

**Findings:**

The company (POM 1) has a procedure for implementation of SCCS requirements. There are a set of existing procedure consisting of :

1. Procedure of for weighbridge operation (SOP/MS2POM-LOG-001 rev 05 Effective date April 26, 2016)
2. Procedure for receiving FFB (SOP/MSPOM-LOG-003 Rev.05, effective date April 26, 2016)
3. Procedure for control of documents (SOP/MSPOM-MR-004 Rev.02, effective date April 26, 2016).

**Compliance status:**

Yes  No

NCR No: -

4. Procedure for supply chain mass balance (SOP/MSPOM-LOG-006 rev 05 effective date April 26, 2016)
5. Procedure for receiving outside FFB crop (SOP/MSPOM-LOG-004 Rev.01, issued on July 19, 2012),
6. Procedure for the purchasing administration of FFB (SOP/MSPOM-LOG-002 Rev.04, issued on July 19, 2012),
7. Procedure for supply chain mass balance model (SOP/MSPOM-LOG-014 Rev.03, issued on June 05, 2013),
8. Procedure for the selling CPO (SOP/MSPOM-LOG-005 Rev.01, issued on July 19, 2012),
9. Procedure for the selling PK (SOP/MSPOM-LOG-006 Rev.01, issued on July 19, 2012),
10. Procedure for over production (SOP/MSPOM-LOG-003 Rev.01, issued on July 19, 2012),
11. Procedure for administration of sales (SOP/MSPOM-LOG-007 Rev.01, issued on July 19, 2012),
12. Procedure for uploading with the selling of Loco and Franco (SOP/MSPOM-LOG-012 & 013 Rev.01, issued on July 19, 2012),
13. Procedure for sounding and reporting 501 (SOP/MSPOM-LOG-008 Rev.01, issued on July 19, 2012),
14. Procedure for storage tank operation (SOP/MSPOM-LOG-009 Rev.01, issued on July 19, 2012),
15. Procedure for filling in kernels into sacks (SOP/MSPOM-LOG-010 Rev.01, issued on July 19, 2012),
16. Procedure for the washing of storage tanks (SOP/MSPOM-LOG-011 Rev.01, issued on July 19, 2012)

Whereas, in POM 2 has a procedure for implementation of SCCS requirements too, consist of :

1. Procedure of for weighbridge operation (SOP/MS2POM-LOG-001 rev 02 Effective date April 26, 2016)
2. Procedure for the receiving administration of FFB (SOP/MS2POM-LOG-002 rev 01 Effective date June 1, 2014)
3. Procedure for receiving FFB (SOP/MS2POM-LOG-003 rev 01 Effective date April 28, 2016)
4. Procedure for administration of sales (SOP/MS2POM-LOG-004 rev 03 Effective date August 1, 2014)
5. Procedure for despatch CSPO/Non CSPO (SOP/MS2POM-LOG-005 rev 01 Effective date April 25, 2016)
6. Procedure for supply chain mass balance (SOP/MS2POM-LOG-006 rev 01 Effective date April 27, 2016)
7. Procedure for general administrasi of logistic (SOP/MS2POM-LOG-007 rev 00 Effective date November 1, 2012)
8. Procedure for sounding and reporting 501 (SOP/MS2POM-LOG-008 rev 00 Effective date November 1, 2012)
9. Procedure for despatch PK (SOP/MS2POM-LOG-009 rev 00 Effective date November 1, 2012)
10. Procedure for upload with selling of LOCO (SOP/MS2POM-LOG-010 rev 00 Effective date November 1, 2012)
11. Procedure for upload with selling of FRANCO (SOP/MS2POM-LOG-011 rev 00 Effective date November 1, 2012)
12. Procedure for upload of POM/PP (SOP/MS2POM-LOG-012 rev 00 Effective date November 1, 2012)
13. Procedure for storage tank operation (SOP/MS2POM-LOG-013 rev 00 Effective date November 1, 2012)
14. Procedure for the washing of storage tanks (SOP/MS2POM-LOG-014 rev 01 Effective date March 9, 2015)
15. Procedure for calibration (SOP/MS2POM-LOG-015 rev 00 Effective date November 1, 2012)
16. Procedure for filling in kernels into sacks (SOP/MS2POM-LOG-016 rev 00

- Effective date November 1, 2012)
17. Procedure for receiving outside FFB crop (SOP/MS2POM-LOG-017 rev 00 Effective date November 1, 2012)
  18. Procedure for grading (SOP/MS2POM-SRT-001 rev 00 Effective date November 1, 2012)
  19. Procedure for traceability (SOP/MSPOM-MR-001 rev 01 effective date April 27, 2016)
  20. Procedure for supply chain mass balance (SOP/MSPOM-LOG-006 rev 01 effective date April 27, 2016)
  21. Procedure for appointment of management representative (MR) (SOP/MS2POM-MR-002)
  22. Procedure for vehicle inspection (SOP/MS2POM-SEC-003)
  23. Procedure for making, controlling and revision of document (SOP/MS2POM-DC-001)

The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements has been assigned at the audit time. The organization SCCS (consist of mill head, MR, head of administration, logistic, weighbridge operator, document control, security and assisten supervisor laboratorium) and there is no change of on personnel of MR in PT Mustika Sembuluh POM 2.

In mill 1, according to internal memo No. 004/PKS-MS1/IV/2016 issued on April 24, 2016 the company assign one of workers as Management Representative (MR) for RSPO, ISPO and SCCS in PT Mustika Sembuluh mill. The duties and responsibilities of MR are set out in document no. JD/MSPOM-MR-001 Rev.02, issued on July 26, 2012. Whereas, in mill 2, according to internal office memo No.08/MSPOM-2/IV/2016 issued on April 26, 2016, the company assign one of workers as Management Representative (MR) for RSPO P&C and RSPO SCCS in PT Mustika Sembuluh mill 2.

PT Mustika Sembuluh mill has a procedure for reception of FFB (SOP/MSPOM-LOG-003 Rev.01 and SOP/MS2POM-LOG-003) and procedure for receiving third party FFB (SOP/MSPOM-LOG-004 Rev.01 and SOP/MS2POM-LOG-017). The procedures was describes instructions for receiving and processing certified and non-certified FFBs.

There is training evidence for SCCS awareness for Mill staff manager level and all relevant staff of POM 2 such as attendance list; training was conducted on March 15, 2016. Evidence of training: Minutes training RSPO SCCS, Photographs of training session dated March 15, 2016 and material of training. In the POM 1, there is evidence of RSPO SCCS training such as attendance list, photograph and training material where the training was conducted on March 15, 2016.

**Compliance status: Full Compliance**

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

**Findings:**

PT Mustika Sembuluh Palm Oil Mill (POM 1 & POM 2) has a mechanism to receive FFB both from certified sources and non-certified sources. The document to be verified from certified sources are: material delivery letter (Surat Pengantar Buah) including name of estate origin and barcode code for material delivered letter. Based on name of estate origin then weighbridge operator ensure that name of estate origin include in the list certified suppliers. If include in the list certified suppliers then it is status is FFB certified. Certification status will be stated on 'Incoming Certified FFB Received' report (daily, monthly and three monthly report) in weighbridge location as seen from sample documents e.g. FFB delivery note (Surat Pengantar Buah) from

**Compliance status:**

Yes  No

NCR No: -

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

MS 2 & KSI 1 (POM 1) and MS 3 & KSI 2 (POM 2), Weighbridge Slip and FFB Grading Report. Non Certified status will be stated on "Incoming Non Certified FFB Received" report (daily, monthly and three monthly report) in weighbridge location as seen from sample documents e.g. delivery note (Surat Jalan), Weighbridge Slip and FFB Grading Report.

A person has been appointed to be responsible to check and ensure the FFB quality and quantity as per purchase documents.

According to FFB reception procedure (SOP/MSPOM-LOG-003 Rev.01 and SOP/MS2POM-LOG-003) and procedure for reception of outside (SOP/MSPOM-LOG-004 Rev.01 and SOP/MS2POM-LOG-017) the mechanism of receive FFB in mill are :

- 1) Security guard will check the FFB delivery letter or delivery note from the truck driver;
- 2) The truck's driver shall doing weighing at weighbridge. Once done, the gross weight of the truck is taken;
- 3) At the time of doing weighing at weighbridge, the truck's driver shall submit the FFB delivery letter or delivery note to weighbridge operator. The weighbridge operator shall check whether the name of estate origin is including in the list certified suppliers or not. If included in the list certified suppliers and still valid then is the status is FFB certified.
- 4) Upon completion weighing of FFB load, the FFB shall be sent to loading ramp. The truck's driver will unload the FFB and will return to the weighbridge to be weighted again;
- 5) The weighbridge operator will then generate the Weighbridge Slip and this will be kept together with the FFB delivery note or delivery note;
- 6) A copy of the Weighbridge Slip will then be given to the driver and attached with the FFB delivery note or delivery note. Both documents need to be sent back to the estate office or seller office by the truck's driver;
- 7) At the grading platform, the quality of FFB (e.g. fresh, unripe, under ripe, rotten bunch & etc) shall be graded & recorded on the FFB Grading report.

The company (POM 1 & 2) has recapitulation of production report for year 2016 & 2017; including volumes of FFBs received which is separated into certified and non-certified FFB volumes. Total FFB received include of FFB certified and FFB non-certified in year 2016 and year 2017.

POM-1 has procedure and mechanism to inform the over production into the CB by document number SOP/MSPOM-MR-003 Rev 01 date issue July 19, 2012, mentioned "if over production projected, the management representative will inform to the CB related that over production"

POM-2 has procedure and mechanism to inform the over production into the CB by document number SOP/MS2POM-MR-003 Rev 01 date issue May 1, 2013, mentioned "if over production projected, the management representative will inform to the CB related that over production"

**Compliance status: Full Compliance**

**E.5. Record keeping**

**Findings:**

**Compliance status:**  
 Yes  No

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

<p>The company has established a mechanism for control and maintenance of the document and data control procedure No. SOP/MSPOM-MR-001 Rev.02 effective date April 26, 2016 (POM1) where the retention of document stated 2 (two) years for RSPO SCCS document and SOP/MSPOM-MR-001 rev 01 effective date April 26, 2016 (POM2) where the retention time for all records and reports have defined for at least for 10 (ten) years.</p> <p>The company's procedure for records keeping is applied, with evidence as follows: the company maintains records of weighbridge slips, FFB delivery note and FFB grading report and supply from MS 3 estate (POM 1) and supply from MS3 estate (POM2). All records (weighbridge slips, FFB delivery note and FFB grading report) collected or compiled per month. Records on the quantity of FFB received and CPO/PK dispatched daily is maintained in the weighbridge software. The mechanism to update information about production (production CPO/PK, dispatch CPO/PK, stock CPO/PK, OER and KER) to related section is by email notification every morning by the logistic division. The mill maintains accurate, complete and updated records and reports.</p> <p>The mill has records and balances of all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on daily, monthly and three monthly basis. The material balance includes information about incoming FFB (certified sources and non-certified sources), incoming FFB of processed, CPO production result, OER, delivered CPO, and balance stock. All volumes of palm oil that are delivered are deducted from the material accounting system according to actual daily conversion ratios. There are no outsourced supply chain processes in PT Mustika Sembuluh Palm Oil mill.</p> <p><b>Compliance status : Full Compliance</b></p>	<p>NCR No: -</p>
--	------------------

**3.2 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions**

A total of 4 (four) nonconformities were identified during the 2<sup>nd</sup> surveillance assessment. These consisted of 3 (three) major non-conformities and 1 (one) minor non-conformities. For the major non-conformity, the company has taken the necessary corrective action to close these non-conformity within 60 days of completion of the assessment, and this was verified by the audit team through checks of documents submitted by the company. For the minor non-conformances, the company has taken corrective action against these as well, and for those which could not be verified as closed through document checks, the closure of these minor non-conformities will be assessed during the next surveillance audit. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as below:

**3.2.1. Major non-conformities**

Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction / Corrective Action taken	Auditor Conclusion
2.1.1	<b>RSPO01146</b> The company has not comply to some regulations, i.e.: - Area wide as stated on the IUP (Decree of Central	Documents were reviewed as evidence are: • Proposal letter No. 001/MS/Adm/B M/VI/2017, dated June 03, 2017, signed by President Director of the com-	August 07, 2017	Corrections - The company has ensure contacted the relevant authority agencies regarding the SITU & HO licensed. - Pasma manager completed the requirements file for licensing SIUP & TDP. - Follow up to relavent agencies thus obtaining a response to the submission of the license	Closed

	<p>Kalimantan Governor no: 343/2003, dated August, 2003) is 15,990 ha differnt with area wide of HGU (19,450.26 ha)</p> <ul style="list-style-type: none"> <li>- The MS-2 mill has not included yet on the IUP</li> <li>- There is no sufficient evidence regarding follow up related any indications that the area wide 5.227 ha (HGU No.8/HGU/BPN/2005) located on production forest (Hutan Produksi) in accordance decree of Ministry of Forestry no. SK.529/M enhut-II/2012 dated September 25, 2012.</li> <li>- Some documents such as HO distturbance permit), SIUP, SITU, and TDP of "Bitu Maju Bersama" coopera-</li> </ul>	<p>pany, regarding request for renewal/revision of license of IUP of the company. The letter proposed to Head of Investment Agency of Central Kalimantan Province (DPMPTSP). In the letter proposed areal of IUP revised to 19,450.26 ha (in accordance HGU's area) and proposed Mill capacity of MS-2 is 120 tonne FFB per hour.</p> <ul style="list-style-type: none"> <li>• Decree of Minister of home affair No. 40 tahun 2008, about cancellaion of Local Regulation of Seruyan District No. 9 / 2004 about SITU &amp; HO.</li> <li>• Proposal letter-No. 008/BMB PD/VI/2016, dated June 16, 2016, regarding Apply for letter of principal letter (surat permohonan ijin prinsip) as recommended by local government Seruyan District by No.Surat 008/BMB PD/VI/2016, the letter has been accepted by the institution and now the status is waiting for response from k local government.</li> <li>• The company is still coordinating with relevant government agencies that can issue li-</li> </ul>		<p>changes.</p> <p>Corrective actions:</p> <ul style="list-style-type: none"> <li>- Plasma manager will monitor the licensing processes of PT Bitu Maju Bersama.</li> <li>- Fulfil all revision's requirements until get licenses.</li> </ul>	
--	---	---	--	---	--

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

	<p>tion has not available.</p> <ul style="list-style-type: none"> <li>- HGU and IUP of Bitu Maju Bersama cooperation has not available yet..</li> <li>- Permit of surface water utilization (izin penggunaan air permukaan) as required by regulation of Ministr of PUPR no: 01/PRT/M/2016)</li> <li>- The MS-2 mill has not appropriate license, i.e: IUP-P.</li> </ul>	<p>cense for surface water utilization.</p>			
4.3.4	<p><b>RSPO01148</b></p> <p>There is no sufficient evidences that the organization has taken significant actions to solve peat subsidence which higher than threshold value (government regulation/PP No. 150 year of 2000).</p>	<p>Documents were reviewed as follow:</p> <ul style="list-style-type: none"> <li>- Program of Weirs Addition on Peat Area (MS-3). The program was cover 15 units of weirs and spreads on 4 blocks</li> <li>- Official report dated July 17, 2017, regarding construction of 4 (four) new weirs at block 650.</li> <li>- Official report dated June 14, 2017, regarding evaluation of water management on Peat and Sandy Land of MS-3.</li> </ul>	<p>August 07, 2017</p>	<p>Corrections:</p> <ul style="list-style-type: none"> <li>- Continue program of weirs development on 2017.</li> <li>- Perform monitoring of weirs development progress.</li> </ul> <p>Corrective action</p> <ul style="list-style-type: none"> <li>- Estate Manager appointed as PIC to ensure that development/construction of weirs as planned.</li> <li>- Estate Manajer will perform evaluation of peat subsidence after weirs addition</li> </ul>	<p>Closed</p>

**Surveillance Audit Report**  
**- PT Mustika Sembuluh – Central Kalimantan -**

5.1.1	<p><b>RSPO01149</b> Environment permit regarding development of methane capture both MS-1 and MS-2 mills have not available.</p>	<p>Documents were reviewed as follows:</p> <ul style="list-style-type: none"> <li>- Letter no. 40/BM-MS/XII/2016, dated November 29, 2016, subject: application for change of environmental perm, addressed to Kalimantan Tengan Province Governor.</li> <li>- Letter no. 02/MS/Adm/B M/II/2015, dated February 21, 2015, subject: application for change of environmental perm, addressed to Kalimantan Tengan Province Governor.</li> <li>- Letter no. 24/BM-MS/V/2017, dated May 24, 2017, subject: application for change of environmental perm, addressed to Kotawaringin Timur District Regent.</li> <li>- Official report dated June 07, 2017, regarding Field observation in order to request of environmental permit changes. The report was acknowledge (signed) by Head of fenvi-ronmental Agency of Kotawaringin Ti-mur District.</li> </ul>	August 08 , 2017	<p>Correction: Follow up to government related agencies to get a response from the agencies about changes of environmental li-cence.</p> <p>Corrective action: Follows all stages of obtaining permit until lermi/license is is-sued.</p>	Closed
-------	--	--	------------------	---	--------



**3.2.2. Minor non-conformities**

It is recommended by the lead auditor to award the system of the company a certificate pursuant to the above-mentioned RSPO standards. The non-conformities identified shall be audited again in line with the timeframe during the next surveillance audit,

Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
2.1.2	<b>RSPO01147</b> Government regulation/PP no. 38/2011 about River as listed in the updated environmental's law register, however the SOP 20/HCV/(1)/0115) of Riparian still refer to obsolete regulation (PP no. 35/1991).	Revised SOP Pengelolaan Sempadan Sungai (Riparian Belt) by added reference PP No.38 Year 2011 and justification of riparian wide's of river	07-08-2018	<p>Corrections:</p> <ul style="list-style-type: none"> <li>- Provided water shed maps that describe status of river on the HGU areas.</li> <li>- Revised SOP Pengelolaan Sempadan Sungai (Riparian Belt) by added reference PP No.38 tYera 2011 and justification of riparian wide's of river.</li> </ul> <p>Corrective actions"</p> <ul style="list-style-type: none"> <li>- To ensure that the riparian wide in accordance government regulations and company policies.</li> <li>- Estate Manager has responsible for compliance of wide of riparian.</li> <li>- HCV's officer has responsible for monitoring of riparian.</li> </ul>	Closed, the effectiveness of corrective action will be verified next audit

**3.3 Noteworthy Positive Components and Potential for Improvement**

**Positive Observation:**

No.	Indicator	Positive Comments
1	-	The company demonstrated their strong commitment in the audit processes
2	-	There is water treatment plant oneach emplacement
3	-	There are methane captures both MS-1 and MS-2
4	-	There is evidence that the organization has performed significant efforts on integrated pest management by biological control
5	-	The company has implemented EBCC system on FFB transportation where the data of FFB processed "automatically" to improve efficiency
6	6	Positive comments from the employee's regarding quick responses of request of housing repair.

**Potential for Improvement:**

No.	Indicator	Potential for improvement
1	2.1.1	License for land application, i.e.: decree of Kotawaringin Timur Regent no: 660/216/BLH/III/2010, dated June 24, 2010 has been expired since 2015, and the organization has proposed a letter for extend the license, that is letter no 20/BM-MS/V/2015, dated May 21, 2015. Nonetheless, new license for land application has not available until this surveillance audit.
2	4.4.3	Processes equipments on MS Mill – 1 such as Sterilizer No. #1 to #11, BPV, Boiler, and etc shall be re-inspection by authority body on March and May 2017, however the MS Mill – 1 just proposed a letter for re-inspection to Regional Office (RO) on May 16, 2017.
3	4.6.9	Test of water for consumption was done by non-accredited laboratory (EMU - Wilmar). Strongly recommended the test conducted by accredited laboratory by KAN (National accreditation committee of Indonesia).
4	4.7.2	Need for written recommendation from government authority agency(ies) regarding wide of river's riparian in accordance of: - Government regulations/PP No. 38 / 2011, about River article 16 poin 1 - Provincial regulation of Central Kalimantan No. 7 /1997, article 4 poin 2
5	4.8.1	Recommendation to ensure that there is no rain's water leakages through buildings roof.
6	4.8.2	- Recommendation for SOP of hazard identification and risk assessment No.: SOP 11/EHS/(0)/0409 to define that risk assessment will be reviewed if any accident occurred. - Recoomendation for temporary storage of hazardous waste at MS Mill – 1 equipped by appropriate eyeswash and shower wash.
7	5.3.3	Results of river's water quality test around the MS Mill – 2 and land application should be evaluated and reported to ensure if any contamination caused by MS Mill – 2 activities.
8	6.5.3	Review and clarification need to performed due to reported any contamination on River that caused by company's activities.
9	5.2	Recommended to perform re-assessment of HCV by using latest methods and conducted by competent personels.
10	6.5	- Copy of company regulation (PP) has not provided to workers and not easy to access its. - Explanation about annual regular increase of wage can be provided on payment slip for workers received monthly wage base not on working day (HK).
11	6.8	There is no clear explanation about assessment of performance for workers promotion, especially for fulfilment of non-discrimination's policy.

**3.4 Issues Raised by Stakeholders and Findings Pertaining to Issues**

**A) Issues Raised during Stakeholder Consultation Meeting** (there is no consultation meeting during this surveillance audit)

No.	Issues Raised	Management Response	Audit Verification
-	-	-	-

**B) Issues Raised during Stakeholder Interviews On-site (there is no issue(s) during stakeholder(s) interview on-site)**

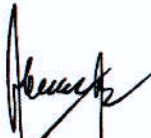
No.	Issues Raised	Audit Verification
-	-	-

**3.5 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client**

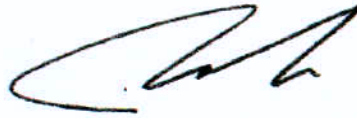
It is acknowledged that the assessment visit was carried out as described in this report and we accept the assessment findings and report content.

Signed on behalf of PT Mustika Sembuluh

Signed on behalf of PT TUV Rheinland Indonesia



Name: Eko Yuliadi  
Position: Group Estate Manager  
Date: 17 October 2017



Nama: Wahyu  
Lead Auditor  
Dated 17 October 2017

## APPENDICES

### Appendix 1: Details of certificate

# Certificate

Standard : **Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July, 2016 and RSPO Supply Chain Certification System: November, 2014**

Certificate Registr. No. : 824 502 14009

Certificate Holder : PT TUV Rheinland Indonesia certifies :  
**PT Mustika Sembuluh Palm Oil Mill**   
Subsidiary of **Wilmar International Limited**,  
Jl. Jenderal Sudirman Km. 2,3 Sampit, Central Kalimantan,  
Indonesia  
Phone: +62-531-34520-24; Fax: +62-531-34534

and its company owned estates according to the annex

RSPO number : -  
Scope : Palm Oil Production and Plantation Management System


An audit was performed, Report No. ASA12\_14009. Proof has been furnished that the requirements according to Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July, 2016 are fulfilled.

Validity: The due date for all future surveillance audits is 24.06 (dd.mm).  
The certificate is valid from 24 August 2015 until 23 August 2020.  
The certificate shall remain valid in period stipulated above provided that the certificate holder mentioned here continues to comply with the RSPO P&C requirements. Status of compliance of the certificate holder shall be based on the annual inspections conducted by PT TUV Rheinland Indonesia.

RSPO registered parents company\* : Wilmar International Limited  
(RSPO Member No. : 2-0017-05-000-00)  
\* Name of the RSPO registered member company of which the certificate holder is a subsidiary (if applicable)

Date of first certificate : August 24, 2010

Indonesia, 19-10-2017

  
PT TUV Rheinland Indonesia  
Director

The certificate remains property of PT TUV Rheinland Indonesia and can be withdrawn in case of terminations as mentioned in the contract or in case of changes or deviations of the above-mentioned data. The licensee is obliged to inform PT TUV Rheinland Indonesia immediately of any changes in the above-mentioned data. Only an original and signed certificate is valid.

www.tuv.com

  
asi  
accreditation services  
international  
RSPO-ACC-013

  
CERTIFIED SUSTAINABLE PALM OIL  
RSPO  
8-0080-08-100-00

 TÜVRheinland®  
Precisely Right.

# Annex to certificate

Standard : **Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July, 2016 and RSPO Supply Chain Certification System: November, 2014**  
 Certificate Registr. No.: 824 502 14009

Location: **PT Mustika Sembuluh Palm Oil Mill**  
 Address : **Subsidiary of Wilmar International Limited,**  
**Jl. Jenderal Sudirman Km. 2,3 Sampit,**  
**Central Kalimantan, Indonesia**  
 Phone: +62-531-34520-24; Fax: +62-531-34534

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
PT MS Palm Oil Mill 1	Pondok Damar Village, Mentaya Hilir Utara Subdistrict, Kotawaringin Timur District.	2° 35' 27.867" S	112° 30' 45.407" E
PT MS Palm Oil Mill 2	Sebabi Village, Telawang Subdistrict, Kotawaringin Timur District.	2° 27' 25.569" S	112° 29' 59.026" E
PT MS Estate 1	Pondok Damar Village, Mentaya Hilir Utara Subdistrict, Kotawaringin Timur District.	2° 35' 9.918" S	112° 30' 32.301" E
PT MS Estate 2	Pondok Damar Village, Mentaya Hilir Utara Subdistrict, Kotawaringin Timur District.	2° 39' 47.510" S	112° 32' 17.894" E
	Bangkal Village, Danau Sembuluh Subdistrict, Seruyan District.		
PT MS Estate 3	Tanah Putih Village, Telawang Subdistrict, Kotawaringin Timur District.	2° 30' 17.129" S	112° 30' 36.949" E
Bitu Maju Bersama Cooperation	Jl. Macan Lantut RT 001 RW 001, Pondok Damar village, Mentaya Hilir Utara Sub District, Kotawaringin Timur District.	2° 40' 12.960" S	112° 34' 15.990" E

CPO Tonnage Total Production: 65,931.06 tonnes  
 PK Tonnage Total Production: 16,286.61 tonnes  
 Company Estates FFB Tonnages: 363,500.00 tonnes  
 Scheme Smallholder FFB Tonnages: 3,653.70 tonnes  
 CPO Tonnage claimed for certification: 87,240.00 tonnes  
 PK Tonnage claimed for certification: 19,721.25 tonnes

Scope of SCCS & supply chain model assessed : FFB receipt, produce and delivery of CPO & PK with implementation of the following SCCS :  
 Identity Preserved  
 Mass Balance

Indonesia, 19-10-2017

Issued by PT TUV Rheinland Indonesia

  
 PT TUV Rheinland Indonesia  
 Director

**Appendix 2: List of Abbreviations**

AMDAL	Analisis Dampak Lingkungan & Sosial (Social & Environmental Impacts Assessment)
Bapedalda	Badan Pengendalian Dampak Lingkungan Daerah (Regional Body for Management of Environmental Impacts)
BLH	Badan Lingkungan Hidup (Local Environmental Board)
BKPM	Badan Koordinasi Penanaman Modal (National Investment Coordination Agency)
BPN	Badan Pertanahan Nasional(National Land Agency)
CD	Community Development
CKP	Central Kalimantan Project
CPO	Crude Palm Oil
DELH	Dokumen Evaluasi Lingkungan Hidup (Environmental Evaluation document)
DISNAKER	Dinas Tenaga Kerja (Manpower Officer)
DPLH	Dokumen Pengelolaan Lingkungan Hidup (Environmental Management Document)
DPRD	Dewan Perwakilan Rakyat Daerah (Regional Parliament)
EIA	Environmental Impact Assessment
EHS	Environmental, Health & Safety
EMU	Environmental Management Unit
EFB	Endangered, Rare & Threatened species
ERTs	Empty Fruit Bunches
ESH	Environmental Safety & Health
FFB	Fresh Fruit Bunches
FIFO	First in First out
HCV	High Conservation Value
IPM	Integrated Pest Management
LTA	Lost Time Accident
MOU	Memorandum of Understanding
MSDS	Material Safety Data Sheets
MS	Mustika Sembuluh
NGO	Non-Government Organization
OSH	Occupational Safety & Health
P&C	Principles & Criteria
PKO	Palm Kernel Oil
POME	Palm Oil Mill Effluent
PP	Peraturan Pemerintah (Government Regulation)
PPE	Personal Protective Equipment
PT STP	PT Sarana Titian Persada
RKL	Rencana Pengelolaan Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
SCCS	Supply Chain Certification System
SPKT	Surat Pernyataan Keterangan Tanah (land statement letter)
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
STNK	Surat Tanda Nomor Kendaraan (Vehicle Numbering Letter/License)
TOR	Term of Reference
UKL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)
UMSK	Upah Minimum Sektoral Kabupaten (District Sectoral Minimum Wage)
UPL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)

**Appendix 3: List of Stakeholders Interviewed and Contacted**

No.	Name of Stakeholders	Institution - Address	Remark
<b>Staff Interviewed On-Site :</b>			
1	Eka Amana	Sustainability Manager	
2	Septiana Endah	HCV Staff	
3	Cenriyana	Document Control	
4	M.S. Aziz	Division Manager MS-1	
5	Andri Sugianto	EHS Staff	
6	Novrie Ronaldy	EHS Staff	
7	Roni Susanto	Sustainability Staff	
8	Humisar Siahaan	Division Manager MS-3	
9	Rafikah Septianingsih	Document Control MS POM-2	
10	Nurjayanti	Document Control MS POM-1	
11	Nur Arofat Rifai	Estate Manager MS-3	
12	Esron Hutabarat	Mil Manager MS POM-2	
13	Suhtiami	Estate Manager MS-1	
14	Rezka Raminda	Sustainability Staff	
15	Budiansyah	Estate Manager MS-2	
16	Mochammad Dasrial	HCV Staff	
<b>Stakeholders Interviewed On-Site :</b>			
1	Tonie	Kerani Catat	
2	Rois	Loading	
3	Suharyadi	Kerani Kirim	
4	Muslkah	Maintenance	
5	Sulastri	Sprayer	
6	Supriyo		
7	Tomiansyah	POM-2	
8	Rosyanan Ivana	Cooperation	
9	Basuni	Community leader of Sebaby Village	
10	Iraslim	Staf on Tanah Putih village	
11	Novriandie Pardede	Head of Administration (KTU) at POM-1	
12	Nujayanti Susanti	Gender Committee – POM - 1	
13	Tarman	Effluent operator	
14	Samirin	Dump Truck Operator	