

***Roundtable on Sustainable Palm Oil Certification
RSPO***

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

Name of Management Organisation : **Sungai Bengkal Mill, PT Satya Kisma Usaha subsidiary of SMART Tbk**
 Plantation Name : **Sungai Bengkal Estate, Muara Kilis Estate and Sungai Bengkal KKPA**
 Location : **Village of Betung Bedarah, Sub District of Tebo Ilir, District of Tebo, Province of Jambi, Indonesia**
 Certificate Code : **MUTU-RSPO/052**
 Date of Certificate Issue : 28 February 2015 Date of License Issue : 28 February 2016
 Date of Certificate Expiry : 27 February 2020 Date of License Expiry : 27 February 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ST-2	25 – 30 Agustus 2014	Yudwi Wisnu Rahmanto (Lead Auditor), Marsudi Eko Santoso, Andi Pratama Pasaribu, Steve Muallim	Taufik Margani	Tony Arifiarachman
ASA-1	11 – 15 January 2016	Ardiansyah (Lead Auditor); Moh Arif Yusni; Panggading Hariara; Sahat Simarmata	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	12 February 2016

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FIGURE

Figure 1. Location Map of PT Satya Kisma Usaha



PETA LOKASI MILL. AREAL PT. SATYA KISMA USAHA
SUNGAI BENGKAL ESTATE (SBNE),
SUNGAI BENGKAL PLASMA (SBNA),
DAN KILIS ESTATE (KILE)

Kabupaten Tebo
 Propinsi Jambi

Skala 1:100.000

Proyeksi : Mercator
 Sistem Grid : Grid Geographic
 Datum : WGS 84

Legenda :

- Desa/Kota/Kecamatan
- Kota Kabupaten
- Jalan
- Sungai
- Batas Kerangka

Sumber :
 1. Peta Siding Tanah Peruntukan Kaiting Batas HGU PT. Satya Kisma Usaha
 No. Peta 09/2007 Tanggal 26 Februari 2007

Inset Map: Peta Lokasi (Location Map) showing the study area within the province of Jambi.

Glossary

ASA	:	Annual Surveillance Assessment
BOB	:	Barn Owl Box
BOD	:	Biological Oxygen Demand
BKS-PPS	:	<i>Badan Kerjasama-Perusahaan Perkebunan Sumatera</i> (Cooperation Agency of Sumatera Plantations Company)
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EIA	:	Environmental Impact Assessment
FFB	:	Fresh fruit Bunch
FPIC	:	Free Prior Informed and Consent
GHG	:	Greenhouse Gas
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
ISPO	:	Indonesian Sustainable Palm Oil
ISCC	:	International Sustainability of Carbon Certification
IUCN	:	International Union for Conservation of Nature
IUP	:	<i>Ijin Usaha Perkebunan</i> (Plantation Business Permit)
KER	:	Kernel Extraction Rate
KILE	:	Muara Kilis Estate
KKPA	:	<i>Kredit Kepada Koperasi Primer untuk Anggotanya</i> (Cooperative Credit Scheme)
LPUP	:	<i>Laporan Perkembangan Usaha Perkebunan</i> (Progress Report on the Implementation of Plantation Business)
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OFI	:	Oppurtunity for Improvment
OHS	:	Occupational Health and Safety
OIA	:	Operational Internal Audit
PIC	:	Personnal in Charge
PK	:	Palm Kernel (Inti Sawit)
POM	:	Palm Oil Mill
PPE	:	Personal Protective Equipment
PSM	:	<i>Perkebunan Sinarmas</i> (Sinarmas Plantation)
PUP	:	<i>Penilaian Usaha Perkebunan</i> (Plantation Business Assessment)
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> (Environmental Management Plan and Environmental Monitoring Plan)
RSPO	:	Roundtable Sustainable Palm Oil
SBNA	:	Sungai Bengkal KKPA
SBNE	:	Sungai Bengkal Estate
SBNM	:	Sungai Bengkal Mill
SCCS	:	Supply Chain Certifications System
SIA	:	Social Impact Assessment
SKU	:	Satya Kisma Usaha
SMARTRI	:	SMART Research Institute
SMD	:	Senior Managing Director

SMK3	:	<i>Sistem Manajemen Keselamatan dan Kesehatan kerja (OHS Management System)</i>
SPO	:	<i>Sustainable Palm Oil</i>
ST	:	<i>Stage</i>
SOP	:	<i>Standart Opeartional Prosedur</i>
WHO	:	<i>World Health Organization</i>
WTP	:	<i>Water Treatment Plant</i>
WWTP	:	<i>Waste Water Treatment Plant</i>

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT				
1.1 Assessment Standard Used		<ul style="list-style-type: none"> • <i>RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013.</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> 		
1.2 Organisation Information				
1.2.1	Organisation name listed in the certificate	PT Satya Kisma Usaha subsidiary of SMART Tbk		
1.2.2	Contact person	Ismu Zulfikar		
1.2.3	Organisation address and site address	Head Office : Sinarmas Land Tower 2, 30th Floor JL. MH Thamrin No 51 Kav 22 Jakarta 10350 Indonesia Liaison Office: Sinarmas Land Tower 2, 30th Floor JL. MH Thamrin No 51 Kav 22 Jakarta 10350 Indonesia		
1.2.4	Telephone	+6221 50338899 ext 1184		
1.2.5	Fax	+6221 50389999		
1.2.6	E-mail	ismu-zulfikar@smart-tbk.com		
1.2.7	Web page address	www.smart-tbk.com		
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Departement)		
1.2.9	Registered as RSPO member	Registration No. 1- 0019 - 05 - 000 - 00 Date 30 January 2005		
1.3 Type of Assessment				
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base • Sungai Bengal Mill, Sungai Bengal Estate, Muara Kilis Estate and Sungai Bengal KKPA		
1.3.2	Type of certificate	Single		
1.4 Locations of Mill and Plantation				
1.4.1	Location of Mill			
	Name of Mill	Location	Coordinate	
			Latitude	Longitude
	Sungai Bengal Mill	Village of Betung Bedarah Barat, Sub District of Tebo Ilir, District of Tebo, Provice of Jambi	S 1° 35' 26"	E 102° 36' 36"

1.4.2	Location of Certification Scope of Supply Base				
	Name of Supply Base	Location	Coordinate		
			Latitude	Longitude	
	Sungai Bengkal Estate	Village of Betung Bedarah Barat, Sub District of Tebo Ilir; Village of Rantau Api and Penapalan, Sub District of Tengah Ilir; Village of Sungai Keruh, Sub District of Tebo Tengah; District of Tebo, Province of Jambi	S 1° 34' 16"	E 102° 36' 36"	
	Muara Kilis Estate	Village of Muara Kilis, Sub District of Tebo Ilir; Villages of Kandang, Pelayangan and Sungai Keruh, Sub District of Tebo Tengah; District of Tebo, Province of Jambi	S 1° 25' 06"	E 102° 34' 07"	
	Muara Kilis KKPA	Villages of Rantau Api and Penapalan, Sub District of Tebo Tengah; Village of Muara Kilis, Sub District of Tebo Ilir; District of Tebo, Province of Jambi	S 1° 34' 16"	E 102° 36' 36"	
1.5 Description of Area Statement					
1.5.1	Tenure				
	• State		3,825.03 Ha		
	• Community		1,062.58 Ha		
1.5.2	Area Statement				
	• Total area		4,887.61 Ha		
	• Mature area		4,361.06 Ha		
	• Mill		6.25 Ha		
	• Building		23.96 Ha		
	• Infrastructure		267.77 Ha		
	• Air Strip, Reserve area, Effluent ponds		79.69 Ha		
	• River		51.28 Ha		
	• Enclave		97.60 Ha		
	• HCV*		734.59 Ha		
	*HCV area are included within planted area.				
•					
1.6 Planting Year and Cycles					
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Sungai Bengkal Estate	Muara Kilis Estate	Sungai Bengkal KKPA	Total
	1996	108.95	-	-	108.95
	1997	565.26	-	-	565.26
	1998	618.94	-	-	618.94
	1999	299.55	-	-	299.55
	2006	502.42	-	977.15	1,479.57
	2007	14.05	-	-	14.05

	2008	-	140.33	-	140.33		
	2009	-	977.24	-	977.24		
	2010	-	157.17	-	157.17		
	TOTAL	2,109.17	1,274.74	977.15	4,361.06		
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		1 st Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (ton)	Palm Kernel Extraction (%)		
	Sungai Bengal	30	164,750.21	36,666.03	22.26		
				8,761.14	5.32		
	<i>*Production data source from January– December 2015</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/ year)	Yield (tonnes/ha/ year)	Supplied to Mill FFB (tonnes/year)	%
	Sungai Bengal	2,364.49	2,109.17	52,399.98	22.95	52,399.98	100
	Muara Kilis	1,460.54	1,274.74	19,951.09	16.22	19,951.09	100
	Sungai Bengal KKPA (Usaha Bersama Cooperative – 334 Smallholders)	1,062.58	977.15	21,331.83	21.83	21,331.83	100
	TOTAL	4,887.61	4,361.06	93,682.90	20.86	93,682.90	100
	<i>*Production data source from January– December 2015</i>						
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill FFB (tonnes/year)			
	Muara Kilis Plasma (Sukma Bersatu Cooperative – 418 Smallholders)	PT SKU	District of Tebo	15,511.64			
	Third Party	-	District of Tebo, District of Muara Bungo, District of Batanghari	55,555.67			
	TOTAL			71,067.31			
	<i>*Production data source from January– December 2015</i>						
1.7.4	Jenis Produk			FFB, CPO, PK			
1.8	Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim 28 February 2015 to 27 February 2016 (tonnes/year)		Actual certified product February 2015 s.d. 11 January 2016 (tonnes/year)	
	• FFB Production			91,393.35		82,497.350	

	<ul style="list-style-type: none">CPO Production		21,577.97	18,303.519			
	<ul style="list-style-type: none">Palm Kernel (PK) Production		4,597.09	4,392.586			
1.8.2	Estimate of Certified FFB Claim						
	Name of Estates		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Sungai Bengkal		2,364.49	2,109.17	51.042	24.2	
	Muara Kilis		1,460.54	1,274.74	22.053	17.3	
	Sungai Bengkal KKPA (Usaha Bersama Cooperative – 334 Smallholders)		1,062.58	977.15	22.572	23.1	
	TOTAL		4,887.61	4,361.06	95.667	21.94	
<i>*Projected FFB production for 28 February 2016 - 27 February 2017</i>							
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Sungai Bengkal	30	95,667	22,003	23	5,262	5.5
<i>*Projected CSPO and CSPK production for 28 February 2016 - 27 February 2017</i>							
1.9	Other Certifications						
	ISCC			ISCC EU assestment by GutCert No. EU-ISCC-Cert-DE101-15502013			
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
	Unit Management		Estate (Supply Base)	Time Bound	Location	Status	
	Mill	Time Bound					
	Padang Halaban (PT SMART Tbk)	2011	Padang Halaban	2011	North Sumatera	Certified	
			Penantian	2011	North Sumatera	Certified	
			Adipati	2011	North Sumatera	Certified	
			Kanopan Ulu	2011	North Sumatera	Certified	
	Batu Ampar (PT SMART Tbk)	2012	Batu Ampar	2012	South Kalimantan	Certified	
			Batu Mulia	2012	South Kalimantan	Certified	
			Sungai Panci	2012	South Kalimantan	Certified	
			Sungai Panci KKPA	2012	South Kalimantan	Certified	
	Tanah Laut (PT SMART Tbk)	2012	Tanah Laut	2012	South Kalimantan	Certified	
Kinta Pura			2012	South Kalimantan	Certified		

	Langga Payung (PT TN)	2012	Langga Payung	2012	North Sumatera	Certified
			Paya Baung	2012	North Sumatera	Certified
			Normark	2012	North Sumatera	Certified
	Hanau (PT TN)	2012	Hanau	2012	Central Kalimantan	Certified
			Tasik Mas	2012	Central Kalimantan	Certified
			Tanjung Paring	2012	Central Kalimantan	Certified
			Langadang	2012	Central Kalimantan	Certified
			Medang Sari	2012	Central Kalimantan	Certified
	Semilar (PT TN)	2013	Semilar	2013	Central Kalimantan	Certified
			Sei Rindu	2013	Central Kalimantan	Certified
			Mandang	2013	Central Kalimantan	Certified
			Puri	2013	Central Kalimantan	Certified
	Jak Luay (PT TN)	2015	Pantun Mas	2015	East Kalimantan	Certified
			Pantun Mas KKPA	2015	East Kalimantan	-
			Jak Luay	2015	East Kalimantan	Certified
			Jak Luay KKPA	2015	East Kalimantan	-
			Long Buluh	2015	East Kalimantan	Certified
			Bukit Subur	2015	East Kalimantan	Certified
			Bukit Subur KKPA	2015	East Kalimantan	-
	Leidong West (PT MP Leidong West Indonesia)	2014	Leidong West Utara	2014	Bangka Belitung	Certified
			Leidong West Selatan	2014	Bangka Belitung	Certified
	Muara Wahau (PT KDA)	2014	Muara Wahau	2014	East Kalimantan	Certified
			Gunung Kombeng	2014	East Kalimantan	Certified
	Gunung Kombeng (PT KDA)	2015	Gunung Kombeng KKPA	2015	East Kalimantan	-
			Rantau Panjang KKPA	2015	East Kalimantan	-
	Jelatang (PT KDA)	2014	Bangko	2014	Jambi	Certified
			Kubang Ujo Plasma	2015	Jambi	-
			Pamenang Plasma	2015	Jambi	-
	Pelakar (PT KDA)	2015	Pelakar	2015	Jambi	ST-1
			Tiga Serumpun KKPA	2015	Jambi	ST-1
			Batang Merangin Estate	2015	Jambi	ST-1
	Langling (PT KDA)	2014	Bangko	2014	Jambi	Certified
			Bangko Plasma	2015	Jambi	-
			Batang Gading	2015	Jambi	ST-1
			Batang Gading KKPA	2015	Jambi	-
			Bukit Bungkul KKPA	2015	Jambi	-
	Sungai Bengkal (PT SKU)	2015	Sungai Bengkal	2015	Jambi	Certified
			Sungai Bengkal KKPA	2015	Jambi	Certified
			Muara Kilis	2015	Jambi	Certified

			Muara Kilis KKPA	2015	Jambi	-
	Bukit Kapur (PT SMART Tbk)	2015	Bukit Kapur	2015	East Kalimantan	ST-1
			Sungai Cantung	2015	East Kalimantan	ST-1
	Not all of units under SMART Tbk has certified RSPO, there are still some units, especially plasma which refuses to follow the RSPO certification, but the management unit is still communicating with the plasma for the implementation of RSPO certification. There are 2 mill which not comply to time bound plan and the justification is Pelakar Mill still process of disclosure of liability and Bukit Kapur Mill not have land use right (HGU still process).					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	Sungai Bengkal Mill receive FFB from estate that not RSPO certified yet and RSPO certified estate. There are 13 supplier from third party and 1 supplier from scheme smallholder. For now, scheme smallholder (Muara Kilis Plasma) refuse to implement RSPO certification but PT SKU always communicate with scheme smallholder. Therefore from 13 third party supplier there is 1 supplier which was certified RSPO and the other not certified RSPO yet.					

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-1	<ol style="list-style-type: none"> 1. Ardiansyah (Lead Auditor). Bachelor of Forest Resources Conservation, Department of Forestry, Bogor Agricultural University. He has followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Diameter, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. During the assessment the auditor verified the environmental aspect, legal aspect, HCV and SCCS. 2. Moh. Arif Yusni (Auditor). Bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection). He has a working experience for 2 (two) years in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and Auditor/Lead auditor Management System Certification (ISO 9001-2008), Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an auditor. During the assessment the auditor verified the Best Management Practices and Enviromental Health and Safety 3. Panggading Hariara (Auditor). Bachelor of Social and Political Science. Experience as social activist in Indonesia and the Common wealth Commission on Child Protection. Attended training including ISO9001:2008 Auditor, Social Accountability 8000, Indonesian Sustainable Palm Oil (ISPO) Auditor and has attended several times the related audit system of sustainable palm oil certification as an auditor. During the assessment, he assigned to verify of workers and social aspects. 4. Sahat Simarmata (Auditor). Hold a bachelor degree on Agriculture Protection, from Agriculture Faculty of University of North Sumatera Medan and Master of Science (Environmental Biology) School of Environmental Science and Management, University of the Philippines Los Banos, Filipina. He had been worked in Ministry of Agriculture at Directorate of Plantation Ministry for 32 years and has followed the trial/ pra-pilot of RSPO P&C, drafting and experimenting ISPO P&C as well as socializing ISPO. During the assessment the auditor assessing the best agricultural practices, integrated pest management.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-1	Number of auditors : 4 auditor Number of days for ASA-1 at site : 5 days Number of working days for ASA-1 at site : 20 Working days
2.2.2	Assessment Process
ASA-1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Satya Kisma Usaha to the requirements of RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Several opportunities for improvement of the results ASA- 1 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA-2</p> <p>The assessment program please find Appendix 2.</p>

2.2.3	Location of Assessment
ASA-1	<p>Sampling locations are determined by using the formula $0.8\sqrt{y}$ of total supplier estates and consider the issues arising from the assessment documents and stakeholder consultation of fundamental and crucial. At the time of this assessment, the location of the sample is Sungai Bengkal Mill, Sungai Bengkal Estate, Sungai Bengkal KKPA.</p> <p>The locations visited are presented in the following:</p> <p>Sungai Bengkal Estate:</p> <ul style="list-style-type: none"> Block D-1, Division 2. Observation of the legal Boundary Pole BPN 7. Block F-7, Division 3. Observation of the legal Boundary Pole BPN 11. Block F-1, Division 3. Observation of the legal Boundary Pole BPN 9. Block A-8, Division 1. Observation of the Boundary Pole BPN 1. Block F-7, Division 3. Observation of High Conservation Value (HCV) management areas such as Rantau Api riparian. Cottage 1. Observations and interviews related to the facilities provided to workers such as employee housing, daycares, sports facility, place of worship, wellbore, clinics, elementary schools, junior high schools. Cottage 2. Observations and interviews related to the facilities provided to workers such as employee housing, daycares, sports facilities, places of worship, wellbore. B-4 blocks, Division I. Observations and interviews related to the activities on biological rodent control (Barn Owl Box/BOB Installation for <i>Tyto alba</i>) Block C-3, Division 1. Observations and interviews related to weed control chemically (Herbicide Application) Block J-4, Division 1. Observations and interviews related to palm oil harvesting. Warehouse. Observations and interviews related to the management of Hazardous Material. Hazardous Waste Warehouse. Observations and interviews related to the management of Hazardous Waste. <p>Sungai Bengkal KKPA</p> <ul style="list-style-type: none"> Block I-2, Division-2. Observations and interviews related to weed control chemically (Herbicide Application). Block I-3, Division II. Observations and interviews related to palm oil harvesting. Block I-3, Division II. Observations and interviews related to fertilization. <p>Sungai Bengkal Mill:</p> <ul style="list-style-type: none"> Waste Water Treatment Plant (WWTP). Observations and interviews related to the management of effluent. Reservoir. Observations of water resources management in the form of reservoir. Security post and Loading Ramp. Observations and interviews related to the activities of receiving fruits. Production Station. Observations and interviews related to production activities, OHS, wages and a health examination. Water Treatment Plant (WTP). Observations and interviews related to the monitoring of water use; water treatment for production and domestic needs. Workshop. Observations and interviews related to the waste management activities, the implementation of OHS and health inspections. Chemical Warehouse. Observations and interviews related to the management of Hazardous Material, OHS implementation, wages and health examination. Hazardous Waste Warehouse. Observations and interviews related to the management of Hazardous Waste. <p>Muara Kilis Estate:</p> <ul style="list-style-type: none"> Block A-4, Division I. Observation of the legal Boundary Pole SKU 41. Block A-20, Division I. Observation of the legal Boundary Pole SKU 14. Block A-7, Division I. Observation of the legal Boundary Pole SKU 35. Block A-15, Division I. Observation of the legal Boundary Pole SKU 19. Block C-9, Division I. Observation of the legal Boundary Pole SKU 07.

- Block C-24, Division I. Observation of the legal Boundary Pole SKU 06.
- Block C-09, Division I. Observation of HCV management areas in the form of Kilis Besar riparian.
- Near Block C-11, Division I. Observation of HCV management areas in the form of bulian forest.
- Block A-04, Division I. Observations and Interviews related to the palm oil harvesting activities.
- Block A-04, Division I. Observations and interviews related to the activities on biological rodent control (BOB Installation for *Tyto alba*).
- Block A-18, Division I. Observation of domestic waste management.
- Block C-12, Division I. Observation of burning ban signboard existence.
- Housing Division I. Observations and interviews with workers about housing facilities that the company provides, emergencies handling, domestic waste management, water supply facilities which comes from wellbore, complaints handling if there is a damage in the housing, waste management, the evacuation routes and rallying points.
- Clinic. Observations and interviews about health facilities for workers, periodic inspection, the drugs existence and medical waste management.
- Warehouse. Observations and interviews related to the management of Hazardous Material, medical examination.
- Workshop. Observations and interviews related to the use of Personal Protective Equipment (PPE), Occupational Health and Safety (OHS) signs, the understanding of hazards risk assessment and the controls, health examination, work processes, waste management and the grievance mechanism.
- Solar Tank. Observation about Hazardous Material Management and spilled emergency response.
- Firefighter Secretariat. Observations and interviews about the training of firefighters, emergency handling, inspection of fire-fighting equipment, security and fire patrols.
- Hazardous Waste Warehouse. Observations and interviews on Hazardous Waste management.

Stakeholders

- **Tebo Regency Government Agencies (Environment Bodies; Agency of Social, Labor and Transmigration; Plantation Agency; and the Land Office).** Interviews related to the regulatory compliance, pollution issues, labor issues, land conflict issues, land rights arrangement and OHS.
- **Muara Kilis Village, Penapalan Village, Rantau Api and Betung Bedarah Barat Village.** Interviews related to the issue of environmental pollution, social aspects, economic and cultural.

2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-1	<p>Consultation of stakeholders for PT Satya Kisma Usaha was held by:</p> <ol style="list-style-type: none"> 1. Public Notification at website MUTU (www.mutucertification.com) on 28 December 2015 2. Interview with government institution (Environment Bodies; Agency of Social, Labor and Transmigration; Plantation Agency; and the Land Office) was held on 12 January 2016. 3. Interview with local peoples (Betung Bedarah Barat Village, Rantau Api Village, Penapalan Village, Muara Kilis Village) was held on 12, 13 and 14 January 2016. 4. Interview with internal stakeholder (gender committee, labour union, local contractor) was held on 12 and 14 January 2016 5. Consultation by email to NGO (Setara) on 8 January. <p>Numbers of input from stakeholders were clarified by PT Satya Kisma Usaha</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4 Determining Next Assessment	
	The next visit (ASA-2) will be determined one year after this ASA-1 (January 2017).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Sungai Bengal Mill – PT Satya Kisma Usaha, PT SMART Tbk operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were two (2) opportunities for improvement were identified. Further explanation of opportunity for improvement in section 3.5.

MUTUAGUNG LESTARI found that Sungai Bengal Mill – PT Satya Kisma Usaha, PT SMART complied with the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production on April 2013 and Supply Chain Requirement for CPO Mill, November 2014.

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
	<p>PT Satya Kisma Usaha (SKU) had a SOP of Communication and consultation which set about the mechanisms of information requests and responses. Incoming information requests from stakeholders are documented in a "logbook incoming mail" which is available in each unit. Based on these documents, it is known that during the year 2015 there is only one request for information from stakeholders and the Company has provided to responses the information requests in the form of outgoing mail along with the required information.</p> <p>Incoming information request is incoming letter No. 560/17/PK/Sosnakertrans dated 14 January 2015 from Agency of Social, Labor and Transmigration, Tebo Regency, which request to prepare data number of labor, working hour and company profile for 2012 – 2014. The company has been response those letter, by outgoing letter from Sungai Bengal KKPA Manager No. 01/EM-SBNA/I/2015 dated 19 January 2015 which sent information about number of labor, working hour and company profile for 2012 – 2014.</p> <p>The results of the public consultation with the relevant authorities, it is known that the company has provided regular information related to the management of environmental, social, labor, OHS, etc. All documents related to the communication and consultation are stored for 10 years in accordance with the SOP of Document controls and records.</p>	
	Status: Comply	
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	
	<p>The Company already has a list of information to stakeholders, including the number of employees, the data of Tax Number, payment of local taxes / retributions, environmental documents, the deed and the change of the company, the data of production area, the data of fertilizer application, proof of land tenure, the identification reports of HCV, the identification reports of SIA, community empowerment program reports, Guiding Committee of OHS, repairing program documents, RSPO audit report documents, policy documents on Human Rights. List of the information has been disseminated to stakeholders on January 30, 2015 in the Office of Jambi Region II followed by 19 people.</p>	
	Status: Comply	

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

The company has had a Business Ethics Policy, signed by the Regional Controller, dated November 1, 2015 and applies to all management units. This policy states that:

- The Company will not tolerate for any act or form of corruption in business practices by employees. Employees who are found doing corrupt practices will be given a strict sanction by the company and punished according to the prevailing regulations.
- The Company is committed to the standards of ethical behavior in all activities of the management of business practices, which could include the proper way to behave with each other, the stakeholders, the environment and the wider society.

Business Ethics Policy has been socialized on 5 and 6 November 2015 to employees and relevant stakeholders. According to interviews with workers and contractors, it is known that the company has socialized about the policy.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS
2.1
There is compliance with all applicable local, national and ratified international laws and regulations.

The company has a mechanism to identify, implement and evaluate the compliance with the law described in SOP of Rules and Other Requirements. This procedure has been explained about the PIC which is responsible for identifying the regulation and the PIC which is responsible for evaluating the rules. Based on this mechanism, the company identifies the type of legislation that must be met and classify in a group of HCV, Labor, Environment, Licensing and OHS. Evidence of compliance which conducted by company such as legal aspect has had plantation business permit, for environmental aspect has had Environmental Impact Assessment (EIA) and for labor aspect has given the minimum wage. The entire copy of the rules stored in the office of each unit, for example Sungai Bengkal Estate can show a copy of Agrarian Ministry Regulation and Spatial Planning / National Land Agency Head No. 5 In 2015, about Location License.

All regulations are noted in the list of rules are always evaluated on a regular basis at least once a year or if there are regulatory / latest requirements referenced. The latest evaluation was conducted in January 2016 to the list of OHS regulations performed by the Secretary of Guiding Committee of Occupational Safety & Health. The evaluation is done because there are the latest regulations that the Minister of Labor and Transmigration No. 12 2015 about OHS electricity in the workplace. The results showed that the OHS management unit compliance with the regulations relating to the activities of oil palm plantations.

Based on interviews with relevant institutions (Plantation Agency, Labor Agency, Environment Bodies and the Land Office) note that the management unit has compliance with the regulations related to the estate, employment and the environment.

Status: Comply

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

The company has had the right to land in the form of Land Use Title (HGU) as described in the Audit Report ST-2 and to ASA-01 companies have not made the expansion of the area or make changes to the Land Use Title documents. Owned Land Use Title is an area of 1,412.55 hectares, while the whole area managed by the company is covering an area of 4,887.61 hectares. The company has shown progress in the management of the land use title for an area of 3,535.53 Hectares in the form of a land use title written request on behalf of PT SKU and Cooperative Joint Venture. Based on interviews with the Land Office of Tebo Regency explained that the land use title issuing authority is the authority of the National Land Agency Central Office and the regional office of National Land Agency Province. Interview results with the companies in the Section of Document and Legal explained that the land use title process will enter a

phase of soil examination by the B committee. The development process to obtain the concession will be observed again in the next visit. **OFI**



Pole of BPN 7 at Sungai Bengkal Estate

Sungai Bengkal Estate has conducted monitoring of Boundaries Pole every month documented in "checklist Conditions of Boundaries Pole". Examination results for 2015 showed that all the boundaries pole conditions (20 Boundaries Pole) in good condition. Field visits in the Sungai Bengkal Estate shows that the Boundaries Pole of BPN 11, BPN 9, BPN 7 and BPN 1 in a well-maintained condition.

The results of the consultation with the Plantation Agency Tebo Regency, Land Office Tebo Regency and the surrounding community (Betung Bedarah Barat, Rantau Api, Penapalan and Muara Kilis) note that there was never any dispute / land conflicts

between communities with significant company. According to interviews with management representatives known that there is a claim at main road on 2015 and company has had conduct completion to those claim. Management representative also shows completion document which has been conducted by land owner, head of village and witness from villagers. Beside that, the map of land claim can shows by the company.

2.2.1 Status: OFI

2.3

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

Land tenure for the management unit within the scope of the audit was State lands and community lands that have been made for compensation from 1995 to 2003. Evidence of community land acquisition complete documented and stored by the Legal department of the company. Land acquisition has been done through a system of FPIC and recognized by the various parties involved (stakeholders).

Until ASA-1 company does not expand the area, where the implementation of land compensation performed the last time in 2003.

Status: Comply

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

3.1

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

The company has had a long-term plan documents in the period of 2016 – 2018 which includes estimates of production, costs of production, projected mill production, and other financial parameters such as profitability, revenue and FFB price.

Replanting program has not been planned up to five (5) years in the future as the oldest planting year is 1996. Based on procedures of replanting performance indicators is Yield / ha (<14 tons FFB / hectare), plant age (> 25 years), plant height (> 13 meters) and the density of plants per hectare (<100 oil palm tree / Hectare). The results of document review and field visit in Sungai Bengkal Estate, Sungai Bengkal KKPA and Muara Kilis Estate shows that the oldest planting year is 1996.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

The company has a SOP for plantations and palm oil mill consisting of:

- Technical Guidelines for Oil Palm Cultivation drafted in 2012.
- Manual processing drafted in 2013.
- Technical Guidelines for Land Preparation drafted in 2010.
- General SOP drafted in 2014.
- Certification SOP drafted in 2014.
- Environment SOP drafted in 2014.
- HCV SOP drafted in 2014.
- OHS SOP drafted in 2014.
- Social SOP drafted in 2014.

SOP is available on audit site and written in a language that is easily understandable for workers. Based on interviews with workers in the estate and mill, it is known that the socialization of SOP has been carried out through the safety briefing or morning roll call which are done before begin the operational activities. The results of field visits in the Loading Ramp of Sungai Bengkal Mill showed that workers had found out about the criteria of ripe fruit, unripe fruit, empty fruit bunch, etc..

The Company has procedures to monitor the operational activities in the estates and mills through the implementation of internal audit conducted according to SOP of Internal Audit. Implementation of internal audit conducted every semester by Operational Internal Audit (OIA). Each unit can show OIA reports that have been conducted in March 2015 to the first semester and September 2015 for the second semester.

Each unit has documented the operations of the estate and mill production such as daily reports, supervisor workbooks, etc. The field visit at the mill shows that the unit has been documenting the daily activities in a daily production report that documented by using computerized systems.

Sungai Bengkal Mill accepting / purchasing fruit from 13 suppliers. The entire suppliers that can shipping the FFB and lose fruits to the mill in compliance with the established procedures, namely Out FFB Purchasing SOP. Mill can show the documentation of FFB acceptance from each supplier which are described in a daily report production.

Status: Comply	
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4.2

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

The company has had a SOP to manage soil fertility through fertilization. The study documents results indicate that management unit had performed fertilization by using chemical fertilizers, effluent and bunch ash. At the time of the ASA-1 is performed, there was no fertilizer application activity across the operational area of the estate because it has not entered the schedule. A field visit in Block C-4 Division I Sungai Bengkal Estate shows that effluent (land application) has been utilized on land.

The management unit routinely been conducting of soil and leaf analysis periodically conducted by SMART Research Institute (SMARTRI). Soil analysis carried out in accordance with the level of plant age (3 years, 8 years, 13 years, 23 years, one year before replanting), while the activities of leaf analysis carried out every year. Last soil sampling conducted in 2012 by the parameters of the water content, pH, C-organic, total N, C / N, Cation Exchange Bases (NH₄OAc pH 7.00), Ca, Mg, K, Na, Saturation, etc. While leaves sampling conducted in 2015 with the parameters of the water content, N, P, K, Mg, Ca, B and Cl.

The Company has a strategy of recycling nutrients, such as the use of the frond (pruning), application of effluent and utilization of crop residues after replanting. Results of field visits on the Sungai Bengkal Estate and KKPA show that frond from pruning results compiled in the form of L-Shape (on flat areas) and parallel to contour (in the corrugated area).

Status: Comply	
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4.3
Practices minimize and control erosion and degradation of soils.

Each estate has conducted semi-detailed soil survey which describes the distribution maps of slope and fragile soil in the operational area. Semi-detailed soil survey results indicate that there is no fragile soil type in the operations area of the company, but there is a land with a slope of 21-40%. On land with a slope the companies apply the terracing contours, hooves (individual terrace) and planting the conservation plants. The results of field visits in Block I and Block-2 I-16, Division 2, Sungai Bengal KKPA, indicates that the area with a certain slope is managed by terracing contours and maintenance the erosion control plants like *Nephrolepis biserrata* and *Mucuna bracteata*.

The company has been doing road maintenance for 2015 conducted by third parties (contractors). For 2016, each unit management has demonstrated a road maintenance program which was also conducted by a third party. Results of field visits on the Sungai Bengal Estate and Sungai Bengal KKPA indicate that the entire road can be passed, but there are few roads in poor condition, especially the way in the outermost block. Realization of road maintenance will be observed again in the next visit. **OFI**

The results of document review and field visit in Sungai Bengal Estate, Sungai Bengal KKPA and Muara Kilis Estate shows that there are no fragile areas such as peat or areas with low nutrient.

4.3.3 Status: OFI
4.4
Practices maintain the quality and availability of surface and ground water.

The Company has a procedure of Management and Monitoring the Water Resources which regulates in detail about the efforts of the management and monitoring of water resources activities include the establishment of riparian and protection of riparian. Based on the identification documents of High Conservation Value (HCV) note that there are several rivers that flow in the area of PT SKU namely Bungin River, Langli River, Api River, Penapalan River and some streams which are locally unidentified the name.



**Riparian of Penapalan River
Block J-4, Sungai Bengal Estate**

The results of field visits in the Penapalan riparian, it is known that there was no indication of the chemistry application along the riparian. Company has marked the riparian border with a distance of 50 meters and there is a sign board of HCV areas identity, protected species and other restrictions to undermine the HCV area. The management unit also has been planted Vertifer grass type and maintain the vegetation ground cover such as *Nephrolepis sp.*

Effluent produced by the plant is managed on Waste Water Treatment Pond (WWTP) before it is applied to the estate. Examination of documents showed that the effluent quality monitoring conducted regularly every month by the Regional Environmental Laboratory of

Jambi. Results of testing in the last three months before the assessment (September-November 2015) showed that all of the test parameters meet the standard qualities.

Results of Interviews and field visits it was obtained information that the water used for mill processing activities comes from rain-fed reservoir with a volume of 30,854 M³. The use of water has been monitored on a daily basis by using flow meter gauges. The results of the document examinations showed that the use of water in the plant under the budget set (1.4 M³ water / Ton FFB).

Status: Comply
4.5
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated

Pest Management techniques.

The management unit has a program and the realization of integrated pest control that have been monitored, for example for Sungai Bengkal Estate:

- Census rat done once every three months. Census results show that the percentage of attacks are still below the economic threshold of 5%, which is between 0.8% up to 2.0%.
- Biological pest rat control using an owl predator (*Tyto alba*) with the installation of 21 pieces BOB (ratio 1 unit for 25-30 Hectares) because percentage of rat attacks is still low.
- The planting program and maintenance of host plants of leaf-eating caterpillars in Oil Palm Plant pests that is *Turnera subulata* and *Cassia cobanensis* which spread in Division 1, 2, 3 and 4.

Based on field visit at Sungai Bengkal Estate, Sungai Bengkal KKPA and Muara Kilis Estate known that no indication of pest and diseases attack. Beside that, there are biological rodent control with BOB installation for *Tyto alba* such as in Block A-04 Division 1, Sungai Bengkal Estate.

The Company has records of the training implementation for staff who are involved in the implementation of integrated pest management, for example, Integrated Pest Management training on February 10, 2015 by SMARTRI located in the Division Office of Sungai Bengkal Estate which is followed by 18 people. Interviews with officers of integrated pest management and field observations, it is known that the management unit has implemented an integrated pest management plan and well documented.

Status: Comply

4.6
Pesticides are used in ways that do not endanger health or the environment

The company has shown evidence that the used pesticides have received permission from the government. Selection of pesticides is done by considering the type of weed found in the operational area. There are 5 types of pesticides used, there are Erkaforon 20WG, GARLON 670EC, Roll up 480, Starane 290EC and Rolixone.

The use of pesticides has been documented by each estate that explains the name of the active ingredient, LD50, % active ingredients, the number of applications, the total active ingredients used, the total FFB production, pesticides units / Hectare, application hectare and the amounts of pesticide / hectare. There are records examples of pesticide use, that is in December 2015 at the Sungai Bengkal Estate are using GARLON 670 EC with the active ingredient triklofir 480 g / l, LD50 amounted to 2,000, the active ingredient is 0.67%, the number of application is 1 liter, the total active ingredient is 0.67 liter, production of FFB amounted to 3,669.20 tons, pesticides unit / ton FFB is 0.00000091301, application spacious 0.8 hectare and pesticide unit / Hectare is 0.000418750000.

During 2015, Sungai Bengkal Estate and Sungai Bengkal KKPA not used pesticides to control pests and diseases. This is reinforced by the results of the census which show that pests during 2015 was still below the threshold.

The results of document review and field visit in the warehouse of pesticides showed that all units of the estate does not use pesticide in categories WHO 1A and 1B, but there is still the use of paraquat for 2015. Each unit is able to provide evidence that the use of paraquat has been minimized, for example for Sungai Bengkal Estate only using 175.50 liters in 2015; 540.51 liters in 2014 and 713.75 liters in 2013. The company has committed to reduce to eliminate the use of paraquat which was signed by President Director on 21 November 2014. Interview results with sprayers in Block I-2 Sungai Bengkal KKPA explained that they have received training of the application of limited pesticides with paraquat active ingredient from pesticides commission.

The results of field visits to Sungai Bengkal Estate, Sungai Bengkal KKPA and Muara Kilis Estate, shows that pesticides are stored in the agrochemical warehouse. Based on a visit to the agrochemical warehouse, it is known that all pesticides used are kept separate from other materials. Agrochemical warehouse has been equipped with PPE, OHS symbols, emergency shower, eye washer and MSDS. The preparation of material on agrochemical warehouse has been split between liquid and solid material.

The results of field visits and interviews with workers it is known that the employees have been given training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures, for example the sprayer using personal protective equipment in accordance with specified hazard identification. In addition, employees are also informed about the steps of secure work in each roll call in the morning (before work).

Results of interviews and field visits it is known that the company did not apply the pesticide spraying by air.

The Company has tried to maintain the expertise and knowledge of workers with by implementing coaching best practice in managing the estates. Sungai Bengkal KKPA can show the examples of knowledge workers footage development activities followed by 240 people on January 14, 2016 including materials of Good Agriculture Practice, spraying techniques and understanding of pesticide, fertilizing techniques and types of fertilizers, and also OHS. The results of document review and interviews are known that there are no smallholder engage with the company.

The results of field visits and interviews obtained information that the ex-pesticide containers that are still in good condition are used as a place to distribute the pesticide before it is applied to the field. Ex-pesticide containers that are not used are managed by washing before it is stored in the Hazardous Waste Storage to be submitted to the licensed Hazardous Waste Collector. Interview with workers and manager show that they are understand the step of ex-pesticide containers disposal in accordance with the procedure.

The company has been carrying out periodic health examinations for all employees once a year and special medical examinations for employees who are at high risk twice a year. Periodic health examinations for 2015 held on 06-15 October 2015 by the company doctor, while the special medical examination was conducted in June 2015 and December 2015 to all employees who work with chemicals. The test results showed that all employees who work with chemicals in a healthy condition. Interview with workers known that they are never get experience of occupational injury which caused by chemical such as irritation.

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

Status: Comply

4.7

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

Until the audit ASA- 1 there is no OHS policy changed in PT SKU. The results of field visits in the mill and estate shows the OHS policies have been implemented by the company include the provision of PPE to all workers, regular health examinations, installing signs / OHS warning, and conduct training activities related to OHS aspects.

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

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

The verification results of documents and interviews with management known that the company has formed Guiding Committee of Occupational Safety & Health organization which responsible for programs and OHS policies to runs effectively. Guiding Committee of Occupational Safety & Health Board has drafted an OHS work program and evaluates the implementation of OHS program in the field. To ensure the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performed a meeting with workers periodically. Interviews with the Labor and Transmigration Agency Tebo known that the management unit has reported Guiding Committee of Occupational Safety & Health report regularly every three months. The Guiding Committee of Occupational Safety & Health report covers all the OHS activities among other; Guiding Committee of Occupational Safety & Health recommendations, the results of the investigation of workplace accidents, work accidents recapitulation, Guiding Committee of Occupational Safety & Health activity reports, employee health inspection reports and minutes of Guiding Committee of Occupational Safety & Health meetings held every month.

The verification results of documents, the company has procedures related to the application of OHS Management System, for example SOP of First Aid, SOP of Handling Accidents and Work Diseases and SOP of Emergency Preparedness. The results of field visits in housing and mill show that the company has set an evacuation route with a map and other markers as well as an adequate sign board to facilitate evacuation in case of emergency. At the time of the field visits it is known that in the mill, warehouse, workshop and division offices have supplied First Aid box which monitored regularly. As for the operational activities in the field supervisors have been equipped with First Aid bag. The results of the interviews obtained information that supervisors have received First Aid training and have understood the stages of first aid in case of work accidents in the field.

The company has been providing accident insurance for their employees in accordance with the conditions set by the government in the form of regular Social Insurance Agency for labor paid every month. Based on interviews with several employees obtained information that the employee has been registered as a participant of Social Insurance Agency for Labor. Results of interviews with contractors which working with the company obtained information that the contractors were included in the program of Social Insurance Agency for labor. The result of document verification, interview with medical officer known that there isn't occupational case which cover by Social Insurance Agency, but if there is occupational with major grade will be covered by Social Insurance Agency.

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

Status: Comply

4.8

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

The company has had a training program for workers in the period of 2016 which consists of understanding the RSPO, understanding ISPO, understanding ISCC, Hazardous Material management, Hazardous waste management, welder training, First Aid training, emergency response training, OHS Management System, risk management, HCV, pest and disease control and SIA. The training program was created based on training needs analysis which drafted by SPO officer.

The company has had a worker training records for each unit stored in personal files. Based on interviews with workers, it is known that workers have been trained in accordance with the work being performed.

Status: Comply

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

5.1

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

The company has had a document of Environmental Impact Assessment (EIA) for the scope of Sungai Bengkal Estate, Sungai Bengkal KKPA and Sungai Bengkal Mill approved by the Minister of Agriculture on March 18, 1994. Additionally, the company also has Environmental Management Document for the scope of Muara Kilis Estate which approved by the Office of Tebo Environmental Bodies on February 2, 2011. Both of these documents discusses the impact that might have caused by the company's operations such as land acquisition, construction of roads, creation of infrastructure, creation of processing mills, land preparation, crop management, oil palm planting, development of conservation areas, etc. Both documents also discuss the management plan and monitoring plan that should be done by the company.

The Company has consistently doing the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring. This report is made every six months and reported to the Environment Bodies of Tebo Regency and the Environment Bodies of Jambi Province. The report described realization of monitoring and management of the environment in accordance with environmental parameters in the Environmental Management Plan - Environmental Monitoring Plan and ordered by regulations. The results of a public consultation with the Environment Bodies of Tebo Regency indicate that the company has made environmental management and there is no issue of pollution caused by the company's operational activities.

Status: Comply

5.2

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

Each unit of estate has performed HCV identifying conducted by RSPO Approve assessor by using HCV identification guides in Indonesia on June 2008. Identification of HCV to Sungai Bengkal Estate and Sungai Bengkal KKPA conducted in 2011, while the identification of HCV to Muara Kilis Estate carried out in 2010. The identification results indicate that there are HCV 1.1, 1.2, 1.3, 4.1 and 6 with an area of 245.64 hectares for areal of Sungai Bengkal Estate and Sungai Bengkal KKPA. As for the area of Muara Kilis Estate there are HCV areas covering an area of 260.14 hectares which is HCV 1.1, 1.2, 4.1 and 6.

HCV identification results also explain that they found an endangered species according IUCN-Redlist. To provide protection against such species, management unit has made the hunting ban board, patrolling, doing rehabilitation of riparian as habitat and report to relevant agencies (Nature Conservation Agency) if there is a protected animal. The results of the visit at the Sungai Bengkal Estate Block F-7 shows that there have been HCV areas information boards and protected species, board ban on hunting and designation of riparian area that will be rehabilitated.

In addition, the management unit also conducted socialization about HCV areas and protected species to employees and the community surrounding the estate. The management unit of Sungai Bengkal Estate can show documentation examples of HCV socialization and protected species that is socialization dated November 7, 2015 in the Office of the Division 1 and 2 and socialization dated 25 September 2015 in the village of Rantau Api. The results of interviews with people and employees aware that they have known the type of protected wildlife and penalties received if doing the offense.

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

Status: Comply

5.3

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

The company has had a waste management SOP describing about the inventory of wastes, waste management, and evaluation of waste management. The results of field visits and document review indicates that the waste has been managed in accordance with the procedures, for examples:

- Waste pesticide containers managed by washing and then stored in the Hazardous Waste Warehouse.
- The shell and fiber used as fuel for the boiler.

- Used oil is stored in the Hazardous Waste Warehouse.
- Effluent is managed at the WWTP and then used on the plantation.
- Emissions from machines managed by periodic maintenance.
- Infectious waste is sent to a hospital in Muara Bungo.
- Household waste disposed to landfills, located in the estate area.

According to interviews with workers and the public showed that the company is never dispose of waste in any place.

Status: Comply	
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5.4
Efficiency of fossil fuel use and the use of renewable energy is optimised.

The efforts made by the company to make efficient use of fossil fuels, among others with shells and fiber utilization as fuel for the boiler. The document verification results showed that the use of shell and fiber as fuel for the boiler can save the used of diesel fuel reached 89.72% in 2015.

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

The Company has had policies and procedures for land preparation without burning outlined in procedure of land clearing / preparation of new land which outlined the land clearing process without burning. The results of the document review, public consultation and field visits show that since ST-2 up to the ASA-1, the company did not do a new land clearing/ replanting.

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

To reduce pollution and emission, the company has identified the pollution sources and emissions and the management steps which are described in SOP of Waste Management. In addition, the company also identifying GHG sources which are accompanied by the overcome plan.

The company has been doing an effort to reduce pollution through engine maintenance activities, management of effluent and waste utilization. The company also conducts periodic environmental monitoring includes surface water quality, generator emissions, boiler emissions, ambient air, noise and combustion flue gases in furnaces. This monitoring was conducted to evaluate the management that has been done. Field observations in Sungai Bengkal Mill WWTP showed that there is no indication of leakage in WWTP and effluent has been utilized to the plantations.

The company has a system to monitor air pollution generated by estates and mills that poured in SOP of Greenhouse Gas Calculation and SOP of Greenhouse Gases Mitigation. GHG calculation performed every period in once a year by using the method of Palm GHG Calculator Version 2.1.1. The Company has demonstrated the results of GHG calculation in period of July 2014 - June 2015 and the delivery evidence of GHG calculation results to the RSPO which are reported on January 8, 2016.

Status: Comply	
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PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills
6.1
Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.

The company has had the document of Social Impact Assessment (SIA) which describes a condition survey of social, economic, cultural and public perception in villages around the plantation / mill. This activity was carried out in 2013 which includes demographic, education, livelihood, income, health, infrastructure, customs and culture. The preparation of these documents is done with the help of a questionnaire involving the affected parties and the document has been socialized to the public on December 19, 2012.

The company also has a management plan and social impact monitoring for the period of 2015 and 2016 which describes the type of impact, management plan, monitoring plan and the timing of the activity. The results of interviews with community showed that the company was managing the social impacts such as watering way to reduce the impact of dust and damage to roads. Document of management and monitoring is reviewed every two years by paying attention to the results of the social impacts monitoring. Review activities will be conducted in February 2016 for the management and monitoring period March 2014 - March 2016.

Status: Comply

6.2

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

The Company has procedures of communication and consultation with external parties which have been socialized, for example socialization dated March 12, 2014 to the village society of Betung Bedarah Barat. The Company has appointed the officers who are responsible for consulting and communicating with the public that is the manager of each unit.

The Company has a list of stakeholders in 2015 consisting of government agencies, villages, cooperative, internal organization and educational institutions. Based on the results of interviews with the company, the stakeholders list is updated whenever there is a change or a maximum of 6 months.

The results of interviews with workers, government agencies and community leaders it is known that the company has performed the socialization about the mechanism of communication and consultations. Stakeholders have understood how to communicate and consult to the companies.

Status: Comply

6.3

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

The company has the SOP of handling complaints and dissatisfactions that explain the process of delivering and handling complaints and dissatisfactions internally and externally. In the SOP also mentioned that the company guarantees the anonymity of the reporting and the revealer of the case (whistleblower). Head of administration is responsible for hearing and record all complaints and grievances that exist both orally and in writing from the external. Responses to the complaint and dissatisfaction are given as soon as possible and no later than one month after the issue received.

The whole recording and handling of related complaints / objections are recorded in the Form of Monitoring Handling Complaints and Dissatisfaction. Based on the form it is known that during the period of 2015 there were no complaints presented. According to interviews with workers and rural communities known that there are no complaints or dissatisfaction of employees and external (public).

Status: Comply

6.4

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

The company has had the SOP of Compensation for Land / Land that identifies the mechanisms to identify and calculate the land compensation. In this procedure was explained that the process of identifying the company's land

involves the community, the village administration and the Sub District Government.

Since the activities of ST-2 until ASA-1 the company does not expand the area, where the implementation of land compensation last time conducted in 2003. The results of interviews with Plantation Agency of Tebo, National Land Agency of Tebo and representatives of the local community (Village of Betung Bedarah Barat, Rantau Api, Sungai Keruh and Muara Kilis) noted that the company does not undertake the new expansion.

Status: Comply

6.5

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

Payment of wages for permanent workers conducted by the CEO Decree made under Circular of Jambi Governor No. 554 / Kep.Gub / DISSOSNAKERTRANS / 2014 dated October 30, 2014 regarding to the determination of wages in Jambi province in 2015. Rated minimum wage set by the government is Rp 1,710,000 whereas the value of wages established by the decision of CEO is Rp 1,755,750 in force since January 1, 2015. When audit process, the data that can be verified is the wage in 2015 because when audit is performed the wage application in 2016 was paid at the end of January 2016.

Labor laws contained in the Collective Labor Agreement BKS PPS (Cooperation Agency of Sumatera Plantations Company) in the period 2015-2017 which was approved by the General Director of Industrial Relations and Social Security of Work on June 18, 2015. In the Collective Labor Agreement discussed the rules on leave, working defaulters, payment of meal allowance, overtime and overtime wages, provisions on premiums, and others. Each unit has socialized collective agreement to the workers, for example, carried out in Sungai Bengkal Mill on January 14, 2016 and in Sungai Bengkal Estate on 13 January 2016. The results of interviews with estate and mill workers showed that the workers have known about their rights and obligations explained in the collective labor agreement.

Company can show a list of facilities and infrastructure for workers consisting of housing, lighting, water, daycare, cooperatives, employee halls, places of worship, school buses, clinics and educational facilities. The results of interviews with workers at the cottage, it is known that the workers have felt fulfilled with the infrastructure and facilities that have been provided by the company.

Results of the field visits showed that the company has been providing employee cooperatives that sell daily necessities to meet the needs of workers. Management through cooperative management always monitoring the prices of sold goods in the cooperative in order to remain affordable for the employees

Status: Comply

6.6

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

The company's policy about granting freedom of workers to organize contained in:

- Collective Labor Agreement BKS-PPS period 2015-2017 Article II stated that the employer guarantees freedom of association for all employees.
- The CEO circular on 16 November 2010 about workers' freedom of association in the company created by the CEO.

The company has also formed a workers union that serves to channel information from the workers to the company and vice versa. Unions are included in each unit and approved by Labor and Transmigration Agency Tebo. The results of interviews with workers known that the worker has known the policy on freedom of association and workers also have known about the functioning of the unions.

The results of a public consultation with workers union officials, it is known that there are no problems occurred in the whole of 2015. The meeting between the unions and the workers are conducted routinely or whenever there is a problem that must be discussed. The last meeting was held on 25 September 2015 in Sungai Bengkal Estate which

discusses about the adjustment of working hours of daily labor.		
	Status: Comply	
6.7		
Children are not employed or exploited.		
<p>The company's policy regarding to the minimum age requirements explained in the memorandum of SMD (Senior Managing Director) Operations dated March 26, 2013 which states that the minimum age of workers is 18 years old. Based on the list of employees in December 2015 known that is not indicate the existence of workers under 18 years old.</p> <p>According to interviews with workers and Labor Agency Tebo, it is known that there are no issues of underage workers employed by the company.</p>		
	Status: Comply	
6.8		
Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
<p>The company has a policy of anti-discrimination as defined in the circular of CEO PSM 1 on 13 April 2010, which set up each work unit must perform labor relations regardless of ethnic, religion, race and gender in all types of work fields. List of employees indicates that the composition comprising workers of various ethnic, and gender.</p> <p>Interviews with workers stating that everyone can work at the company in accordance with the needs and capabilities, without differentiated based on ethnicity, religion, etc. In addition, workers also stated that the company has performed the work performance appraisal Based on work performance, quality of work, attitude, etc.</p>		
	Status: Comply	
6.9		
There is no harassment or abuse in the work place, and reproductive rights are protected.		
<p>The company has a policy on the prevention of sexual harassment and violence as outlined in circulars of CEO PSM 1 on 2 September 2013. In addition, the company also has a policy to protect the reproductive rights as outlined in the circular of CEO PSM 1 dated 4 April 2009. Interviews with female workers showed that they had learned about the company's policies related to the prevention of sexual harassment and protection of reproductive rights.</p> <p>The company has established a gender committee in each unit as an organization to manage the complaints of women workers in the event of sexual harassment and violations of reproductive rights. Interviews with the management of gender committee shows that they already know the duties and responsibilities as the socialization about the complaints mechanism, the socialization of sexual harassment, etc. The administrator of gender committee also stated that the company guarantees the anonymity of the reporting and the revealer of the case.</p>		
	Status: Comply	
6.10		
Growers and mills deal fairly and transparently with smallholders and other local businesses.		
<p>Sungai Bengkal Mill receives FFB from nucleus estate, KKPA estate which is fully managed by the company and third parties. Prices were set for FFB of KKPA estate is the price from government, while the FFB prices of third parties referring to the agreement made by both parties. A visit to the Sungai Bengkal Mill showed that prices for third party FFB informed in the board that is located at the front entrance of the mill.</p> <p>According to interviews with the cooperative administrator shows that the company has paid FFB every 2 times a month (as agreed) and have never experienced delays. The company can show the evidence of FFB payments to third parties, for example to PT Tebo Indah which paid every 2 times a month (according to the contract of cooperation).</p>		
	Status: Comply	

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

The form of the company's contribution to local development is performed through the payment of taxes and fees to local governments periodically and realization of CSR to communities around the plantations. Some forms of CSR contributions realized during 2015 include the assistance of education aspects, road maintenance, Village government activities, the social aspects of religion, etc.

The results of document review, interviews and field visits known that there is no scheme smallholders within the scope of this certification. There is a community estate in PT SKU namely Sungai Bengkal KKPA, but the management is fully performed by the company and the community just as the land owner.

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

Document review and interview results with workers showed that there were no migrant labor, trafficking practices and forced labor. Employment data showed that each worker has had a working agreement which describes the tasks and responsibilities. According to interviews with workers showed that they are working on parts in accordance with labor agreements.

Status: Comply	
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6.13
Growers and millers respect human rights

The Company has had policies related to the Human Rights, which states that:

1. PT. Satya Kisma Usaha, recognize and uphold human rights and human freedoms as the rights that are naturally inherent in and inseparable from the human being, which must be respected and enforced for the sake of human dignity warning and welfare, happiness and intelligence and justice.
2. Everyone has the right to the protection of human rights and freedoms without discrimination.
3. Everyone has the right to live peacefully, secure, peaceful, happy, prosperous in physical and spiritual
4. Everyone has the right to communicate and obtain informations which necessary to develop personal and social environment.
5. Any person or group of people who have reasons to believe that their fundamental rights have been violated can submit reports and oral or written complaint to the company for further action in accordance with the applicable procedures.

This policy has been socialized to workers, for example, on January 13, 2016 socialized to Division 2 workers of Sungai Bengkal Estate. Interviews with workers showed that they had known about the human rights policy.

Status: Comply	
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PRINCIPLE #7 Responsible development of new plantings
7.1
A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

The company performed land clearance after November 2005 in an area of 2,768.36 hectares which is the operating areas of Sungai Bengkal Estate Division IV, Sungai Bengkal KKPA and Muara Kilis Estate. Environmental and social impact analysis for the entire area has been covered in the EIA document that has been owned by the company as described in Criterion 5.1 and 6.1.

Status: Comply	
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7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.		
The company owns Semi Detailed Soil Map containing information on soil classification, texture, depth, drainage, the limiting factor, rocks, and compliance information for the development of oil palm plantations. Based on the review of the document can be seen that the land suitability classes at Sungai Bengkal Estate and Sungai Bengkal KKPA is S2 (Quite Appropriate) by 62% and S3 (Appropriate / Marginal) of 38.00% with a limiting factor topography / relief.		
Based on semi-detailed soil map is known that the slope of the land in the area of the company's operations consists of 0-3% dan 16-21%. Results of field visits showed that the plantation management unit have made terrace in areas that have a slope of 16-21%.		
	Status: Comply	
7.3 New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
The company performed land clearing since 1996 to 2009. The opened area since November 2005 until the year 2009 is an area of 2,768.36 hectares which is the operating areas of Sungai Bengkal Estate Division IV, Sungai Bengkal KKPA and Muara Kilis Estate. While the identification of HCV activities carried out in 2010 by the RSPO Approve assessor. Therefore, the company had made <i>disclosure of liability</i> and <i>Land Use Change Analysis</i> and reporting to the RSPO Secretariat.		
	Status: Comply	
7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
The company has had a map which identifying vulnerable and marginal land including excessive slopes and peat lands. Based on the document can be seen that there are no vulnerable and marginal lands, peat lands and lands with excessive slope in the company operational areas.		
	Status: Comply	
7.5 No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
The results of interviews with representatives of the community surrounding villages (Betung Bedarah Barat Village, Rantau Api, Sungai Keruh and Muara Kilis) noted that the company has performed socialization at the beginning of land clearing. Community representatives also explained that the process of land acquisition is done without coercion. Since the activities of ST-2 until ASA-1 the company does not expand the area		
	Status: Comply	
7.6 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.		
The company has had a SOP procedure of Land Compensation / Land that identifies the mechanisms to identify and calculate the land compensation. In this procedure was explained that the process of identifying the company's land involves the community, the village administration and the Sub District government.		
Since the activities of ST-2 until ASA-1 the company does not expand the area, where the implementation of land compensation last time conducted in 2003. The results of interviews with representatives of local community (Betung Bedarah Barat Village, Rantau Api, Sungai Keruh and Muara Kilis) showed that the identification of legal rights carried out with the involvement of village government and village community. All of land owned by the company has been through the process of land compensation in accordance with the agreement of both parties. Document of land		

compensations are available on the department Document and Legal companies.		
	Status: Comply	
7.7		
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
The management unit does not perform the expansion and development of the plantation after ST-2 activity. Planting last done in 2010 using principles without fuel, this is evidenced by the existence of a cooperation agreement between the company and contractors which explained that land clearing was done mechanically.		
	Status: Comply	
7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
The management unit does not perform the expansion and development of the plantation after January 1, 2015. The results of the study documents and field visits showed that the distribution of planting in operation areas consist from the year of 1996-2010.		
	Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1		
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.		
<p>The company has been monitoring and evaluating continuously plantation and mill operations, such as:</p> <ul style="list-style-type: none"> • Emission qualities from generators in the mill. • Emission qualities from boiler in the mill. • Land Water qualities in areas around LA. • Ambient air qualities in settlements around the mill. • Social conditions in village around the company. <p>The Company is also conducting RSPO internal audits carried out in November 2015 for Sungai Bengkal Mill, Sungai Bengkal Estate, Sungai Bengkal KKPA and Muara Kilis Estate. The findings of discrepancy from the internal audit have been corrected by the management unit, such a discrepancy in the update documents in the fields of licensing regulations.</p>		
	Status: Comply	

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>SCSS module used in Sungai Bengkal Mill is Mass Balance (MB), because the mill receives FFB from the estate that has been certified by RSPO and non-certified RSPO. Source or supplier of FFB received by the mill can be classified into three categories: Nucleus estates, KKPA which are managed by the company and suppliers / third parties.</p>
	Status: Comply
E.2	Explanation
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Estimates of CPO and PK generated by Sungai Bengkal Mill have been noted in the report ASA-1 RSPO.</p>
	Status: Comply
E.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <ul style="list-style-type: none"> RSPO IT Platform member registration number: RSPO_PO1000001722 <p>Sungai Bengkal Mill has no sales of CSPO and CSPK during the period 28 February 2015-11 January 2016 to outsiders or other units.</p>
	Status: Comply
E.3	Documented procedures
E.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. <p>Sungai Bengkal Mill has had SOP of RSPO Products Supply Chain Mass Balance Module. This procedure describes the parties involved in the process of SCCS, duties and responsibilities of each party, FFB admissions process, weighing the weight / volume, checking the quality of raw material, processing, monitoring the processed products and the products shipment.</p> <p>Results of interviews with security and the scales workers showed that workers have already known the duties and responsibilities of each in the implementation of SCCS. Sungai Bengkal Mill can also show the refreshing records of SCCS</p>

training conducted on 5 November 2015.

Status: Comply

E.3.2

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

Sungai Bengkal Mill has had SOP of RSPO Products Supply Chain that describes the process of FFB admissions from supplier estates. The results of field visits and verification of documents showing that the FFB received by Sungai Bengkal Mill comes from estates that have certified by RSPO and estates outside parties that have not been certified by RSPO. The entire garden that has been certified by RSPO has being recorded with computerized systems and given a special code.

Status: Comply

E.4

Purchasing and goods in

E.4.1

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

Certified and non-certified FFB received period of March 2015 to December 2015

Month	FFB		
	RSPO Certified	Non Certified	Total
March 2015	6,990.37	6,362.87	13,353.24
April 2015	8,182.44	7,564.85	15,747.29
May 2015	8,204.84	7,564.93	15,769.77
June 2015	9,271.72	7,174.73	16,446.45
July 2015	8,004.81	6,931.25	14,936.06
August 2015	10,106.35	6,047.80	16,154.15
September 2015	8,348.19	5,190.86	13,539.05
October 2015	7,553.70	6,197.03	13,750.73
Nov 2015	7,414.35	4,408.29	11,822.64
Dec 2015	6,480.81	3,508.42	9,989.23
TOTAL	80,557.58	60,951.03	141,508.61

Status: Comply

E.4.2

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

Sungai Bengkal Mill has had SOP of RSPO Products Supply Chain Mass Balance Model which are describes about If licensed production projections are bigger than the certified product that has been claimed, the things to do are: to inform the related RSPO certification body and the party of RSPO IT system / e-trace.

Sungai Bengkal Mill has recorded every acceptance of FFB, CPO production and PK production. The document verification results in the period of 28 February 2015 – 11 January 2016 showed that the production of RSPO certified products does not exceed the projected, that is:

- FFB: Projection: 91,393.35 Tons; production 82,497.350 Tons
- CPO: Projection: 21,577.97 Tons; production 18,303.519 Tons
- PK: projection: 4,597.09 Tons; production 4,392.586 Tons

Status: Comply

E.5

Record keeping

E.5.1

a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.

- b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.**
- c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)**

Sungai Bengkal Mill has had a monthly report which describes about FFB Acceptance, CPO Production, PK Production, CPO Shipping, PK Shipping and product stocks. During the period of March 2015 - December 2015 there are no shipping of CSPO and CSPK. The following is a product shipment data from Sungai Bengkal Mill:

Period	CPO Shipping (ton)			PK Shipping (ton)		
	RSPO	Non Cert	ISCC	RSPO	Non Cert	ISCC
March 2015	-	1,299.170	1,817.780	-	727.540	-
April 2015	-	784.720	1,575.690	-	531.930	-
May 2015	-	1,639.620	2,452.660	-	901.200	-
June 2015	-	1,246.030	2,200.410	-	969.110	-
July 2015	-	858.120	2,147.020	-	372.720	-
August 2015	-	1,634.240	2,614.220	-	871.290	-
September 2015	-	686.970	2,247.180	-	1,128.350	-
October 2015	-	785.140	2,009.070	-	888.310	-
November 2015	-	955.220	1,958.320	-	588.590	-
December 2015	-	611.150	1,572.330	-	553.700	-
Total	-	10,500.380	20,594.680	-	7,532.740	-

Status: Comply

E.5.2

In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.

Sungai Bengkal Mill is not conducting the destruction of palm kernel oil activities to the independent palm kernel crushers.

Status: Comply

3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-1	The Company does not use the logo on-product and off-product in the scope of PT Satya Kisma Usaha	
	Status: NA	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-1	The Company does not use the logo on-product and off-product in the scope of PT Satya Kisma Usaha	
	Status: NA	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-1	The Company does not use the logo on-product and off-product in the scope of PT Satya Kisma Usaha	
	Status: NA	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-1	The Company does not use the logo on-product and off-product in the scope of PT Satya Kisma Usaha	
	Status: NA	

3.4 Summary of RSPO Partial Certification
Management unit(s) observed:

Pelakar Mill (PT Kresna Duta Agrindo, Jambi), supply base: Pelakar Estate (PLKE), Batang Merangin Estate (BMRE), Batang Tembesi Estate (BTME).

2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	<p>This company has the evaluation mechanism to measure its compliance toward palm oil plantation related regulation through the SOP regulation and other regulations (SOP / SPO / SMART / LH-03) that issued by EHSD (Environment Health and Safety Department) on 1st July 2010. The SOP explains that the identification and verification on the entire relevant regulation are conducted every six months. Some evidence of regulatory compliance to law such as:</p> <ul style="list-style-type: none"> • HGU Decree by National Land Agency No: 26/HGU/BPN/96 dated 29 July 1996 and HGU certificate by National Land Agency of Sarolangun Bangko Regency No: 1/Tanjung dated 8 October 1996 which cover area of 2,715 Ha. • HGB Decree of Pelakar Mill by National Land Agency of Jambi Province No: 07/HGB.2/BPN/1999 dated 26 July 1999 and HGB certificate of Pelakar Mill by National Land Agency of Sarolangun Bangko Regency No:1/Tanjung dated 3 August 1999. • HGU Decree by National Land Agency No: 32/HGU/BPN RI/2010 dated 1 June 2010 and HGU certificate by National Land Agency of Sarolangun Bangko Regency No: 2/Tanjung dated 23 August 2010 which cover area of 1,799.00 Ha. • HGU Decree by National Land Agency No: 40-540.1-06-2007 dated 18 September 2007 and HGU certificate by National Land Agency of Sarolangun Bangko Regency No: 1/Tanah Abang dated 31 January 2008 which cover area of 86.4 Ha. • HGU Decree by National Land Agency No: 71/HGU/BPN/98 dated 5 October 1998 and HGU certificate by National Land Agency of Sarolangun Bangko Regency No: 2 dated 24 November 1998 which cover area of 5,022 Ha. • <i>Surat Pendaftaran Usaha Perkebunan (SPUP)</i> by Forestry and Plantation Department No 960/Menhutbun-VII/2000 which cover of 3 POM (30 ton/h, 60 ton/h & 60 t/h) and plantation for an area 8,359 Ha. • IUP from Sarolangun Regent No. 02 of 2009 for an area 1,822 Ha. • IUP-B from Merangin Regent No. 09/Disbunhut/2014 for oil palm plantation for an area 837.84 Ha 	√
	Status: Comply	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	Land use right which owned by company is Land Use Title (<i>Hak Guna Usaha/ HGU</i>) for an areal 9,622 Ha which consist of HGU certificate No. 1 of 1996, HGU certificate No. 2 of 2010, HGU certificate No. 1 of 2008 and HGU certificate No. 2 of 1998.	√
	Status: Comply	
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	Unit Management has had mechanism related documented system for dealing with complaints and grievances consist of SOP-IK cultivation technic for palm oil plantation, SCEP policy (Social And Community Engagement Policy), Company has the SOP for complaint and grievance management for internal-external and has a mechanism for conflict resolution.	√
	Status: Comply	
6.4	Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities	X or√

	and other stakeholders to express their views through their own representative institutions.	
	The company has had record of land compensation document. Beside that the company has land compensation procedure (SOP / NP / SMART / VII / D & L 002) dated 1 July 2010. This procedure explain about job description, steps of socialization process, identification, negotiation, land compensation payment and documentation of payment. This procedure also explain of compensation process based on agreement, consultation and dialogue by involving the participation from local community leader and local government. The company also has SOP Free Prior Informed and Consent (SOP/SMART/SENS-CSR/SADV/II/003).	√
	Status: Comply	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	X or√
	HCV identification has been done by RSPO Approve Assessor on 2013. The company also has report Liability Data and Zero Liability Disclosure for all Sinarmas Group include Pelakar Mill and supply base to RSPO by email on 29 August 2014.	√
	Status: Comply	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	HCV identification has been done by RSPO Approve Assessor on 2013. The also has conducted land compensation on area which use for operational of caompany.	√
	Status: Comply	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	The company has had record of land compensation document. Beside that the company has land compensation procedure (SOP / NP / SMART / VII / D & L 002) dated 1 July 2010. This procedure explain about job description, steps of socialization process, identification, negotiation, land compensation payment and documentation of payment. This procedure also explain of compensation process based on agreement, consultation and dialogue by involving the participation from local community leader and local government. The company also has SOP Free Prior Informed and Consent (SOP/SMART/SENS-CSR/SADV/II/003).	√
	Status: Comply	

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

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

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
-	-	<i>During ST – 2 assessment there is no non conformance identified.</i>	-	-	-	-	-	-	-

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

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
-	-	<i>During ASA – 1 assessment there is no non conformance identified.</i>	-	-	-	-	-	-	-

3.5.2 Opportunity for Improvement

No	Ref Std	Descriptions
1	2.2.1	Management unit make an effort to monitor the process of Land Use Title acquisition periodically (<i>Observation</i>).
2	4.3.3	Improving the efficiency of road maintenance

3.5.3 Noteworthy Positive Components

No	Ref Std	Descriptions
1		The company's commitment to implementing the principles of sustainable management of oil palm
2		Personal competence (Staff) in their respective fields
3		has been certified ISCC and Gold Flag OHS Management System in accordance with Government Regulations No. 50 year 2012

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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Plantation Agency, Tebo Regency, Jambi Plantation Agency explain matters related to the issue of plantations and obligations of PT. SKU, as follows:</p> <p>a. Progress Report on the Implementation of Plantation Business (LPUP). PT. SKU has submitted regularly LPUP every year. The last report was LPUP Semester-1 Year 2015. It is expected LPUP Semester-2 year 2015 can be received in February 2016.</p> <p>b. Plantation Business Assessment (PUP) 2015 PT. SKU has returned the PUP questionnaires year 2015 in November 2015. Currently, only four companies (including PT. SKU) from 14 Big Private Plantation who returned the PUP questionnaires. PUP Results 2015 from Tebo Regent will be published in the first quarter 2016.</p> <p>c. Plantation Business Permit (IUP) PT. SKU has two Plantation Business Permit documents, that is:</p> <ul style="list-style-type: none"> - Plantation Business Permit 2005: Nucleus Estates (2,510 Hectares) and KKPA (1,190 Ha). The total area is 3,700 hectares. - Plantation Business Permit 2013: Nucleus Estates (2,661 Hectares) and POM (capacity of 30 Tons FFB / Hour). <p>Plantation Agency explained, that:</p> <ul style="list-style-type: none"> - Plantation Business Permit in 2013 covering an area of 3,750.78 Hectares, the actual area including KKPA backup, that is nucleus 2,661 Hectares and KKPA / Scheme Smallholder 1,069.78 Hectares). Plantation 	<p>a. The company will always submit the LPUP reports regularly to the Plantation Agency, and sought as soon as possible at the time determined (semi-annual).</p> <p>b. The company has been doing PUP form filling so that companies get Assessment. Companies will always coordinate with Plantation Agency in order to PUP of PT SKU can be issued.</p> <p>c. The company tries so that all types of businesses listed in the Plantation Business Permit, the Company will always monitor so that companies do not seek outside its allotment.</p>	<ul style="list-style-type: none"> • This is in accordance with Criterion 2.1

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Business Permit in 2013 covering an area of 3,750.78 Hectares) is a revision of Plantation Business Permit in 2005.</p> <ul style="list-style-type: none"> - There is a POM (capacity by 30 Ton FFB / Hour) in accordance with the permission of Tebo Regent No. 437 Year 2013 dated August 22, 2013 concerning to the revision of Plantation Business Permit to PT. SKU in Tebo Ilir Sub District, Tebo Tengah Ilir Sub District and Tebo Ilir Sub District, Tebo Regency. - In item 3 of the decree stated that Tebo Regent Decree No. 245 of 2005 dated May 21, 2005 on granting Plantation Business Permit to PT. SKU in Sub District of Tebo Tengah Ilir and Tebo Ilir Sub District, Tebo Regency declared invalid. - There is a technical recommendation of land tenure from Tebo Regent No. 525 155 / Disbun / 2015. - Plantation Business Permit of POM No. 170 year 2004 about POM Plantation Business Permit in SKU of Tebo Ilir Sub District from Tebo Regent on 30 April 2004 with a capacity of 30 tons / FFB / Hour. - Palm oil estate area at Sungai Bengkal KKPA (SBNA) / Scheme Smallholder has been included in Plantation Revitalization program, so that the maintenance of land certificates and other legal are the responsibility of the cooperative farmer association participants of plantation revitalization (KKPA). List of Plantation Revitalization Participants (CP / CL) has been signed by the Regent of Tebo. <p>d. Fire Reports / Business Interruption In October / November 2015, PT. SKU reported verbally (by phone) fires in a community estate (location: Bukit Pak Majin Muas) which is bordering with the estates of</p>	<p>d. The Company seeks to coordinate the potential for fires. Prevention not only within the company but to the surrounding environment.</p>	

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>PT. SKU. There is no palm trees of PT. SKU burned and the company has helped to shutdown the fires by sending the firemen.</p>		
<p>Social Agency, Labor and Transmigration Agency, Tebo Regency, Jambi Labor and Transmigration Agency explains issues related to the labor and responsibilities of PT. SKU, as follows:</p> <ul style="list-style-type: none"> - Never had received reports of a demonstration / strike of employees in 2015. - For compulsory reporting in 2015, has been received by letter Register No. 18 / WLK / PK / SOS, for future dated August 21, 2014 - August 21, 2015 (Estates and POM). - Has been accepted the reports of labor compulsory reporting 2016 for POM according to the Register No. 18/ WLK/ PK/ Sosnakertrans 2016. Labor Compulsory Reporting For estates has not been received for the period of January 7, 2016 until January 7, 2017. The total labor is 113 people (men 107 people and women 6 people). - PT. SKU implements the employees wage with Regional Minimum Wage of Province. In 2016, the highest Regional Minimum Wage of Province is Rp 1,929,550 and the lowest is Rp 1,906,650 (according to the Tebo Regent Circular No. 560 / Sosnakertrans / 2015 dated (non listed) in December 2015 regarding the Regional Minimum Wage of Jambi 2016 with working time 7 hours / day and 40 hours / week. - Based on the report of Labor Compulsory Reporting and results of Labor and Transmigration Agency monitoring, PT. SKU does not employ minors, except those already married. 	<p>The company will always ensure all obligations to workers can be met in accordance with the applicable regulations.</p>	<p>This is in accordance with Criterion 2.1; 4.7; 6.7 and 6.5.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> - Supervision by Labor and Transmigration Agency of Tebo performed on 11 until December 17, 2015 in accordance to the warrant task No.090 / 351 / SPT / APBD / 2015 dated (not listed) in December 2015, to carry out the implementers inspection of Labor Legislation and Safety Norms and OHS. There are findings, for example late of Labor Compulsory Reporting submission of the Report. Against these findings directly given guidance by distributing the labor report form to be filled within 3 days. - There were no reports of PT. SKU related to fatal work accidents. 		
<p>Environment Bodies, Tebo Regency, Jambi Head Office of Environment Bodies explained about the environmental issues and responsibilities of PT. SKU, as follows:</p> <ul style="list-style-type: none"> - PT. SKU has submitted regularly (semester) Hazardous Waste Report. Recent reports corresponding with manager letter of Sungai Bengkal POM No.06 / SNM-A / I / 2016 dated January 5, 2016 regarding Quarterly Report IV-2015 PT. SKU, which attaching: <ul style="list-style-type: none"> ✓ Implementation Report of Effluent Management and Effluent Applications, Semester 1 2015 ✓ Implementation Report of Hazardous Waste Management Semester 1, 2015. ✓ Report of Environmental Management Plan and Environmental Monitoring Plan (RKL-RPL) in July 2015. - So far there are no reports from the public related to the issues of environmental pollution in the region of PT. SKU. 	<p>Companies will always perform management and routine environmental monitoring and reporting the results of the environmental management and monitoring to the Authorities.</p>	<p>This is in accordance with Criterion 2.1; 5.1 and 5.3</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>National Land Agency, Tebo regency, Jambi</p> <p>National Land Agency Head Office explained the developments related to the certificate issuance process of Land Use Title PT. SKU, as follows:</p> <ul style="list-style-type: none"> - Issuance of Land Use Title Certificates of Sungai Bengkal Estate (SBNE) PT. SKU is the authority of the National Land Agency Central Office (Ministry of Agrarian) and National Land Agency Regional Office of Jambi Province, given its range reaches > 1,000 Hectares. During this time handled by the National Land Agency Regional Office of Province including Land Use Planning. - Issuance of the Land Use Title certificate is performed by registering in National Land Agency of Tebo Regency (at the proposal of the Provincial), after National Land Agency of Tebo Regency obtained Land Use Title Decree and / or Building Use Title from National Land Agency Regional Office of Jambi Province. - Until now National Land Agency Regional Office of Jambi Province has not issued a decree of Land Use Title / Building Use Title of estates and POM PT. SKU. - According to the information from the staff of PT. SKU in Jambi that the development process of the certificate maintenance of Land Use Title / Building Use Title has come to the B Committee. All requirements to be met by PT. SKU have been submitted to B Committee in early October 2015. - Currently, the National Land Agency of Tebo Regency was waiting the Decree of Land Use Title / Building Use Title from National Land Agency Regional Office of Jambi Provincial for the further action. - Related to the KKPA in Sungai Kilis Estate (KILE), stated that: 	<ul style="list-style-type: none"> • The company will try to make the acquisition of land rights can and always coordinate to the Authorities. • The company will ensure that the location permit owned still valid and renewal when expired. 	<p>This is in accordance with Criterion 2.1 and 2.2</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> ✓ Location permits already expired and been performed 2 times extension and has the land tenure recommendation from Tebo Regent. ✓ Request of PT. SKU to National Land Agency Regional Office of Jambi Province for the issuance of Land Use Title Certificate (October / November 2015) signed by the Chairman of the Cooperative (for KKPA Estate) and Company Central Management (for Nucleus Estate / KILE). - There is no issue of land conflicts in PT SKU 		
Transportation Contractors Kernel - Local: <ul style="list-style-type: none"> • The payment has been made by the company in accordance with the cooperation agreement • Wages of workers are paid appropriate with the work performance and it is an agreement between the contractor and the contractor's workers. • PPE has been given to contractors workers • Completeness of transport vehicles which are tarps and tarp straps. • The contractor already has a copy of work agreement • The company has been socialize the code of ethics and behavior 	<ul style="list-style-type: none"> • The company seeks to develop the potential of the surrounding community, one by using local contractors who came from the surrounding communities. • The Company seeks to perform its obligations to the contractor and ensure the safety facilities according to his work. And ensure all works undertaken have an agreement bond. 	<p>This is in accordance with Criterion 1.3; 4.7 and 6.10.</p>
Village Head of Betung Berdarah, Village Head of Penapalan and Village Head of Rantau Api. <ul style="list-style-type: none"> • In general, the relationship between the company's management is running quite well. The presence of the company's activities have an impact on improving the village economy one through local employment, the company's contribution in CSR programs such as 	<ul style="list-style-type: none"> • The proportion of work Payment because the worker doing his job for 5 hours, whereas the time to acquire one day wage is 7 hours. • The company will always seek a coordination and communication with stakeholders around, so that a good 	<p>This is in accordance with Criterion 2.2; 5.1; 6.1; 6.2 and 6.10.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>construction renovation assistance on places of worship, road repairing, tuition assistance, free health examinations.</p> <ul style="list-style-type: none"> • People questioned how long the reduction of daily workers working hours from 7 hours per day to 5 hours of work associated with the efficiency of the company budget. • There is no issue of land conflicts between companies and communities • No pollution issues performed by the company <p>Aspiration:</p> <ul style="list-style-type: none"> • Gathering from the company leadership to the village officials. • Attention in village development around the estate • Repair of village roads • Job Vacancy information 	<p>relationship with the community will always be maintained.</p> <ul style="list-style-type: none"> • The company has a CSR program to the local community including the development in the surrounding villages and road repairing. • The Company seeking any information about new jobs to be socialize and announced to the surrounding communities 	
<p>Muara Kilis Village</p> <ul style="list-style-type: none"> • In general, the relationship between the company's management is running quite well. The presence of the company's activities have an impact on improving the village economy one through local employment, the company's contribution in CSR programs in the forms of construction of village roads, assistance to build village mosques. • There is no issue of land conflicts between companies and communities • No pollution issues performed by the company <p>Aspiration:</p>	<ul style="list-style-type: none"> • The company will always maintain good relationship with surrounding communities and the development of the village. • We will seek guidance to communities through cooperatives and partnership assistant which are contained in the Company. 	<p>This is in accordance with Criterion 2.2; 6.1; 6.2 and 6.10</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
Coaching and training of oil palm cultivation		
Cooperative board KKPA SBNA-KILA <ul style="list-style-type: none"> The company seeks to establish the cooperation in terms of increased welfare through KKPA scheme (Full Manage) and all members are committed to implement the sustainable palm cultivation activities. 	The company will develop a program of KKPA and ensure to be transparently with the management, so that the local community will increase their welfare.	This is in accordance with Criterion 6.10
Local Contractors <ul style="list-style-type: none"> In general, the company relations with public tied running harmoniously, in terms of business with local contractors, any job in scale of small and medium are preferably by using local contractors around the operational area of the estate. PPE and work tools is a dependents of contractor Estate clinics provide first aid in case of accidents Payment according to the work agreement 	<ul style="list-style-type: none"> The company seeks to develop the potential of the surrounding community, one by using local contractors who came from the surrounding communities. The Company seeks to perform its obligations to the contractor and ensure the safety facilities according to his work. And ensure all works undertaken have an agreement bond 	This is in accordance with Criterion 4.7; 6.1 and 6.10.
Labor Unions <ul style="list-style-type: none"> The relationship between employees and companies management running harmoniously, it is supported by information from union boards that never happened strike. The last meeting discusses about the working hours reduction of daily workers from 7 hours per day to 5 hours of work associated with the efficiency of the company budget. No child labor issue in PT SKU 	The proportion of work Payment because the worker doing his job for 5 hours, whereas the time to acquire one day wage is 7 hours.	This is in accordance with Criterion 6.2; 6.6 and 6.7.
Female Committee <ul style="list-style-type: none"> Management of the female committee had socialized related to the policies and the prevention of immoral acts 	The company will prevent all forms of intimidation against human including immoral actions. The company will develop a	This is in accordance with Criterion 6.9

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>around the company. although the committee activity is restricted only around the company, but the enthusiasm of women workers and the wife / housemaid welcomed nicely with the female committee as a suggestion in the strive for the rights of women workers.</p> <ul style="list-style-type: none"> • There are no issues of violence against women workers at PT SKU 	<p>Gender Committee to always keep socialize and facilitating and performing the prevention of violence / harassment against fellow human beings which can be avoided.</p>	

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**4.1 Formal Sign-off of Assessment Findings**

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT Satya Kisma Usaha
SMART Tbk



Ismu Zulfikar
Jumat, 12 Februari 2016

Mutuagung Lestari
Lead Auditor



Ardiansyah
Jumat, 12 Februari 2016

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

No	Institution/NGO/ Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environment Agency	Tebo, District, of Tebo	-	Direct Consultation	12 January 2016	√	
2	Lands Agency	Tebo, District, of Tebo	-	Direct Consultation	12 January 2016	√	
3	Plantation Agency	Tebo, District, of Tebo	-	Direct Consultation	12 January 2016	√	
4	Labour Agency	Tebo, District, of Tebo	-	Direct Consultation	12 January 2016	√	
5	Labour Union	Tebo, District, of Tebo	-	Direct Consultation	12 January 2016	√	
6	Gender Committee	Tebo, District, of Tebo	-	Direct Consultation	12 January 2016	√	
7	FFB Transport Contractor	Tebo, District, of Tebo	-	Direct Consultation	12 January 2016	√	
8	PK Transport Contractor	Tebo, District, of Tebo	-	Direct Consultation	12 January 2016	√	
9	Village of Betung Bedarah	Tebo, District, of Tebo	-	Direct Consultation	12 January 2016	√	
10	Village of Penapalan	Tebo, District, of Tebo	-	Direct Consultation	13 January 2016	√	
11	Village of Rantau Api	Tebo, District, of Tebo	-	Direct Consultation	13 January 2016	√	
12	Village of Muara Kilis	Tebo, District, of Tebo	-	Direct Consultation	14 January 2016	√	
13	Setara	Tebo, District, of Tebo	uki@setarajam bi.org	Email	12 January 2016		√

Appendix 2. Assessment Program

DATE	January 11 th – 15 th , 2016	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Mon,11 Jan 2016		
06 – 08am	Flight from Jakarta to Jambi	ARD, MAY, SM, PH
08 – 12am	Traveling from Jambi to Location	
14 – 15pm	Opening Meeting	
15 – 17pm	Verification of previous assessment (ST-2) findings and completing checklist	
Tue, 12 Jan 2016		
08 – 12am	Stakeholder consultation to relevant agencies at Tebo	SM
08 – 12am	Field Observations at Sungai Bengkal Estate:	
	- Legal boundary, HCV management area, land fire facilities	ARD
	- Manuring, Spraying, Harvesting, IPM, Workers safety	MAY
	- Workers facilities (housing, worship, health care, school, union, etc.) and Waste management (landfill, sanitary)	PH
12 – 14pm	Lunch break	
14 – 17pm	Field Observations at Sungai Bengkal POM:	
	- Mill Processing and OHS Implementation	MAY
	- POM waste management (hazardous, emission, pollution, POME, etc.) and Water management	MAY
	- SCCS and Stakeholder consultation to contractor (Transporter CPO and PK)	ARD
	- Stakeholder consultation to labour union and gender committe	PH
	Verification of field visit and completing checklist	ARD, MAY, SM, PH
Wed, 13 Jan 2016		
08 – 12 am	Stakeholder consultation to Communities	PH
	Field Observations at Sungai Bengkal Plasma (smallholder scheme)	
	- Legal boundary, HCV management area, land fire facilities	ARD, MAY
	- Manuring, Spraying, Harvesting, IPM, Workers safety	SM
12 – 14pm	Lunch break	
14 – 17pm	Verification of field visit and completing checklist	
	Stakeholder consultation to Local Contractor	PH
Thu, 14 Jan 2016		
08 – 12 am	Field Observations at MuaraKilis Estate:	
	- Legal boundary, HCV management area, land fire facilities	ARD
	- Manuring, Spraying, Harvesting, IPM, Workers safety	SM, MAY
	- Workers facilities (housing, worship, health care, school, union, etc.) and Waste management (landfill, sanitary)	MAY, PH

12 – 14pm	Lunch break	ARD, MAY, SM, PH
14 – 17pm	Verification of field visit and completing checklist	
Fri, 15 Jan 2016		
09 – 11am	<u>Closing Meeting</u>	ARD, MAY, SM, PH
11 – 15pm	Traveling from Location to Jambi	
17 – 18pm	Flight from Jambi to Jakarta	