

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

☐ Stage-1    ☐ Stage-2    ☒ Surveillance    ☐ Re-Certification

Name of Management : Tanjung Kembiri POM, PT Foresta Lestari Dwikarya subsidiary of  
Organisation **GOLDEN AGRI RESOURCES Ltd**

Plantation Name : Tanjung Kembiri Estate, Tanjung Rusa Estate.

Location : Kembiri Village, Membalong Sub-district, Belitung District, Bangka Belitung  
province, Indonesia.

Certificate Code : **MUTU-RSPO/037**

Date of Certificate Issue : **April, 21<sup>st</sup> 2014**      Date of License Issue : **April, 21<sup>st</sup> 2017**

Date of Certificate Expiry : **April, 20<sup>th</sup> 2019**      Date of License Expiry : **April, 20<sup>th</sup> 2018**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
<b>ASA-3</b>	6 – 9 February 2017	Trismadi Nurbayuto (Lead Auditor), Andi Pratama Pasaribu, Yohanes Hardian, Rizliani Aprianita Hsb	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>ASA-3</b>	<b>13 April 2017</b>

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**Figure 1. Location Map of PT Foresta Lestari Dwikarya**

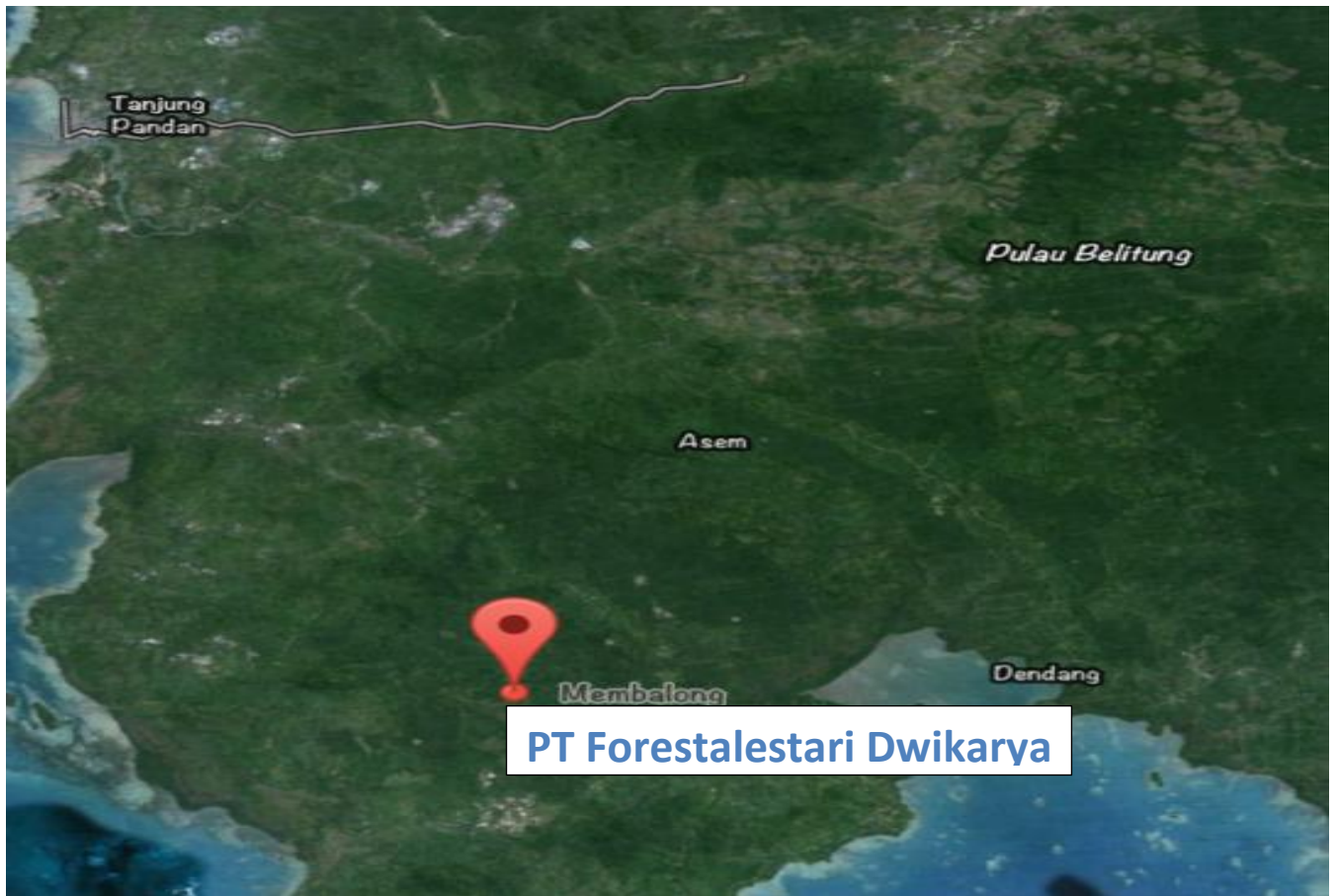
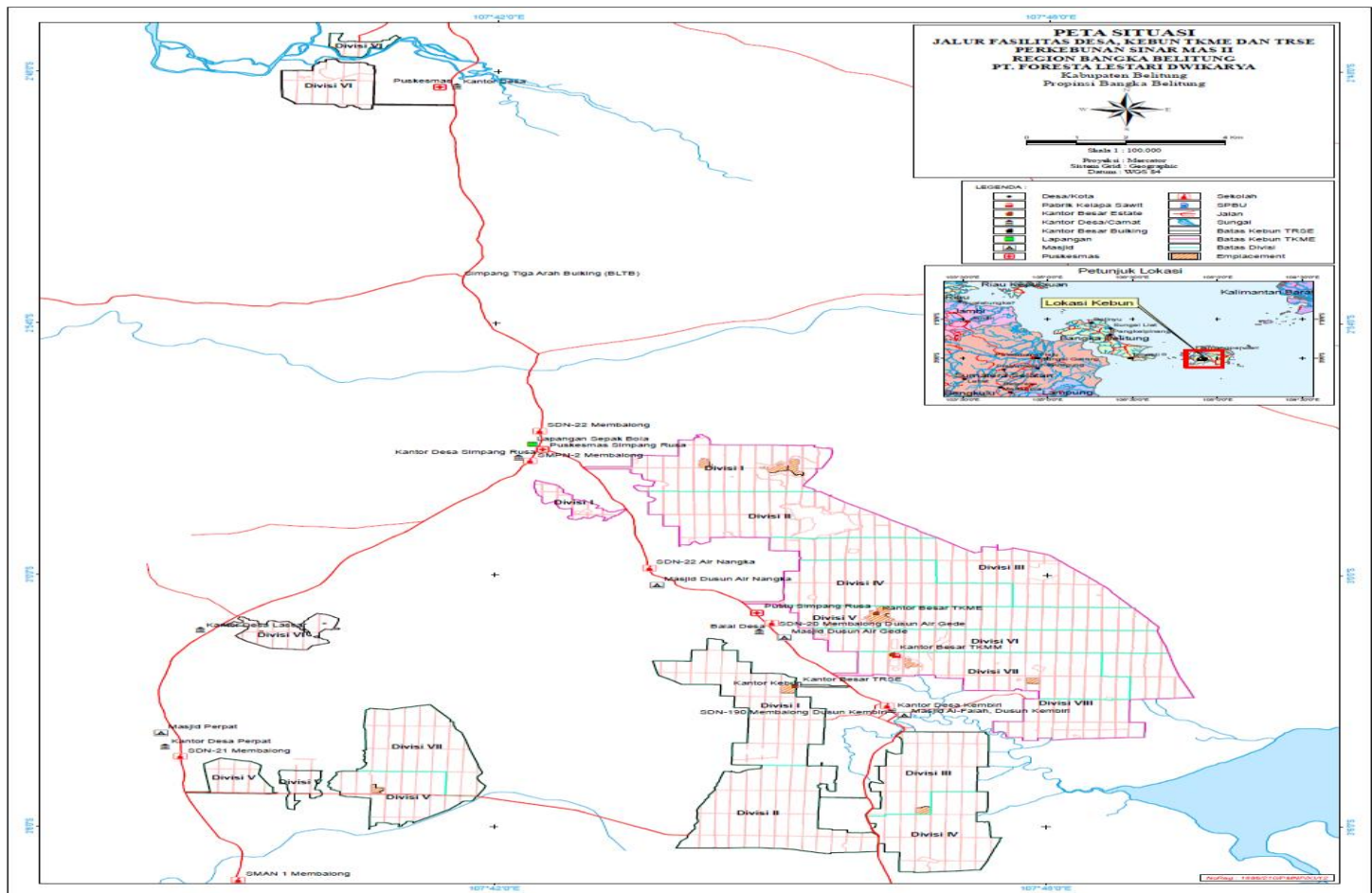


Figure 2. Operational Map of PT Foresta Lestari Dwikarya



**Glossary**

AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Environment Impact Report/EIA)
ASA	:	Annual Surveillance Assessment
BOB	:	Barn Owl Box
BKSDA	:	<i>Balai Konservasi Sumber Daya Alam</i> (Conservation of Natural Resources Agency)
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
FFB	:	Fresh fruit Bunch
FLD	:	Forestaletari Dwikarya
FPIC	:	Free Prior Informed and Consent
GHG	:	Green House Gas
GPS	:	Global Positioning System
GSEP	:	GAR Social and Environment Policy
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
ISCC	:	International Sustainability of Carbon Certification
LSU	:	Leaf Sampling Unit
MCAR	:	Management Committee Agronomy and Research
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
OIA	:	Operational Internal Audit
PIC	:	Personnal in Charge
PK	:	Palm Kernel (Inti Sawit)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PUKBP	:	<i>Petunjuk Umum tentang Keamanan dalam Bekerja dengan Pestisida</i> (Safety working with pesticides guidance)
RSPO	:	Roundtable Sustainable Palm Oil
RC	:	Regional Controller
RTE	:	Rear Threat
SOP	:	Standart Opertional Procedure
SCCS	:	Supply Chain Certifications System
SIA	:	Social Impact Assessment
SMARTRI	:	Sinar Mas Agribusiness Research and Technology Institute
SOP	:	Standart Opeartional Prosedur
SPB	:	<i>Surat Pengantar Buah</i> (FFB Consignment)
SSU	:	Soil Sampling Unit
TKME	:	Tanjung Kembiri Estate

TKMM	:	Tanjung Kembiri Mill
TRSE	:	Tanjung Rusa Estate
WTP	:	Water Treatment Plant
WWTP	:	Waste Water treatment Plant
VPA	:	Vice President Agronomy

<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>			
	<ul style="list-style-type: none"> <li><i>Indonesian National Interpretation of RSPO Principles and Criteria (P&amp;C), July 2013 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016)</i></li> <li><i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i></li> </ul>		
<b>1.2 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	PT Forestalestari Dwikarya – <b>Golden Agri Resources Ltd</b>	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Organisation address and site address	RSPO registered company: 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535  Liaison Office: Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia	
1.2.4	Telephone	(+62-21) 318 1388	
1.2.5	Fax	(+62-21) 318 1389	
1.2.6	E-mail	ismu-zulfikar@smart-tbk.com	
1.2.7	Web page address	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	1-0096-11-000-00, 31 March 2004	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	Tanjung Kembiri Mill; Tanjung Kembiri Estate and Tanjung Rusa Estate	
1.3.2	Type of certificate	Single	
<b>1.4 Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b>
	Tanjung Kembiri Mill (TKMM)	Kembiri Village, Membalong Sub District, Belitung District, Bangka Belitung Province, Indonesia	03° 01' 52.55" S
			107° 46' 18.60" E
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b>
			<b>Longitude</b>
	Tanjung Kembiri Estate (TKME)	Kembiri Village, Membalong Sub District, Belitung District, Bangka Belitung Province, Indonesia	03° 00' 54.58" S
			107° 46' 08.19" E
	Tanjung Rusa Estate	Kembiri Village, Membalong Sub	03° 02' 38.05" S
			107° 45' 15.56" E



	(TRSE)	District, Belitung District, Bangka Belitung Province, Indonesia					
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State		11,337.58 Ha				
	• Community		- Ha				
1.5.2	Area Statement						
	• Total area		11,337.58 Ha				
	• Mature area		10,484.67 Ha				
	• Immature area		- Ha				
	• Mill		9.53 Ha				
	• Infrastructure (roads, brige and trance)		77.17 Ha				
	• Emplishment		366.80 Ha				
	• Others area		354.96 Ha				
	• HCV		466.13 * Ha				
	Note : * Refer to HCV identification, some HCV area overlap with planted area. for example, riparian zone that planted will not replant and managed as a HCV area (no chemical activity).						
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Tj. Kembiri Estate	Tj. Rusa Estate	Total			
	1995	1,726.48	-	1,726.48			
	1996	2,080.89	1,202.24	3,283.13			
	1997	1,878.19	3,157.15	5,035.32			
	1998	153.55	285.17	438.72			
	TOTAL	5,839.11	4,645.56	10,484.67			
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Tanjung Kembiri	60	215,206.67	44,031.28	20.46	7,510.71	3.49
	<i>*Source: Mill Production Data Period February 2016 – January 2017</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/y ear)	Supplied to Mill	
						FFB (tonnes/year)	%
	Tanjung Kembiri	6,086.30	5,839.11	104,336.08	17.87	104,336.08	100



	Tanjung Rusa	5,251.28	4,645.56	77,856.68	16.76	77,856.68	100
	<b>TOTAL</b>	<b>11,337.58</b>	<b>10,484.67</b>	<b>182,192.76</b>	<b>17.38</b>	<b>182,192.76</b>	<b>-</b>
	<i>*Source:Estate Production Data Period February 2016 – January 2017</i>						
1.7.3	FFB description from other source						
	<b>Name of sources</b>	<b>Organization</b>	<b>Location</b>	<b>Supplied to Mill FFB (tonnes/year)</b>			
	<b>Tanjung Rusa Plama (TRSA)</b>	PT. FLD scheme smallholder (Non RSPO Certified) Planted: 496.99 Ha Members: 382 smallholders	Belitung District	5,756.90			
	<b>PT Pratama Unggul Sejahtera (PUSX)</b>	Independent Outgrower (Non RSPO Certified)	Belitung District	11,402.15			
	<b>Tanjung Sawit Estate (TSWE)</b>	PT Palmindo Belitung Berjaya Independent Outgrower (Non RSPO Certified)	Belitung District	23,164.87			
	<b>Melantan Makmur Plasma (MMKA)</b>	PT Palmindo Belitung Berjaya Independent Outgrower (Non RSPO Certified)	Belitung District	3,354.07			
	<b>Mitra Mandiri Plasma (MMNA)</b>	PT Palmindo Belitung Berjaya Independent Outgrower (Non RSPO Certified)	Belitung District	1,052.78			
	<b>Lingkar Mitra Plasma (LMTA)</b>	PT Palmindo Belitung Berjaya Independent Outgrower (Non RSPO Certified)	Belitung District	1,054.14			
	<b>Tunas Harapan Plasma (THRA)</b>	PT Palmindo Belitung Berjaya Independent Outgrower (Non RSPO Certified)	Belitung District	1,451.96			
	<b>Gang Rumpun Jaya (GRMA)</b>	PT Palmindo Belitung Berjaya Independent Outgrower (Non RSPO Certified)	Belitung District	1,490.01			
	<b>Tanjung Rusa Estate</b>	PT FLD (55.05 Ha) (Non RSPO Certified)	Belitung District	2,019.19			
	<b>TOTAL</b>				<b>29,043.73</b>		
	<i>*SourceMill Receiving Data Period February 2016 – January 2017</i>						
1.7.4	JenisProduk			<b>FFB, CPO, PK</b>			
<b>1.8</b>	<b>Estimate Tonnage of Certified Product</b>						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim 21 April 2016 to 20 April 2017 * (tonnes/year)		Actual certified product 21 April 2016 to 5 February 2017 (tonnes/year)	
	• FFB Production			259,063		167,969.04	
	• CPO Production			58,289		34,172.64	
	• Palm Kernel (PK) Production			13,601		8,830.68	
	<i>* Certificate Claim period 21 April 2016 – 20 April 2017</i>						
	<i>** Actual Claim period 21 April 2016 – 5 February 2017</i>						

1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Tanjung Kembiri		6,086.30	5,839.11	110,596	18.94	
	Tanjung Rusa		5,251.28	4,645.56	82,528	17.76	
	TOTAL		11,337.58	10,484.67	193,124	18.42	
<i>*Projected FFB production 21 April 2017 to 20 April 2018</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 (%)
	TanjungKembiri	60	193,124	42,487	22.00	10,622	5.50
<i>*Projected CSPO and CSPK processing 21 April 2017 to 20 April 2018</i>							
1.9	Other Certifications						
	ISCC			EU-ISCC-CERT-DE-104-16511501			
	ISPO			MUTU-ISPO/041			
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units Golden Agri Resources Ltd, updated 31 January 2016						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	
	Mill	Time Bound Plan					
	Pangkalan Panji	2013	PT Sawit Mas Sejahtera	2013	South Sumatera	Certified Sept 2015	
	Bumi Sawit	2013	PT Bumi Sawit Permai	2013	South Sumatera	Certified Oct 2015	
	Muara Kandis	2013	PT Djuanda Sawit Lestari	2013	South Sumatera	Certified May 2015	
			Smallholder (KKPA Pandawa)	2013			
			Smallholder (Pandawa Plasma)	2013			
	Sungai Rungau	2013	PT Sumber Indah Perkasa and PT Binasawit Abadi Pratama	2013	Central Kalimantan	Certified August 2013	
	Bukit Perak	2013	PT Bumi Permai Lestari	2013	Bangka Belitung	Certified September 2015	
	Tanjung Kembiri	2013	PT Forestalestari Dwikarya	2013	Belitung	Certified April 2014	
	Sungai Buaya	2014	PT Sumber Indah Perkasa	2014	Lampung	Certified May 2014	

Sungai Merah	2014	Smallholder (KKPA Gedung Aji Lama)	2014	Lampung	Certified May 2014
		Smallholder (KKPA Mesuji)	2014	Lampung	Certified May 2014
		PT Sumber Indah Perkasa	2014	Lampung	Certified May 2014
		Smallholder (KKPA Gedung Aji Baru)	2014	Lampung	Certified May 2014
Kasuari	2018	PT Sinar Kencana Inti Perkasa	2018	Papua	ST-1
		Smallholder (KKPA Sungai Panci)	2018	Papua	ST-1
		PT Sumber Indah Perkasa (Mambruk Estate)	2018	Papua	ST-1
Pekawai	2018	PT Agrolestari Mandiri	2018	West Kalimantan	ST-1
		Smallholder (Kayung Plasma)	2019	West Kalimantan	ST-1
Kenanga	2014	PT Kencana Graha Permai	2015	West Kalimantan	Certified October 2015
		PT Cahaya Nusa Gemilang	2015	West Kalimantan	Certified October 2015
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2018	West Kalimantan	-
		Delima Estate (PT Kencana Graha Permai)	2018	West Kalimantan	-
		Gaharu Estate (PT Bangun Nusa Mandiri)	2019	West Kalimantan	-
		Smallholder (Kencana Plasma)	2019	West Kalimantan	-
		Smallholder (Kenanga Plasma)	2019	West Kalimantan	-
Perdana	2020	PT Binasawit Abadi Pratama	2020	Central Kalimantan	ST-1
Kuayan	2020	PT Agrokarya Prima Lestari	2020	Central Kalimantan	ST-1
		PT Buana Adhitama	2020	Central Kalimantan	ST-1
Belian	2018	PT Paramitra Internusa Pratama	2018	West Kalimantan	ST-1
		PT Bangun Nusa Mandiri	2018	West Kalimantan	ST-1
		PT Kartika Prima Cipta	2019	West Kalimantan	ST-1
		PT Persada Graha Mandiri	2018	West Kalimantan	ST-1
		PT Cahaya Nusa Gemilang	2018	West Kalimantan	-
Sungai Kupang	2016	PT Sinar Kencana Inti Perkasa	2016	South Kalimantan	ST-2 May 2015

		Sungai Kupang Estate Sungai Kupang KKPA			
Sungai Kikim	2019	PT Sawit Mas Sejahtera	2019	South Sumatera	-
		PT Bumi Sawit Permai	2019	South Sumatera	-
Tangar	2020	PT Agro Lestari Sentosa	2020	Central Kalimantan	-
		PT Mitra Karya Agroindo	2020	Central Kalimantan	-
		PT Aditunggal Mahajaya	2020	Central Kalimantan	-
Sungai Magalau	2019	PT Sinar Kencana Inti Perkasa	2019	South Kalimantan	-
Jalemo Mill*	2020	PT Agro Lestari Sentosa (Balasang Estate & Jalemo Estate)	2020	Central Kalimantan	-
Sako Mill*	2020	PT Adi Tunggal Mahajaya	2020	Central Kalimantan	-
		Sulin Plasma	2020	Central Kalimantan	-
		Sapiri Plasma	2020	Central Kalimantan	-
		Sako Plasma	2020	Central Kalimantan	-
<p>*)under construction</p> <p>Golden Agri Resources Ltd run eight teen (18) mills and fifty four (54) estates in Indonesia and has achieved RSPO certified for nine (9) mills and supply base in Indonesia. Golden Agri Resources Ltd has informed the Time Bound Plan progress, MUTUAGUNG has considered that Golden Agri Resources Ltd is comply with the RSPO requirement for Time Bound Plan.</p>					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	GAR has been justified of Time Bound Plan (TBP) revision and reported to RSPO, which is Tanjung Rusa KKPA (TRSA) will audited on 2019. During this audit, GAR still prepared all RSPO P&C fulfilled.				

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>ASA-2</b>	<ol style="list-style-type: none"> <li><b>Trismadi Nurbayuto (Lead Auditor).</b> Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001; 14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; RSPO Next and OHSAS 18001. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. During this audit, he assigned to verify Occupational Health and Safety, Time Bound Plan &amp; Partial Certification</li> <li><b>Andi Pratama Pasaribu.</b> Bachelor of the social economy Agriculture Faculty of Jember University. He had followed the training of lead auditor Indonesian Sustainable Palm Oil (ISPO) and training of lead auditor Roundtable on Sustainable Palm Oil (RSPO). He has attending several training such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, Awareness ISO 22000 etc. Former, He has experience of work for five years as an operational staff in several plantation companies in Indonesia private oil palm plantation. Currently working on certification body as independent auditors. During this audit, he verified land legality and best management practices aspect.</li> <li><b>Yohanes Hardian,</b> Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitation project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA bu Remakr Asia 2016, Training Lead Auditor RSPO by Proforest- Daemeter 2016. Experience audit RPO And ISPO Since 2014. During this audit, he verified environment and GHG Aspect</li> <li><b>Rizliani Aprianita.</b> Bachelor and Master of Agribusiness. She had followed training such as training Lead / Auditor ISO 9001: 2008, ISO 14001, In House Traing NPP, IHT Palm Oil Processing, IHT Peat Management, IHT Integrated Pest Management, IHT SIA, Awareness RSPO and ISPO Auditor/Lead Auditor training. During this audit, she assigned to verify transparency, social aspect, and worker welfare.</li> </ol>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-3</b>	<p>Number of auditors :4 auditors.</p> <p>Number of days for ASA 2 at site : 4 days.</p> <p>Number of working days for ASA 2 at site : 16 Working days.</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-3</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Foresta Lestari Dwikarya to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria, July 2013 (endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016) and RSPO Supply Chain Certification Standard for Organizations Seeking or Holding Certification Adopted by The RSPO Board or Governors on November 21<sup>st</sup> 2014 (Module D 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>Opportunity for improvement of the results ASA-3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment. Improvement of findings from ASA-2 findings were observed by auditors at this assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3.</p>

<b>2.2.3</b>	<b>Location of Assessment</b>
<b>ASA-3</b>	<p>The sampling location determined by using formula <math>0,8\sqrt{y}</math> of the total estate suppliers and consider the issue arose from the review documents and stakeholders consultation that are fundamental and crucial. On this assessment, sample locations are <b>Tanjung Kembiri Mill, Tanjung Kembiri Estate, Tanjung Rusa Estate.</b></p> <p><b>Tanjung Kembiri Estate</b></p> <ol style="list-style-type: none"> <li><b>Harvesting, Block N62 Division VIII.</b> Observation and interview with harvester and harvesting supervisor regarding to harvesting procedure, PPE usage, payments, complain mechanism, worker welfare and worker welfare. Through this session known that all harvester has been paid according to the regulation, using PPE's during work and well trained in harvesting.</li> <li><b>Barn owl box No. 2, Block N62 Division VIII.</b> Observation of rat control by using natural predator.</li> <li><b>EFB Application using Empty Bunch Spreader/EBS, Block M52, Division VII.</b> Observation of organic fertilizer usage for mulching and maintain soil fertility especially in fragile soils.</li> <li><b>Chemical weeding, Block K47 Division VI.</b> Observation and interview with pesticide applicator and foreman regarding to pesticide application procedure, PPE's usage, medical check routine, payments, complain mechanism and sexual harassment/reproductive policy for women worker. Through this session known that all pesticide applicator has been well trained and able to demonstrated good pesticide application, using PPE's and paid according to the regulation.</li> <li><b>Interview with IPM's Foreman, Block K47 Division VI.</b> There is no IPM activity during the audit. Auditor has been interviewed the foreman regarding to early warning system, census procedure and biological methods that implemented.</li> <li><b>Boundary pole No. BT20 Block A/B 36 Division I.</b> Observation of availability and maintainability of legal boundaries. This pole is adjacent to the Simpang Rusa Village.</li> <li><b>Boundary pole No. BT14 Block F56 Division III.</b> Observation of availability and maintainability of legal boundaries. This pole is adjacent to the Simpang Rusa Village.</li> <li><b>Boundary pole No. BT34 Block N64 Division VIII.</b> Observation of availability and maintainability of legal boundaries. This pole is adjacent to the Kembiri Village.</li> <li><b>Boundary pole No. BT104 Block L47 Division VII.</b> Observation of availability and maintainability of legal boundaries. This pole is adjacent to the Kembiri Village.</li> <li><b>HCV1.1; HCV1.2; HCV4.1&amp;HCV 5 Block K, L, M (50 – 52) Division VII.</b> Auditor was observe related to HCV management (123.52 Ha). There are signboard and the vegetation on good condition.</li> <li><b>Workshop.</b> Observation of the workshop in the form of repairs and maintenance of operational vehicles and heavy equipment.</li> <li><b>Warehouse Satelite Hazardous Waste.</b> Observation storage and waste management activities hazardous waste TKME like oil, cotton waste scrap, filter scrap, used lamp.</li> <li><b>Warehouse Agrochemical.</b> Observation storage and management of chemicals used by the company in the form of herbicides, fungicides, pesticides and insecticides.</li> <li><b>Warehouse PPE and place Mixing Pesticides.</b> Observed the work tools and PPE washing spray workers, equipped with tanks.</li> <li><b>Generator Set.</b> Observation of the availability of the generator as a means of lighting for office, residential and other supporting facilities.</li> <li><b>Clinic.</b> Observation of clinical activities and interviews with paramedics such as health programs, health checks, Posyandu, and management of infectious waste.</li> <li><b>Employees Housing Estate.</b> Observation of employee housing facilities, water facilities, places of worship, and sports facilities provided by the company.</li> <li><b>Blok J60.</b> Observation lanfill and management domestic waste</li> </ol> <p><b>Tanjung Kembiri Mill</b></p> <ol style="list-style-type: none"> <li><b>Security gate.</b> Observation and interview with security officer regarding to FFB receiving, CPO/PK dispatch and SCCS procedures and it implementation, documentation and record keeping.</li> <li><b>Weight bridge.</b> Observation and interview with weigh tbridge operator regarding to procedures FFB receiving, CPO/PK dispatch and SCCS procedures and it implementation.</li> </ol>



21. **Loading ramp.** Observation and interview with sortation officer regarding to sortation procedures, record keeping and documentation.
22. **Processing station and dispatch.** Observation and interview with mill operator regarding to processing procedure, health and safety implementation, payments and overtime, medical check routine and complain mechanism.
23. **Mill office.** Observation and interview with mill manager and staff regarding to SCCS implementation and demonstration.
24. **Hazardous waste storage of TKMM.** Observing the condition of the storage, the recording mechanism, the understanding of the personnel in charge on his duty and how the hazardous waste is kept, categorized and grouped.
25. **Waste Water Treatment Plant.** Observing the condition of the facility, how it is managed, the understanding of the PIC regarding his/her duty, the operational of the WWTP equipment, the monitoring system and the recording and communication to other related division in this case is the laboratory division and land application.
26. **Hydrant No. 2.** Observe of preparedness and emergency response simulation.
27. **Warehouse chemical.** Observation storage and management of chemicals used by the company to proses water treatment.
28. **Water Treatment Plant.** Observation water management for processing CPO.
29. **Land Application blok L52 :** observation application POME at fled bed, based on the results of field visits found no leaks and operational personnel understand the waste stream in land applications
30. **Monitoring wells Blok L50:** observation condition of monitoring well.

#### **Tanjung Rusa Estate**

31. **Chemical weeding, Block K8 Division I.** Observation and interview with pesticide applicator and foreman regarding to pesticide application procedure, PPE's usage, medical check routine, payments, complain mechanism and sexual harassment/reproductive policy for women worker. Through this session known that all pesticide applicator has been well trained and able to demonstrated good pesticide application, using PPE's and paid according to the regulation.
32. **Harvesting, Block R22 Division IV.** Observation and interview with harvester and harvesting supervisor regarding to harvesting procedure, PPE usage, payments, complain mechanism, worker welfare and worker welfare. Through this session known that all harvester has been paid according to the regulation, using PPE's during work and well trained in harvesting.
33. **Barn owl box No. 19, Block R19 Division IV.** Observation of rat control by using natural predator.
34. **Road/bridges maintenance.** Observation of road/bridges maintenance.
35. **Boundary pole No. BT100 Block J31 Division VI.** Observation of availability and maintainability of legal boundaries. This pole is adjacent to the Lasar Village.
36. **Boundary pole No. BT122 Block T35 Division V.** Observation of availability and maintainability of legal boundaries. This pole is adjacent to the Perepat Rusa Village.
37. **Boundary pole No. BT47 Block T21 Division IV.** Observation of availability and maintainability of legal boundaries. This pole is adjacent to Oil Palm Plantation PT Alam Karya Sejahtera.
38. **Boundary pole No. BT17 Block Q7 Division II.** Observation of availability and maintainability of legal boundaries. This pole is adjacent to the Membalong Village.
39. **Anak sungai Kepang blok R34** observation HCV area. the condition of the HCV area is well maintained, good delineated and signed clearly. It is also accessible.
40. **Forests at blok R34.** observation HCV area. the condition of the HCV area is well maintained, good delineated and signed clearly. It is also accessible
41. **Air Gede river blok K09 observation HCV area.** the condition of the HCV area is well maintained, good delineated and signed not clearly. It is also accessible.
42. **Swamp forest at blok N11.** observation HCV area. the condition of the HCV area is well maintained, good delineated and signed clearly. It is also accessible
43. **Kembiri river blok N12** observation HCV area. the condition of the HCV area is well maintained, good delineated and signed clearly. It is also accessible.
44. **Employee Housing Estate in Division 1,2 and 5,7.** Observe the employee housing facilities, water facilities, places of worship, and sports facilities provided by the company.



	<p>45. <b>Fertilizer Storage.</b> Observations and interview related to management of hazardous material, there are Material Safety Data Sheet (MSDS) according to each type of fertilizer.</p> <p>46. <b>Workshop.</b> Observation of the workshop in the form of repairs and maintenance of operational vehicles and heavy equipment.</p> <p>47. <b>Warehouse Satellite Hazardous Waste.</b> Observation storage and waste management activities B3 TRSE like oil, cotton waste scrap, filter scrap, used lamp.</p> <p>48. <b>Warehouse Agrochemical.</b> Observation storage and management of chemicals used by the company in the form of herbicides, fungicides, pesticides and insecticides.</p> <p>49. <b>Generator Set.</b> Observation of the availability of the generator as a means of lighting for office, residential and other supporting facilities.</p> <p>50. <b>Warehouse PPE and place Mixing Pesticides.</b> Observed the work tools and PPE washing spray workers, equipped with tanks.</p>
<b>2.3 Stakeholder Consultation and Stakeholders Contacted</b>	
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-3</b>	<p>The public consultation with stakeholders to PT Foresta Lestari Dwikarya Tbk – Tanjung Kembiri POM is done through:</p> <ul style="list-style-type: none"> <li>• Public announcement at web website MUTU (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) on 16 January 2017.</li> <li>• Public consultation meeting with local stakeholder conducted by visits to (Simpang Rusa Village, Cerucuk Village, Air Kundur Sub Village, and Kembiri Village) on 7 February 2017.</li> <li>• Public consultation meeting with gender committee, labour union and FFB Supplier on 7-8 February 2017.</li> <li>• Public consultation with government agency of Belitung District (Environment Agency, Food security and agriculture Agency, Land Agency; and Cooperative, Trade and Manpower Agency) by interview on 6 February 2017.</li> <li>• Public consultation by email with NGO (Sawit Watch, Walhi, WWF) by email on 31 January 2017.</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Foresta Lestari Dwikarya</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4 Determining Next Assessment</b>	
	The next visit (ASA-4) will be determined nine month until one year after this ASA-3 (February-April 2018).

### 3.0 ASSESSMENT FINDINGS

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

Mutuagung Lestari has conducted an assessment of Tanjung Kembiri POM – PT Foresta Lestari Dwikarya subsidiary of Golden Agri Resources Ltd operation consisting of one mill and two estates.

During the assessment, there were one (1) nonconformity were assigned against Major Compliance and nine (9) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action that had been reviewed and accepted by Auditor in form of documentation evidence e.g. (document record). Those corrective action taken that consist of one (1) Major non-conformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Tanjung Kembiri POM – PT Foresta Lestari Dwikarya subsidiary of Golden Agri Resources Ltd complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria, July 2013 (Endorsed by the RSPO board of Governors meeting on 30<sup>th</sup> September 2016) 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	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	<p>Management has list of stakeholders that consist of government agency, village, worker organization, etc. There are type of information that can be given to the stakeholders include certificate of Land use title, HCV report, social impact assessment report, human rights policy etc.</p> <p>Based on interview with community such as Kembiri and Cerucuk Villages, if they need information they will submit a letter to the company. According to them, the company always responds each letter submitted. Based on verification of document incoming and outgoing mail, the entire of incoming mail was responded by the company. For example, letter dated 5 January 2017 no. 049/Disnaker/17 and have responded by the company on January 10, 2017.</p> <p>The Company considers to report the land use report to the National Land Agency. (Observation). OFI.1</p>	
<b>1.1.2</b>	<p>Management has procedure to respond the stakeholders that contained in SOP Communication and Consultation No. SOP/SMART/UMUM/SADV/004, dated 1 July 2014 .The time period to respond information request is no longer than three weeks after the letter was received.</p>	
	<b>Status: OFI.</b>	
<b>1.2</b>	<b>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>	
<b>Major 1.2.1</b>	<p>The company has a list of publicly accessed information. The list was contained in company document no. (F/SMART/UMUM/SADV/004/003 tanggal 20 Oktober 2014). The publicly accessible document area environmental</p>	

impact assessment document, report of environmental management, HCV document, annual SIA report, CSR report, land ownership, act of company establishment and change, regional tax payment receipt, complaint and information request logbook, document of GHG calculation, data of production area and application, P2K3 report and human right policy of the company.

Based on interview with Environment Agency of Belitung District and Manpower Agency of Belitung District reveals that the agency can easily accessed any information needed from the company. Information request letter sent to the company got positive feedback from the company. The company also sent the report related to each agency periodically as part of its obligation to regulation. And in accordance to document review, the company has sent the GHG calculation to RSPO.

**Status: Comply**

### 1.3

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

##### **Minor 1.3.1.**

The company has had a policy of ethical business principles that have been endorsed by the Regional Controller on August 1, 2014. The policy states that the company is committed in the management of all activities of the business practices, no tolerance for any act or form of corruption in the business practices and all forms of business practices conducted by transparent and open manner. While the company also have GAR Social and Environment Policy/GSEP) signed by Head of Upstream on November 2015. This policy was explained about code of integrity and ethical business.

The policy has been socialized to the employees on January 25, 2017 (available document of attendance and photo of socialization activity), also has been displayed on each office in units. Based on interview with some workers in TKME, TRSE and TKMM; they can explain this policy.

**Status: Comply**

## **PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

### 2.1

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

##### **Major 2.1.1**

Company showed some evidences over its compliance toward the applicable regulation. For instance, company showed its mill and estate's compliance toward the occupational health and safety regulation, such as:

- Operator boiler has the occupational health and safety license No. 12.301-OPK3-PUBT/B-I/XI/2012-P1 that is valid until 08 November 2017 based on Ministry of Manpower Decree No. 01 in 1988.
- Welder certificate No.S.376/JL/PNK3/XI/2012 that was issued on 08 November 2012 welder class III based on Ministry of Manpower Decree No. 02 in 1982.
- Technician certificate No. Ser.1428/K3-LIST/DPNK3/11.12 that was issued on 08 November 2012 based on Ministry of Manpower Decree No. 12 in 2015.
- PPE proficiency based on work risk in mill and estate that is in line with Ministry of Manpower Decree No. 08 in 2010.
- Hyperkes doctor based on Manpower Minister Decree No. 01/1976; certificate No. Ser.37.913/DH-I/15 year 2015

##### **Land Right and Legality**

- The company has had Land Use Title with total concession **11,337.582 Ha**, divided in three certificate as follows:
  1. Certificate No. 1 dated on 29 March 1994.
  2. Certificate No. 13 dated on 3 December 2001.
  3. Certificate No. 14 dated on 6 September 2005.
- Plantation business permit, based on Head of Belitung District Decree **No. 525/00525/IUP-KEB/IV/2003** dated on **24 March 2003** for mill and estate.

##### **Minor 2.1.2.**

There is a list of compliance with rules established by PT FLD for each field, List of Legal and Other Requirements Employment Field (F / SMART / GENERAL / SADV / 002/001) are updated on January, 2017; List of Legal and Other

Requirements Sector Employment ( F / SMART / GENERAL / SADV / 002/001) are updated on January, 2017; List of Legal and Other Requirements field of HCV (F / SMART / GENERAL / SADV / 002/001) are updated on January, 2017; and the List of Legal and Other requirements field K3 (F / SMART / GENERAL / SADV / 002/001) are updated on January, 2017.

**Minor 2.1.3.**

The management units consistently carry out the evaluation of compliance with applicable legal requirements in accordance with SOP Rules and Other Requirements (SOP / SPO / SMART / LH-03). Regulatory compliance evaluation conducted periodically every year by the SPO Region and Document Controller Staff assisted by the relevant department. Evaluate Adherence to Rules, Regulations and Other Requirements Employment Field are updated on January, 2017; Evaluation of Adherence to Rules, Regulations and Other Requirements Field of HCV updated on January, 2017; Evaluation of Adherence to Rules, Regulations and Other Requirements for Environment were updated on January, 2017; evaluation of Adherence to rules, Regulations and Other Requirements of Licensing Land Estates January, 2017; with the results of the evaluation are all regulations have been met.

<b>Status: Comply</b>
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**2.2**

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

**2.2.1**

Until the third annual surveillance assessment, the company has no new land expansion. Based on the hectare statement that showed during the audit, total area that managed by the company has **11,337.582 Ha** which is divided in three certificate as follows:

1. Certificate No. 1 dated on 24 December 2005 (certificate scope 1,082.20 Ha).
2. Certificate No. 13 dated on 3 December 2001 (certificate scope 4,668.43 Ha).
3. Certificate No. 14 dated on 6 September 2005 (certificate scope 5,586.952 Ha).

Based on public consultation with National Land Agency staff in Belitung District, the company has not propose new land permit. As stated in NCR No.2016.01 that indicates the company has planted outside the HGU area the company has showed several corrective evidence as follows:

- a. Conducting re-measurement of all area that indicates planted outside the HGU areas. Based on the re-measurement result, it indicates 55,05 Ha area that planted outside the HGU.
- b. Released area above out of certification scope and coding as TRSE Non Certificate (TRSE NC) in supply chain system.
- c. Propose cadastral measurement to the Land National Agency of Belitung District on 10 May 2016 (according to the company letter No. 23/FLD-D&L2/V/2016) for area  $\pm$  55.25 Ha located in Sub-district of Membalong, Belitung.
- d. The company has showed payment receipt dated on 9 November 2016 for cadastral measurement.
- e. Minutes of meeting cadastral measurement that held on 10 November 2016. Total area that re-measurement was 55.05 Ha.

Based on information above, the company were still on progress to get land use tittle for the outside area. It progress will observed in the next assessment. Company considered to be sure and be proactive in following the process to obtain the concession area of 55.05 ha located in District Membalong, Belitung. **(Observation)**

**2.2.2; 2.2.3; 2.2.4; 2.2.5; 2.2.6**

The company has had a procedure to monitoring all legal boundaries poles (SOP/SMART/CERS-EHSD/SADV/II/004, dated 1 July 2014). Implementation of the procedure has shown in evidence of "Conditions of Boundaries Pole Checklist" document.

Auditor has observed some boundary poles in each unit randomly. The result of field observation shows:

**Tanjung Kembiri Estate:** Boundary pole No. BT20 Block A/B 36 Division I, Boundary pole No. BT14 Block F56 Division III, Boundary pole No. BT34 Block N64 Division VIII and Boundary pole No. BT104 Block L47 Division VII.





**Figure 1 Boundary Poles No. BT14**



**Figure 2 Boundary Poles No. BT34**



**Figure 3 Boundary Poles No. BT104**

**TRSE:** Boundary pole No. BT100 Block J31 Division VI, Boundary pole No. BT122 Block T35 Division V, Boundary pole No. BT47 Block T21 Division IV and Boundary pole No. BT17 Block Q7 Division II.



**Figure 4 Boundary Poles No. BT100**



**Figure 5 Boundary Poles No. BT122**

Based on document verification there is 338 boundary poles in TKME and 599 boundary poles in TRSE. Based on boundary poles monitoring document, all boundary poles were well maintained.

The company ensuring realization of boundary poles verification using GPS. **OFI**

The result of public consultation with village representative shown that there were land dispute with people of Simpang Rusa village regarding to ex-nurseries area. They claimed those land belongs to their ancestors. They closed all operational access in those area. According to the land dispute procedure, the company has conducted several meeting with the village representative as follows:

- **Tuesday, 24 May 2016**  
Negotiation held in village meeting hall of Simpangrusa and attended by sub district head of Membalong, police officer from police headquarter of Belitung District, company representative and people of Simpangrusa village. This meeting reached an agreement that all prosecutions of citizens will be considered ad submitted to the top management. During this period, all operational access will be opened.
- **Saturday, 6 August 2016**  
Negotiation held in village meeting hall of Simpangrusa and attended by sub district head of Membalong and company representative and people of Simpangrusa village. The company offered that all prosecutions changed with CSR programs. Both sides will considered the offer.
- **Tuesday, 1 November 2016**  
Negotiation held in representative office in Tanjung Pandan and attended by 9 person from village representative and 3 person from company representatives. The village representatives submitted the proposal and accepted by

the company for consideration.

Based on public consultation result, known that all process has been implemented by consensus, openly and without intimidation. This process were on progress. The company considered to monitoring and ensuring positive progress of this land dispute. **OFI**

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.

**Major 2.2.1**  
**Minor 2.2.2**  
**Minor 2.2.3**

**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.**

#### 2.3.1; 2.3.2; 2.3.4;

The company has had procedure of FPIC Implementation (SOP/SMART/SENS-CSR/SADV//003 dated on 1 July 2014). It set several procedures as a guidance for the new land acquisition and mill building. 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 1994 to 1995. 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-3, the company does not expand the area, where the implementation of land compensation performed the last time in 1996.

There is no customary tenure in the plantation area of PT Forestalestari Dwikarya, it is based on the results of the document verification and interview with management representative. PT FLD has had shown document of Identification of High Conservation Values for PT Forestalestari Dwikarya 2012. The document describes the process of determining of High Conservation Value (HCV) area and note that it is only in the form of Cemetery area and Water Resources. The area of 3.93 ha respectively in Estate Tanjung Rusa and 2.04 ha in Tanjung Kembiri Estate. Areas mentioned above, are not within the control by indigenous rights.

Available evidence in the form of Minutes of the Public Consultation HCV dated February 22, 2013 and lists attend Public Consultation participants (40 participants) consist of Heads of Villages, Village Chief, Head, Community Leaders, Deputy of the NGO, Society and Representative of the Company.

Based on documents verification, information management representative and interviews with relevant institutions (Plantation Office) note that there are no traditional rights in the area of PT FLD.

**Status: Comply**

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

### 3.1

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

#### 3.1.1

The Company has management plan that contained in the document of Economic Feasibility Analysis in the period 2016-2020 which describes the production of FFB, CPO Production, Production Kernel, OER, KER, operating costs, the financial indicators (income vs. costs), etc.

A long-term planning also described a replanting plan. Its program based on evaluation at some factors such as:

- Age >25 years.
- Palm heights >13 m.



- Annual yields <14 ton/ha.
- Stands per Ha <100 trees/ha
- An annual replanting activities planned only 4% from all planted to ensure FFB production keep stable.

### 3.1.2

The company has set a plan of re-planting during the next 5 years (2016-2020), is described in the following table:

Estates	2016	2017	2018	2019	2020	Total
TKME	-	-	-	-	1,000	1,000
TKSE	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	1,000

Based on the field audit, it is known that the company does not undertake replanting activities. Replanting activities in accordance with the company's program will be made in 2020.

**Status: Comply**

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

### 4.1

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

#### 4.1.1

PT. Forestalestari Dwikarya has had documents of SOP-IK Technical of Oil Palm Cultivation starting from land clearing up to harvesting drafted by team of MCAR (*Management Committee Agronomy and Research*) in 2012. The SOP documents among others about Planning of New Area Planting, Replanting Plans, Nurseries, Land Clearing, planting, replanting, Pest and Disease Control, Weed Control, Fertilization, Maintenance of Immature plant, Preparation Ahead of Harvest, Harvesting, Loading and Transportation of FFB and Measurement of Rainfall by Ombrometer.

Based on a field visit and interviews with the harvesters in Block N62 Division VIII TKME and Block R22 Division IV TRSE, the harvesting process has complied with the harvesting procedures that issued by the company. The harvesters can explain well on harvesting correct procedures. Particularly relevant to the criteria for ripeness. Harvesters and pickers can explain well also on payments mechanism and obligation to use personal protective equipment (PPE) according to the HIRAC. Through this session known that all harvester has been paid according to the regulation, using PPE's during work and well trained in harvesting.

The company also has a complete SOP associated with the processing of palm oil into CPO and PK in the palm oil mill contained in the SOP No. 04-09 / MCMD-SOP / 438 revisions number 4. SOP approved by Edwin Ng (Chairman MCMD) and entered into force on 1 September 2010. The SOP includes standard operating procedures in POM include: FFB reception station, sterilization activities, slamming station (threshing), press station, clarification station (purification), clarification station; Oil recovery tank sub station, nut and kernel station, boiler and engine room, water treatment, final effluent, storage tank washing.

PT. Forestalestari Dwikarya also had SCCS procedure that documented in SCCS Mass Balance Model (No. Doc. PT FLD-TKMM/SOP/35) approved since 2 January 2016. It describe several chapter such as job description of all PIC, SCCS terminology, FFB received procedure, weight bridging, quality checking, processing, end product monitoring, mass balance calculation and dispatch. All certified product reporting documented in SOP of RSPO Certified Product Reporting (No: PT FLD-TKMM/SOP/36) dated on 2 January 2016.

All SOP document written in Bahasa and available in each unit.

#### 4.1.2; 4.1.3

To ensure consistency of procedures implementation, the companies routinely conduct internal audit activities both agronomic and processing. It held by the Department of Operational Internal Audit (OIA) every semester. The records of internal audit first semester 2016 (July – August) and second semester (December) has documented. Non-compliance records of internal audit has corrected and verified by top management such as manager, RC and VPA.

To ensure sustainability program well implemented, they also has sustainability internal audit which held annually by Sustainability Policy and Compliance Division.

#### **Major 4.1.4.**

The company has FFB purchase from other source on the software program (SMAWEB) dated 31 May 2016, this procedure was explain about: determination of FFB suppliers, FFB received and grading. Besides of FFB from own estate, the company also has list of FFB supplier such as: Tanjung Rusa Plasma, PT Pratama Unggul Sejahtera, PT Palmindo Belitung Berjaya (one own estate and five smallholders). Pricing mechanism for FFB refers to the FFB pricing that passed by Plantation Agency of Province Kepulauan Bangka Belitung every month. Agreement related to the FFB purchasing with the external party has equally understood by both parties. It can be seen from the evidence of the formal signing of FFB purchasing order on the stamp duty and each party keeps the copy.

Based on the documents review and field visit, it can be concluded the company has documented, implemented and monitored the procedures.

Based on information above, the company deemed has fulfilled this criteria.

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

### **4.2.1**

The company has implemented practices to optimize production rate in accordance with the established procedures, among others;

1. Sampling of Soil and leaves by SMARTRI regularly to make sure the elements that plants need in order to produce optimally. Results of soil and leaf analysis that tested will be the basis for determining the dose of fertilizer in each estate.
2. Fertilization activities that emphasizes the principles of timely, targeted, precise dosage and proper application. Beside that, there was an EFB extra with dosage 40 ton/Ha/year for the marginal soil.
3. POME application in TKME to enrichment soil fertility. There is a 280 Ha application area over TKME.
4. Maintenance of ground cover plants to reduce evaporation (keeping the soil moisture). For example, planting beans and maintenance the fern (*Nephrolepis bisserata*). To all sprayers always informed on the morning briefing to not spraying the plant.

During audits, auditor was observing EFB application as an extra fertilizer using Empty Bunch Spreader/EBS, Block M52, Division VII. The activities show the company strategy to enrichment organic contents in soil especially for marginal soil. Beside that, EFB also functioned as mulching to keeping the soil moisture in dry season and reducing run off in rainy season.

### **4.2.2**

The company has documented a fertilizing process both organic and an-organic fertilizers. The documents that shows the fertilization records such as recommendation and realization of fertilizer application, realization of EFB application and realization of POME application. Based on field visit, EFB and POME application were done application. So far, there was no official report regarding to pollution due to POME application.

They also using an-organic fertilizer with recommendation and dosage by SMARTRI. Fertilizer program 2016 shows that company using several fertilizer such as Urea, Rock Phosphate, Super Dolomite, Kieserite, Boron etc.

### **4.2.3**

Companies routinely conduct a SSU and LSU. SSU conducted every 5 year for trees age 3, 8, 18 and 23. LSU conducted every year. The Parameter being analyzed in SSU were KA, N, P, K, Mg, Ca, Mn, B, Zn, Cu, Cl, Fe and Na. Meanwhile, parameter that being analyzed in LSU were pH, C, N, P, K, Mg Total, P Bray 1 and KTK. The testing result might be used by SMARTRI to determine fertilizers recommendation.

Based on documents and field visit above, it can be concluded the company has enrichment soil fertility by using organic or an-organic fertilizers. The record has been well documented.

#### 4.2.4

Strategic use of organic materials as fertilizer is application EFB with dosage is 40 ton/ha/year and POME application in license area at TKME wit dosage 375 m<sup>3</sup>/ha/year. EFB has been applied for fertilizer at year 2016 was 46.222,59 ton and POME application at the field in semester 2 in 2016 was 119.711,00 m<sup>3</sup>. Based on information above, the company has fulfilled this criteria.

**Status: Comply**

### 4.3

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

#### 4.3.1

The company has had a soil suitability map report issued by Plantation Monitoring and Planning Division year 2006 which included a description of the soil types, topography, soil texture, drainage condition, land suitability level, and the limiting factor. This contains:

1. TKME: contains areal which category N (not suitable), S3 (suitable marginal), S2 (moderate suitability) and water area. The area mapping in soil map document PT. Forestalestari Dwikarya with scale 1: 60.000 (No. Reg: 565/202/PMNP/X/09) year 2012.
2. TRSE: contains area which category N (not suitable), S2 (moderate suitability), water area and un-surveyed area. The area mapping in soil map document PT. Forestalestari Dwikarya with scale 1: 50.000 (No. Reg: 567/202/PMNP/X/09) year 2012.

#### 4.3.2

Based on survey report, the slope levels range between 0 – 15%. However, the slope area was not a limiting factor. Planting strategy for areal with slope levels 8 – 15% was:

- U-shape frond stacking methods.
- Maintenance fern (*Nephrolepis bisserata*) to keeping the soil moisture.
- EFB application to enrichment organic contents in soil and reducing run off risk in rainy season.

The company had a guidance related to planted in slope area as follows SOP New Planting Planning (No. Doc. LAMP/I/TA-PPA/02-Klasifikasi Kemiringan dan Keperluan Teras) and Work Instruction for Individual terrace (SOP/SMART/MCAR/I/TA-PPA) and Instruksi Kerja (IK/SMART/MCAR/I/TA-PPA/03-Teras) for terrace contour.

Due to weather condition (rainy) during the audit, auditor cannot observed planted in slope area.

#### 4.3.3

The company has had yearly road and bridges maintenance program. During the audits, there was no new road or bridges. All road and bridges well prepared. According to estate manager, main road for transported FFB, CPO and PK maintenance every 2 month. Meanwhile, collection road maintenance once a year. All road maintenance done by manual or mechanical. Due to a rainy season a couple of month before audit, some road and bridges are damaged. For example, bridge in block R22 Division IV TRSE. However, whole bridges has been insured and repaired immediately.



**Figure 6 Damaged Bridge**
**4.3.4; 4.3.5**

According to semi detail soil survey report, there is no peat indicated in all company operational area. Hence, no peat management that planned.

**4.3.6**

Based on field visit in TKME and TRSE, physically the top soil mixed with sand. Its indicated a less of soil fertility. Hence, the company enriched with EFB and POME.

Based on document verification, interview with estate staff and field visit, it can be conclude the company has drafted and implemented activity to minimize soil erosion. Operational area has had mapping include soil characteristic were documented.

<b>Status: Comply</b>
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**4.4**
**Practices maintain the quality and availability of surface and ground water.**
**4.4.1**

The company has identified river and water source in its operational area and mapped it. The identification is recorded in company's HCV identification document and EIA report (AMDAL). The identified river are tributary of Kembiri River (Air Gede River), tributary of Membalong River (Keping River), tributary of Pala River (AikMudur and AikMengkuang Rivers), Cerucuk River and water spring in TRSE. In regards to the existing river within the operational area, the company has developed water management plan consisting plan of the riparian area delineation, HCV protection signboard instalment, HCV socialization, riparian area rehabilitation, the upkeep of no spraying area and river water quality monitoring.

**4.4.2**

During the field visit to riparian area in riparian area of Keping River at Block R34 and riparian area of Gede River, (Block L12), Block N11 and block P15 in TRSE, the riparian area and water spring are in good condition and well managed and protected. The planting of bamboo and vertiver grass is conducted to prevent erosion along the riparian area. No sign of erosion occurred in the visited location. There is also water quality monitoring for the three rivers and the test results are in accordance with the government regulation.

**4.4.3.**

The company has waste water treatment plant for mill process effluent treatment before discharge to land application area. The company conducted monthly effluent laboratory test and daily effluent quality monitoring. During the period of October to December 2016, the BOD of the effluent are complied with the regulation (<5000 mg/l). The treated effluent sent to permitted land application and monitored by the PIC in charge in mill and estate.

**4.4.4**

Water usage records documented in documents of recapitulation and distribution water of mill. average of water consumption for processing is 0,66 m3 water/ ton FFB from budget 1,2 m3 water/ ton FFB. All the evidence provided and field visit lead the auditor to conclude that the company has had well water management program and has been implemented with periodic monitoring.

<b>Status: Comply</b>
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**4.5**
**Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.**
**4.5.1**

The Company has established an IPM program contained planned regarding to procedure and local policy. The program as follows:

- Early warning detection of caterpillar attack. Conducted every two month. Based on the recapitulation data of Oil Palm Leaf Eaters Caterpillar pests on 2016 (January to December), there are no caterpillar attack in TKME and

TRSE.

- Monthly rat census. Identification by observation gnaw in FFB. Based on census data, there is no rat attack that exceed economic threshold.
- Barn owl box (BOB) monitoring. Conducted every month to monitored occupancy and activity of owls. Based on monitoring documents, there are 488 unit BOB in TKME and 200 BOB in TRSE.
- *Ganoderma* census. Conducting annually. Based on the last census on 2016 known that 704.424 trees in TKME has been infected while 565.158 trees in TRSE also infected. All infected trees categorized as light attack. According to their pest and disease control guidance, it is still not required treatment.
- Maintenance of beneficial plant. Conducted every month by weeding, replacing a dead plants and repaired *Antigonon* sp pole.

Based on field observation in TKME and TRSE, there are no indication of outbreak. The occupation of BOB was very good. All BOB that observed in Block N62 Division VIII TKME and Block R19 Division IV TRSE were occupied. Whole census result and monitoring reported to the manager and SMARTRI staff for analyzed and establish preventive action.

Identification of potential pest and economic threshold according to SOP No. SOP/SMART/MCAR/VII/TA-TNM regarding to integrated pest management which is approved since 12 June 2012.

#### 4.5.2

Through the document and interview with IPM's supervisor, known that IPM training has conducted regularly by SMARTRI staff. The latest training has been held on 9 February 2016 in meeting room TKME and attended by 13 census officer from TKME and TRSE.

**Status: Comply**

#### 4.6

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

##### 4.6.1

Based on the observation of the document, the company uses five types of herbicides that used in operational activity in TKME and TRSE. All pesticides used has been registered and the circular license is still valid as it appears in the book of Agriculture and Forestry pesticide issued by the Directorate General of Fertilizer & pesticide Ministry of Agriculture of the Republic of Indonesia in 2016.

The company has guidance in pesticides application which documented in SOP weeds management named general instruction in safety working with pesticides/PUKBP (Doc. No. LAMP/VIII/TA-PGM/03-PUKBP). In those documents, there are several guidance about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case. Besides that, also described guidance of using paraquat dichloride.

From the pesticides usage data above, all pesticides that using by company is for weeding (herbicides). Justification of pesticides usage depends on weeding identification in field and PUKBP review. The type of weed is broad leaf, narrow leaf and wooden. Hence, herbicides that using was that herbicides as listed.

##### 4.6.2

The Company has documented records of pesticide toxicity (LD50) in the document of Monthly Pesticide Toxicity Data. The document is recorded produk name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, FFB production and pesticide unit/kg. This document is constantly recorded and updated by the sustainability officer of estate each month.

##### 4.6.3

The company strategy to minimize pesticides usage through:

- Selective spraying. It means pesticides/herbicides application only in weed in circle, path or collecting point.
- Very low volume nozzle. It used to reducing water usage and herbicides dosage. Very low volume nozzle more effective to control weeds due to smaller droplets that easy entering into the weeds stomata. Based on filed



observation block K47 Division VII TKME and Block K8 Division I TRSE known that whole knapsack sprayer that used were very low volume (VLV) nozzle to reduce chemical usage.

#### **4.6.4**

On the August 13<sup>th</sup> 2015, President Director of Smart Tbk released memorandum No. 032/PD/VIII/2016 about the use of paraquat. In the memorandum reaffirmed that company no longer using paraquat since 2016. According to interview with spraying team block K47 Division VII TKME and Block K8 Division I TRSE, there is no paraquat application for weeding since early 2016.

#### **4.6.5**

The company has set several procedures related to handle, usage and application of pesticides. The procedures as follows:

- Pesticides handling procedures (SOP/SMART/LEMS-EHSD/SADV/II/002) that contain procedures of collecting, documenting, storage, returned to vendor and rinse water usage.
- Work instruction (IK/SPO/SMART/LH-08/01) contain procedure for manage former herbicides jerry.

All pesticides applicator has been attended pesticides applicator training that held on 3 February 2017 in meeting room TKME. It training facilitate by SMARTRI and attended by 30 pesticides applicator from TKME and TRSE. Company considered to ensure the use of appropriate PPE spray teams accordance with work instruction No SMART/MCAR/XII/TA-PTM/01. OFI

#### **4.6.6**

Based on interview with spraying team block K47 Division VII TKME and Block K8 Division I TRSE, applicator has known the work procedure of pesticides application. In addition, there is several rules to ensure safety application such as:

- Socialization of material safety data sheet to all pesticides applicator every morning before starting to work.
- PPE usage such as safety shoes, apron, glasses, masker and hand gloves. According to interview with spraying team TKME and TRSE, they have been using PPE.
- Sign board has been installed in area which had been applied pesticides.
- Sign board has been installed in area that prohibited to apply pesticides in riparian zone. The signs such as red cross in trees in riparian zone to reducing water pollution.

Based on interview with spraying workers, management of the ex-container of agrochemical has been follow the prosedur. the ex-container of agrochemical can not be taken home or other used. The ex-container of agrochemical must be sent at license hazardous waste warehouse, the company has shipment the ex-container of agrochemical to PT Primanru Jaya at 17 january 2017 as much 82,86 kg

#### **4.6.8**

Based on documents verification and interviews with management staff, the company did not perform the application of pesticides from the air.

#### **Minor 4.6.9.**

The company has been provided pesticide application information to all pesticide applicators by training on 3 February 2017; based on field observations to chemical store; there are MSDS and also it was available pesticide mixing places. In pesticides application, applicator has known the work procedure of pesticides application. In addition, there is several rules to ensure safety application such as:

- Socialization of material safety data sheet to all pesticides applicator every morning before starting to work.
- PPE usage such as safety shoes, apron, glasses, masker and hand gloves. According to interview with spraying team TKME and TRSE, they have been using PPE.
- Sign board has been installed in area which had been applied pesticides.
- Sign board has been installed in area that prohibited to apply pesticides in riparian zone. The signs such as red cross in trees in riparian zone to reducing water pollution.

#### **4.6.10**

Ex pesticide containers is washed for 3 times (refer to MSDS) and the water used to wash it shall be used for spraying. According to SOP of Waste Management (SOP/SMART/LEMS-EHSD/SADV/II/002) on July 2nd 2014 on point 6.3.b, the washed pesticide containers could be used for the same operations or could be returned to the supplier. The washed ex-pesticide containers were sent to the hazardous waste storage on February 27th 2015.

According to the field observation, the ex pesticide containers and fertilizer sack washing has been referring to the work instruction with document number IK/SPO/SMART/LH-09/01 which was legalized on July 1st 2010. For example, washing is conducted on washing station, pesticide containers should be washed 3 times and fertilizer sack should only be washed once), the water used for washing should not overflow and contaminate the environment, the washed ex-pesticide containers should be checked and stored separately with the fertilizer sack which is stored at warehouse.

#### **Major 4.6.11.**

The latest list of name pesticide operators was available on each estate: TKME: 61 operators and TRSE: 99 operators. All of pesticide operators that has been listed undergone the annual general medical checkup and also specific medical checkup (cholinesterase) every semester. The latest specific medical checkup has conducted on TKME at 17 January 2017 and TRSE at 18 January 2017. Base on document of specific medical checkup result verification that known all pesticide operators on health conditions and fit to work. And also base on interview with spraying workers in TKME and TRSE. That known, there are no indications of skin disease and itches. Therefore they has known related to medical checkup result, a doctor has socializing the medical checkup result to all of spraying workers.

#### **Major 4.6.12.**

Environment and Social Policy signed by Head of upstream Golden Agro Resources (GAR) on November 2015; it also was explain related to prevention of breast feeding and pregnancy workers on chemical handling operation. This policy has socialized to all workers and it have understood by pesticide operators. The company has system to identification of pregnancy all of spraying women workers. Based on pregnancy test result in TKME and TRSE document verification, there are no pregnancy workers during last year. Therefore, according to interview with women spraying workers in TKME and TRSE they were knowing about prohibition of breastfeed and pregnancy personnel to conduct chemical spraying

4.6.5 | **Status: OFI**

### **4.7**

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

#### **Major 4.7.1**

Company has consistently documented the implementation of occupational health and safety policy, occupational health and safety procedures, and occupational health and safety plan that cover the entire operational activities that stated in guiding committee of occupational health and safety work plan. The available occupational health and safety is presented in a easy to understand language, has been approved by Top Management (Director in 01 November 2013), which was part of company's commitment to provide and maintain safety and healthy work environment. This policy has been communicated to personnel through morning briefing activities before the work start. The explained occupational health and safety plan in guiding committee of occupational health and safety has been drafted each year. For instance in 2016 consists of guiding committee of occupational health and safety's meeting, OHS training, medical examination annually (audiometry test, spirometry test and cholinesterase test dated 18-20 January 2017), etc.

#### **Major 4.7.2.**

The company has performed the latest document (15 January 2017) of 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 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.

#### **Major 4.7.3.**



The entire personnel that involve in company's operation have been trained on safe work procedure and based on field observation chemical weeding activity at Block K47 Division VI TKME and in Block K8 Division I TRSE, operator pesticide have been able to practice how to work safely. Meanwhile has presented the proper mechanism to pour poison into knap sack, the procedure to spray the end of the nozzle that should not be exceeding the height of adult wrist, the used-packages should be put back into the warehouse of hazardous material, spraying should not against the direction of wind blow, and before star to work personnel must wear PPE (safety goggles, mask, rubber gloves, apron, and rubber boot). Therefore based on field observation to processing station on Mill that known all operators were use PPE's as safety helmet, ear plug and safety boot/safety shoes.

**Major 4.7.4.**

Guiding committee of occupational health and safety (OHS Committee) is a committee in charge to ensure the implementation of occupational health and safety within mill and estate operational activities. The company has this structure in each unit estates and mill which responsible to make work program and evaluates the implementation of OHS Program in the field. All secretary of OHS Committee has certified as Safety expert by Man Power Minister, such as: Estates Unit (No. KEP.833/M/DJPPK/V/2014) and Mill Unit (No. KEP.P.1714/NAKER-BINWASK3/VI/2016). OHS Committee meeting has conducted every monthly. For example minutes of monthly meeting OHS Committee of Estates unit dated 30 December 2016 was explained related to PPE usage inspection, FR/SR (Loss time accident monitor) and others. Additionally, company has consistently reports guiding committee of occupational health and safety's activities every 3 months to Social, Manpower Agency in Belitung District, for example report periodic October – December 2016 has been sent on 7 January 2017.

**Minor 4.7.5.**

Company has consistently provided the procedures for work accident and emergency, which are completed with instruction in a common language that easily understood by personnel. For instance the SOP for fire emergency response (document SOP/SMART/UMUM/SADV/II/005), meanwhile the procedure for handling work accident is stated in SOP/SMART/HESS-EHSD/SADV/II/005 and procedures first aid (SOP/SMART/HESS-EHSD/SADV/II/011). The management unit has consistently been sought in the application of SOP owned, among others, team building Preparedness and Emergency Response in the work unit Mill and Estate, routinely first aid training for workers will be conducted on March 2017. The equipment first aid available in the work unit Mill and Estate as well as to the foreman in the field include first aid box, for example foreman harvest in Block N62 Division VIII TKME and in Block R22 Division IV TRSE, accident investigation report has been well documented and reviewed each month at the meeting OHS Committee. The company has a company doctor as PIC on worker health and first aid response, while the company can consider to have a first aid officer which certified from Manpower Ministry in accordance to Manpower and Transmigration Minister No. 15/ 2008.

**Minor 4.7.6.**

PT Forestalestari Dwikarya provides work accident insurance for its personnel, which is registered in manpower-social insurance (*BPJS Ketenagakerjaan*). Based on observation over the monthly membership cost and number of membership, its known that the entire personnel within PT Forestalestari Dwikarya has been registered in manpower-social insurance (*BPJS Ketenagakerjaan*) and company has periodically pay the membership cost every month based on the applicable regulation. The company also was register all workers on health insurance programs (*BPJS Kesehatan*), for examples: proof of social and health insurance payments for all workers month of December 2016 has been paid dated 20 December 2016 and 10 January 2017.

**Minor 4.7.7.**

The management unit showed Summary of Accidents from January to December 2016. In recapitulation is informed regarding the calculation Frequency Rate and Severity Rate per month. Frequency Rate is a calculation of the number of occurrences of accidents a year divided by the number of hours worked multiplied by the total employee 1000000 a year, while the Severity Rate is a calculation of the number of days lost due to work accidents a year divided by the total number of hours worked multiplied year employee 10000000. The calculation FR and SR are known for TKMM and TKME there are no cases of work accidents; but there are one accident in TRSE which has lost 3 man days during year of 2016.

<b>Minor 4.7.5</b>	<b>Status: Observation</b>
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**4.8**
**All staff, workers, smallholders and contractors are appropriately trained.**
**Major 4.8.1**

The company has had a training program for workers in the period of 2017 which consists of In House Training RSPO, In House Training ISPO, In House Training 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 made by SPO Region.

**Minor 4.8.2**

The company has had a worker training records during 2016 for each unit stored in personal files; for example: MSDS training on 6 April 2016 at TKME, PPE's usage on chemical weeding training dated 10 September 2016 at TRSE; SCCS training record on 8 February 2017 at TKMM; ISCC, ISPO and RSPO training on TKMM dated 10 October 2016 and chemical waste and hazardous waste handling on TKME at 12 October 2016 and TRSE at 11 October 2016. They also conducted several training for third parties. For example, OHS training for FFB transporter that held on 14 March 2016 attended 15 person, SCCS training for FFB/CPO/PK transporters on February 8, 2017.

**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.**
**5.1.1**

The company has conducted environmental impact assessment covering 15,000 ha including POM. There is a change in company EIA document adjusting to several changes and land use title achieved by. The EIA revision was legalized by provincial government on 2007 through Decree of Bangka Belitung Islands Governor Number 188.44/450.c/bapedalada/2007. The scope of document revision were the hectarage of palm oil for 11,337.582 ha and POM capacity of 60 ton of FFB/Hours

The company have submission proposal change of management plan and monitoring plan of environment (RKL&RPL) base on letter no 305/EL/FLD-BLH/X/2014 set on 5 october 2014. In that letter explain the new proposal matrik of management and monitoring environment (RKL&RPL). The new matrix of management and monitoring environment (RKL&RPL) has been ratified by Decree of Governor Bangka Belitung province no. 006/EL/FLD-BLH/I/2016 set on 18 January 2016 as the basis for the issuance of the environmental permit. Base on that letter, the company has show document of Decree Head Of Integrated Licensing Service Agency for Investment (BP2TPM) Bangka Belitung Islands number 503/21.A/LH/ BP2TPM/2016 about permit of environment PT FLD set on 26 February 2016.

**5.1.2**

Base on new matrix management and monitoring environment (RKL-RPL) has explain environment impac, source impac, success indicators of environmental management, forms of environmental management, environmental management locations. As for the impact of administered and monitored is:

- Decrease in air quality
- The decline in water quality
- Decrease the biological component
- The decline in soil quality
- Dumps hazardous waste
- Social impact (employment and income generation)
- Public health (workers)
- Fires land

**5.1.3**

The implementation of the EIA was evaluated every semester in form of RKL-RPL report and reported to agency of Food Security and Agriculture and Environment Belitung District and Minister of Environment at 3 february 2017. The last RKL-RPL report was report of July – December 2016 period and reported on 6 February 2017. The social impact was evaluated using interview with stakeholders including the surrounding community, contractor and company's workers. Recommendation taken out from the monitoring results is provided in this report.

**Status: Comply**

## 5.2

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

### 5.2.1

The company has identified HCV and RTE species on 2012. The identification was done by company internal team that is registered as RSPO approved assessor. The result was reviewed by Independent Consultant. Publik consultation has been done at 22 Februari 2013 follow by 40 people from Lassar Village, Simpang Rusa Village, Kembiri Village, Cerucuk Village. The identified HCV area are HCV 1.1; HCV 1.3; HCV 4.1 and HCV 6. Total of the PT FLD-managed HCV area is 466.13 Ha (no area change).

### 5.2.2

Some protected flora and fauna identified are Cekakak belukar (*Halcyon smyrnensis*), Elang ikan (*Ichthyophaga humilis*), Elang tikus (*Elanus caeruleus*), Lutung (*Trachypithecus cristatus*), and black Kangkareng (*Anthracoceros malayanus*). Owing HCV area and RTE species within its operational area, the company created a master plan of HCV management and monitoring for period of 2014 – 2019. This master plan than bring into detail in annual management plan owned by each unit management. The management and monitoring plan year 2016 in FLD consists of activities as described below:

- Maintenance of HCV boundary poles
- Direct and indirect socialization
- Maintenance of signboard of HCV protection and management notification
- Management of riparian area
- Rehabilitation program and the planted tree upkeep
- Monitoring over HCV and RTE species
- Security of HCV and RTE species by periodic patrol

Monitoring is carried out once a month and are reported every semester in the form of reports and monitoring the management of HCV. The result of the monitoring is given as an input for further improvement of HCV management and company operation through annual report of HCV management and monitoring in which the recommendation is provided. Base on that report know the area HCV not found distrupction and kinds RTE still found i.e black-winged kite (*Elanus caeruleus*), white-throated kingfisher (*Halcyon smyrnensis*), Lesser Fish Eagle (*Ichthyophaga humilis*), lutung (*Trachypithecus cristatus*), Saltwater crocodile (*Crocodylus porosus*). Base on field visit at to riparian area in riparian area of Kepang River at Block R34 and riparian area of Gede River, (Block L12), Block N11 and block P15 in TRSE knowing the boundary at riparian river need maintanace, paint marking has been seen to fade (OFI).

### 5.2.3

The company has internal memo at 25 November 2011 about policy zero tolerace endangered animal for staff until employee and contractor for

- do not touch, keep animals , wounding, killing a protected animal if it is found in the location of estates and factories and report to local leaders to be reported to the BKSDA
- instruct all levels to report if there is to keep animals protected, if found there who keep animals protected that report and submit to the BKSDA
- Violation of this policy be subject to disciplinary maximum by the company up to be reported to the authorities.

As supporting evidence provided evidence of the implementation of socialization that aims to provide insight to the

plantation workers regarding areas of conservation in estates management unit. The regular socialization is conducted for TKME and TRSE to its employee which among others are:

- Socialization on 18 october 2016 in tanjung rusa estate attended by 52 participants of worker accompanied with socialization pictures, material and attendance list.
- Socialization on 3 october 2016 in Tanjung Kembiri estate attended by 43 participants of worker accompanied with socialization pictures, material and attendance list.

#### 5.2.4

According to record of the implementation of HCV management and monitoring provided and field visit, auditor concludes that management has good management plan, implement it with continuous improvement in relevant with the need in the field and well documented. The evaluation of the implementation is feed back to the improvement of HCV management and company operational plan.

#### 5.2.5

The management of set aside HCV has an agreement on the area management by the company facilitating the need of the community with the HCV area. Some community interest within the set aside HCV area are cultural activity rather than as a source of living.

**Status: Comply**

### 5.3

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

#### 5.3.1

The company has identify source of waste and pollution from estate and mill i.e domestic waste, ex-container of chemical, used lubricating oil, hazardous waste from transportation and workshop, medical waste, emission from transportation FFB, Emission from boiler, POME.

#### 5.3.2

The company has SOP waste management no document SOP/SMART/LEMS-EHSD/SADV/II/002 revisi 0.0 approval by Head of Upstream. In the SOP has explain all hazardous waste cannot be use without permit from goverment. After that the hazardous waste is handed to the hazardous waste a licensed transporter/collector periodically. The company has temporary hazardous waste warehouse and have permit from Regent of Belitung, base on Decree no SK No.188.45/241/KEP/BLHD/2012 a set 24 juli 2012 be valid 5 year. For medical waste the company have agreement with Arsani Sungai Liat Hospital in Bangka for anihilation and the agreement valid 3 year from 1 august 2015 – 3 july 2018.

Hazardous waste is treated as regulated in government regulation No. 101 year 2014 on hazardous waste management. The hazardous waste is collected and kept in satellite hazardous waste storage in estate before sent to licensed hazardous waste in TKMM. There is record of hazardous waste in each station and there is also a note of hand over from the satellite storage to licensed hazardous storage. After that the hazardous waste is handed to the hazardous waste transporter (PT Primanru Jaya). The company has reported hazardous waste periodically to Enviroment Agency (BLHD) Belitung. Last report period october –december 2016 has been sent at 25 january 2017. Base on field visit at fertilizer storage at division 5&7 (TRSE) knowing the drum used lubrican oil keep on the fertilizer storage. This is not in accordance with the SOP waste management no SOP/SMART/LEMS-EHSD/SADV/II/002. **Non conformity NCR 2017.01**

#### 5.3.3.

The company has identified the source of waste and pollution source and treat the identified source to reduce emission and pollution. The effort taken by the company are:

- Domestic waste: based on field observation, the company has collected dosmetic waste in TRSE, TKME and TKMM periodically and dump it to the landfill.
- Mill's effluent: based on field visit the effluent is treated in mill's waste water treatment plant (WWTP) facility and monitored its quality according to the applied regulation. The effluent quality is tested monthly and the result for period of Semester II 2016, there is no test result exceeding the government regulated threshold. The treated effluent is discharged to land application for fertilizer substitute. The land application maintenance

<p>is designed to avoid environmental pollution. There is a monitoring on effluent discharge from WWTP to avoid overflow on flat bed. Field visit to TKME Block K50 the condition of flat bed has been maintenance well.</p> <ul style="list-style-type: none"><li>• Empty fruit bunch is applied to estate plantation area to substitute chemical fertilizer. Based on field visit EFB application is well managed.</li><li>• Shell and fiber are reused for engine fuel of boiler. It reduce the carbon emission from the combustion of fossil fuel.</li><li>• Medical waste is sent to Arsani Sungailiat Hospital in Bangka for anihilation. There is a valid agreement with the hospital on medical waste treatment.</li><li>• The field visit to hazardous waste storage in TKMM shows that there is a good record of the waste and good storing system as required within the license of the storage and the regulation on hazardous waste management. The hazadous waste has sent to PT Primanru Jaya at 17 january 2017.</li></ul>		
Major 5..3.2	Status: Non conformity no. 2017.01 with major category	
<b>5.4</b> <b>Efficiency of fossil fuel use and the use of renewable energy is optimised.</b>		
<b>5.4.1</b> The company recorded its fossil fuel consumption and the use of renewable energy of shell and fibre. The use of fibre and shell as renewable energy reduces the amount of fossil fuel consumption. During 2016 semester 2 the company the company has used fiber and shell amount 0,18 ton/ FFB, aveerge percentage save fossil fuel from budget is 0,23 liter/ton FFB, aveerge electric used amount 16.92 KWH/ton FFB. The use of these renewable energy types also reduce the emission sourced from fossil fuel combustion.		
	Status: Comply	
<b>5.5</b> <b>Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>		
<b>5.5.1 and 5.5.2</b> The company has a policy of zero burning which is regulated in company circular letter no. 071/SMD OPS/IX/2007 dated 4 September 2007. The company regulation prohibits land clearing using fire or burning. Moreover, there is no new planting neither replanting during surveillance 2 to surveillance 3 assessment.  The company has a land preparation procedure in document No. SOP/SMART/MCAR/II/TA-PPA and replanting procedure SOP/SMART/MCAR/VI/TA-HPT that stated zero burning activity in land preparation and replanting. They also socialized it company's policy through morning raw call and signboard in some areas.		
	Status: Comply	
<b>5.6</b> <b>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</b>		
<b>5.6.1</b> The company has identified the emission and pollution source coming from the company operations. Some actions taken to reduce this pollution activities such as periodic engine and equipment for FFB processing, periodic emission and air quality test, effluent for land application, use the correct dosage in manuring activity, zero burning for land clearing policy, the use of shell and fibre for boiler fuel reducing the use of fossil fuel, the application of empty fruit bunch as organic fertilizer, the reduction the use of pesticide and monitoring over fossil fuel use. The company has monitoring qualite emision boiler every semester coopetate with laboratory environment PT Mutuagung Lestari. The result show the parameter analysis fulfills standard quality Ministerial regulation Enviroment no 7/ 2007		
<b>5.6.2</b> Plan to reduce or minimize source of polution has been done by the company. The company use shell and fiber to subtitusion with diesel fuel for produce CPO, monitoring diesel fuel for operational estate and mill, energy saving lamps. Maintainance waste pond and management domestic waste.		



Field observation on WWTP facility in Tanjung Kembiri Mill indicate that the WWTP is well managed. There is no indication of leakage nor overflow in each ponds. The treated effluent discharge to land application is monitored, recorded and communicated to the PIC in land application area in order to avoid overflow in land application's flat beds. The effluent is test daily and monthly. According to interview with the officer of WWTP, understood that the officer understands his duty in accordance with the company SOP on WWTP operational.

Filed visit to Tanjung Kembiri mill's process equipment for instance boiler and engine room shows that the personnel in charge has used PPE and the equipment are in good conditioned, well functioned and well managed. Based on the interview with the PIC of environment, the company has conducted periodic test for air emission, ambient, noise and smell every semester and reports it to the related agencies. Referring to document review, the periodic test shows all test parameter is in compliance with the threshold determined for each test type. Considering all the information provided and field visit result, auditor concludes PT FLD has been managing its source of emission and pollution to reduce its GHG.

### 5.6.3

Base on calculation use GHG calculator ver 3.0.1 know the summary emission is:

Summary of Net GHG Emissions

Emission per product	tCO <sub>2</sub> e/t product
CPO	2,34 tCO <sub>2</sub> e/t product
PK	1.14 tCO <sub>2</sub> e/t product

production	Ton /year
FFB	207848.05
CPO	45001.95
PK	11551.85

Extraction	%
OER	21,65
KER	5,56

Land Use	Tanjung kembiri	Tanjung rusa
Planted area	5839.11	4645.56
Conservation (Forest)	0	0
Conservation (Non Forest)	213.54	252.47

Summary of field emissions and sinks

Emission source	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/FFB
Lan coversin	103553,19	9.88	0.5
CO <sub>2</sub> emission from fertilizer	7367.04	0,7	0.04
N <sub>2</sub> O Emission	9166.07	0.87	0.04
Fuel consumption	1213.76	0.12	0.01
Peat oxidation	0	0	0
Sinks			
Crop Sequestration	-98154.68	-9.36	-0.47
Sequestration Area	0	0	0
Total	23145.38	2.21	0.11

Summary mill emission and kredit

Emission source	tCO <sub>2</sub>	tCO <sub>2</sub> e/t FFB
POME	4074,74	0,2
Fuel consumption	416,14	0
Grid electricity	0	0
Credit		
Export excess electricity to housing & grid	0	0
Sale of PKS	0	0
Sale of EFB	0	0
Total	41157,88	0,2

The calculation on GHG has been conducted using PalmGHG calculation version 3.1 and reported to RSPO by email from Division Head of Compliance and Certification PT SMART to [devaladevi@rspo.org](mailto:devaladevi@rspo.org) at february 3, 2017.

**Status: Comply**

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

### **6.1**

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

#### **Major 6.1.1**

The management of PT FLD has document of Social Impact Assessment that also include Tanjung Kembiri Mill, Tanjung Kembiri Estate and Tanjung Rusa Estate. The assessment process has been done in 2012 and the scope of study are impact of plantation and mill operation to workers and community neighboring of operation area. The assessment and reported was carry out by internal assessment team. These document was explained of negative and positive impact of plantation and mill operation to social aspect. Based on interview with villagers, all issues has been covered on SIA report.

#### **Major 6.1.2**

The preparation of Document SIA is done by involving the affected parties by a questionnaire that completed with photo when data retrieval.

The evidence that the SIA is participatory assessment, such as:

- Photo documentation of the survey and public consultation.
- Register attendance for the Village of Kembiri by 16 partisipant.
- Examples of SIA's questionnaire, which participant located in the village of Kembiri.
- Register attendance for village of Simpang Rusa by 16 participants
- Register attendance of survey exposure attended by 40 partisipant dated February 22, 2013

#### **Major 6.1.3**

Management has plans to reduce the negative impact as a result of the company's operations. In the plans and activities of management and social monitoring also includes time management and monitoring implementation. In addition, the plans to increase the positive impact is also included in the program and the realization of CSR.

#### **Minor 6.1.4 and Minor 6.1.5**

The company showed evaluation of management and monitoring social plan in the period 2014-2016 were carried out in Februari 2015. The Company showed evidence that the evaluation was conducted involving the affected parties such as photos, signature, and the minutes of the meeting results. The company consider doing a review of the management plan and monitoring of social impact period January 2015- December 2016. OFI

One of the impact of the partnership (revitalization program) is development of social welfare of communities.

**Minor 6.1.4 Status: OFI**



**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.**

**Major 6.2.1**

Management has procedure of communication and consultation that contained in SOP Communication and Consultation, document no. SOP/SMART/UMUM/SADV/004 that be valid since 1 July 2014. Communication and consultation procedures explain to the user about handling communication and consultation related principles and requirements sustainability Palm Oil (SPO) in each operational area palm oil company PT SMART Tbk. This procedure includes guidance in planning, implementing, regarding communication and consultation among stakeholders. The procedure is also equipped with technical procedures, communications response, and delivery of information to stakeholders, as well as the flow chart that explains in detail the steps the implementation of activities, along with related documents.

**Minor 6.2.2**

Management has PIC which is appointed to communicate with stakeholders. The position of that PIC is made officially to communicate with stakeholders called Social Officer, namely:

1. PIC of TRSE according to the letter no. 008/RC-BABEL/III/2015.
2. PIC of TKME according to the letter no. 04/RC-BABEL/X/2015.
3. PIC of TKMM according to the letter no. 001/PC-BABEL/X/2016

Based on interview with local community of Kembiri Village, Cerucuk Village, Simpang rusa Village, Air Kundur village , they have known the personnel which is appointed to communicate with them.

**Minor 6.2.3**

Management has list of stakeholders that consist of government agency, village, worker organization, etc. Records of all communication is contained in the communication and consultation logbook. Based on the results of the document review, all communications have been responded. For example: communication dated Februari 22, 2016 and has responded on Februari 24, 2016. Management consider equipping column of date entry and the date response to the Logbook Communications and Consultation and logbook Request for Information (OFI)

Minor 6.2.3	<b>Status: OFI</b>
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**6.3**

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

**Major 6.3.1**

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

**Major 6.3.2**

The whole recording and handling of related complaints recorded in the Monitoring Form Handling Complaints and dissatisfaction document number :F/SMART/SIGSCSRD/SADV/003/001. Based on the form is known that during the period of 2016 there were no complaints presented. According to interviews with workers and communities there are no complaints or dissatisfaction.

<b>Status: Comply</b>
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**6.4**

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

**6.4.1; 6.4.2 and 6.4.3**

The company has had procedure of FPIC Implementation (SOP/SMART/SENS-CSR/SADV/003 dated on 1 July 2014). It set several procedures as a guidance for the new land acquisition and mill building. 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 1994 to 1995. 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-3, the company does not expand the area, where the implementation of land compensation performed the last time in 1996.

There is no customary tenure in the plantation area of PT Forestalestari Dwikarya, it is based on the results of the document verification and interview with management representative. PT FLD has had shown document of Identification of High Conservation Values for PT Forestalestari Dwikarya 2012. The document describes the process of determining of High Conservation Value (HCV) area and note that it is only in the form of Cemetery area and Water Resources. The area of 3.93 ha respectively in Estate Tanjung Rusa and 2.04 ha in Tanjung Kembiri Estate. Areas mentioned above, are not within the control by indigenous rights.

Available evidence in the form of Minutes of the Public Consultation HCV dated February 22, 2013 and lists attend Public Consultation participants (40 participants) consist of Heads of Villages, Village Chief, Head, Community Leaders, Deputy of the NGO, Society and Representative of the Company.

Based on documents verification, information management representative and interviews with relevant institutions (Plantation Office) note that there are no traditional rights in the area of PT FLD.

**Status: Comply**

**6.5**

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

**Major 6.5.1**

The waging system company made is be based on the Decree of Bangka Belitung Governor Number 188.44/1106/TK.T/2016 dated October 25, 2016 in term of Province Minimum Wage Standard for period of 2016 as much as IDR 2,534,673.75. Whereas the value of wages established by the decision of CEO is IDR 2,534,673.75 in force since January 1, 2016 for all permanent workers below of one year work period. Based on document verification and interview with estates and mill workers that known, the company has paid all wage according to regulation. There also example of overtime payment in Mill: Overtime for Sterilizer Shift 1 TKMM (67.50 hours) on 20 December 2016 until 19 January 2017 was paid Rp. IDR 977,301,-

**Major 6.5.2.**

Labor laws contained in the Collective Labor Agreement with PUK SPSI Sektor SPPP PT FLD dated 22 Septmeber 2016 in the period 2016-2018 which was approved by the Manpower and Transmigration Agency Belitung Regency Decree No. 560/1/KEP/DSTKT/2016 on December, 9. 2016. In the Collective Labor Agreement discussed the General, working agreements, work days and work time, payment of meal allowance, health insurances, OHS, social insurances, complain and grievances; etc.

Worker agreement between company and workers defined in 3 types:

- Contract worker using Worker Agreement with Timeline Condition in mill and estaes i.e. Mill: No.045/TKMM/PKWT-A2/12/2016 dated 26 December 2016 till 25 March 2017;
- Daily Labor Contract with quantity result payment in TKME: No. 010/TKME/II/2017 dated 2 January 2017 (valid to 6 month); TRSE: No. 016/FLD-TRSE/PKWTB/DV04/2017 dated 2 January 2017 (valid to 6 month)

- c) Permanent Workers using Corrective Labor Agreement with PUK SPSI Sektor SPPP PT FLD which was approved by the Manpower and Transmigration Agency Belitung Regency Decree No. 560/1/KEP/DSTKT/2016 (period of 2016-2018) on December, 9. 2016.

**Minor 6.5.3.**

According to the result of field observation in employees housing complex of Tanjung kembiri estate, Tanjung kembiri Mill and Tanjung Rusa Estate, company has provided proper public facilities such as:

- Permanent employees housing complex consisted of 2 bedrooms, guest room, kitchen, and bathroom with toilet. The lighting is empowered generator. The water source is supported from reservoir and well.
- Education facility, company provides buildings of kindergarten and elementary school, and the school bus to pick up and drop off school students.
- Medical facility, company provides clinic located in TKME which are supported with company's doctor and assisted by medical assistant.
- Public facilities such as place of worships (mosque and church), sport facility (volley court, tennis court, and badminton court), daycare. Furthermore, there is also employee's hall that can be used for meeting hall and maternal and baby clinic.

**Minor 6.5.4.**

The management unit has been able to demonstrate an effort to improve workers' access to food was decent, fairly and at affordable prices through the provision of cooperative activities in the provision of basic needs for employees. In addition to the time payday companies provide vehicles to transport employees if you like shopping for basic needs to the Tanjung Pandan city.

**Status: Comply**

**6.6**

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

**Major 6.6.1**

Management has Circular Letter No. 094/CEO2-SE/12/2010 dated 14 Desember 2010 explained that the company respect the rules and regulations prevailing in Law No. 21 tahun 2000 on Labor union. Based on interview with Labor Union, management provides freedom to all workers to establish labor unions. The result of an agreement between the labor unions and the company in the form of Collective Labor Agreement which is available in bahasa and has been implemented by the company.

**Minor 6.6.2**

There are meeting record of Labor Union, such as:

- Records of formation labor union officials on march 23, 2013
- Minutes of meeting on Februari 7, 2015
- Minutes of Collective Labor Agreement negotiation on November 29, 2016

**Status: Comply**

**6.7**

**Children are not employed or exploited.**

**Major 6.7.1.**

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

**Status: Comply**

<b>6.8</b>		
<b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>		
<p><b>Major 6.8.1&amp;Major 6.8.2</b></p> <p>There are Social and Environment Policy signed by Head of Upstream, CEO-Downstream&amp;Comercial, Excecutive Director&amp;CFO, Managing Director of Sustainability&amp;Strategic Stakeholder Engagement November 2015. That was explain about the company will give equal opportunities to all workers and embrace diversity, regardless of ethnicity, religion, disability, gender, political affiliation, sexual orientation and or worker union. Based on interview with some workers on estates and mill that known, there are no issues related to discrimination by company or other workers.</p> <p><b>Minor 6.8.3.</b></p> <p>Based on interview with estate manager and mill manager, it's known that there are new appointment of permanent workers on 2017. The company was show historical of appointment from time limit workers to permanent workers in TKMM, TKME and TRSE according to work performance appraisal. For example: Appointment Letter No. 008/SK-(SKU-H)/TKMM/2017 dated 26 January 2017 in TKMM; and also Letter No. 015/FLD TRSE/SK02/2017 dated 1 February 2017 in TRSE. This information was confirmed by estates workers and mill workers during field observation.</p>		
	<b>Status: Comply</b>	
<b>6.9</b>		
<b>There is no harassment or abuse in the work place, and reproductive rights are protected.</b>		
<p><b>Major 6.9.1 and Major 6.9.2</b></p> <p>The Company has a policy on the prevention of sexual harassment and violence as outlined in circular letter CEO 2 No. 003/CEO2-SE/01/2011 on January, 10 2011. The policies has been disseminated to all workers, such as socialization on October 2016 attended by 27 participants.</p> <p><b>Minor 6.9.3</b></p> <p>The company has established a gender committee in each unit as an organization to manage the complaints of women workers of sexual harassment and violations of reproductive rights. Interviews with the management gender committee shows that they already know the duties and responsibilities as the socialization of the complaints mechanism, the socialization of sexual harassment, etc. The company guarantees the anonymity of the reporting and the revealer of the case. Based on interviews with Labor unions and Gender Committee, there is no cases related to abuse or violence.</p>		
	<b>Status: Comply</b>	
<b>6.10</b>		
<b>Growers and mills deal fairly and transparently with smallholders and other local businesses.</b>		
<p><b>Minor 6.10.1</b></p> <p>Tanjung Kembiri Mill receives FFB from nucleus estate and KKPA Estate with fully managed by the company and third parties. The prices were set for FFB of KKPA estates and third parties, is the price from government. According to interview with FFB suppliers (third parties) that known, there are no issues related to FFB prices.</p> <p><b>Major 6.10.2</b></p> <p>The company have record of FFB transaction between TKMM and nucleus estate; and also from FFB supplier through Bank transfer. According to interview with FFB suppliers (third parties), that known there are no problem related to monthly payment from the company.</p> <p><b>Minor 6.10.3 &amp; Minor 6.10.4.</b></p> <p>The company have agreement with FFB supplier suc as PT Palmindo Biliton Berjaya and PT Pratama Unggul Sejahtera, agreement no. 001/TBS/FLD-PUS/III/2016 . Agreement was wrote on Bahasa and clear about rights and obligation both of parties. According to transfer document verification and interview with FFB suppliers, there are no delayed of payments.</p>		
	<b>Status: Comply</b>	
<b>6.11</b>		

**Growers and millers contribute to local sustainable development wherever appropriate.**
**Minor 6.11.1**

The form of the company's contribution to local development is done through realization of CSR to communities around the plantations, uses local contractors for jobs such as FFB transport, etc and has a partnership with the community but management made in full by the company. Some forms of CSR contributions realized during 2016 include assistance aspects of education, the social aspects of religion, etc.

**Minor 6.11.2**

The company currently has been develop the smallholder scheme in form of revitalization program, the company can show Belitung Regent Decree No.: 188.45/170/KEP/DPK/2013. In addition, the company also has set a budget plan that spell out financing of smallholders scheme in form of revitalization program.

**Status: Comply**
**6.12**
**No forms of forced or trafficked labour are used.**
**Major 6.12.1. & Minor 6.12.2.**

Based on review on the list of personnel's documentin PT FLD, its known that there was no illegal personnel. This finding was suported by interview result with the management unit, which do not have illegal personnel because the entire personel are binded in a clear work agreement. In addition, from the management also explained that company is conducting annual evaluation toward personnel work performance, which becomes the basis for promotion. Personnel have read work agreement before they put their signature.

In addition to the management also conducted interviews with the unions. Part of the union stated that, applicant should submit their interest letter personally, there is no pressure on personnel to perform certain work and to have certain position.

Based on field visit in harvesting activity and interview with harvester and foreman (block N62 Division VIII TKME and block R22 Division IV TRSE), there is no family gank in harvesting. All loose fruit picker were listed as temporary worker and signed temporary working agreement.

**Major 6.12.3.**

Company provides evidence that there is no illegal worker trade, there is no forced labor nor there is a contract substitution. Moreover, PT FLD does not have policy related to foreign worker and based on document's review there is no expatriate, or migrant worker. Interview with some personnel on estate and mill's operation activities, its known that personnel have understood their right and responsibilities based on the signed-work agreement during the recruitment process

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

The Company has a Social and Community Engagement Policy set out on 10 November 2011 approved by the President Director, point 6 stated that the company respect for Human Rights. Therefore there are GAR Social and Environment Policy signed by President Director on November 2015, point 3 was stated 'we are respects the human rights of all workers. The policy is communicated to all employees dated 25 January 2017 in TKME, dated 9 January in TKMM and dated 8 October 2016 on TRSE. And also this policy was socialized through the morning briefing, therefore based on interviews with workers that the worker has to know the company's policy in respect of human rights.

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

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

**7.1.1 , 7.1.2 , 7.1.3**



<p>There is no new planting since 2005.</p> <p>The company has had the documents that describe the analysis of the social impact, the document has been prepared based on a participatory of society, the documents shown are:</p> <ul style="list-style-type: none"> <li>Document the Environmental Impact Assessment Report of Plantation and Palm Oil Processing Factory PT ForestalestariDwikarya 2007 (Revised Version). The document drafted by Indolestari CV Makmur (Environment and Planning Consultant) - Palembang and has received Approval from the Governor of Bangka Belitung Number: 188.44 / 450.C / BAPEDALDA / 2007, dated September 18, 2007.</li> <li>Identification of the Social Impact Study Report plantations and palm oil mill Forestalestari Dwikarya 2012. In the document described the impact of positive and negative on the management of oil palm plantation by PT ForestalestariDwikarya following Management Plan and Social Impact Monitoring Plan.</li> </ul>		
	<b>Status: Comply</b>	
<b>7.2</b> <b>Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</b>		
<p>Based on document review and field visit, There is no new estate development or area expansion. Company is just managing the area with planting year during period of 1995 – 1998.</p>		
	<b>Status: Comply</b>	
<b>7.3</b> <b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>		
<b>7.3.1, 7.3.2, 7.3.3, 7.3.4</b> <p>The planting was conducted during the period of 1995 – 1998 and there is no replanting plan for the next three years. Therefore, the company has no obligation on principal 7 regarding no planting that replaces primary forest or HCV area.</p>		
	<b>Status: Comply</b>	
<b>7.4</b> <b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>		
<p>Based on document review and field visit, There is no new estate development or area expansion. Company is just managing the area with planting year during period of 1995 – 1998.</p>		
	<b>Status: Comply</b>	
<b>7.5</b> <b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>		
<b>Major 7.5.1</b> <p>There is no expansion and development of the plantation of PT Forestalestari Dwikarya. Based on the areal statement, the youngest plant in the concession area of PT Forestalestari Dwikarya is the plant in 1998. The results of interviews with plantation agency, there are no expansion and development of the plantation of PT Forestalestari Dwikarya</p>		
	<b>Status: Comply</b>	
<b>7.6</b> <b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>		
<b>Major 7.6.1; Major 7.6.2; Major 7.6.3; Minor 7.6.4, Minor 7.6.5, Minor 7.6.6</b> <p>There is no expansion and development of the plantation of PT Forestalestari Dwikarya. Based on the areal statement, the youngest plant in the concession area of PT Forestalestari Dwikarya is the plant in 1998. The results of interviews with plantation agency, there are no expansion and development of the plantation of PT Forestalestari Dwikarya</p>		
	<b>Status: Comply</b>	
<b>7.7</b> <b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the</b>		

<b>ASEAN guidelines or other regional best practice.</b>		
The planting was conducted during the period of 1992 – 1998 and there is no replanting plan for the next three years. Therefore, the company has no obligation on principal 7 regarding no planting that replaces primary forest or HCV area. The company effort to reduce emission generated from its operational (refer to criterion 5.6).		
	<b>Status: Comply</b>	
<b>7.8</b>		
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>		
<b>7.8.1 and 7.8.2</b>		
The planting was conducted during the period of 1995 – 1998 and there is no replanting plan for the next three years. Therefore, the company has no obligation on principal 7 regarding no planting that replaces primary forest or HCV area. The company effort to reduce emission generated from its operational (refer to criterion 5.6).		
	<b>Status: Comply</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>8.1</b>		
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>		
<b>Major 8.1.</b>		
<b>Best Management Practices</b>		
The company has some continuous improvement on each unit, such as:		
<ol style="list-style-type: none"> <li>1. Application Programming TKMM 2016: modification of the hose reel to reduce damage to the hose, safety lorries in tripler drum, dual-function of man holes Oil storage tank.</li> <li>2. Application Programming TKME and TRSE: three in one 'harvest krani tools' for FFBs control and control slow moving dead stock control program.</li> </ol>		
<b>Environmental</b>		
Based on audit result, the company has been monitored environmental regularly and reported to the related agencies.		
	<b>Status: Comply</b>	

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

Clause	(Module E) CPO Mills - Mass Balance Requirements																																																																						
E.1	Definition																																																																						
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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.																																																																							
The company were received FFB from Certified Estates and Non Certified Estates, the certified estates as: Tanjung Kembiri Estate and Tanjung Rusa Plasma. While the non certified estates as: Tanjung Rusa Plasma, PT FLD (HGU on process (55.05 Ha) and also FFB from some out growers: PT Pratama Unggul Sejahtera, PT Palmindo Belitung Berjaya the company has data of FFB Received, CPO production and PK production from April 2017 till January 2017.																																																																							
<table><tr><th>Source</th><th>FFB (ton)</th><th>CPO (ton)</th><th>PK (ton)</th><th>Note</th></tr><tr><td>Tanjung Kembiri Estate</td><td>94,747.60</td><td>19,281.14</td><td>2,956.13</td><td>RSPO Certified</td></tr><tr><td>Tanjung Rusa Estate</td><td>70,132.78</td><td>14,272.02</td><td>2,188.14</td><td>RSPO Certified</td></tr><tr><td>Tanjung Rusa Plasma</td><td>5,268.34</td><td>1,072.11</td><td>164.37</td><td>Uncertified</td></tr><tr><td>PT Pratama Unggul Sejahtera</td><td>10,641.44</td><td>2,165.53</td><td>332.01</td><td>Uncertified/outgrower</td></tr><tr><td>Tanjung Sawit Estate PT Palmindo Belitung Berjaya</td><td>21,106.70</td><td>4,295.21</td><td>658.53</td><td>Uncertified/outgrower</td></tr><tr><td>Melantan Makmur (Smallholders of PT PBB)</td><td>3,059.86</td><td>622.68</td><td>95.47</td><td>Uncertified/outgrower</td></tr><tr><td>Mitra Mandiri (Smallholders of PT PBB)</td><td>956.72</td><td>194.69</td><td>29.85</td><td>Uncertified/outgrower</td></tr><tr><td>Lingkar Mitra (Smallholders of PT PBB)</td><td>967.93</td><td>196.97</td><td>30.20</td><td>Uncertified/outgrower</td></tr><tr><td>Tunas Harapan (Smallholders of PT PBB)</td><td>1,372.08</td><td>279.22</td><td>42.81</td><td>Uncertified/outgrower</td></tr><tr><td>Gang Rumpun Jaya (Smallholders of PT PBB)</td><td>1,409.59</td><td>286.85</td><td>43.98</td><td>Uncertified/outgrower</td></tr><tr><td>PT FLD (HGU on Process)</td><td>2,019.19</td><td>410.91</td><td>63.00</td><td>Uncertified</td></tr><tr><td>Sub Total RSPO Certified</td><td>164,880.38</td><td>33,553.16</td><td>5,144.27</td><td>-</td></tr><tr><td>Grand Total</td><td>211,682.23</td><td>43,077.33</td><td>6,604.49</td><td></td></tr></table>		Source	FFB (ton)	CPO (ton)	PK (ton)	Note	Tanjung Kembiri Estate	94,747.60	19,281.14	2,956.13	RSPO Certified	Tanjung Rusa Estate	70,132.78	14,272.02	2,188.14	RSPO Certified	Tanjung Rusa Plasma	5,268.34	1,072.11	164.37	Uncertified	PT Pratama Unggul Sejahtera	10,641.44	2,165.53	332.01	Uncertified/outgrower	Tanjung Sawit Estate PT Palmindo Belitung Berjaya	21,106.70	4,295.21	658.53	Uncertified/outgrower	Melantan Makmur (Smallholders of PT PBB)	3,059.86	622.68	95.47	Uncertified/outgrower	Mitra Mandiri (Smallholders of PT PBB)	956.72	194.69	29.85	Uncertified/outgrower	Lingkar Mitra (Smallholders of PT PBB)	967.93	196.97	30.20	Uncertified/outgrower	Tunas Harapan (Smallholders of PT PBB)	1,372.08	279.22	42.81	Uncertified/outgrower	Gang Rumpun Jaya (Smallholders of PT PBB)	1,409.59	286.85	43.98	Uncertified/outgrower	PT FLD (HGU on Process)	2,019.19	410.91	63.00	Uncertified	Sub Total RSPO Certified	164,880.38	33,553.16	5,144.27	-	Grand Total	211,682.23	43,077.33	6,604.49	
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Jan-17	PT. Sumber Indah Perkasa	1,548,530	RSPO
<b>Total</b>		<b>8,628,530</b>	<b>-</b>

**Status: Comply**

**E.2**

**Explanation**

**E.2.1**

**The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.**

The company has record of estimated tonnage of CPO and PK in accordance with annex of RSPO certificate period of 21 April 2016 – 21 April 2017. Based on document verification that known the actual tonnage of FFB certified, CPO certified and PK certified from 21 April 2016 – 5 February 2017 was under of previous estimations.

Past Annual Claim Certified Product	Previous Certificate Claim 21 April 2016 to 20 April 2017 (tonnes/year)	Actual certified product 21 April 2016 to 5 February 2017 (tonnes/year)
FFB Production	259,063	167,969.04
CPO Production	58,289	34,172.64
Palm Kernel (PK) Production	13,601	8,830.68

**Status: Comply**

**E.2.2**

**The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).**

The Tanjung Kembiri mill has register on RSPO IT Platform No. RSPO\_PO1000001383. According to interview with Mill Manager, during last year they just selling PK RSPO Claim, while the CPO sales as ISCC claims. There are information of CPO and PK sales during previous certificate period:

Data of CPO sold to each buyer period of 21 April 2016 to 5 February 2017

Month	Buyer	Volume (Kg)	Claims
20-30 April 2016	PT. FLD - Belitung Bulking	721,690	ISCC
May-16	PT. FLD - Belitung Bulking	1,632,660	ISCC
Jun-16	PT. FLD - Belitung Bulking	2,066,250	ISCC
Jul-16	PT. FLD - Belitung Bulking	1,711,320	ISCC
Aug-16	PT. FLD - Belitung Bulking	2,486,690	ISCC
Sep-16	PT. FLD - Belitung Bulking	4,030,070	ISCC
Oct-16	PT. FLD - Belitung Bulking	4,774,760	ISCC
Nov-16	PT. FLD - Belitung Bulking	5,504,010	ISCC
Dec-16	PT. FLD - Belitung Bulking	5,800,350	ISCC
Jan-17	PT. FLD - Belitung	4,455,630	ISCC

	Bulking		
<b>Total</b>		<b>33,183,430</b>	

Data of PK sold to each buyer period of 21 April 2016 to 5 February 2017

Month	Buyer	Volume (Kg)	Claim
20-30 April 2016	PT. Sumber Indah Perkasa	0	RSPO
May-16	PT. Sumber Indah Perkasa	570,000	RSPO
Jun-16	PT. Sumber Indah Perkasa	0	RSPO
Jul-16	PT. Sumber Indah Perkasa	620,000	
Aug-16	PT. Sumber Indah Perkasa	590,000	RSPO
Sep-16	PT. Sumber Indah Perkasa	900,000	RSPO
Oct-16	PT. Sumber Indah Perkasa	950,000	RSPO
Nov-16	PT. Sumber Indah Perkasa	2,250,000	RSPO
Dec-16	PT. Sumber Indah Perkasa	1,200,000	RSPO
Jan-17	PT. Sumber Indah Perkasa	1,548,530	RSPO
<b>Total</b>		<b>8,628,530</b>	-

	<b>Status: Comply</b>
<b>E.3</b>	<b>Documented procedures</b>
<b>E.3.1</b> <b>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:</b> <ol style="list-style-type: none"> <li><b>Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li><b>The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</b></li> </ol> <p>TKMM has had the documents of SCCS procedures for Mass Balance models with document No. PT FLD-TKMM/SOP/35 has been approved on January 2, 2016. This procedure of which describes the duties and responsibilities of each of the involved division, the definition, the FFB reception process, weighing, checking quality, processing, monitoring refined products, mass balance calculations, delivery of the product. In addition there is also SOP Reporting RSPO Certified Product (No: PT FLD-TKMM / SOP / 36) dated January 2, 2016.</p>	
	<b>Status: Comply</b>
<b>E.3.2</b> <b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</b> <p>The company has procedure of Supply Chain RSPO Products - Mass Balance Model (No: PT FLD-TKMM/SOP/35) dated January 2, 2016 explaining that:</p> <ul style="list-style-type: none"> <li>The source or supplier of FFB received by the mill can be classified into 3: Own estates (certified), smallholder scheme and individuals FFB.</li> <li>All FFB suppliers has recorded /recapitulated/and maintained its current status.</li> <li>Suppliers of certified FFB as a sustainable raw material that can be identified or given information that differentiates it from non-certified suppliers.</li> </ul> <p>All FFB's received and process has been explained on the clausul of E.1.1.</p>	



	<b>Status: Comply</b>
<b>E.4</b>	<b>Purchasing and goods in</b>
<b>E.4.1</b>	
<b>The site shall verify and document the volumes of certified and non-certified FFBs received.</b>	
FFBs received recording has been done since the acceptance in the security and weightbridge, TKMM can show the documents recording as follows:	
<b>Certified FFB:</b>	
<ul style="list-style-type: none"> <li>The FFB consignment no. SPB 09737, FFB received from TKME on on Feb 6, 2017 informing among others: vehicle number, division, serial number, year of planting, block, amount of bunches (232 of bunches), amount of loose fruits. And also weight tickets No. B004917 heavy weigh gross and net (net 5,150 kg)</li> <li>The FFB consignment no. SPB 09724, FFB received from TRSE on on Feb 6, 2017 informing among others: vehicle number, division, serial number, year of planting, block, amount of bunches (100 of bunches), amount of loose fruits. And also weight tickets No. B004898 heavy weigh gross and net (net 2,540 kg)</li> </ul>	
<b>Non-certified FFB:</b>	
<ul style="list-style-type: none"> <li>The FFB delivery document (SPB) on Feb 6, 2017 from PT Pratama Unggul Sejahtera no SPB 10053, total bunch 746 bunches. And also weight tickets No. B004917 heavy weigh gross and net (net 5,150 kg)</li> <li>The FFB delivery document (SPB) on Feb 6, 2017 from Tanjung Sawit Estate (PT Palmindo Belitung Berjaya) no SPB 10040, total bunch 760 bunches. And also weight tickets No. B001456 heavy weigh gross and net (net 7,400 kg)</li> <li>The FFB delivery document (SPB) on Feb 6, 2017 from Gang Rumpun Jaya (Plasma of PT Palmindo Belitung Berjaya) no SPB 10058, total bunch 737 bunches. And also weight tickets No. B001456 heavy weigh gross and net (net 5,810 kg)</li> </ul>	
<b>CPO Consignment</b>	
<ul style="list-style-type: none"> <li>Weight ticket No. B004969 Netto: 7,030 Kg to Belitung Bulking PT FLD by transporter PT Satrindo Jaya Agro Palma. It according to Delivery Order No. 2950/CPO/2950/1/1805.</li> </ul>	
<b>PK Consignment</b>	
<ul style="list-style-type: none"> <li>Weight ticket No. A002289 Netto: 7,100 Kg to PT Sumber Indah Perkasa (Tarahan, Bandar Lampung). It according to Delivery Order No. DO DIC/2950/1800117/001.</li> </ul>	
<b>Status: Comply</b>	<b>Status: Comply</b>
<b>E.4.2</b>	
<b>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</b>	
Based on documents review on mass balance data of the FFB production, CPO and PK owned by company is known that there are no excessive production when compared with the projections contained in the certificate annex of ASA-2. The actual FFB, CPO and PK production from 21 April 2016 – 5 February 2017 has been explained on clausul of E.2.1.	
	<b>Status: Comply</b>
<b>E.5</b>	<b>Record keeping</b>
<b>E.5.1</b>	
<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>	

**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.)**

TKMM has recorded and balanced all receipts FFB, CPO and PK were certified in three-monthly basis. In the period of the RSPO certificate, TKMM sell CPO with ISCC claim and PK with RSPO claims. Sales PK done by MB claims from positive stock.

Sales documents are shown in the form of a sales contract, for example, a sales contract number DIC/2950/181115/0001 dated December 25, 2015 amounted to 150 tons. Purchased by PT Sumber Indah Perkasa address in Jakarta, in the document there has been informed number of RSPO certificate MUTU-RSPO/037:RSPO MB.

Production data of FFB, CPO and PK ; and also CPO and PK Selling are shown in the following table:

Periode	RSPO Certified Production			RSPO Certified Selling	
	FFB (Kg)	CPO (Kg)	PK (Kg)	CPO (Kg)	PK (Kg)
21-30 April 2016	3,805,710	803,623	157,704	-	-
May 2016	8,089,520	1,684,908	361,118	-	570,000
June 2016	9,561,590	1,983,848	518,369	-	-
July 2016	8,490,850	1,697,529	452,845	-	620,000
August 2016	13,094,710	2,630,257	622,260	-	590,000
September 2016	20,805,330	4,229,217	1,066,297	-	900,000
October 2016	24,036,410	4,741,869	1,317,340	-	950,000
November 2016	28,127,340	5,579,944	1,530,564	-	2,250,000
December 2016	27,637,760	5,604,373	1,517,348	-	1,200,000
January 2017	22,260,370	4,777,353	1,177,491	-	1,548,530
1-5 February 2017	2,059,450	439,715	109,339	-	131,470
<b>Total</b>	<b>167,969,040</b>	<b>34,172,636</b>	<b>8,830,675</b>	<b>-</b>	<b>8,760,000</b>

**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.**

Tanjung Kembiri Mill did not hire outsider crusher, TKMM only selling palm kernel (PK) to another party.

**Status: comply**

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

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-3</b>	The company does not use RSPO logo.	√
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA-3</b>	The company does not use RSPO logo.	√
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA-3</b>	The company does not use RSPO logo.	√
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-3</b>	The company does not use RSPO logo.	√

### 3.4 Summary of RSPO Partial Certification.

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

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

		<p>online.</p> <ul style="list-style-type: none"> <li>- PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) 28 Maret – 01 April 2016</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base), monitoring via SPO Scorecard online</li> <li>- PT Adi Tunggal Mahajaya (Sako Mill) (under construction)</li> </ul>
i.	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>Company Group/Holding Statement:</b> GAR and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 29, 2014 and the company has been sent data evidence of LUCA to RSPO by email dated April 11, 2016. Progress result of review LUCA at follow-up via email RSPO dated October 24, 2016 to answer RSPO is still in the review process.</p> <p><b>Auditor Verification:</b> RaCP Process for:</p> <ul style="list-style-type: none"> <li>- PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> <li>- PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base)</li> <li>- PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base)</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base)</li> </ul>
ii.	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>Company Group/Holding Statement:</b> There is no new planting.</p> <p><b>Auditor Verification:</b> Based on auditor verification there are some new planting conducted by company, but NPP has been applied these.</p> <ul style="list-style-type: none"> <li>- PT Binasawit Abadi Pratama (Perdana Mill and supply base)</li> <li>- PT Agrokarya Prima Lestari (Kuayan Mill and supply base)</li> <li>- PT Mitra Karya Agroindo (Tangar Mill and supply base)</li> <li>- PT Paramitra Internusa Pratama (Belian Mill and supply base)</li> <li>- PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> </ul>
iii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p><b>Company Group/Holding Statement:</b> There are no land conflicts. The Company has a land conflict resolution mechanism in accordance with the RSPO criteria 6.4; 7.5; and 7.6. This procedure is outlined in the SOP Social Conflict Management (SOP/SMART/SENS-CSR/SADV/I/02). This procedure regulates social conflict settlement agreed.</p>



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

		<p>namely SOP/SMART/UMUM/SADV/II/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p><b>Auditor Verification:</b> Land legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> <li>- PT Paramitra Internusa Pratama (Belian Mill and supply base), still in the process of Committee B and the company has got plantation business permit (IUP)</li> <li>- PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance.</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base) and PT Adi Tunggal Mahajaya (Sako Mill) doesn't have Land Use Title (HGU).</li> </ul>
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### 3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

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

NC R No	Ref Std	Finding	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		There is no nonconformities over RSPO P&C							

#### 3.5.2 Identification of Findings, Corrective Actions and Observations at **ASA-02** Assessment

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
2016.1	2.2.1	<p><b>Legal documents showing ownership of land</b></p> <p>During the field visit observed that the HGU pole (boundary marker no. BPNXXVIII) is located in the middle of Block L09 Division 1 TRSE. The HGU poles shall be located at the border of the HGU area. It means that the company has planted outside the HGU area.</p> <p>Further, based on document verification on operational map, map of basic registration and image plots (annex of SK HGU) indicates that the company</p>	PT FLD	Major	1 May 2016	Companies must be able to show the evidence that the entire area cultivated has had documents showing ownership of land	<p><b>Root cause:</b> The land which is planted outside of pole of BPN no. XXVIII in Block L09 Division 1 are within the PT FLD's location permit but at the time of cadastral measurement and become HGU, the area does not entered into the concession because during the first measurement of cadastral by BPN to the intended location has not entered yet into the scope of measured.</p> <p><b>Corrective action:</b> - PT FLD will set aside land</p>	Closed	30 April 2016

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
		plants outside the land rights legal (HGU)					<p>which has been planted outside of BPN pole no. XXVIII in Block L09 Division 1 Tanjung Rusa Estate of the scope of RSPO certification</p> <ul style="list-style-type: none"> <li>- PT FLD will committed to arrange the legality of land planted outside BPN pole No. XXVIII in Block L09 Division 1 TRSE</li> </ul> <p><b>Preventive action:</b> PT FLD will ensure all cultivated areas has had documents showing ownership of land</p> <p><b>Auditor observation on 30 April 2016:</b> The company has shown a written commitment in document of statement dated 21 April 2016 by the Managing Director and Director representing the directors of PT FLD, states that:</p> <ul style="list-style-type: none"> <li>- The Company will reduce land of <math>\pm 1</math> Ha which is planted outside HGU from the certification scope</li> <li>- The Company will arrange the legality of the land</li> </ul> <p>Companies able to show a map</p>		

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>marker point of HGU scale of 1: 40,000 dated 28 April 2016 informing the boundaries of the area that can be cultivated legally. In the map, the area which is planted outside of HGU area of <math>\pm 1</math> ha has been reduced. Provided HGU point map overlay with location permit map which explains that an area of <math>\pm 1</math> ha has been entered into company's location permit.</p> <p>Evidence of corrective action also have been attaching memorandum document No. 003/RC Babel /IV/2016 dated 29 April 2016 about the delivery mechanism of TRSE's non-certified FFB to TKMM, explained that the separation is done since the boundary in the field, the separation of FFB collecting point, coding for FFB non-certified, separation of FFB and loose fruit transporting, making blocks code, separating production report, receipt report of FFB separation at the factory, and does not enter the code/stamp certified documents. The document has been attaching with a flowchart.</p>		



CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							Accordingly, a nonconformity has been met, the auditor would still conduct observation related to this during the the next annual assessment.		
2016.2	6.5.2	<b>Contract letter for worker</b> During the audit, contract worker agreement agreed by both company and the worker of TRSE. TKME and TKMM can not be provided to auditor.	PT FLD	Major	1 May 2016	Companies must be able to demonstrate Employee agreements for contract workers and daily volume paid (BHB) that has been agreed by both parties	<b>Root cause:</b> Contract for specific period workers and the daily volume contract workers agreed upon by both parties yet to be shown during the the audit  <b>Corrective action:</b> PT FLD shall prepare and demonstrate contract for specific period workers and the daily volume contract workers agreed upon by both parties  <b>Preventive action:</b> PT FLD shall ensure that specific period workers and the daily volume contract workers has had contract which has been signed by both parties  Auditor observation on <b>05 April 2016</b> Company shows the document employment agreement for	Closed	<b>05 April 2016</b>

CAR No.	Ref. Std.	Findings	Location	Grade	Time Limit	Corrective Action	Observation	Status	Closing date
							<p>specific period workers and the daily volume contract workers which had been referred to the provisions of labor regulations.</p> <p>Based on the explanation above, the Conformity No. 2016.2 stated fulfilled and observed on the ASA-3 to ensure that workers knows and understands the Employment Agreement.</p>		

**3.5.3 Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment.**

NCR No.	:	2017.01	Issued by	:	Yohanes Hardian
Date Issued	:	9 February 2017	Time Limit	:	9 April 2017
NC Grade	:	Major	Date of Closing	:	3 March 2017
Standard Ref. & Requirement	:	5.3.2 All chemicals and their containers shall be disposed of responsibly.			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor)::</i> Based on field visit at fertilizer storage at division 5&7 (TRSE) knowing the drum used lubrican oil keep on the fertilizer storage. This is not in accordance with the SOP waste management no SOP/SMART/LEMS-EHSD/SADV/I/002.					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Lack of acknowledge of warehouse officer and fertilizer contractor regarding to hazardous waste management (ex lubricants drum)					
<b>Corrective Action</b> <i>(filled by organization audited):</i> 1. Provide the socialization of hazardous management refer to the SOP OF hazardous waste (No SOP/SMART/LEMSESDH/SADV/I/002) for warehouse officer and contractor. 2. Remove the ex-lubricants drum in fertilizer storage Division 5 and 7 to the legal temporary hazardous storage. 3. Ensuring all hazardous waste stored in legal temporary hazardous storage. 4. Record of hazardous waste handling socialization to the warehouse officer and contractor documented. 5. Record of zero hazardous waste in othe fertilizer warehouse.					
<b>Preventive Action</b> <i>(filled by organization audited):</i> All field assistant conducting socialization of hazardous waste procedure to all employee and contractor before start working. They also conducting monitoring and ensuring zero hazardous waste outside the legal temporary hazardous waste.					
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification on March 3<sup>rd</sup> 2017</b> The company has showed socialization of hazardous waste handling on February 10 <sup>th</sup> 2017 that attended by all warehouse officer and contractor. They also showed, inspection evidence and documentation in each fertilizer storage. Including documentation of removing lubricants drum in fertilizer storage Division 5 and Division 7 to the legal temporary hazardous waste storage.  Based on the root cause, corrective action and preventive action that showed, nonconformity has been met.					
Verified by	:	Yohanes Hardian			

**3.5.4 Opportunities for Improvement at ASA-3 Assessment.**

No	Std. Ref.	Description
1	1.1.1	Report the land use report to the National Land Agency. <b>(Observation)</b> .
2	2.2.1	Effort to obtain the concession area of 55.05 ha located in District Membalong, Belitung. <b>(Observation)</b>
3	2.2.2	Realization of boundary poles verification using GPS
4	2.2.3	Monitoring positive progress of the land dispute in the operations area.
5	4.6.5	Appropriate PPE spray teams accordance with work intruction No SMART/MCAR/XII/TA-PTM/01.
6	4.7.5	First aid officer which certified from Manpower Ministry
7	5.2.2	Maintain of spraying activity boundary area at riparian.
8	6.1.4	Review of the management plan and monitoring of social impact.
9	6.2.3	Complete the column of date entry and the date response to the Logbook Communications and Consultation and logbook Request for Information

**3.5.5 Noteworthy Positive Components at ASA-3 Assessment.**

No	Penjelasan
1	The company's commitment to implementing the principles of sustainable palm oil management .
2	Personal competence (Staff) in their respective fields
3	Has been certified ISCC year 2013 No. Certificate: EU-ISCC-Cert-DE104-16511501
4	Has been certified ISPO year 2015 No. Certificate: MUTU/041
5	The award of the Ministry of Environment (Environmental Performance Rating Program. Company In Environmental Management - PROPER rated Blue) year period from 2015 to 2016.

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<b>National Land Agency of Belitung District</b> <ul style="list-style-type: none"> <li>Until the audit, the company has no propose new land permit. Therefore, they propose their Land Use Title revision.</li> <li>Until the public consultation held, there was no land dispute between the company and other parties.</li> <li>The company has not reported their land acquisition to the National Land Agency.</li> <li>There was no mining concession in their operational areas. National Land Agency of Belitung District not yet conducted field observation to the company's area in order to verify their land acquisition</li> </ul>	<ul style="list-style-type: none"> <li>The company propose cadastral measurement to the Land National Agency of Belitung District on 10 May 2016 as described in criteria 2.2</li> <li>There were land dispute with villagers of Simpangrusa. However, the FPIC are now on progress as described in criteria 2.2</li> <li>Based on field visit and public consultation with several village representative, there was no mining activity or mining concession in HGU areas of PT. FLD.</li> </ul>
<b>Environment Agency of Belitung District</b> <ul style="list-style-type: none"> <li>Company has full permissions related to environmental management such as environmental permits, licenses and permits land, hazardous waste temporary warehouse permits, land application permits, and all permits are still valid.</li> <li>The Company has regularly reported Environmental Management Plan/Environmental Monitoring Plan reports, quarterly reports hazardous waste and effluent quality</li> <li>No issue about land fire and environmental pollution</li> </ul>	<ul style="list-style-type: none"> <li>Comply with Criterion 5.1</li> <li>Comply with Criterion 5.3</li> <li>Comply with Criterion 5.5</li> </ul>
<b>Food security and agriculture Agency, Belitung District</b> <ul style="list-style-type: none"> <li>The company already has the documents of land rights in the form of concession and permits for business activities</li> <li>The company has reported its business activities to the agency routinely. For example, the Plantation Business Development Report semester II of 2016 on January 5, 2017.</li> <li>There are no negative issues such as fires, conflicts / disputes with local communities and other business interruptions.</li> <li>The company has a plantation revitalization program with the District Membalong Kembiri Village area of 497 Ha. Determination of FFB price for farmers to follow the prices set by the Plantation Agency of Bangka Belitung Province.</li> <li>The company does not have new location permits or additional new concession area.</li> <li>There is no indigenous forests and indigenous lands in the area of operations.</li> </ul>	<ul style="list-style-type: none"> <li>The company has had all plantation permit and has been complied all obligation reports. It refer to indicator 1.1.1.</li> <li>Based on interview with surrounding villlage representative that known there was no land dispute or environmental issues as written criterion 2.3; 5.1 and 6.4.</li> <li>There is no indigenous people near the operational area as written in criterion 2.3.</li> </ul>
<b>Cooperation, Small and Medium Business, Trade and Manpower Agency, District of Belitung</b> <ul style="list-style-type: none"> <li>Quarterly Guiding committee of occupational health and safety report has been reported by the company.</li> <li>Annually Manpower year of 2016 report has been reported by</li> </ul>	<ul style="list-style-type: none"> <li>All obligation report by company has been verified by auditor team as written on indicator 1.1.1.</li> <li>Collective Labor Agreement has been approved by</li> </ul>



Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>the company.</p> <ul style="list-style-type: none"> <li>- All of Manpower and safety surveillance has acquisition by manpower agency of Bangka Belitung Province. So, we don't have information related this issues.</li> <li>- Collective Labor Agreement period of 2016-2018 has been approved by agency.</li> </ul> <p>The Agency has sent letter No. 560/45/Kukradik.IV/2017 dated 4 February 2017 about Manpower data request.</p>	<p>agency as written on indicator 6.5.2.</p> <ul style="list-style-type: none"> <li>- The company has procedure "permintaan dan tanggapan informasi", all of information will be response after 15 day.</li> </ul>
<p><b>Community Village</b></p> <ul style="list-style-type: none"> <li>• Head of Village Simpang Rusa</li> <li>• Head of Village Cerucuk</li> <li>• Head of village Air Kundur</li> <li>• Head of Village Kembiri</li> </ul> <ul style="list-style-type: none"> <li>• The Company has realized some assistance such as assistance to mosques, education, religious events, etc</li> <li>• The company has set a responsible officer specialized in handling.</li> <li>• Dissemination associated with HCV area carried out by the company.</li> <li>• There are no negative issues such as fires, environmental pollution, conflicts / disputes with local communities and other business interruptions.</li> <li>• The Company has been included in the assessment of social impact, and the socialization of HCV.</li> <li>• Related to land claims that have gained the concession certificate/ Land Use Title Certificate is still in the process of mediation. Mediation last time in November 2016.</li> </ul>	<ul style="list-style-type: none"> <li>• Based on interview with surrounding village representative that known there was no land dispute or environmental issues as written criterion 2.3; 5.1 and 6.4.</li> <li>• The company has had CSR program and implementation. It refer to criterion 6.11.</li> </ul>
<p><b>Labor Union</b></p> <ul style="list-style-type: none"> <li>• There is no negative issues such as discrimination, the use of labor under 18 years or sexual abuse issues.</li> <li>• Providing wages and overtime in compliance with applicable regulations.</li> <li>• Until the audit takes place, there has been no complaints from workers.</li> <li>• There were no fatal work accidents in the last 1 year.</li> <li>• All employees have been included in the program BPJS employment and health.</li> <li>• The Company has conducted periodic health checks to workers with high risk. The Company has also provided PPE which is provided for free.</li> <li>• All the company policies has been disseminated to all workers.</li> </ul>	<ul style="list-style-type: none"> <li>• Based on field observation and interview with labour union, there was no violation of labour laws. For example, minimum age, discrimination, minimum wage, overtime etc. It refer to criterion 6.5.</li> <li>• The company has implemented minimum wage and overtime refer to the latest regulation as written in 6.5.1.</li> <li>• The company has paid labour social insurance and labour health insurance for all workers as written in indicator 4.7.6.</li> </ul>
<p><b>FFB Supplier</b></p> <ul style="list-style-type: none"> <li>• The agreement between the companies working with the</li> </ul>	

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>supplier has been made in a fair, legal and transparent.</p> <ul style="list-style-type: none"> <li>• The payment has been made on time in accordance with Agreement Letter.</li> <li>• FFB prices in accordance with the price set by Plantation Agency price and informed by Management Accounting.</li> <li>• The payment has been made on time in accordance with Agreement Letter.</li> <li>• There are complaints related to FFB payment</li> </ul>	<p>Comply with Criterion 6.10 and 6.11</p>
<p><b>Gender Committee</b></p> <ul style="list-style-type: none"> <li>• Grievance Mechanism related to the incidence of sexual harassment have been socialized to women and Mothers/Wife workers.</li> <li>• Within the last one year no event reporting sexual harassment or discrimination.</li> <li>• Management of the gender committee has the program related to sexual harassment policies, and protection of reproductive rights. Socialization also includes a ban on pregnant and lactating women to spray. Socialization is delivered through meetings like recitation etc.</li> </ul>	<ul style="list-style-type: none"> <li>• According o document verification and interview with workers, there was n issues related to violation of the rights of woman.</li> <li>• From the results of interviews with workers, the company has implemented of Company Policies such as reproductive rights and prohibition of pregnant woman to spray. It refer to criterion 6.9</li> </ul>

**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 Foresta Lestari Dwikarya  
Perwakilan Management

A handwritten signature in black ink, appearing to be "Ismu Zulfikar".

**Ismu Zulfikar**

Friday, 3 March 2017

Mutuagung Lestari  
Lead Auditor

A handwritten signature in black ink, appearing to be "Trismadi Nurbayuto".

**Trismadi Nurbayuto**

Friday, 3 March 2017

**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	District of Belitung	-	Interview	6 February 2017	√	-
2	Land Agency	District of Belitung	-	Interview	6 February 2017	√	-
3	Plantation Agency	District of Belitung	-	Interview	6 February 2017	√	-
4	Labour Agency	District of Belitung	-	Interview	6 February 2017	√	-
5	Labour Union	District of Belitung	-	Interview	7 February 2017	√	-
5	Gender Committee	District of Belitung	-	Interview	7 February 2017	√	-
6	Village of Simpang rusa	District of Belitung	-	Interview	7 February 2017	√	-
7	Village of Cerucuk	District of Belitung	-	Interview	7 February 2017	√	-
8	Sub Village of Air Kundur	District of Belitung	-	Interview	7 February 2017	√	-
9	Village of Kembiri	District of Belitung	-	Interview	7 February 2017	√	-
10	FFB Supplier	District of Belitung	-	Interview	8 February 2017	√	-
11	WALHI	-	informasi@walhi.or.id	Email	31 January 2017	-	√
12	WWF	-	wwf-indonesia@wwf.or.id	Email	31 January 2017	-	√
13	Sawit Watch	-	info@sawitwatch.or.id	Email	31 January 2017	-	√

**Appendix 2. Assessment Program**

DATE	6 – 9 February 2017	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 6 February 2017</b>		
07.00 – 08.30 09.00 – 12.00	<b>JAKARTA → BELITUNG (TANJUNG PANDAN)</b> <b>TANJUNG PANDAN → Belitung District Government</b> <b>Stakeholders consultation to Belitung District Government and local NGO</b>	<ul style="list-style-type: none"> <li>• TNB/APP/RZA/YHN</li> <li>• TNB/APP/RZA/YHN</li> </ul>
12.00 – 14.00	<b>BREAK &amp; Traveling from TANJUNG PANDAN → PT. FORESTALESTARI DWIKARYA</b>	
14.00 – 14.30 14.30 – 17.00	<b>OPENING MEETING</b> <b>Verification of basic information, completion Checklist and Review of Previous Visit Non-conformance (Surveillance-02)</b>	<ul style="list-style-type: none"> <li>• TNB/APP/RZA/YHN</li> </ul>
<b>Tuesday, 7 February 2017</b>		
08.00 - 12.00	<b>Field Observation <u>TANJUNG KEMBIRI Estate</u></b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, Best Agricultural Practices</li> <li>• Worker Welfare (payments, complaint mechanism)</li> <li>• Hazardous Waste Material Management</li> <li>• Worker facilities (housing, health clinic, clean water, etc)</li> <li>• Land Fire facilities, Storage, ect..</li> <li>• Conservation Area, Legal operational and Land Application</li> <li>• Stakeholder Consultation to the nearest village/community leader</li> </ul>	<ul style="list-style-type: none"> <li>• APP</li> <li>• APP</li> <li>• YHN</li> <li>• YHN</li> <li>• YHN</li> <li>• YHN</li> <li>• TNB</li> <li>• RZA</li> </ul>
12.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	<b>Field Observation to <u>TANJUNG KEMBIRI POM</u></b> <ul style="list-style-type: none"> <li>• Processing</li> <li>• WWTP/IPAL</li> <li>• Occupational Health and Safety (OHS/K3)</li> <li>• Hazardous Waste Material</li> <li>• Fire Fighting Facilities</li> <li>• Supply Chain</li> </ul>	<ul style="list-style-type: none"> <li>• APP</li> <li>• YHN</li> <li>• TNB</li> <li>• YHN</li> <li>• TNB</li> <li>• TNB</li> </ul>
14.00 – 17.00	<b>Stakeholders consultation to:</b> <ul style="list-style-type: none"> <li>• Local Contractors, Gender Committee and Labour Union</li> </ul>	<ul style="list-style-type: none"> <li>• RZA</li> </ul>
<b>Wednesday, 8 February 2017</b>		
08.00 – 12.00	<b>Field Observation <u>TANJUNG RUSA Estate</u></b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, Best Agricultural Practices</li> <li>• Worker Welfare (payments, complaint mechanism)</li> <li>• Hazardous Waste Material Management</li> <li>• Worker facilities (housing, health clinic, clean water, etc) and</li> <li>• Land Fire facilities, Storage, ect..</li> <li>• Conservation Area and Land Application</li> <li>• Legal operational and Stakeholder Consultation to the nearest village/community leader</li> </ul>	<ul style="list-style-type: none"> <li>• APP</li> <li>• APP</li> <li>• YHN</li> <li>• YHN</li> <li>• YHN</li> <li>• YHN</li> <li>• TNB</li> <li>• RZA</li> </ul>
12.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Clarification of Field Observation</li> <li>• Completion Checklist</li> </ul>	<ul style="list-style-type: none"> <li>• TNB/APP/RZA/YHN</li> <li>• TNB/APP/RZA/YHN</li> </ul>
<b>Thursday, 9 February 2017</b>		
08.00 – 08.30 09.00 – 10.00	<ul style="list-style-type: none"> <li>• Preparation of audit finding</li> <li>• CLOSING MEETING</li> </ul>	<ul style="list-style-type: none"> <li>• TNB/APP/RZA/YHN</li> <li>• TNB/APP/RZA/YHN</li> </ul>

DATE	6 – 9 February 2017	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
10.00 – 12.00	PT FLD → Tanjung Pandan	• TNB/APP/RZA/YHN
15.00 – 17.00	BELITUNG (TANJUNG PANDAN) → JAKARTA	• TNB/APP/RZA/YHN