

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

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

Name of Management Organisation : **Tanjung Kembiri POM, PT Forestalestari Dwikarya subsidiary of 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> 2018

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

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

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	12 to 15 February 2018	Sandra Purba, Asystasya Aishah Silalahi, Yudhi Yuniarto Tallutondok, Sahat Simarmata	Octo H.P.N. Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	13 <sup>th</sup> March 2018

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 on March 12<sup>th</sup>, 2014 with registration number **ASI-ACC-055**

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Figure 1. Location Map of Forestalestari Dwikarya

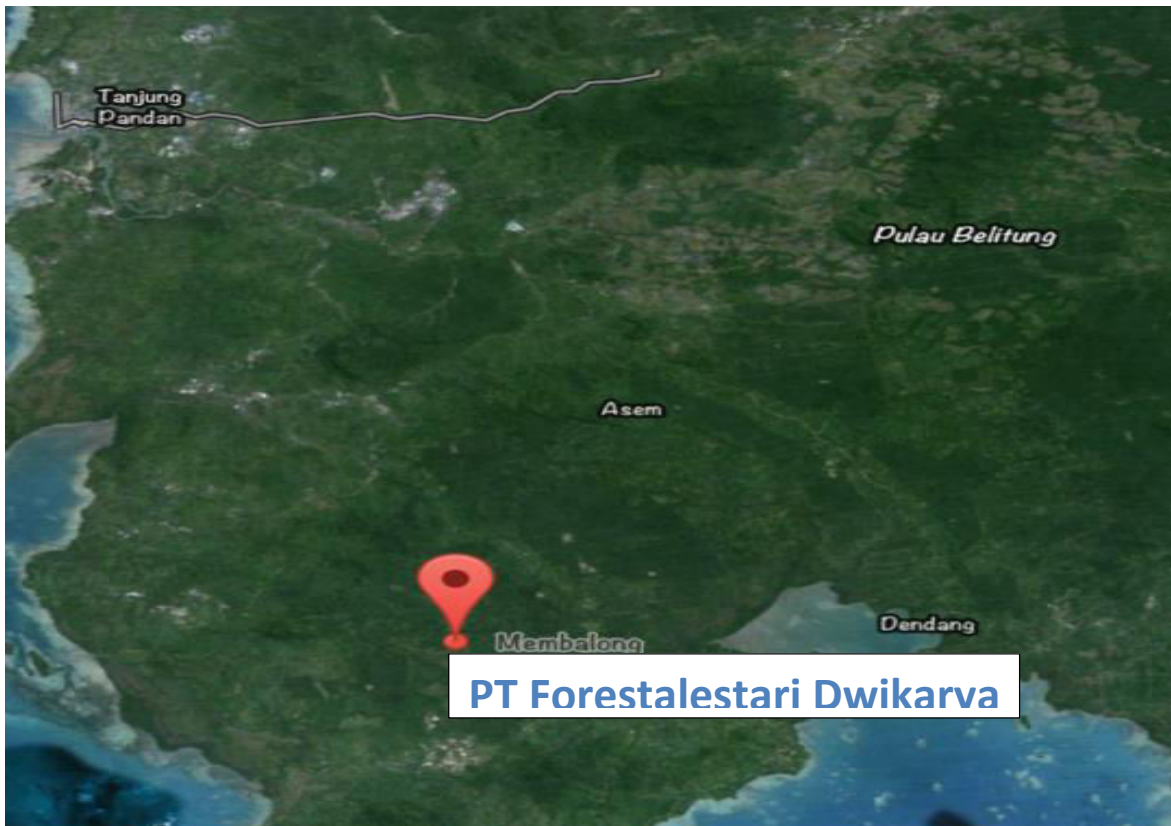
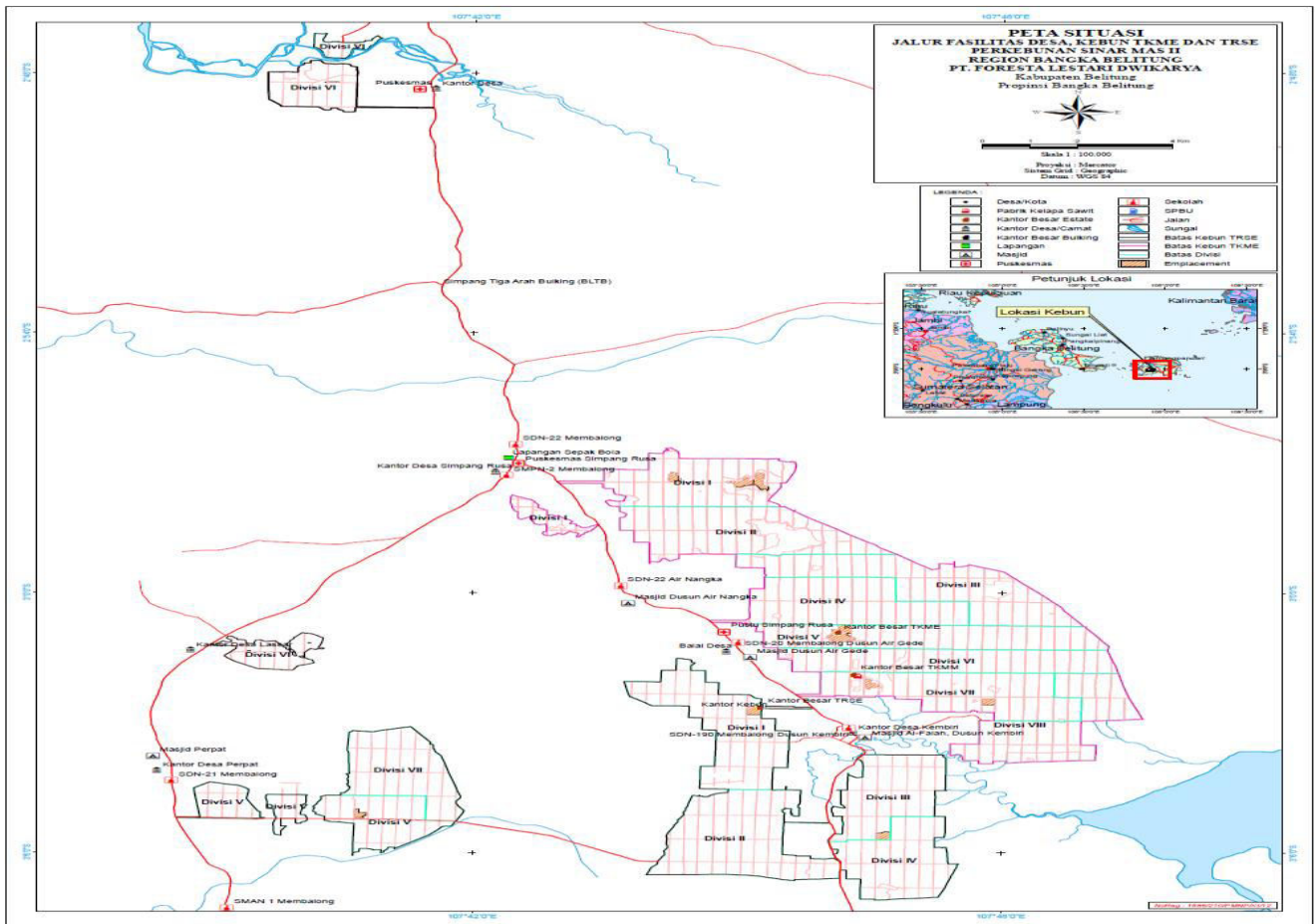


Figure 2. Operational Map of Forestalestari Dwikarya



Abbreviations Used		
ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPN	:	<i>Badan Pertanahan Nasional</i> (Land Agency)
CH	:	Certificate Holder
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
DO	:	Delivery Order (Surat Pengantar Buah)
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunch
FLD	:	Forestaestari Dwikarya
FPIC	:	Free, Prior, Informed, Consent
GAR	:	Golden Agri Resources
GHG	:	Green House Gas
GPS	:	Global Positioning System
HIRAC	:	Hazard Identification, Risk Assessment And Control
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
IPM	:	Integrated Pest Management
KCP	:	Kernel Crush Plant
KER	:	Kernel Extraction Rate
LUCA	:	Land Use Change Analysis
LSU	:	Leaf Sampling Unit
LD50	:	Lethal Dose 50
LTI	:	Lost Time Incident
MB	:	Mass Balance
MSDS	:	Material Safety Data Sheet
MCMD	:	Management Committee Mill Development
NGO	:	Non Government Organization
NPP	:	New Planting Procedure
OIA	:	Operational Internal Audit
OFI	:	Opportunity For Improvement
OHS	:	Occupational Health & Safety
OER	:	Oil Extraction Rate
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
RC	:	Regional Controller
RKL-RPL	:	<i>Rencana Kelola Lingkungan – Rencana Pemantauan Lingkungan</i> (Environmental management and monitoring plan)
RTE	:	Rare, Treat, Endangered
RSPO	:	Roundtable on Sustainable Palm Oil
SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment
SOP	:	Standard Operational Procedure
SPO	:	Sustainable Palm Oil
SMARTRI	:	Sinar Mas Agribusiness Research and Technology Institute
SSU	:	Soil Sampling Unit
TKME	:	Tanjung Kembiri Estate
TKMM	:	Tanjung Kembiri Mill
TRSE	:	Tanjung Rusa Estate

VPA	:	Vice President Agronomy
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li><i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016)</i></li> <li><i>RSPO Supply Chain Certification Standard For organization seeking or holding certification, Adopted by the RSPO Board of Governors on 21 November 2014 (Revised on 14 June 2017)</i></li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	PT Forestalestari Dwikarya subsidiary of Golden Agri Resources Ltd	
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	<a href="mailto:ismu-zulfikar@smart-tbk.com">ismu-zulfikar@smart-tbk.com</a>	
1.2.7	Web page address	<a href="http://www.smart-tbk.com">www.smart-tbk.com</a>	
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</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base <ul style="list-style-type: none"> <li>Tanjung Kembiri Mill, Tanjung Rusa Estate and Tanjung Kembiri Estate</li> </ul>	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	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 (TRSE)	Kembiri Village, Membalong Sub District, Belitung District, Bangka Belitung Province, Indonesia		03° 02' 38.05" S	107° 45' 15.56" E		
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 + Housing Complex			86.77 Ha			
	• Infrastructure (road, bridge, and drain)			366.80 Ha			
	• River			44.38 Ha			
	• Reserved land			169.62 Ha			
	• Others			185.34 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	1,203.24		3,284.13		
	1997	1,878.19	3,157.15		5,035.34		
	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 (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Tanjung Kembiri	60	277,609.47	58,012.26	20.89	14,586.09	5.25
*Production data source from February 2017 – January 2018							
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Tanjung Kembiri Estate	6,086.30	5,839.11	106,534.02	18.24	106,534.02	100.00



Tanjung Rusa	5,251.28	4,645.56	87,560.49	18.85	87,560.49	100.00
<b>TOTAL</b>	<b>11,337.58</b>	<b>10,484.67</b>	<b>194,094.51</b>	<b>18.51</b>	<b>194,094.51</b>	<b>100.00</b>

*\*Production data source from February 2017 – January 2018*

1.7.3 FFB description from other source

Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill	
				FFB (tonnes/year)	
<b>Tanjung Rusa Estate</b> (Non RSPO Certified)	PT Forestalestari Dwikarya (Associated grower)	-	55.05	2,941.24	
<b>Tanjung Rusa Plasma (TRSA)</b> (Non RSPO Certified)	PT Forestalestari Dwikarya (Associated smallholder)	382	496.99	6,978.85	
<b>PT Pratama Unggul Sejahtera (PUSX)</b> (Non RSPO Certified)	PT Pratama Unggul Sejahtera (Independent outgrower)	-	-	17,773.51	
<b>Tanjung Sawit Estate (TSWE)</b> (Non RSPO Certified)	PT Palmindo Belitung Berjaya (Independent outgrower)	-	-	40,710.67	
<b>Melantan Makmur Plasma (MMKA)</b> (Non RSPO Certified)	PT Palmindo Belitung Berjaya (Independent outgrower)	-	-	3,759.09	
<b>Mitra Mandiri Plasma (MMNA)</b> (Non RSPO Certified)	PT Palmindo Belitung Berjaya (Independent outgrower)	-	-	1,692.44	
<b>Lingkar Mitra Plasma (LMTA)</b> (Non RSPO Certified)	PT Palmindo Belitung Berjaya (Independent outgrower)	-	-	1,599.14	
<b>Tunas Harapan Plasma (THRA)</b> (Non RSPO Certified)	PT Palmindo Belitung Berjaya (Independent outgrower)	-	-	2,790.08	
<b>Gang Rumpun Jaya (GRMA)</b> (Non RSPO Certified)	PT Palmindo Belitung Berjaya (Independent outgrower)	-	-	2,408.07	
<b>Mitra Sejahtera (MTSA)</b> (Non RSPO Certified)	PT Palmindo Belitung Berjaya (Independent outgrower)	-	-	116.00	
<b>Sawit Alam Permai (SAPX)</b> (Non RSPO Certified)	PT Sawit Alam Permai (Independent outgrower)	-	-	2,745.87	
<b>TOTAL</b>				<b>83,514.96</b>	

*\*Source Production Data on February 2017 – January 2018*

1.7.4 Product categories **FFB, CPO, PK**

1.8	Tonnage of Product		
1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim 21 April 2017 to 20 April 2018 (tonnes/year)	Actual certified product 21 April 2017 to 12 February 2018 (tonnes/year)
	• FFB Production	193,124	166,904.73
	• CPO Production	42,487	36,006.15
	• Palm Kernel (PK) Production	10,622	9,335.00

1.8.2	Product selling							
-	Tonnage of selling product			Actual selling product period 21 April 2017 until 12 February 2018				
	• CSPO sold as RSPO certified product			-				
	• CSPK sold as RSPO certified product			9,335.00				
	• CSPO sold under other scheme (ISCC)			36,006.15				
	• CSPK sold under other scheme			-				
	• CSPO sold under conventional			-				
	• CSPK sold under conventional			-				
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)		Total Area (Ha)	Planted Area (Ha)		FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Tanjung Kembiri Estate		6,086.30	5,839.11		111,861	19.16	
	Tanjung Rusa		5,251.28	4,645.56		91,939	19.8	
	TOTAL		11,337.58	10,484.67		203,800	19.44	
<i>*Projected FFB production for 12 months of certificate (21 April 2018 – 20 April 2019)</i>								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Tanjung Kembiri	60	203,800	46,874	23	11,209	5.5	MB
<i>*Projected CSPO and CSPK production for 12 months of certificate (21 April 2018 – 20 April 2019)</i>								
1.9	Other Certifications							
	ISPO			MUTU-ISPO/041 issued by PT Mutuagung Lestari 11 December 2015 to 10 December 2020				
	ISCC			EU-ISCC-CERT-DE-104-16511501				
1.10	Time Bound Plan							
1.10	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time Bound Plan						
	Pangkalan Panji (PT Sawit Mas Sejahtera)	2013	Sawit Mas Estate	2013	South Sumatera	Certified		
	Bumi Sawit Mill (PT Bumi Sawit Permai)	2013	Bumi Sawit Estate	2013	South Sumatera	Certified		
	Muara Kandis Mill (PT Djuanda Sawit Lestari)	2013	Muara Tawas Estate	2013	South Sumatera	Certified		
			Muara Kandis Estate	2013	South Sumatera	Certified		
			Muara Kandis Estate (HGU on progress – 574.58 Ha)	2020	South Sumatera	-		
			Smallholder (KKPA Pandawa)	2019	South Sumatera	-		
Smallholder (Pandawa		2019	2019	South Sumatera	-			

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

Perdana Mill (PT Binawit Abadi Pratama)  Kuayan Mill (PT Agrokarya Prima Lestari)	2020	Perdana Estate	2020	Central Kalimantan	ST-1
		Lenggana Estate	2020	Central Kalimantan	ST-1
		Semandau Estate	2020	Central Kalimantan	ST-1
		Muara Dua Estate	2020	Central Kalimantan	ST-1
	2020	Mentaya Estate	2020	Central Kalimantan	ST-1
		Kuayan Estate	2020	Central Kalimantan	ST-1
		Bukit Santuhai Estate	2020	Central Kalimantan	ST-1
		Tajur Beras Estate	2020	Central Kalimantan	ST-1
		Serantau Estate	2020	Central Kalimantan	ST-1
		Sungai Sambon Estate	2020	Central Kalimantan	ST-1
		Smallholder (Sungai Sambon Plasma)	2020	Central Kalimantan	-
		Sapiri Estate (PT Buana Adhitama)	2020	Central Kalimantan	ST-1
		Bukit Dua Estate (PT Buana Adhitama)	2020	Central Kalimantan	
		Bukit Tunggal Estate (PT Buana Adhitama)	2020	Central Kalimantan	
Belian Mill (PT Paramitra Internusa Pratama)	2018	Belian Estate	2018	West Kalimantan	ST-1
		Tengkawang Estate	2018	West Kalimantan	ST-1
		Kenari Estate (PT Bangun Nusa Mandiri)	2019	West Kalimantan	ST-1
		Kerangi Estate (PT Bangun Nusa Mandiri)	2019	West Kalimantan	ST-1
		Muara Tawang Estate (PT Kartika Prima Cipta)	2019	West Kalimantan	ST-1
		Kapuas Hulu Estate (PT Persada Graha Mandiri)	2018	West Kalimantan	ST-1
		Sungai Beran Estate (PT Persada Graha Mandiri)	2018	West Kalimantan	ST-1
		Smallholder (Belian KKPA)	2020	West Kalimantan	-
		Smallholder (Tengkawang KKPA)	2020	West Kalimantan	-
		Smallholder (Kenari Plasma)	2019	West Kalimantan	-
		Smallholders (Kapuas Hulu KKPA)	2020	West Kalimantan	-
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2018	West Kalimantan	-
Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa)	2016	Sungai Kupang Estate	2016	South Kalimantan	ST-2 May 2015
		Sungai Kupang KKPA	2016	South Kalimantan	
		Senakin Estate	2019	South Kalimantan	-
Sungai Kikim Mill (PT Sawit Mas Sejahtera)	2019	Sungai Kikim Estate	2019	South Sumatera	-
		Sungai Pangsi Estate	2019	South Sumatera	-
		Sungai Musi Estate	2019	South Sumatera	-

		Sungai Saling Estate	2019	South Sumatera	-
		Sungai Enim Estate (PT Bumi Sawit Permai)	2019	South Sumatera	-
		Sungai Lematang Estate (PT Bumi Sawit Permai)	2019	South Sumatera	-
Tangar Mill (PT Mitra Karya Agroindo)	2020	Sulin Estate	2020	Central Kalimantan	-
		Nahiyang Estate	2020	Central Kalimantan	-
		Katayang Estate	2020	Central Kalimantan	-
		Sungai Nusa Estate	2020	Central Kalimantan	-
		Kajui Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	-
		Manuhing Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	-
		Sungai Ayawan Estate (PT Aditunggal Mahajaya)	2020	Central Kalimantan	-
Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa)	2019	Sungai Magalau Estate	2019	South Kalimantan	-
Jalemo Mill* PT Agro Lestari Sentosa	2020	Balasang Estate	2020	Central Kalimantan	-
		Jalemo Estate	2020	Central Kalimantan	-
Sako Mill* (PT Adi Tunggal Mahajaya)	2020	Sulin Plasma	2020	Central Kalimantan	-
		Sapiri Plasma	2020	Central Kalimantan	-
		Sako Plasma	2020	Central Kalimantan	-
Padang Halaban Mill (PT SMART Tbk)	2011	Padang Halaban Estate	2011	North Sumatera	Certified
		Penantian Estate	2011	North Sumatera	Certified
		Adipati Estate	2011	North Sumatera	Certified
		Kanopan Ulu Estate	2011	North Sumatera	Certified
Batu Ampar Mill (PT SMART Tbk)	2012	Batu Ampar Estate	2012	South Kalimantan	Certified
		Batu Mulia Estate	2012	South Kalimantan	Certified
		Sungai Panci Estate	2012	South Kalimantan	Certified
		Sungai Panci KKPA	2012	South Kalimantan	Certified
Tanah Laut Mill (PT SMART Tbk)	2012	Tanah Laut Estate	2012	South Kalimantan	Certified
		Kinta Pura Estate	2012	South Kalimantan	Certified
Langga Payung Mill (PT Tapan Nadenggan)	2012	Langga Payung Estate	2012	North Sumatera	Certified
		Paya Baung Estate	2012	North Sumatera	Certified
		Normark Estate	2012	North Sumatera	Certified
Hanau Mill (PT Tapan Nadenggan)	2012	Hanau Estate	2012	Central Kalimantan	Certified
		Tasik Mas Estate	2012	Central Kalimantan	Certified
		Tanjung Paring Estate	2012	Central Kalimantan	Certified
		Langadang Estate	2012	Central Kalimantan	Certified
		Medang Sari (PT Satya Kisma Usaha)	2018	Central Kalimantan	-

Semilar (PT Tampilan Nadenggan)	2013	Semilar	2013	Central Kalimantan	Certified
		Sei Rindu	2013	Central Kalimantan	Certified
		Mandang	2013	Central Kalimantan	Certified
		Puri	2013	Central Kalimantan	Certified
Jak Luay Mill (PT Tampilan Nadenggan)	2015	Pantun Mas Estate	2015	East Kalimantan	Certified
		Pantun Mas KKPA	2018	East Kalimantan	-
		Jak Luay Estate	2015	East Kalimantan	Certified
		Jak Luay KKPA	2018	East Kalimantan	-
		Long Buluh Estate	2015	East Kalimantan	Certified
		Bukit Subur Estate	2015	East Kalimantan	Certified
		Bukit Subur KKPA	2018	East Kalimantan	-
Leidong West Mill (PT MP Leidong West Indonesia)	2014	Leidong West Utara Estate	2014	Bangka Belitung	Certified
		Leidong West Selatan Estate	2014	Bangka Belitung	Certified
Muara Wahau Mill (PT Kresna Duta Agroindo)	2014	Muara Wahau Estate	2014	East Kalimantan	Certified
		Gunung Kombeng	2014	East Kalimantan	Certified
Gunung Kombeng Mill (PT Kresna Duta Agroindo)	2019	Gunung Kombeng KKPA	2019	East Kalimantan	-
Rantau Panjang (PT Kresna Duta Agroindo)	2017	Rantau Panjang Estate	2017	East Kalimantan	-
		Rantau Panjang KKPA	2017	East Kalimantan	-
Jelatang Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
		Tiga Serumpun KKPA	2019	Jambi	-
		Bukit Bungkul KKPA	2019	Jambi	-
		Kubang Ujo Plasma	2019	Jambi	-
		Pamenang Plasma	2019	Jambi	-
Pelakar Mill (PT Kresna Duta Agroindo)	2017	Pelakar Estate	2017	Jambi	ST-2 Sept 2017
		Tiga Serumpun KKPA	2019	Jambi	ST-2 Sept 2017
		Batang Merangin Estate	2017	Jambi	ST-2 Sept 2017
		Batang Tembesi Estate	2017	Jambi	ST-2 Sept 2017
		Kubang Ujo Plasma	2019	Jambi	-
Langling Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
		Bangko Plasma	2019	Jambi	-
		Bukit Bungkul KKPA	2019	Jambi	-
		Batang Gading Estate	2019	Jambi	-
		Batang Gading KKPA (PT Satya Kisma Usaha)	2019	Jambi	-
		Pamenang Plasma	2017	Jambi	-

Sungai Bengkal Mill (PT Satya Kisma Usaha)	2015	Sungai Bengkal Estate	2015	Jambi	Certified
		Sungai Bengkal KKPA	2015	Jambi	Certified
		Muara Kilis Estate	2015	Jambi	Certified
		Muara Kilis KKPA	2019	Jambi	-
Bukit Kapur Mill (PT SMART Tbk)	2020	Bukit Kapur Estate	2020	South Kalimantan	ST-1
		Sungai Cantung Estate	2020	South Kalimantan	ST-1
Samsam Mill (PT Ivomas Tunggal)	2009	Samsam Estate	2009	Siak-Riau	Certified
		Samsam Estate (HGU on progress – 29.09 Ha)	2020	Siak-Riau	-
		Kandista Estate	2009	Siak-Riau	Certified
		Kandista Estate (HGU on progress – 158.46 Ha)	2020	Siak-Riau	-
		Palapa Estate	2009	Siak-Riau	Certified
Libo Mill (PT Ivomas Tunggal)	2009	Libo Estate	2009	Siak-Riau	Certified
		Nenggala Estate	2009	Siak-Riau	Certified
		Nenggala Estate (HGU on progress 419.9 Ha)	2020	Siak-Riau	-
		Sei Rokan Estate	2009	Siak-Riau	Certified
		Sei Rokan Estate (HGU on progress – 102.7 Ha)	2020	Siak-Riau	-
Ujung Tanjung (PT Ivomas Tunggal)	2009	Ujung Tanjung Estate	2009	Siak-Riau	Certified
		Ujung Tanjung Estate (HGU on progress – 557.3 Ha)	2020	Siak-Riau	-
Naga Sakti Mill (PT Buana Wiralestari Mas)	2010	Naga Mas Estate	2010	Kampar-Riau	Certified
		Naga Mas Estate (HGU on process – 253.39 Ha)	2020	Kampar-Riau	-
		Naga Sakti Estate	2010	Kampar-Riau	Certified
		Naga Sakti Estate (HGU on process – 59.79 Ha)	2020	Kampar-Riau	-
		Rama Bakti Estate	2010	Kampar-Riau	Certified
Kijang Mill (PT Buana Wiralestari Mas)	2010	Kijang Mas Estate	2010	Kampar-Riau	Certified
		Kijang Mas Estate (HGU on process – 56.07 Ha)	2020	Kampar-Riau	-
		Kijang Kencana Plasma	2010	Kampar-Riau	Certified
Ramarama Mill (PT Ramajaya Pramukti)	2010	Ramarama Estate	2010	Kampar-Riau	Certified
		Ramarama Estate (HGU on process – 318.76 Ha)	2020	Kampar-Riau	-
		Amartajaya Plasma	2010	Kampar-Riau	Certified
Indra Sakti Mill (PT Meganusa Inti)	2011	Indra Lestari Estate	2011	Indragiri-Riau	Certified
		Indra Sakti Estate	2011	Indragiri-Riau	Certified



	Sawit)		Indragiri Plasma	2011	Indragiri-Riau	Certified
			Indrasakti Plasma	2011	Indragiri-Riau	Certified
	Bumipalma Mill (PT Bumipalma Lestari Persada)	2012	Bumi Lestari Estate	2012	Indragiri-Riau	Certified
			Bumi Palma Estate	2012	Indragiri-Riau	Certified
			Bumi Sentosa Estate	2012	Indragiri-Riau	Certified
	Sawita Mill (PT Sawitakarya Manunggal)	2018	Sawita Estate	2018	South Kalimantan	ST-1
			Pamukan Estate	2018	South Kalimantan	ST-1
			Sawita KKPA	2018	South Kalimantan	ST-1
	*)under construction					
	There are revision of time bound plan, the justification from top management is: 1. Pelakar Mill and Rantau Panjang Mill is still process on disclosure & liability by RSPO, while Bukit Kapur Mill doesn't have land use title (HGU), the HGU is still on process. 2. Several associate smallholders (plasma) which refuses to follow the RSPO certification, but the management unit is still communicating with the plasma for the implementation of RSPO certification. 3. Sawita Mill had conducted pre assessment RSPO on 2015 and Another entire Management Unit under PT Ivo Mas Tunggal has been RSPO certified.					
There is revision of time bound plan on 1 October 2017 for HGU on process in PT Ivomas Tunggal (Samsam Estate 29.09 Ha, Kandista Estate 158.46 Ha, Nenggala Estate 419.9 Ha, Sei Rokan Estate 102.7 Ha, Ujung Tanjung Estate 557.3 Ha); PT Rama Jaya Pramukti (Ramarama Estate: 318.76 Ha); PT Buana Wira Lestari (Naga Sakti Estate 59.79 Ha; Naga Mas Estate 253.39 ha and Kijang Estate 56.07 ha). For this area is planned for audit on 2020 because waiting for HGU						
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	Smallholder under PT FLD are planned to be certified on 2019					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-4</b>	<ul style="list-style-type: none"> <li>• <b>Sandra Purba (Lead Auditor).</b> Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG vericator and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next. Involve in many audit activities of similar scheme (ISPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. During this audit, she verified Legal, SCCS, HCV, and Land Conflict aspects.</li> <li>• <b>Asystasya Aishah Silalahi (Auditor).</b> Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, and several in house training related to environmental, BMP, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verified worker welfare, environment, and transparency aspect.</li> <li>• <b>Sahat Simarmata (Auditor).</b> Bachelor of Science in Agriculture (Plant Protection) obtained from the Faculty of Agriculture, Universitas Sumatera Utara - Medan and Master of Science (Environmental Science and Management) obtained from University of the Philippines Los Banos (UPLB), Philippines. Worked at the Directorate General of Estate Crops, Ministry of Agriculture for 32 years and actively involved in undertaking Field Test of RSPO P&amp;C Draft, actively involved in formulating and undertaking Field Test of ISPO P&amp;C Draft, and socialized Regulation of Minister of Agriculture No.19/2011 on ISPO Guidance. Currently he is working on the independent Certification Body. The training attended, are Auditor ISPO, In house Training – Awareness RSPO Certification, and Training of Lead Auditor, ISO 9001 (In House Training). He has been conducting several audit related sustainable palm oil certification system as auditor trainee and auditor. In this audit he assessed the Best management Practices aspect.</li> <li>• <b>Yudhi Yuniarto Tallutondok (Trainee).</b> Indonesian, Bachelor degree of fishery, Padjajaran University. Have work experience more than 3 years as operational staff in one of private oil palm plantation in Indonesia and currently working in independent certification body as auditor. Has been involves in several audit of similar scheme such as ISPO, has followed training course such as Basic Management Development Program Agronomy, in house training of mapping and conflict resolution, ISPO and RSPO awareness. During this audit he assessed on OHS aspect and social aspect.</li> </ul>
<b>2.2</b>	<b>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-4</b>	<p>Number of auditors : 4 auditor and 1 auditor trainee</p> <p>Number of days for <b>ASA-4</b> at site : 4 days</p> <p>Number of working days for <b>ASA-4</b> at site : 16 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-4</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Forestalestari Dwikarya to the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production 2013 for Indonesia July 2016, approve RSPO Governors September 30, 2016 and RSPO Supply Chain Certification Standard For organization seeking or holding certification, Adopted by the RSPO Board of Governors on 21 November 2014 (Revised on 14 June 2017)</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) <i>interview</i>, 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>Some opportunities for improvement of the results <b>ASA-4</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>RC</b>).</p>

Improvement of findings from main assesment findings were observed by auditors at this **ASA-4** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-4**.

The assessment program please find Appendix 2

**2.2.3 Locations of Assessment**
**ASA-4**
**TKME**

1. **Boundary poles and marker.** BPN FLD BT10 in block 37 Div 8 TKME, BPN FLD 46 in block P58 Division 8 TKME, BPN BT32 in block M67 Divi 8 TKME. All maintained and available at place.
2. **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities
3. **Chemical storage.** Field observations related to condition of the storge, symbols, MSDS, channels and pesticide spill containers, and pesticide stock, and management of hazardous and toxic materials.
4. **Hazardous waste storage.** Field observations related to the management of hazardous and toxic materials.
5. **Clinic.** Observation and interview regarding to health service and facility and infectious waste management.
6. **Housing complex division 5.** Observation and interview regarding to feasibility of facilities, complain mechanism, waste management, clean water and access to basic needs.
7. **Child day care.** Interview related to worker welfare, complain mechanism, and feasibility of facilities
8. **Landfill area division 5 Block J60.** Observation and interview to supervisor anorganic and organic management, and OHS aspect.
9. **Aik Mudur River, Blok D/E 40, Division 2.** Observation HCV area. the condition of the HCV area is well maintained, good delineated and signed clearly. It is also accessible.
10. **Are Tree (sacred), Blok G 51/52, Division 4.** Observation HCV area. the condition of the HCV area is well maintained, good delineated and signed clearly. It is also accessible.
11. **Interviews and Simulations with Emergency Response Groups.** Observations related to the preparedness of the emergency response team, the ability and understanding of members, the completeness of the fire prevention equipment.
12. **Chemical Weed Control (Block J-45 and J-46, Division 5).** Field observations and interviews related to worker (applicator), worker welfare, OHS implementation, company's policies and facilities, morning briefings, herbicide mixing, working hours, occupational safety and health, spray equipment, extra food, spray area, herbicide type and dosage used, sprayer performance, surveillance, dose reference, training / socialization of herbicide applications, spray rotation, spraying techniques, herbicide mixing, factors to be considered during spraying, occupational accidents, herbicide poisoning symptoms experienced, working accident, washing and storage of PPE and spray equipment, first aid kit.
13. **Harvest (Block K-45 and K-46, Division 6).** Field observations and interviews related to: worker, employee status, training, morning briefing, harvesting techniques, occupational safety and health (APD), harvesting tools, working hours, quotes of loosefruit, fruit transport to Yield Collection Point (YCP), fruit preparation at YCP, harvest monitoring, premiums and fines, harvesting criteria, harvest rotation, harvesting records, fruit grading, occupational accidents, health checks, housing, BPJS membership, SPSI membership, and first aid kit.
14. **Empty Fruit Bunch Application (Block K-45 and K-46, Division 6).** Field observations and staff interviews related to the transportation of empty fruit bunches (EFB), EFB spreading, applied areas, dose / ha, and apparatus
15. **IPM Implementation.** Field observations and staff interviews related to plantinf of beneficial plants (**Block J-46 and Block J-50, Dlvisi 5**) and installation and monitoring of the Barn Owl Box/BOB (**Block K-50, Division 6**).
16. **Land Application (Block K-50, Division 6).** Field observations and staff interviews related to application areas, number of beds, rotation of application land, bed capacity, working hours, work of helper, wastewater streaming techniques, bed wash, work equipment, wall bed improvement, occupational safety and health (PPE) , recording of work, medical examination, BPJS membership, SPSI membership, housing, and first aid kit.
17. **Road Maintenance (Block H-45 and H-46, Division 4).** Field observations and staff interviews related to road maintenance work, road hardening materials, and performance (length of road maintenance).
18. **Observation of Pesticide Houses (Divisions 4, 5, and 6).** Field observations and staff interviews related to the condition and facilities of pesticide houses.

19. **Erosion Stake (Block F-42, Division 3).** Field observations and staff interviews related to the topography of the area, the condition of the area, the number and location of erosion stakes, and monitoring.
20. **Interview with Manure Workers (Office TKM Estate).** At the time of ASA-4 assessment there was no manuring activity. Interviews of officers were conducted in relation to the location and last time of manuring, manuring rotation, working hours, equipment, type and dosage of applied fertilizer, the amount of applied fertilizer, occupational safety and health (PPE), training, medical examination, occupational accidents, the management of plastic bags used for fertilizer containers, as well as washing and storing PPE and fertilizer tool.

**TRSE**

21. **Boundary poles and marker.** BPN 34 and BPN BT31 in Block S25 Division 4 TRSE. All maintained and available at place.
22. **Block K12 Div 1.** Observation to uncertified area of 50.25 Ha related to separation handling of FFB between certified and uncertified area
23. **Workshop.** Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities
24. **Chemical storage.** Field observations related to condition of the storage and management of hazardous and toxic materials.
25. **Hazardous waste storage.** Field observations related to the management of hazardous and toxic materials.
26. **Housing complex division 3/4.** Observation and interview regarding to feasibility of facilities, complain mechanism, waste management, clean water and access to basic needs.
27. **Child day care.** Interview related to worker welfare, complain mechanism, and feasibility of facilities.
28. **Kembiri River, Blok R/S 10, Division 2.** Observation HCV area. the condition of the HCV area is well maintained, good delineated and signed clearly. It is also accessible.
29. **Are Tree (sacred), Blok S 21, Division 4.** Observation HCV area. the condition of the HCV area is well maintained, good delineated and signed clearly. It is also accessible.
30. **Moyang Manis Water Springs, Blok P 15, Division 2.** Observation HCV area. the condition of the HCV area is well maintained, good delineated and signed clearly. It is also accessible.
31. **Interviews and Simulations with Emergency Response Groups.** Observations related to the preparedness of the emergency response team, the ability and understanding of members, the completeness of the fire prevention equipment
32. **Chemical Weed Control (Block K-8, Division 1).** Field observations and staff interviews related to spray worker, employee status, morning briefing, herbicide mixing site, working hours, occupational safety and health (K3), PPE, spray equipment, extra food, spray area, type and dose of herbicide used, performance sprayer, surveillance, dose reference, MSDS, training / socialization of herbicide application, spray rotation, spraying technique, respraying, herbicide poisoning symptoms experienced, working accident, washing and storage of PPE and spray equipment, PPE replacement and spray equipment, membership of BPJS, membership of SPSI, housing, socialization of gender issues and sexual harassment, menstruation and maternity leave, work transfer of pregnant / breastfeeding female workers, first aid kit, and first aid training.
33. **Harvest (Block P-11 and P-12, Division 2).** Field observations and staff interviews related to harvesters and loosefruit collector, employee status, morning briefings, working hours, occupational safety and health (K3), PPE, harvesting equipment, training / socialization, technical harvesting, harvest maturity criteria, harvest rotation, pruning and preparation of midrib, collecting of loosefruit, transport of fruit to YCS (TPH), preparation of fruit in YCS (TPH), monitoring of harvest, premium, fine, recording of harvest, fruit grading by Production Clerk, recording of the number of FFB and loosefruits, work accident, health inspection, SPSI Plantation membership, and first aid kit.
34. **IPM Implementation.** Field observations and staff interviews related to beneficial plants (**Block P-11 and Block P-12, Division 2**) and installation, monitoring, and conditions of barn Owl Box (BOB) or *gupon* (**Block P-11, Division 2**).
35. **Place of pesticide mixing (Central Warehouse Complex, TRSE).** Field observations and interviews of officers related to pesticide house facilities (BSS - Block Spraying System), such as wash basins / rinse disposable plastic sacks, PPE wash basins and spray equipment, water traps tubs for storing used water, tap water, warehouse for PPE storage, ventilation / air circulation, symbols, bathroom / rinse, and sedimentation basin.

36. **Pesticide Warehouse (in Warehouse, TRSE).** Field observations and staff interviews related to occupational safety and health (K3), PPE, pesticide warehouse conditions, Working Instruction of Warehouse Agrochemicals, MSDS pesticide products, ventilation, waste bins, pesticide stock, training, fire extinguisher (APAR) - validity period, checks, and conditions.
37. **Interview With Manuring worker.** At the time of ASA-4 assessment there was no manuring activity. Interviews of manuring workers were conducted in relation to the last time of manuring, manuring rotation, working hours, fertilization method (mechanical), equipment (mini tractor), tractor operator License, operator training, tractor performance, manuring location, type and dosage of applied fertilizer, (K3), PPE used: tractor and helper operator, fertilizer tool, training / socialization of fertilization, health inspection, work accident, first aid kit, management of plastic bag of fertilizer container, as well as washing and storage place PPE and fertilizer tool

**TKMM**

38. **Loading Ramp Station (Sorting / Grading).** Field observations and interviews related to the origin of TBS, working hours, training, work on holidays, grading samples (FFB and loosefruits), occupational safety and health (PPE), sorting tools / grading, fruit damage due to pests, / grading, recapitulation of daily grading, working accident, health check, first aid kit, weighing example, grading sample and sample grading quality inspection report.
39. **Water Treatment Plant (WTP).** Field observations and staff interviews related to working hours, occupational safety and health (PPE), water sources, water treatment, chemicals used, MSDS, occupational accidents, first aid boxes, health checks, Fire Extinguisher (APAR). and workplace conditions.
40. **Workshop.** Field observations and staff interviews related to daily work, warning boards, symbols, operators (welders and electric power), operator license and training certificates, occupational safety and health compliance (PPE used), medical examinations, routine care factories, workplace accidents, first aid kit and drug use records, and fire extinguisher (APAR).
41. **Security and weigh-bridge.** Observation related to FFB reception, CPO/PK despatch and SCCS implementation.
42. **WWTP.** Observation related wastewater management
43. **Chemical storage.** Field observations related to condition in the chemical warehouse and management of hazardous and toxic materials
44. **Hazardous waste storage.** Field observations related to the management of hazardous and toxic materials.
45. **Loading Ramp.** Observation and interview with sortation officer regarding to sortation procedures, record keeping and documentation.
46. **Sterilizer Station.** Observation and interview with mill operator regarding to processing procedure, health and safety implementation, payments and overtime, medical check routine and complain mechanism.
47. **Engine Room.** Observation and interview with mill operator regarding to processing procedure, health and safety implementation, payments and overtime, medical check routine and complain mechanism.
48. **Boiler Station.** Observation and interview with mill operator regarding to processing procedure, health and safety implementation, payments and overtime, medical check routine and complain mechanism.
49. **Hydrant No. 1.** Observe of preparedness and emergency response simulation

**Stakeholder consultation describes on annex 1.**

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-4</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Forestalestari Dwikarya was held by:</p> <ul style="list-style-type: none"> <li>Public Notification on 26<sup>th</sup> January 2018 PT Mutuagung Lestari Website (<a href="http://mutucertification.com/wp-content/uploads/2018/02/Notification-of-Surveillance-4-RSPO-Tanjung-Kembiri-POM-PT-Foresta-Lestari-Dwikarya.pdf">http://mutucertification.com/wp-content/uploads/2018/02/Notification-of-Surveillance-4-RSPO-Tanjung-Kembiri-POM-PT-Foresta-Lestari-Dwikarya.pdf</a>)</li> <li>Public consultation meeting with government of Belitung Regency conducted by phone on 13<sup>th</sup> February 2018</li> <li>Public consultation meeting with local stakeholder conducted by visit and interview on 13<sup>th</sup> February 2018</li> <li>Public consultation meeting with internal stakeholder by visit and interview on 13<sup>th</sup> and 14<sup>th</sup> February 2018</li> <li>Public consultation with NGO by email conducted on 5<sup>th</sup> February 2018</li> </ul>

<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>RC</b> ) will be determined one year after this <b>ASA-4 (February 2019)</b> .



### 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 Forestalestari Dwikarya, Golden Agri Resources, Ltd operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there was no non-conformance raised, however there were five (5) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Tanjung Kembiri POM – PT Forestalestari Dwikarya, Golden Agri Resources, Ltd complied with the requirements of Indonesian National Interpretation - NITF – September 2016; RSPO Supply Chain Certification Standard For organization seeking or holding certification, Adopted by the RSPO Board of Governors on 21 November 2014 (Revised on 14 June 2017) and RSPO Certification System 2007, Revised Oct 2011.

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>Certificate holder has the latest list of stakeholder updated on January 2018, consist of surrounding village (Kembiri and Simpang Rusa), organization of worker (union worker and committee gender) and community, schools, and statutory bodies. Based on interview with company's management, the list of stakeholders will updated if there is a revision. Based on interview with related stakeholders, they've already know the person in charge for communication with stakeholder.</p> <p>Mechanism for consultation is listed in SOP of Consultation and Communication (SOP-SMART-UMUM-SADP-I-004) ratified on 1<sup>st</sup> July 2014. The procedure explain that all the information request will be responded by CH not more than three weeks after incoming letter. Stakeholders also can access the CH's documents, such as CH's policies, licensing, reporting, and so on. The list of document can be seen in document no F/SMART/UMUM/SADV/004/003 updated on 3<sup>rd</sup> January 2018. Based on interview with related stakeholder, mentioned that they are aware regarding to the mechanism of request of information.</p>	
<b>1.1.2</b>	<p>Mechanism for consultation is listed in SOP of Consultation and Communication (SOP-SMART-UMUM-SADP-I-004) issued on 1<sup>st</sup> July 2014. This document explains communication and consultation and information request procedures from the stakeholders. All the information request will be responded by CH not more than three weeks after the incoming letter. The person in charge for communication and consultation for each unit (estates and mill) is assigned by decree from Region PC of Bangka Belitung. The documentation of information request is recorded in "<i>Buku Catatan Permintaan dan Tanggapan Informasi</i>". Throughout the year 2017, it is known that in the logbook shows that there is no incoming information requests, there are only proposals of assistance and invitation to attend meeting held by stakeholders. For example: The letter dated 30<sup>th</sup> November 2017 relates to clean water assistance. The letter was responded on 1<sup>st</sup> December 2017 by providing the clean water.</p>	
	<b>Status: Comply</b>	
<b>1.2</b>	<b>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>	
<b>1.2.1</b>		



CH has list of document that can be accessed publicly. The public documents, such as environmental document, continuous improvement document, licensing includes land use title and decree of land use title, OHS, and social reports, details of complaint, OHS program, and so on. These documents are available in estate and mill office. The list of public document is listed in document no F/SMART/UMUM/SADV/004/003 updated on 3<sup>rd</sup> January 2018.

CH also has monitoring and management report, such as employment report, report of environmental management and monitoring plan, and so on. These documents also can be accessed by public through the mechanism which has determined by the company.

**Status: Comply**

### 1.3

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

##### 1.3.1

CH has commitment related to integrity and ethical conduct in all operational activities. The policy is also include in GSEP (GAR, Social, and Environmental Policy) stated about:

- Company will continue to practice and socialize shared values to all employees
- Human rights, labor, environment, and anti-corruption
- Not tolerate any act or form of corruption in the Business practice
- Implement ethical standards of conduct on the management of all business practices
- Recognizing, practicing, and promoting transparent good corporate governance

This policy has been socialized to the contractor on 13<sup>th</sup> January 2018 and on 12<sup>th</sup> March 2017 to workers attended by 98 participants. This policy is available in Indonesian Language. Based on interview with worker in estate and mill, it is known that they understand about the ethical conduct of the company

**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.**

##### 2.1.1

Company showed some evidences over its compliance toward the applicable regulation, some of evidence observed during the field visit and document verification:

- The company has licensed scheduled waste storage through decree of Environment Agency of Belitung Regency No.188.45/241/kep/blhd/2012, dated 24 July 2012. This is in accordance with Government Regulation No.18 jo 85 of 1999.
- License to utilize waste water plant on plantation land from Regent of Betiung No. 188.4/234/kep/blhd/2012 dated 29 June 2012. This is in accordance with the Decree of the Minister of Environment No. 29 of 2009.
- Environmental documents that have been approved according to the Decree of the Governor of Bangka and Belitung Islands No. 188.44/450.c/bapedalada/2007. This is in accordance with Government Regulation No. 27 of 2012.
- Plantation business permit from Regent of Belitung, Decree No. 525/00525/IUP-KEB/IV/2003 dated 24 March 2003 for estate (12,232.43 Ha) and mill (processing capacity 60 Ton FFB/Hour).
- Land Use Title with total concession 11,337.582 Ha (Certificate No. 1 dated 29 March 1994, Certificate No. 13 dated 3 December 2001, and Certificate No. 14 dated 6 September 2005)
- OHS Act No 1/1970 and Permenakertrans No 1/2010, the entire employees has been use the appropriate PPE during work, provide first aid kit in work-place, provide training regarding to the working in noise area and regularly conduct audiometry test for workers who exposed to noise, spirometry test for workers who exposed to dust and cholinesterase/blood test for workers who exposed to chemical.
- The Company has been implemented the regulation related to labor, for example the minimum wage is in accordance with Decree of Kepulauan Bangka Belitung Governor No 188.44/1252/DISNAKER/2017 on 21<sup>st</sup> November 2017 on Minimum wage of Kepulauan Bangka Belitung year of 2018. Overtime payment has been paid in accordance with Kepmenaker 102/2004

##### 2.1.2; 2.1.3; 2.1.4

The certificate holder has a procedure of compliance with other regulations and requirements (PROCEDURE / SMART /

GENERAL / SADV / I / 002, dated July 1, 2014) which describes: eligibility procedures, completeness and flow charts that explain in detail in evaluating compliance with statutory regulations licenses, SOP and other requirements, eg: Identification of regulations at national level by SADV and at the local level by SPO Regional Officer and SPO Unit Officer. The certificate holder has a copy of the legal requirements kept in both estates and mill as well as in respective department/division. The certificate holder also evaluates the list of rules once every year by the SPO Officer. Evaluation of compliance also done through internal and external audit.

**Status: Comply**

## 2.2

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

### 2.2.1, 2.2.2

No changes to the land ownership or new land acquisition since the last assessment. Copies of land title sighted during the audit for the total cultivated area of **11,337.58 Ha**, namely: HGU certificate No 1 area of 1.082, 20 Ha valid until 31 December 2018 (has been extended until 31 December 2078), HGU certificate no.: 13 area of 4,668.43 Ha valid until 5 December 2096 and HGU certificate No.: 14 area of 5.586,952 Ha valid until 20 July 2040, entirely owned by PT FLD.

The entire managed area of TRSE and TKME has been in accordance with the document of land ownership (HGU) owned. There are area of 50.25 Ha which is excluded from its certification scope which currently on HGU issuance progress (already cadastral measurements).

PT FLD has been demarcated and maintained all legal boundaries, the poles monitoring plan is once a year according to company's SOP. On-site verification of several boundary stones and poles confirmed that there has been no planting beyond the legal demarcated boundary areas of the plantation. All sampled poles available on place and well maintained, For e.g, BPN FLD BT10 in block 37 Div 8 TKME, BPN FLD 46 in block P58 Division 8 TKME, BPN BT32 in block M67 Divi 8 TKME, BPN 34 and BPN BT31 in Block S25 Division 4 TRSE. Verification using GPS indicates that the pole coordinate is in accordance with the provisions of the land title.

### 2.2.3, 2.2.4, 2.2.5, 2.2.6

There were no recorded or known disputes over the ownership of the land. Land compensation process has been completed in 1995. It is known that within the HGU area of PT. FLD there is still land that is recognized as belonging to the community who are not willing to be compensated. Based on interviews with representatives of Kembiri and Selasar village during a public consultation, there were no disputes related to the land with the company. Against the ex-nursery area claimed by the Simpang Tanjung Rusa village at ASA-3, such area is within the company's HGU and can not to be proved its ownership by the community. Companies and communities have held discussions and consultations involving local governments such as discussions on 1 November 2016. Based on interviews with BPN stated that the claim can not proceed if it can not show valid proof of ownership.

There was no evidence to suggest that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.

**Status: Comply**

## 2.3

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

### 2.3.1, 2.3.2, 2.3.3, 2.3.4

There was no land dispute within PT FLD's operations, no new land acquisition, the entire compensation process was completed in 1995. As such, the process of fair compensation and FPIC is currently not required to be applied. The FPIC mechanism is set out in the SOP / SMART / SENS-CSCR / SADV / 002 SOP / SMART / SENS-CSCR / SADV / 002 and SOP / SPO / SMART / LH-04 regarding to social conflict management and land conflict resolution.

Based on the results of the SIA and HCV assessment report it is explained that there is no customary / traditional rights within the operational area of PT FLD. There is a community-controlled area which not willing to be compensated, up to ASA-4 both parties have agreed not to interfere with each other. During interview with community representatives in Kembiri and Selasar villages, stated that the company has renewed HGU up to year of 2078 without any information, in accordance with the results of a document review indicating that the extension was issued by BPN in 2005, in which case

the company could improve its performance for avoids conflicts by socializing / communicating with surrounding communities related to the extension of HGU. #OFI

**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 had the Five Year Result of Economic Feasibility Analysis for 2017 – 2021 that has been signed by the Company Director on 09 January 2017 which describes the production cost, price of CPO and PK, production of FFB, production of CPO, production of PK, OER, KER, and the financial indicators (profitability), etc.

##### **3.1.2**

The company has set a plan of re-planting for 4 years (2020 - 2023) in the Five Year Result of Economic Feasibility Analysis for 2017 – 2021, signed by the Company Director on 09 January 2017, all planting area is planned to re-planting since 2020-2023. The replanting program is 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.

**Status: Comply**

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

#### **4.1**

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

##### **4.1.1**

The Company has had documents of SOP-WI Technical of Oil Palm Cultivation starting from land clearing up to harvesting formulated 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, Manuring, 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 TKME (Block K45 and K46, Division VI) and TRSE (Block P11 and P12, Division II), 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 loosefruits 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 harvesters have been paid according to the regulation, using PPE's during work and well trained in harvesting.

The Company also has a complete SOP related to the processing of palm oil to CPO and PK in the Palm Oil Factory as described in SOP Palm Processing Factory No.. SOP/SMART/MCMD/I/TM-PKS. SOPs made by the Chairman of the MCMD and authorized by the Head of Upstream, shall come into force as of 6 December 2013. SOPs include standard operational procedures in the mill including FFB Acceptance Station, Boiling Activity (Sterilization), Threshing Station, Press Station, Clarification Station, Nut and Kernel Station, Boiler Station and Engine Room, Water Treatment Station, and Fresh Waste Treatment.

The Company had SCCS procedure that documented in SCCS Mass Balance Model (No. Doc. PT FLD-TKMM/SOP/35) approved on 2 January 2016. It describes, such as job description of all PIC, SCCS terminology, procedure of FFB acceptance, weight bridging, quality checking, processing, end product monitoring, mass balance calculation and dispatch. Besides, there is also SOP of RSPO Certified Product Reporting (No: PT FLD-TKMM/SOP/36), dated 2 January 2016.

All SOP documents are written in Bahasa and is 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 is conducted every semester by the Department of Operational Internal Audit (OIA), while

internal audit sustainability is done by Sustainability Policy and Compliance Division. The records of internal audit in TKME for the second semester of 2016, TRSE for the second semester 2016, and TKM for the first semester 2017 have been documented. Non-compliance records of internal audit have been reported and verified by top management such as manager, RC and VPA.

### 4.1.4.

The company has FFB purchase from other sources on the software program (SMAWEB) dated 31 May 2016. This procedure explains about determination of FFB suppliers, FFB received and grading, payment, and reporting and monitoring. Other than Inti Plantation, the company (TKMM) in 2017 also has list of FFB supplier, such as: Tanjung Rusa Plasma, PT Palmindo Belitung Berjaya (Tanjung Sawit Estate, Cooperative Melintang Makmur Sejahtera, Cooperative Mitra Mandiri, Cooperative Lingkar Mitra, Cooperative Tunas Harapan, Cooperative Gang Rumpun Jaya), PT. Sawit Alam Permai, and PT. Putu Unggul Sejahtera (January to October).

The purchase of FFB is carried out by the purchasing department by referring to the existing procedures. The Company has daily, monthly, and yearly records for the amount of FFB received by Tanjung Kembiri Mill.

Based on document verification result, it is known that the purchasing mechanism of FFB has been in accordance with the existing procedures.

**Status: Comply**

## 4.2

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

### 4.2.1

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 will be the basis for determining the dose of fertilizer in each estate.
2. Manurig activities that emphasizes the principles of timely, targeted, precise dosage, and proper application. Besides, 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 cover crops to reduce evaporation (keeping the soil moisture). For example, planting legume cover crop (*Mucuna bracteata*) and conserving of the soft fern (*Nephrolepis bisserata*). All sprayers always be informed during the morning briefing regarding to spraying ban of the beneficial plants.
5. The company's commitment to no longer use paraquat herbicide since 2016. Based on the information of managers and staff, this is to demonstrate the company's commitment in supporting the RSPO guidance in reducing/not using herbicides class 1A and 1B as well as parakuat.

During audits, auditor was observing EFB application as an extra fertilizer using Empty Bunch Spreader (EBS) in TKME (Block K45 and K46, Division VI). The activities show the company strategy to enrich organic matter contents in the soil, especially for marginal soil. Beside that, EFB also functioned as mulching to keep the soil moisture in dry season and to reduce run off in rainy season.

### 4.2.2

The company has documented a manuring process both organic and an-organic fertilizers in 2017. The documents shows the manuring records, such as recommendation and actual fertilizer application (TKME 85.18%; TRSE 100%) and target and actual application of EFB (TKME 66.09%; TRSE 109%). Based on field visit, for instance, EFB application was done in TKME (Block K45 and K46, Division VI) and POME application in TKME (Block K50, Division VI). So far, there was no official report regarding to pollution due to POME application.

The company applied in-organic fertilizer with recommendation and dosage by SMARTRI. Fertilizer program 2017 shows that company using several fertilizer such as CuSO<sub>4</sub>, HGFB, Urea, KCl, TSP, Rock Phosphate, Kieserite Powder, Super Dolomite, Kieserite Granular, etc.

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

#### 4.2.3

Companies routinely conduct SSU and LSU. SSU conducted every 5 year for trees aged 3, 8, 18 and 23 years, while 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. The last SSU was conducted by SMARTRI-Bogor in 2015. The SSU result in TKME was in accordance with Ref. No. 049/TANAH/AL/ANLZ/04/15 dated 13 April 2015 and in TRSE (Ref. No. 080/TANAH/AL/ANLZ/08/15 dated 28 August 2015).

Meanwhile, parameter that being analyzed in LSU were pH, C-Organic, N Total, P, K, Mg, Cad, P Bray, and H-Al Exchange. The last LSU was conducted in 2017. The SSU result in TKME was in accordance with Ref. No. 277/DAUN/LAB-SMARTRI/V/2017 dated 30 May 2017 and in TRSE (Ref. No. 276/DAUN/LAB-SMARTRI/V/2016 dated 29 May 2017).

The testing result of SSU and LSU might be used by SMARTRI to determine fertilizers recommendation

#### 4.2.4

The company has a strategy of utilization of organic materials, namely the application of EFB (40 ton/Ha/year) and application of POME for TKME area (375 m<sup>3</sup>/Ha/year). In 2017 the total amonut of EFB applicated was 36,229.96 Tons in TKME and 24.267.52 Tons in TRSE, and POME applicated in TKME was 267,697 m<sup>3</sup>. Fiber and shell are used as boiler fuel. In 2017, TKM used fiber 36,328.11 Tons and shell 14,010.93 Tons

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

<b>Status: Comply</b>
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### 4.3

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

#### 4.3.1

The company has 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. The map informed as follows:

1. TKME: Consists of typic endoaquept, typic dystrodept, typic hapludults, typic haplorthods, typic udiccamments, and water bodies. The area mapped is 6,086.31 Ha and has been mapped in units of land area of PT. Forestalestari Dwikarya, scale of 1: 60.000 (Reg. No. 565/202/PMNP/X/09) in 2012. The PMNP survey team categorized areas as N (not appropriate) of 1.375.51 Ha, S3 category (appropriate marginal) covering an area of 79.12 Ha, S2 category (medium suit) of 4,619.5 Ha, and a water body of 12.17 Ha.
2. TRSE: Consists of typic endoaquept area, typic dystrodept, typic hapludults, typic haplorthods, typic udiccamments, water bodies, and areas surveyed. The mapped area is 5,251.27 Ha and has been mapped in units of land area of PT. Forestalestari Dwikarya, scale of 1: 50.000 (Reg. No. 567/202/PMNP/X/09) in 2012. The PMNP survey team categorized area as N (not appropriate) of 1.839.7 Ha, S2 category (medium ) of 3,043.22 Ha, 13.39 Ha of water body and untreated area 354.96 Ha.

#### 4.3.2

Based on semi-detail survey report conducted by PMNP in 2006, the slope levels range between 0 – 40%. The slove levels between 21 – 40% is found 12.17 Ha (0.20%) in TKME and 13.39 Ha (0.25%) in TRSE. Planting strategy for areal with slope levels 21 – 40% was U-shape frond stacking methods, conserving of fern (*Nephrolepis bisserata*) to keeping the soil moisture, and EFB application to enrich organic material contents in soil and reducing run off risk in rainy season.

The company measures the rate of soil erosion (PT FLD-TKME/SOP/29) to see the size of soil thickness over a given period. The company has installed 3 units erosion stick in March 2012 in TKME (Block F-41, Block F-42, and Block B-43, Division III). The results of monthly monitoring in 2017/2018 (March to February 2018), the average erosion rate in Block F-41 is 0.67 mm/yr, Block F-42 (4.19 mm/year), and Block B-43 (0.25 mm/year). The amount of erosion is still below the erosion critical threshold 9 -12 mm/10 years (Minister of Environment Regulation No.7 of 2006).

The result of field observation of erosion poles in TKME (Block F-42, Division 3) and interviews with officer of SMARTRI showed that there is no terrace (planted in 1997), the fronds are in L-Shape, and soft fern (*Nephrolepis biserrata*) is well-maintained. There are 3 erosion sticks equipped with stainless ruler installed on the top, middle, and bottom area. in 2012.



Monitoring is done monthly by SMARTRI staff. Records of monitoring results are kept in the Estate office. The company had a guidance related to planted in slope area as follows SOP New Planting Planning (No. Doc. LAMP/I/TA-PPA/02 - Classification of Tilt and Terraces Requirements), Working Instruction for Individual Terrace (SOP/SMART/MCAR/I/TA-PPA) and Working Instruction for Contour Terrace (IK/SMART/MCAR/I/TA-PPA/03).

#### **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.

The company has a routine maintenance program both mechanically and manually. All programs are documented in the Work Program document of 2017 and 2018. Based on field visits, in general the condition of road road and collection road in good condition and adequate. Although there are some roads that need to be repaired due to the high rainfall last 6 months. Some bridges also need improvement.

The road maintenance is done mechanical and manual, such as chambering road and compacting (mechanical) as well as clogged culvert cleaning and hardening road. The Road Verification Data document of 2017, the actual use of laterite soil for key road, access road, main road, and collection road are TKME (total laterite soil used 1,985.53 m<sup>3</sup> and 16,999.19 m length) and TRSE (total laterite soil used 15,939.73 m<sup>3</sup> and 63,788 m length).

For example, field observations and interviews with officers at TKME (Block H45 and Block H46, Division IV), there is road maintenance work, hardening the road with laterite soil by the company approximately 500 m length.

#### **4.3.4; 4.3.5**

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

#### **4.3.6**

Based on a semi-detailed soil survey conducted by PMNP in 2012, there are N (inappropriate) and S3 (corresponding marginal) land. The limiting factors are soil texture, drainage, topography, and rocks in the root zone. Strategies/efforts undertaken by the company to optimize the potential of land is by the applying EFB (40 tons/Ha), For instance: field observations and interviews with officer at TKME (Block K-45 and K-46, Division VI) related to EFB application done mechanically using Empty Bunch Spreader EBS). The EFB is directly spreaded to interrow (40 Ton/Ha) as extra (not a supplement) in sandy areas. The company also uses a RAP (mini tractor) to spread EFB (300 Kg/Tree) or 40 Tons/Ha.

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, 4.4.2**

Water management and monitoring plans of water bodies and water sources are described in the document no.: SOP / SMART / BCOS-EHSD / SADV / I / 004 and in the semester report of environmental management and monitoring. Evidence implementation has been verified both in document and on field verification. For example, installation of warning signage and marking of ban boundary of chemical spray, as observed to riparian area of Aik Mudur River Block D/E 40 div 2 TKME, Kembiri river in K/S10 Div 2 TRSE and water springs of Muyang in block E15 Div 2 TRSE seen that the area has been managed well according to the its plan, also sighted planting of vertifer grass and woody plants for erosion control.

For efficiency, PT FLD has install a flow meter in WTP - Mill, which is entirely in functional and has been sets the budget for water usage per ton of FFB. In addition, testing the quality of river water done every semester, for example sem II 2017 in cooperation with PT Kehatilab Indonesia with reference PP 82/2001 (Class II), there are 7 sampling points, no test results exceed the quality standard set.

Sighted the map of rivers, wet streams and wetlands with a scale of 1: 50000 (TRSE) and scale of 1: 55000 (TKME), consisting of Cerucuk river, Kembiri river, water spring of Muiyang, Air Gede river, Kepang river, Mengkuang river and Aik Mudur river.

#### 4.4.3

CH has the permit of land application of PT FLD 88.45/424/KEP/BLHD/2016 on 30<sup>th</sup> September 2016 and valid for 5 years. Based on field observation in Land application area in Block K-50, Division 6 of TKME it is known that there is no overflow of waste outside the flatbed. The waste water quality testing conducted by UPTD Laboratorium Lingkungan of Sumatera Selatan Province for the fourth quarter of 2017. The quality standard used is the Decree of LH No. 28 and 29 of 2003. Parameters tested include: BOD, COD, pH, Oil and Fat, Pb, Cu, Cd, and Zn. For example, the result of BOD in outlet for December 2017 is 3,500 mg/L.

#### 4.4.4

The company has had SOP/SMART/MCMD/I/TM/PKS procedures Revision 6. Point 6.8 explained about SOP of Water Treatment Station, that is:

- Water derived from reservoirs in Raw Water Tank (RWT)
- Water is accommodated in RWT then be flowed to Clarifier Tank for the settling process (chemical injection).
- The precipitated water is filtered (sand filter)
- After going through the screening process, the water is used for boilers and domestic consumption.

Water usage records in 2017 is documented in recapitulation and distribution of water of mill. The average of water consumption for processing is 0,64 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 month. Based on the recapitulation data of Oil Palm Leaf Eaters Caterpillar pests on 2017 (January to December), there are no caterpillar attack in TKME and TRSE. However, control is done biologically by upkeeping beneficial plants *Turnera* spp. and *Antigonon* sp., namely in TKME (37,362.20 Ha (53.32% of targeted 70,069.32 Ha) and in TRSE (25,944.95 Ha (46.54% of targeted 55,746.60 Ha).
- Rat census, conducted every three months. Identification by observing creak on FFB. Based on census data in 2017, the average of attack is 2,79% in TKME and 1.55% in TRSE. There is no rat attack that exceed economic threshold (> 5%). However, the control is conducted biologically by installing barn owl box (BOB) 1 unit per 15 Ha. BOB monitoring is done monthly. In 2017 it is installed 499 units in TKME (98% active) and 202 unit in TRSE.(96.30% active).
- Ganoderma census, conducting every 3 years. Based on the last census in 2017 it is known that 37 trees (0.0052% of total 704.424 trees) in TKME have been infected while 119 trees (0.021% of total 564,870 trees) in TRSE have been infected also. All infected trees categorized as light attack. According to their pest and disease control guidance, it is still not required for treatment.
- Maintenance of beneficial plant, is conducted every month by weeding, replacing the dead plants and repairing the pole of *Antigonon leptopus*.

Based on field observation in TKME (Block K50, Division VI) and TRSE (Block P11, Division II), there are no pest outbreak indication. The occupation of BOB was very good. All BOB that observed in TKME (Block K50, Division VI) and TRSE (Block P11, Division II), were active (occupied). The 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 been conducted regularly by SMARTRI staff. The latest training are:

- The IPM training held on 03 February 2017 in Meeting Room of TKME, attended by 29 participants from TKME and TRSE;
- Training on Integrated Weed Control, held on 17 January 2017 in Meeting Room of TKME attended by 50 participants from TKME and TRSE;
- Training on Spraying held on 3 February 2017 in Meeting Room of TKME attended by 30 participants from TKME and TRSE
- Socialization of Handling of Agrochemicals Waste held on 05 May 2017 in Meeting Room of TKME attended by 25 participants (Head of Assistant, Assistant of Division, and staff 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, in 2017 the company uses five types of herbicides that used in operational activity in TKME and TRSE, namely Methyl metsulphuron, Triclopir, Isopropil amina glyphosate, Isopropil amina glyphosate, Fluoroxypir methyl heptyl ester, and Ammonium glufosinate. All herbicides used have 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, the 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, namely 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 used by the Company is for weeding (herbicides). Justification of herbicides usage depends on weed identification in the field and PUKBP review. The type of weeds are broad-leaved, ferns, narrow-leaved, and shrubs/woody plants. Hence, herbicides that used were as listed herbicides.

##### 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. For instance, pesticide toxicity on Desember 2017 in TKME for Methyl metsulphuron herbisida, LD<sub>50</sub> (5,000), percentage of active ingredient (60%), total applied (8.98 lt), total active ingredient (5.39 lt), FFB production (13,696 Tons), pesticide unit/Kg FFB (0.07863822 ppm), area sprayed (71.80 Ha), pesticide unit/Ha (0.13 ppm).

##### 4.6.3, 4.6.4

The company strategy to minimize pesticides usage through:

- Selective spraying - pesticides/herbicides applied is only on weed in circle, path, or collecting points.
- Very low volume nozzle - to reducing water usage and herbicides dosage. VLV nozzle is more effective to control weeds due to smaller droplets that easy entering into the weeds stomata. Based on field observation in TKME (Block J45 and J46, Division V) and TRSE (Block K8 Division I) it is known that whole knapsack sprayers that used were VLV nozzle.
- The IPM implementation – emphasizing biological control, for instance, planting beneficial plants to control leaf caterpillar and use of owl (*Tyto alba*) as predator to control rat. The average percentage of rat attack in 2017 in TKME

was 2.79% and in TRSE was 1,55%.

Based on document review and interview of spraying workers, it is known that there is no prophylactic use of pesticide.

Based on field observation in chemical (pesticide) storage of Tanjung Kembiri and Tanjung Rusa Estate, certificate holder does not use material state in WHO 1A and 1B.

The Company is committed to reducing paraquat usage. One of them is in President Director's memorandum No. 044/PD/IX/2014 dated 21 November 2014 on paraquat usag, which explained the CH's commitment to reduce the use of paraquat by  $\pm$  30% started in 2015 and no longer use in 2016. In addition, sighted President Director of Smart Tbk 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 in TKME (Block J45 and J46, Division V) and TRSE (Block K8 Division I), there is no paraquat application for weeding since early 2016. Consistent with field observation result to pesticide storage, there is no paraquat herbicide.

#### 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/I/002) that contains procedures of collecting, washing, recording, documenting, storage, returned to vendor, and rinse water usage.
- SOP Management of Personal Protective Equipment (SOP/SMART/HESS-EHSD/SADV/I/010) that explains standard form needs PPE. For example, for chemical weed control in plantation should be equipped PPE, namely glasses (lens clear plastic), masks or respirators (mask cloth with carbon or respirator with chemical cartridge), gloves (PVC/latex), apron (parasuite material), and boots (boot PVC10 ").

All pesticides applicator have attended training on pesticides application that held on 3 February 2017 in meeting room of TKME. The training was facilitated by SMARTRI and attended by 30 pesticides applicator from TKME and TRSE. The training material comprises of recognition and techniques of weed control and the correct pesticide application procedures and safe in accordance with SOP Pesticide Applications.

#### 4.6.6

The company has had SOP Waste Management (document No. SOP/SMART/LEMS-EHSD/SADV/I/002). The procedures related to management of agrochemical ex-container comprising of collecting, washing, recording, documenting, storage, returned to vendor, and rinse water usage.

The Company also has SOP of Plant Upkeep (SOP/SMART/MCAR/XII/TA-PTM), authorized on 12 June 2012. In the SOP also explained about the storage of pesticides.

Based on field observations to chemical store in TKME and TRSE; there are MSDS and it was available also pesticide mixing places, PPE washing basin and spray equipment, water trap (tub to hold water used for washing), water tap, storage room for APD, the appropriate ventilation, bathrooms, sedimentation basin, and water tank.

Based on field visit at the Hazardous Waste Temporary Store and employee housing, it was found that all pesticide ex-containers have been stored in the Hazardous Waste Temporary Store Based The spraying team interviewd at TKME (Block J45 and J46, Division V) and TRSE (Block K8, Division 1) claimed that handling of pesticide ex-containers has been done in accordance with established procedures. The ex-container of agrochemical can not be taken home or other used. The pesticide ex-containers are shipped entirely to licensed Haxardous Waste carrier company. The Company shows the Hazardous Waste Manifest from PT Primanru Jaya, dated 17 January 2017, among other contaminated package of 82.86 kg and dated 19 January 2017 with No. Manifest BC-0039701, among others contaminated ex-containers of 113.26 kg.

#### 4.6.7

The Company has had Working Instruction of pesticide application (document No. SMART/MCAR/ XII/TA-PTM/01). In addition, the spraying team interviewed in TKME (Block J45 and J46, Division V) and TRSE (Block K8 Division I), claimed that the company has made several efforts to minimize the risks and negative impacts, among others:

- Socialization of occupational health and safety according to MSDS every day at apple morning before work.

- Use of appropriate PPE. For example, boots, aprons, respirator masks, eyeglasses, latex gloves, and helmets to minimize the risk of being contaminated. The team can explain the function of each PPE and demonstrate its use.
- Giving extra fooding to minimize the risk of exposure to pesticide residues. Employees are required to drink milk or eat boiled eggs or green beans porridge before working.
- Health checks for spraying employees regularly 6 months. If an identified employee is exposed to pesticides above a tolerated threshold, it will be diverted to a work area without chemicals to avoid the risk of more severe exposure.
- Prohibition of working using pesticides for female employees who are pregnant or breastfeeding. This is to minimize the risk of infants in the womb or being breastfeeding exposed to chemical residues.
- Protection of rivers or water bodies. Area marked with red cross or cross mark.

Based on field observation in Tanjung Rusa (Central Warehouse Complex) and Tanjung Kembiri Estate (division 5), it is known that certificate holder provides storage for keeping PPE (for spraying worker) and also facilities for cleaning up after work. The PPE is stored in the PPE storage.

#### **4.6.8**

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

#### **4.6.9.**

The Company has provided information on the use and handling of pesticides. For instance, observations to the Agrochemicals Warehouse at TKME on 13 February 2018 and at TRSE on 14 February 2018. It is available in warehouse MSDS of each herbicide, special place for pesticide or herbicide mixing equipped with wash basin/rinse of fertilizer plastic bag, PPE and spray equipment wash basin, water trap (tub for storing used water and reusable for pesticide mixing), water tap, room for storing the PPE, excellent ventilation, symbols (eg symbol of danger), bathroom/rinse (2 separated rooms) for female and male workers, sedimentation basins, and water tanks.

The Company has conducted regular training in Bahasa Indonesia. For example:

- Training on the Integrated Weed Control, conducted on 17 January 2017 in TKME meeting room, and attended by 50 participants from TKME and TRSE. The materials presented by the SMARTRI staff.
- Training of spray workers conducted on 3 February 2017 held in TKME meeting room and attended by 30 participants from TKME and TRSE. The material presented by SMARTRI staff discussed about the introduction and technique of weed control and correct and safe pesticide application procedure in accordance with SOP Pesticide Application.

The spraying team interviewed (15 persons) in TKME (Block J45 and J46, Division V) and TRSE (Block K8 Division I) claimed that they have attended the training on spraying. The language used during the training is Bahasa Indonesian and can be understood by every worker. The team are able to explain correctly and demonstrated adequately spraying procedures.

#### **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. Washing of fertilizer plastic bags was carried out by soaking for 30 minutes and the used water was used for splashing into oil palm plants or plants in the yard. Based on SOP of Waste Management No. The SOP/SPO/SMART/LH-09, dated 01 July 2010 on point 6.3.b explained that the washed pesticide ex-containers are returned to vendor.

Working stages of Washing and Cleaning Work of Ex Pesticides and Fertilizer Bags in accordance with the Working Instruction of Washing and Cleaning of pesticides ex-containers and bags of fertilizers No. IK/SPO/SMART/LH-09/01 authorized on 01 July 2010 where the container was washed thoroughly (3 times for pesticide ex-container and 1 wash for the fertilizer bags), the used water of hazardous waste did not overflow and pollute the ground water. The washed pesticide ex-containers are marked and stored separately, while the washed fertilizer bags are immediately dried and stored in the warehouse.

Based on interview of spraying team in TKME (Block J45 and J46, Division V) and TRSE (Block K8, Division I), it is known that all former pesticide ex-containers is returned to the warehouse, washed rinse by special officer, and then stored in the warehouse before being returned to the vendor.

**4.6.11**

Sighted the pesticide applicator list document for the period of January 2018, Tanjung Rusa Estate has 37 operator consisting of 3 male and 34 female and TKME has 49 operator (22 male and 27 female). The certificate holder has been conduct the annual medical examination for all pesticide applicators regularly, for TRSE held on 7 – 8 August 2017 and TKME held on January 29, 2018. Health checks include spirometry, audiometry and cholinesterase, the results of medical examination showed that all employees are still in good health and ready to work. There is no grievance regarding to this during the field visit and interview such as no indication of skin irritation and itches.

**4.6.12**

The certificate holder has a policy related to preventing pregnant and lactating women for pesticide applications ie Memorandum VPA PSM 2 No. 001 / MEMO-VPA PSM2 / 04/2011 dated April 08, 2011 stating that the certificate holder does not allow female workers who are pregnant and breast-feeding to involve in pesticide/chemical activities. During the interview the company's doctor told that pregnancy examination done every 6 months while for monthly monitoring through menstrual schedule. Interview with the gender committee mentioned that they has been aware regarding to the pregnancy early detection mechanism but only informed verbally to them, regarding to this CH need to make sure the written mechanism of early detection of pregnancy for pesticide applicator. **#OFI**. However, during the field visit there is no pesticide applicators in J46 Block, 5th Division of TKME who are pregnant or/and breast-feeding. Furthermore, employees can explain the pregnancy checking system through the menstrual schedule.

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

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

**4.7.1**

The certificate holder already has an OSH policy approved by President Director of PT Smart Tbk dated November 1, 2013. The results of field observations and interviews with employees are known that employees already know and understand the OSH policy. Also mentioned that the certificate holder routinely conducted socialization related to OSH policy during the morning roll-call and through notice board which is installed in each estates/mill office, housing and workshop/storages.

The certificate holder has established the OHS program for 2018 which organized in each management unit by the OHS committee' secretary. The OHS program prepared includes socialization, monitoring, investigation and continuous training for the creation of a culture of safety and health.

**4.7.2**

The certificate holder has been assessed all the potential risk and hazard which detailed in the hazard identification, risk assessment and control (HIRAC) document. Those document are available in all unit' office, review and update are done annually, one of the consideration is previous year's work accident data/report. During field observations and interviews with employees of TRSE known that the holder of a certificate routinely conducted the socialization regarding to the use of PPE to minimize work accidents. Routine socialization also done during the morning roll-call activity before work.

**4.7.3**

Can be shown the OHS training program for 2018 and its realization, for example sighted the training report of generator operator on 6 - 8 February 2018 by PT Sinergi Solutions Indonesia and attended by 10 participants.

The certificate holder has procedure of PPE Management no.: PROSEDUR / SMART / HESS / EHSD / SADV / I / 010 authorized by the Head of Upstream on July 1, 2014. Field observation results and interviews with workers in the sampled activity for e.g. pesticide operator in Block K8, Division 1 TRSE, known that employees have used PPE in accordance with procedures. Further explained by employee that the damaged PPE can be replaced by showed the evidence to the foreman who will check and apply for the PPE replacement to the assisstant. For example, sighted the official report of the PPE (safety shoes) distribution and replacement to TKMM operators on January 26, 2018, as much as 18 operators. Procurement of PPE for workers who are involve with chemical has also considered the recommendations attached in the packaging and MSDS.

**4.7.4**

The CH establishes a committee of OHS as an responsible organization on OHS implementation, consist of chairman, secretary (certified as general safety expert), vice secretary, coord. of evaluation, coord. of supervision, coord. of research, counseling / training, and coord. of health. The structure has been approved by Dinsosnakertrans of Belitung Regency

through decree No. 004/NK3-P2K3/DSKTK/IX/2016 dated 30 September 2016. OHS meeting are held in monthly basis, for example sighted the minutes of meeting on 29 December 2017 in TKMM, the number of participants 9 person, discuss on OHS program and work accident occurred.

#### 4.7.5

Sighted the procedure of accident and emergency such as emergency preparedness and response document: no.: PROCEDURE / SMART / GENERAL / SADV / I / 005 dated July 1, 2014 and procedure for handling accidents and occupational diseases document number PROCEDURES / SMART / HESS-EHSD / SADV / I / 005. Fire fighting drill and simulation as well as land fire handling training have been done on October 13, 2017 at Tanjung Kembiri Estate Division 5 Block J49. The simulation has been involves the emergency response team from TKME and TRSE with a total of 50 participant.

Sighted the work accident recapitulation document of 2017, which describes that in 2017 there are 13 work accident in the TKME. The CH has been set the trained PIC for first aid in work-site both of estates and mill, there was 20 first aider who already have certificate. During field observations in TKME and TRSE sighted that the first aid kit are available in place eg in harvesting activities in block K45 and block K46 Division 5 TKME, the foreman can demonstrate the function of each kit in the first aid kit box.

#### 4.7.6, 4.7.7

The certificate holder shows the evidence of employee's social security and health programs such as evidence of payment of labor social security, e.g. for period of January 2018: TKME as much as 122 workers paid on January 31, TRSE as much as 1411 workers pain on February 9, 2018, and TKMM as much as 124 workers paid on February 3, 2018.

The results of interviews with harvester in Block P11 and P12 Division 2 TRSE are known that insurance policy is still valid, as evidenced by the explanation during interview stating that each employee has been included in the social health insurance program and has obtained the card.

Based on interviews with contractors are known that employment aspects including wages, insurance and occupational safety are the responsibility of the contractor. This is stated in the employment agreement.

The certificate holder shows documents related to work accident records using LTI metric. There is no accident that require insurance claim, all accident occurred are minor case which can be handled with first aid.

<b>Status: Comply</b>
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#### 4.8

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

##### 4.8.1

CH has training identification for all workers (staff and daily workers) for period of 2018 for operational training. The aspect in the training program are such as environment, labor best management practice aspect, ect. Some of training program, namely:

- First aid training
- Understanding of environmental aspect and impact
- Risk identification
- Sexual harassment
- Socialization of company's policies
- Socialization of procedures/working technique in estate and mill
- Etc

Based on interview with worker in estate and mill, they have trained related to their work, such as harvesting best practice, training for manuring, and spraying, first aid training. The training has been documented into minutes of meeting, list of attendees, and photo activity.

##### 4.8.2

CH has showed the documentation of training or socialization whether it is internal or external training in form of minutes of meeting, list of attendees, and photo activity. For example, socialization of integrated pest management on 3<sup>rd</sup> February 2017 attended by 129 participants, socialization of GHG mitigation program to FFB contractor attended by 12 participants,



socialization of MSDS to laboratorium, WTP, chemical stores operator on 7<sup>th</sup> April 2017 attended by 19 participants. The training is for all worker, include daily worker, contractor worker, and permanent worker.

**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**

CH has environment impact assessment document based on Decree of Bangka Belitung Governor No 188.44/450.c/BAPEDALDA/2007 and the scope of assessment estate, mill, and social aspect covering 11,337.582 ha fo estate and 60 ton FFB/Hours of POM.

#### **5.1.2**

The implementation of environmental monitoring and management plan documented and reported every 6 months to related agency, such as the reporting for 2<sup>nd</sup> Semester of 2017 was on 12<sup>th</sup> February 2018 to Environmental Agency of Belitung Regency and 13<sup>th</sup> February 2018 to Environmental Agency of Bangka Belitung Province. The monitoring report is made based on matrix identification in environmental document.

#### **5.1.3**

Evaluation of monitoring and management plan are done per semester and result of evaluation included in the report for example on 2<sup>nd</sup> January 2018. The evaluation done by comparing between the environment document and actual implementation of RKL RPL. There is no operational changes in PT FLD and the implementation of RKL RPL is in accordance with environmental document.

**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**

No changes to the HCV assessment since the last assessment, HCV identification has been done in 2012 by RSPO Approved Assessor, the identification result has been review by independent peer reviewer (Resit Sozer) and has been consulted to affected parties on 22 Feb 2013. Assessment held using HCV toolkit 2008. There are 7 types of RTE species found, namely: *Tarsius bancanus*, *Trachypiterhecus cristtatus*, *Ptopus vampirus*, *Trangulus javanicus*, *Macaca vasicularis*, *Anthreptes simplex*, *Anthracoceros malayanus* and *Ichthyophaga humilis*. Total HCV 466.13 Ha, consist of riparian area, cemeteries, sacred forest, water spring and sacred tree.

#### **5.2.2, 5.2.3, 5.2.4**

The HCV monitoring including fauna and flora is conducted every semester, for example the report of Sem II period 2017 describes the RTE species and its change from year to year since 2012 to 2017, the monitoring of flora and fauna also refers to PP 7/1999, there are 6 types of Aves and 2 types of Mammals identified in the last monitoring (2017). Reporting to relevant agency done through environment management and monitoring semester report.

Regular patrols within the plantation area was being carried out and findings recorded by the respective Estate, monitoring and control of any illegal hunting/fishing/collecting activities was also implemented. Signages that prohibit hunting/fishing/water polluting activities were verified on-site including marking ban of chemical in riparian area, for exmple as observed to riparian area of Aik Mudur River Block D/E 40 div 2 TKME, Kembiri river in K/S10 Div 2 TRSE and water springs of Muyang in block E15 Div 2 TRSE. Based on interview to chemical applicator stated that they has been known the company's policy related to HCV management.

In the CH's policy issued on 25 June 2012 describes the company's commitment to protect and prohibit illegal hunting/fishing/collecting RTE species. Socialization to workers and communities around was done regularly, for e.g on 14 Feb 2017in TRSE (44 workers) and 31 Aug 2017 to communities. Interview with management representative states

that inspection conducted routinely to worker's line-site and HCV area to ensure that the mitigation has been implemented. No found any violation done by workers such capture and collecting RTE species during the field observation.

### 5.2.5

The management of HCV areas outside the HGU both on the TRSE and TKME has been agreed with village representatives and community leaders. Based on interviews with communities around for example with Kembiri and Selasar villages mention that until ASA-4, the management of HCV areas have been done collaborated and there is no interference from the community against the area.

<b>Status: Comply</b>
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## 5.3

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

### 5.3.1

The CH has identified the source of waste and pollution for mill and estate for each operational activity, for example:

- Engine room produce emission from generator
- Sterilizer station produce solid waste, such scattered loose fruit
- Chemical storage produce solid waste, such as ex chemical container

Based on observation in housing complex division 5 of Tanjung Kembiri estate and division 3&4 of Tanjung Rusa Estate, known that there are trash bags/cans in each housing complex. The waste is separated between organic and anorganic. And then, every one week, the trash will be transported to landfill in designated place, for example in Division 5 Block J60 of Tanjung Kembiri Estate.

### 5.3.2 & 5.3.3

The CH has scheduled waste storage in each unit, mill and estate. The permit of Hazardous Waste storage is in accordance with Decree of Head of Capital Investment, Integrated Service and Indusry Agency No 188.46/002/KEP/LB3/DPMTSPP/2017 issued on 23<sup>rd</sup> November 2017 and valid for 5 years. Based on field observation in hazardous waste storage in mill and estate, the waste is placed accordance with its license.

The waste is collected by the transporter of hazardous waste (PT Primanru Jaya) with agreement letter No 003/CCSD/SPK-Pengelolaan LB3/FLD-PJ//2018 on 2<sup>nd</sup> January 2018 vallid until 2<sup>nd</sup> January 2019. Document of hazardous waste transporting is in form of official report of handover and manifest. The latest handover of hazardous waste was on 19<sup>th</sup> January 2018, among others:

- Used oil as much as 2,979 liters with manifest no 0039646
- Used filter as much as 479 pieces with manifest no 0039647
- Ex accu as much as 44 pieces with manifest no 0039648
- Rags as much as 84.6 kg with manifest no 0039650
- Ex contaminated package as much as 113.26 kg with manifest no 0039701

As for infectious waste, it managed by Bakti Timah Hospital with agreement letter No 25/RSBT/SPK-1200/2017 on 8<sup>th</sup> June 2017 vallid until 1<sup>st</sup> June 2018. The latest handover of infectious waste is documented on minutes of meeting infectious handover on 19<sup>th</sup> January 2018 as much as 5 kg (needle, sput, expired drugs, striptest, refotron, etc).

Based on field observation in housing complex in TKME and TRSE, there is no hazardous waste that is reused. The in and out wastes is recorded in hazardous waste balance sheet that updated every month. Based on interview with worker in chemical storage in division I TRSE, ex-chemical container is re-used for pesticide mixing. The CH showed the record of ex-chemical container request, such as on 16<sup>th</sup> December 2017 was requested as many as 10 pieces.

<b>Status: Comply</b>
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## 5.4

**Efficiency of fossil fuel use and the use of renewable energy is optimised.**

The CH has reduce the use of fossil fuel by use of energy renewable, sighted the document of review of efficiency use of fossil fuels for 2017, which inform:

- Processed FFB is 292,624,840 kg
- CPO Production is 60,791,190 kg



- Fibre and shell use for turbine converted to diesel fuel is 1,173,537.59 liter
- Actual diesel fuel use is 83,776 liter

The turbine using steam power generated from boiler and the boiler fuel derived from shell and fiber. So, based on data above, it is known that the efficiency of fossil fuel from renewable energy is as much as 1,089,762 liter.

**Status: Comply**

## 5.5

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

### 5.5.1 & 5.5.2

Based on field observation in TKME and TRSE, there is no burning activities in estate. The CH has policy about prohibition of burning activities in estate. Besides, there is no new land clearing activities based on document and field observation. Also, the procedure of land preparation mentioned that zero burning method are used for preparing land. Based on field observation in estate, sighted the signboard for zero burning activities.

**Status: Comply**

## 5.6

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

### 5.6.1

Sighted the result of identification of emissions and pollution as well as its sources, such as in estate emissions sources are from fossil fuel usage for transportation and generator, emission from fertilizer usage, pesticide usage and electricity usage. Identified the sources of emission and pollution from mill such as fossil fuel usage, electricity usage and WWTP.

### 5.6.2

The CH has mitigation plan of GHG for estate and mill and the implementation record, such as:

- The use of renewable energy (fibre and shell) as a substitute for fossil energy. The implementation of this program is documented on the recapitulation the use of shells and fibre for boiler in period 2017. Fibre: 36,328,105 kg, Shell: 16,710,928.3 kg.
- Fertilizer usage. The implementation of this plan is documented on monitoring of fertilizer usage efficiency in period 2017. Total area for TKME is 5,839.11 ha. Land application area is 280.66 ha and non LA area is 5,558.45 ha. So, the efficiency in fertilizer usage by using land application is 37 %.

Besides, CH also conducted monitoring of noise level, emission, such as

- Perform testing of noise levels at TKMM on a regular basis once every 6 months by an accredited Lab, for example noise levels in Boiler station 92 dBA, power house: 94 dBA, clarification area: 87 dBA, sterilizer station: 83 dBA, and thresher station: 66 dBA.
- Handling of noise is done by conducting audiometry test in periodically. Observations and interviews with employees on process activities are known that employees already aware to the risks of noise and they were use ear-plug and ear-muff during work.
- Based on observation in TKMM, there are signs about high noise hazard and the use of PPE in high noise areas.

### 5.6.3

The CH already monitored and reported the significant emissions and pollutions annually using RSPO palmGHG calculator, for period of 1 Jan – 31 Dec 2017 describes as follow (calculator ver 3.1):

Summary of Net GHG Emissions

Emission per product	tCO <sub>2</sub> e/t product
CPO	1.01 tCO <sub>2</sub> e/t product
PK	1.01 tCO <sub>2</sub> e/t product

production	Ton /year
FFB	290,339.93
CPO	60,791.19
PK	15,306.52

Extraction	%
OER	20.94
KER	5,27

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

**POME**

POME derived to compost	%	0
POME diverted to anaerobic digestion	%	100
POME diverted to anaerobic pond	%	100
POME to methane capture	%	0

**Summary of field emissions and sinks**

	Own Crop			Group			3 <sup>rd</sup> Party		
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>									
Land conversion	45940.14	9.88	0	0	0	0	0	0	0
*CO <sub>2</sub> emissions from fertilizer	4372.41	0.81	0	0	0	0	0	0	0
**N <sub>2</sub> O emissions	893761.71	0.69	0	0	0	0	0	0	0
Fuel consumption	1254.93	0.24	0	0	0	0	0	0	0
Peat Oxidation	0	0	0	0	0	0	0	0	0
<b>Sinks</b>									
Crop sequestration	-43,545.15	-9.36	0	0	0	0	0	0	0
Conservation Sequestration	-2,317.11	-0.41	0	0	0	0	0	0	0
<b>Total</b>	9,466.93	1.84	0	0	0	0	10,232.2	0	0

**Summary mill emission and kredit**

Emission source	tCO <sub>2</sub>	tCO <sub>2</sub> e/t FFB
POME	56,911.55	0.2
Fuel consumption	305.12	0
Grid eleticity	0	0
Credit		
Export exess electricity to housing & grid	0	0
Sale of PKS	0	0

Sale of EFB	0	0	
Total	57,216.67	0.2	
<b>Status: Comply</b>			
<b>PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills</b>			
<b>6.1</b> <b>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.</b>			
<b>6.1.1</b> SIA has been done and documented in the form of Social Impact Identification Study Report of Plantation and Palm Oil Mill with the scope of TKMM, TKME, TRSE, TRSA (Scheme Smallholder and Belitung Bulking). The SIA was performed in 2014 by TEAM SIA, Corporate Social Responsibility Department of PT SMART Tbk and reviewed every 2 years. The report on includes the following: community access road, employee salary conditions, subsistence activities, education, religion, health and transport. In the report describes the negative and positive impacts of the plantation and mill activities.			
<b>6.1.2</b> Assessment has been done by involving the affected parties (the surrounding community in the operational area of the certificate holder). Documentation is in the form of photographs during data retrieval and documentation of interview results. The method of data retrieval is done by collecting the necessary information through direct and indirect system, such as questionnaires that have been prepared and by interview.			
<b>6.1.3</b> Negative impacts mitigation plans are contained in the management plan and social monitoring activities, informs among others: type of impact, measures to manage the impact, monitoring parameter, time and frequency of monitoring. The plan also informs the PIC for each plan established. There is no issues raised during the public consultation to the nearest community during the audit such as Selasar and Kembiri Village as well as local contractor.			
<b>6.1.4</b> Evaluation of the management plan is done every two years. The management and monitoring plans are adjusted to the results of the evaluation in the form of interviews with the parties affected. The certificate holder shows evidence of meetings photographs, documents of interviews and attendance. The evaluation of the social impact management plan involves the affected parties. There is evidence of signatures and stamps from Cerucuk and Kembiri villages. In addition, there are also photographs, minutes of meetings with representatives (local village officials).			
<b>6.1.5</b> The smallholder schemes (programs of revitalization) has been involved in the social impact assessment, verified in attachment list of attending of the SIA assessment process and the participants of the revitalization program, there are several names of participants of the partnership program involved.			
<b>Status: Comply</b>			
<b>6.2</b> <b>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</b>			
<b>6.2.1</b> The CH has procedure of communication and consultation documented in SOP No. SOP/SMART/UMUM/SADVI/004, 1 <sup>st</sup> July 2014. The procedure has been socialized to the stakeholder. Based on interview with stakeholder in Kembiri and Selasar Village, they understand how to communicate and consultation with PT FLD.  List of stakeholders updated Jan 2018 is showed by PT FLD, informing the name, position, address and contact number.			
<b>6.2.2</b>			

Company has assigned the person in charge for each unit through decree from PC of Bangka Belitung Region. The PIC of each unit is:

- Rudi Purwanto through decree no 002/PC-BABEL/IX/2017 on 5<sup>th</sup> September 2017 for TKMM
- Trihadi Santoso through decree no 006/RC-BABEL/X/2017 on 1<sup>st</sup> October 2017 for TKME
- Sastra Ridwan through decree no 008/RC-BABEL/III/2015 on 6<sup>th</sup> March 2015

Based on interview with stakeholder in Kembiri and Selasar Village, it is known that they know the mechanism and who is the PIC for communication

### 6.2.3

Certificate holder has the latest list of stakeholder updated on January 2018, consist of surrounding village (Kembiri and Simpang Rusa), organization of worker (union worker and committee gender) and community, schools, and statutory bodies. The communication is documented and kept by the company. Based on interview with stakeholders, is known that they already know about the mechanism of communication and consultation. Company documented incoming letter from stakeholder in a log book. Moreover, company responds to all incoming letter not later than 3 weeks after the letter was received.

**Status: Comply**

## 6.3

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

### 6.3.1.

CH has SOP of Complaint and Grievance Handling (SOP/SMART/SIGS-CSR/SADV/II/003, on 1<sup>st</sup> July, 2014). These document as guidance in related of complaint and grievance receive from external and internal (employee). The personnel in charge for received and documented of complaint and grievance from related parties are appointed through decree from PC of Bangka Belitung Region. The complaints will review and consulted with related party for overcome. Related to protection for whistle-blower, the company has mechanism and was socialized to worker in estate and mill. Based on interview with worker in estate and mill, they have understood about this procedure.

### 6.3.2.

CH recorded the written complaint in a log book for each unit. Based on the results of interviews with workers at Tanjung Rusa Estate, it is known that employee complaints are delivered verbally to their supervisor or worker union. However, verbal complaints are not recorded in the complaint book and how it responds. PT FLD has the opportunity to record all incoming complaints from employees, whether written or oral (**OFI**). Based on document verification of this document, interview with the workers, bipartite forum boards and Gender Committee that knows was there area no significant complaint and grievance from another internal stakeholders.

**Status: Comply**

## 6.4

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

### 6.4.1, 6.4.2, 6.4.3

The CH has compiled SOP of Land Compensation, document no.: SOP/NP/SMART/VII/D & L.002, issued on July 1, 2010. The scope of procedure is all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right.

Based on document review, the entire managed area was the state land for plantation. However, there are some areas were under the control of community which not willing to compensate. There was no land dispute within PT FLD's operations, no new land acquisition, the entire compensation process was completed in 1995. As such, the process of fair compensation is currently not required to be applied.

**Status: Comply**

## 6.5

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

### 6.5.1

Certificate holder showed wages payment documentation for year of 2018 as follows:

- Decree of Kepulauan Bangka Belitung Governor No 188.44/1252/DISNAKER/2017 on 21<sup>st</sup> November 2017 about Minimum wage of Kepulauan Bangka Belitung year of 2018 as much as Rp. 2.755.443.
- Decree of Director No 016/CEO 2/HR PSM 2/12/2017 dated on 2<sup>nd</sup> January 2018, about wages adjustment for permanent worker as much as Rp. 2.755.444,-/month and paid according to effective working days
- Decree of Director No 017/CEO 2/HR PSM 2/12/2017 dated on 2<sup>nd</sup> January 2018, about wages adjustment for daily worker with working period < 1 year as much as Rp. 2.755.444/month and daily worker with working period > 1 year as much as Rp. 2.762.944/bulan
- Decree of Director No 018/CEO 2/HR PSM 2/12/2017 dated 2<sup>nd</sup> January 2018 about wages scale for monthly worker.

Based on pay slip and payroll verification, it is known that all worker has paid in accordance with applicable provision, as consistent with interview result with worker in mill and estate, it is known that the wages is adjusted in accordance with applicable rule.

Based on interview with the harvester and committee of worker union, there were no complaint about working hours. The payment is based on tonnage. If they did not get the tonnage after working hours is out, they will be paid by daily payment.

#### 6.5.2

The certificate holder has a collective labor agreement for the period of 2016-2018 between PT FLD and labor union dated September 22, 2016; collective labor agreement has been registered in the Department of Social Affairs of Manpower and Transmigration of Belitung Regency. 560/1 / KEP / DSTKT / 2016 dated December 9, 2016; effective from October 1, 2016 s.d. September 30, 2018 and has been published in the registration book of Cooperation Agreement registration.

The certificate holder shows some examples of employment agreements as follows:

1. Letter of Acceptance of Employment No: 004 / SK- (SKU-H) / TKMM / 2017 dated January 26, 2017 on appointment as permanent employee on behalf of Ryska (title: spare man) effective from 26 January 2017.
2. Letter of Acceptance of Employment No: 013 / SK-SK / H / TKME / I / 2017 dated 31 January 2017 regarding appointment as permanent employee in the name of M. Salim (position: Harvester Division 1) effective from 1 February 2017.
3. Letter of Acceptance of Employment No: 007 / FLD-TRSE / SK / VII / 2015 dated July 9, 2015 regarding appointment as permanent employee on behalf of Sarjono (title: Harvester Division 2) effective from 11 July 2015.

Based on the results of the verification of the payroll documents and the results of interviews with the representatives of workers it is known that the salary payments are in accordance with the contracts and regulations applicable. There are no permanent employees who earn below the minimum wage.

#### 6.5.3

The certificate holder has provided facilities and infrastructure for the welfare of workers, among others: housing, education, clean water, health, and adequate public facilities. Based on the results of interviews with employees / residents of TRSE housing as well as housing of employees of TKMM, it is known that the facility provided are adequate, there is no complaints raised during the interview with workers. For health care facilities, the certificate holder has a first aid clinic that serves as a first aid service center and light treatment service. The clinic is managed by 1 doctor of the region following 2 nurses who have Hyperkes certificate. For the handling of severe accidents or illness cases, clinics usually refer patients to the Simpang Rusa Health Center ( $\pm$  12 km away from the estate). For children's school facilities, the certificate holder has a school (kindergarten and elementary school) located within the operational area of certificate holder and also provided shuttle bus service.

#### 6.5.4

Based on interview and field visit sighted that the company has been provide a ration shop facility located in every employee emplacement. This ration store is staffed by the employees which provides daily necessities at an affordable price. In addition, employees who own a private vehicle and want to shop with a lot of shopping can be in the market membalong which is about 10-20 Km from the emplacement. It further explained that there is a monthly market (when salary paymen day).

**Status: Comply**

**6.6**

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

**6.6.1; 6.6.2**

The certificate holder shows Circular Letter No.094 / CEO2-SE / 12/2010 dated December 14, 2010 stating that the certificate holder respects the provisions and rules applicable in Law 21 of 2000 including freedom of association for workers / employees who are the basic rights of workers . The CH have had a labor union which has been endorsed by the board of the Federation of Trade Unions Federation of Agricultural Workers Unions and Plantations of Indonesia Belitung District with SK 02 / PC.FSPPP-SPSI / III / 2013. One of the activities undertaken by trade unions is to conduct meetings both internally and externally such as the meeting dated September 19, 2017. The meeting was attended by 4 management representative and 3 workers. The meeting discussed the application of a new harvesting wage system.

**Status: Comply**

**6.7**

**Children are not employed or exploited.**

The certificate holder sets the minimum age limit for work listed in the document:

- Circular Letter from HR Director No. 002 / SE-HRDV / 03/09 dated March 31, 2009 on Minimum Age Limitation states that the certificate holder sets a minimum age limit of 18 years.
- GAR's Social and Environmental Policy is signed by Head of Upstream, CEO-Downstream & Comercial, Executive Director & CFO; Managing Director of Sustainability & Strategic Stakeholder Engagement.

Based on the result of verification of employee list documents at TKME, TRSE and TKMM known that the employee age is >18 years. Average age of employee while working at age 19 years, besides also result of field observation in TKME, TRSE and TKMM not found child worker or children who help their parents.

**Status: Comply**

**6.8**

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

**6.8.1; 6.8.2**

The certificate holder has a GAR Social and Environmental Policy signed by Head of Upstream, CEO-Downstream & Commercial, Executive Director & CFO; Managing Director of Sustainability & Strategic Stakeholder Engagement. In point 3 states: "... We provide equal opportunities for all workers, and embrace diversity irrespective of ethnicity, religion, disability, gender, political affiliation, sexual orientation, or union membership. We ensure that workers are protected from discrimination at all stages of the employment relationship...."

The non-discriminatory policy has been disseminated through signboards installed in the office area and has been well understood by employees. Based on the results of random interviews with operational employees in plantations and factories as well as supporting departments it is known that so far there are no discriminations of employees based on ethnicity, religion or race. Hired employees are treated equally and have equal opportunities for a career.

Based on the results of employee list document review and field observation / interviews it is known that no workers (Estate and Mill) are found under the age of 18 years. During this time there is no discrimination by superiors, fellow employees or by other parties while working. The results of interviews with female workers are also known that there has never been sexual harassment while working in the field or in employee housing.

**6.8.3**

GAR's Social and Environmental Policy is signed by Head of Upstream, CEO-Downstream & Comercial, Executive Director & CFO; Managing Director of Sustainability & Strategic Stakeholder Engagement. The non-discriminatory policy of the certificate holder is reviewed on a regular basis. The above policy was published in 2013 and has been reviewed in 2015.

**Status: Comply**

**6.9**

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



**6.9.1, 6.9.2, 6.9.3**

Policy related to Sexual Harassment is regulated in letter no 003/CEO2-SE/01/2011 on 10<sup>th</sup> January 2011. Based on interview with female worker in creche, it is known that they understand the policy. During the interview with board of Gender Committee in estate and mill confirmed that there is no issue or complaint related to sexual harassment on the workplace. The CH also set the gender committee for handling the harassment issue around female workers. It is also known that they understand the mechanism of complaint submission. Complaint can be submitted to board of worker union, gender committee, or their foreman.

Observed during interview to the board of gender committee and female workers several evidences of implementation of reproductive rights protection policy, such as: the company provides 3 months leaving for female workers who are in pre and post-partum. Workers who are pregnant and lactating is prohibited to involves in chemical activities. In addition, the CH give special breast-feeding time for female worker.

<b>Status: Comply</b>	
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**6.10**
**Growers and mills deal fairly and transparently with smallholders and other local businesses.**
**6.10.1**

The price of FFB is set based on the price determined by the Plantation agency. Based on interviews with FFB suppliers, FFB price informs by the accounting department to suppliers referring to the price set by the government agency and there are no complaints regarding the FFB price. This is also confirmed by interviews with FFB suppliers.

**6.10.2, 6.10.3, 6.10.4**

The certificate holder shows the transaction-related documents between Mill and the smallholder scheme as follows: proof of payment for supplier eg application for funds transfer to PT Sawit Alam Permai on January 22, 2018.

The certificate holder shows the agreement of purchase of FFB no.: 001 / TBS / FLD-SAP / V / 2017 between PT Forestalestari Dwikarya and PT Sawit Alam Permai, valid for one year. The results of interviews with FFB suppliers, it is known that they already know the contents of the agreement and have agreed on both sides.

<b>Status: Comply</b>	
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**6.11**
**Growers and millers contribute to local sustainable development wherever appropriate.**
**6.11.1**

The certificate holder represents the CSR realization document of 2017 as follows:

- Medicinal assistance to Kembiri villagers on July 16, 2017 - July 20, 2017.
- Provision of sugar, tea and coffee to the mosque around on June 7, 2017
- Relief funds flood to victims Kembiri Village on July 19, 2017 with a value of Rp 2.499.000

In addition to direct assistance as described above the certificate holder also uses local contractors for works as well as partnerships with oil palm plantations with communities that are all managed by certificate holders on a profit-sharing system. Employment information is also always submitted to the village head or local community leaders.

**6.11.2**

The company has a complete list of partnership farmers, consisting of 382 participants in accordance with the decision of Belitung Regent no. 188.45 / 170 / KEP / DPK / 2013. The CH has a budget plan document for the period of 2017 that describes the financing for the farmers' partnership (full manage) contained in the Budget Detail Operational Overhead 2017 unit Tanjung Rusa Plasma.

<b>Status: Comply</b>	
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**6.12**
**No forms of forced or trafficked labour are used.**
**6.12.1; 6.12.2; 6.12.3**

Based on document review, field observation, and interviews with worker and stakeholders, it is known that there is no migrant labor, including forced labor and illegal labor. The recruitment is done according to the company's procedure. All workers have work agreement that explain about the obligation and rights of the worker, and other provision. They work

based on the contract and work order. Based on field observation and interviews with the workers in Estate and Mill, it is known that there is no discrimination among them. They came from local and nonlocal worker. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Based on interview with board of worker union, there is no issue related to force labour. And there is no inter area workers.

Based on interview with the harvester and committee of worker union, there were no complaint about working hours. The payment is based on tonnage. If they did not get the tonnage after working hours is out, they will be paid by daily payment.

**Status: Comply**

### 6.13

#### Growers and millers respect human rights

##### 6.13.1

CH has policy on human rights which explain that company respect to workers' human rights written in Social and Community Engagement Policy on 10<sup>th</sup> November 2011 ratified by President Director. The policy has been socialized to the workers and contractor, for example on 13<sup>th</sup> January 2018 was the socialization to contractor workers and 13<sup>th</sup> March 2017 attended by 98 participants. The socialization has been documented in form of minutes of meeting, list of attendees, and socialization material. Based on interview with worker in estate and mill, they know and understand about workers rights. And also, from consultation with internal stakeholder (worker union), it is known that there is no complaint related to human rights violation. If there is a complaint, the complaint can still be resolved by amicable way between employees.

**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

There is no new planting since 2005.

CH 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:

- 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.
- 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.

**Status: Comply**

### 7.2

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

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.

**Status: Comply**

### 7.3

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

##### 7.3.1, 7.3.2, 7.3.3, 7.3.4

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.

**Status: Comply**

### 7.4

#### Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.

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.

**Status: Comply**

## 7.5

**No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

### 7.5.1

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

**Status: Comply**

## 7.6

**Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.**

### Major 7.6.1; Major 7.6.2; Major 7.6.3; Minor 7.6.4, Minor 7.6.5, Minor 7.6.6

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

**Status: Comply**

## 7.7

**Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.**

The 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).

**Status: Comply**

## 7.8

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

### 7.8.1 and 7.8.2

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).

**Status: Comply**

## **PRINCIPLE #8 Commitment to continuous improvement in key areas of activity**

### 8.1

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

During ASA-4, verified that the CH's has regularly review their activities through internal audit such as sustainable palm oil audit and agronomist and mill operation audit as well as management review for all aspect.

- There are some of continious improvement project observed, namely :
  - ✓ Application of EFB using Empty Bunch Spreader. This activity shows the Company's efforts to provide extra fertilizer to increase the soil organic matter needed by the plants, especially on the marginal soil.
  - ✓ Fertilizer application mechanically using Mercy Ferguson tractor that is considered practical and efficient in which the performance of fertilizer machine can reach an area of 40 to 50 Ha/WD (1 tractor for 6 interrow).
  - ✓ Modification of roller hoses in TKM to reduce damage to the hose, lorry safety in drum tippler, dual function main hole oil storage tank.
  - ✓ Application of TKME and TRSE Innovation: three in one Harvest Clerk tool for FFB crontol and slow moving dead

stock control program.

- The CH has continuously conduct HCV/RTE management and monitoring, analyzing the biodiversity over the plantation area and regularly conduct environment management and monitoring.
- The CH has set the budget for housing maintenance yearly, for e.g for period of 2018 in TRSE has been budgetted to repair as much as 80 houses.
- The Company has operational internal audit (OIA), namely:
  - TKME: OIA of the second Semester of 2016, held from 20 to 27 July 2017. One of the audit findings is related to the EFB application (rest on the road) and has purchased 2 units of Errepi Buffalo tractor and Crane Grabber to conduct EFB spreading mechanically.
  - TKME: OIA of the second semester of 2017, held from 12 to 19 July 2017. There is one audit finding that is the transport of FFB mixed with loosefruits in the same truck by carrying two DOs. On 11 August 2017 it has been socialized to foremen that loosefruits are transported separately with FFB..
  - TKM: OIA of the first semester of 2017, held on 20 to 27 July 2017. One of the audit findings is related to the daily examination of wheel loaders that are doubtful of their implementation. It has been added to the daily checklist of the condition/level of the transmission oil and checklist of W-Loader conditions. The W-Loader has been well operated and carried out daily monitoring and monitoring at the time of oil change.
- Calibration of sprayers is done routinely every 2 weeks. The Company has document of Data of Nozle Calibration of TRSE Year 2017 which contains about the division, date, name of worker caliber, sprayer type, nozzle type, standard flowrate (cc/min), flowrate (U1, U2, U3), total, and average. For example, the calibration on 15 December 2017, sprayer (RB15), nozzle (DEF-02 VLV 100), standard flowrate (460 cc/min), U1 flowrate (461 cc/min), U2 (463 cc/min), and U3 (455 cc/min), total (1,377 cc/min), and average 459 cc/min). The calibration result is only slightly below the standard flowrate (460 cc/min).

**Status: Comply**

### 3.2. Summary of Assessment Report of Supply Chain Requirement

#### 3.2.1 General chain of custody requirements for the supply chain

Clause	Requirement																
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>																
<b>5.1.1</b>	<p><b>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</b></p> <p><b>Question: Does the organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products at their premises or through the outsourcers?</b></p> <p>Yes, the entire area, mill and storages are owned by the organisation and all processing from FFB to CPO/PK are done by the TKMM.</p> <p>However, there are activities given to third parties (contractors) which has been bond in the contract letter namely CPO/PK transporting, can be showed :</p> <ul style="list-style-type: none"> <li>- Contract letter of CPO transporting No.: 001/FLD/TKMM/01/2017-CPO (PT Satrindo Jaya Agropalma), written on 2 Jan 2017</li> <li>- Contract letter of PK transporting Ref No.: 001/FLD/SPK/2018 (PT Rafli Gema Nusantara)</li> </ul> <p><b>Status: Comply</b></p>																
<b>5.1.2</b>	<p><b>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</b></p> <p><b>Question: Is the organization buying from RSPO licensed traders who pass the certification number of the product manufacturer and the applicable supply chain model?</b></p> <p>TKMM do not buying RSPO certified product. Certified FFBs processed are supplied from its own estate as well as CSPO/CSPK sales are from its product produced.</p> <p><b>Status: Comply</b></p>																
<b>5.1.3</b>	<p><b>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</b></p> <p><b>Question: Is the site level or its parent company a member of RSPO and registered on RSPO IT platform?</b></p> <p>Yes, verified through RSPO Palmtrace system and based on transaction document showed by the mill, all requirement for the appropriate supply chain has been met for both registration and reporting of product sales. Information to this requirement as follows:</p> <table border="1"> <thead> <tr> <th colspan="2">Member and license Information</th></tr> </thead> <tbody> <tr> <td>Member Name</td><td>PT. Forestalestari Dwikarya - Tanjung Kembiri Palm Oil Mill</td></tr> <tr> <td>RSPO Membership number</td><td>1-0096-11-000-00</td></tr> <tr> <td>Member ID</td><td>RSPO_PO1000001383</td></tr> <tr> <td>License ID</td><td>CB50896</td></tr> <tr> <td>Start Date</td><td>4/21/2017</td></tr> <tr> <td>End Date</td><td>4/20/2018</td></tr> <tr> <td>License Status</td><td>Active</td></tr> </tbody> </table> <p><b>Status: Comply</b></p>	Member and license Information		Member Name	PT. Forestalestari Dwikarya - Tanjung Kembiri Palm Oil Mill	RSPO Membership number	1-0096-11-000-00	Member ID	RSPO_PO1000001383	License ID	CB50896	Start Date	4/21/2017	End Date	4/20/2018	License Status	Active
Member and license Information																	
Member Name	PT. Forestalestari Dwikarya - Tanjung Kembiri Palm Oil Mill																
RSPO Membership number	1-0096-11-000-00																
Member ID	RSPO_PO1000001383																
License ID	CB50896																
Start Date	4/21/2017																
End Date	4/20/2018																
License Status	Active																
<b>5.1.4</b>	<b>Processing aids do not need to be included within an organization's scope of certification.</b>																

<b>Question: Is the site level or its parent had a processing aids?</b>	
Yes, its parent had a processing aids (KCP and refineries), which has been certified.	
	<b>Status: Comply</b>
<b>5.2</b>	<b>Supply chain model</b>
<b>5.2.1</b>	
The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	
<b>Question: Has the organization applied the Supply Chain Model correctly?</b>	
Yes, TKMM applied SCCS Modul E (MB) due to its are receive and processed the FFBs from certified and uncertified sources.	
	<b>Status: Comply</b>
<b>5.2.2</b>	
The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
<b>Question: Has the organization applied a combination of Supply Chain Model correctly?</b>	
No, TKMM only applied SCCS Modul E (MB) due to its are receive and processed the FFBs from certified and uncertified sources.	
	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
<b>5.3.1</b>	
The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
<b>Questions : Documented procedures established and covering all provisions following:</b>	
<ul style="list-style-type: none"> <li>• Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> <li>• Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> <li>• Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard.</li> </ul>	
No changes	
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 key personnel involved, 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. Its need to adjust the reference to the new standard. #OFI	
	<b>Status: Comply</b>
<b>5.3.2</b>	
The site shall have a written procedure to conduct annual internal audit	
<b>Question :</b>	
Documented annual internal audit procedures established and covering all provisions :	
i) Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.	
ii) Effectively implements and maintains the standard requirements within its organization.	
Sighted SOP for internal audit no.: SOP/SMART/UMUM/SADV/II/009 issued on 1 July 2014 covering all audit for sustainable palm oil including SCCS. In the SOP mentioned that internal audit are done annually. The requirements of RSPO Market Communications and Claims Documents describes in the SOP No.: No. PT FLD-TKMM/SOP/35.	
	<b>Status: Comply</b>
<b>5.4</b>	<b>Purchasing and goods in</b>



**5.4.1**

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

**Question :**

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

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

TKMM do not purchase the RSPO certified oil palm products from outsider / other sources.

**Status: Comply**

**5.4.2**

The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents

**Question :**

Has the organization established mechanism in place for handling non-conforming oil palm products and/or documents?

TKMM do not purchase the RSPO certified oil palm products from outsider / other sources.

**Status: Comply**

**5.5**
**Outsourcing activities**
**5.5.1**

In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.

**Question : Are the outsourcers RSPO certified?**

There are activities given to third parties (contractors) which has been bond in the contract letter namely CPO/PK transporting, can be showed :

- Contract letter number 001/FLD/TKMM/01/2017-CPO → for CPO transporting (PT Satrindo Jaya Agropalma), written on 2 Jan 2017

- Contract PK Ref No.: 001/FLD/SPK/2018 (PT Rafli Gema Nusantara) → kernel transporting from mill to bulking.

The transporter not certified, however its has been complies with the requirements of the RSPO Supply Chain Certification Standard.

**Status: Comply**

### 5.5.2

Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:

- The site has legal ownership of all input material to be included in outsourced processes;
- The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.
- The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.
- d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance

**Question : Has the site established outsourcing procedures, agreement and keeps legal ownership of the products during the outsourcing**

There are activities given to third parties (contractors) which has been bond in the contract letter namely CPO/PK transporting, can be showed :

- Contract letter of CPO transporting No.: 001/FLD/TKMM/01/2017-CPO (PT Satrindo Jaya Agropalma), written on 2 Jan 2017
- Contract letter of PK transporting Ref No.: 001/FLD/SPK/2018 (PT Rafli Gema Nusantara)

**Status: Comply**

### 5.5.3

The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.

**Question : Has the site maintained names and contact details of all outsourcers?**

Yes, these information describes in the contract letter

**Status: Comply**

### 5.5.4

The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products

**Question : Has MUTU informed about any new outsourcers?**

There is no certified FFBs outsider sources

**Status: Comply**

## 5.6

**Sales and goods out**

### 5.6.1

The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer

**Question :**

All RSPO product information is provided by the organisation in accordance with :

- The name and address of the seller;
- The loading or shipment / delivery date;
- The date on which the documents were issued;
- A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);
- The quantity of the products delivered;
- Any related transport documentation;
- Supply chain certificate number of the seller;

- A unique identification number.
- Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products
- For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.
- 

The mill not sales CSPO through RSPO claim.

Can be showed the document on shipping instruction for CSPK, for e.g. ref no.: 001/IP/2950/01/2018 to PT Sumber Indah Perkasa, informs among others address : Sinarmas Plaza Tower 2, Fl 7, Jakarta, Indonesia, shipping on 11-15 Jan 2018, product : PK, amount : 650 Kgs, contact person, sales contract, seller's certificate number.

**Status: Comply**

## 5.7 Registration of transactions

### 5.7.1

**Supply chain actors who:**

- are mills, traders, crushers and refineries; and
- take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable

**Question :**

**Has the organization registered their transactions in the RSPO IT platform? (mills, traders, crushers and refineries only)**

Yes, the mill has been registered in the RSPO Palmtrace:

Member and license Information	
Member Name	PT. Forestalestari Dwikarya - Tanjung Kembiri Palm Oil Mill
Member ID	RSPO_PO1000001383
License ID	CB50896
Start Date	4/21/2017
End Date	4/20/2018
License Status	Active

**Status: Comply**

### 5.7.2

**The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:**

- **Shipping Announcement / Announcement:** When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.
- **Trace:** When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.
- **Remove:** RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.
- **Confirm:** Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.

**Question :**

**Did the organization correctly perform the applicable actions on RSPO IT Platform?**

<p>Verified through RSPO Palmtrace system and based on transaction document showed by the mill, all requirement for the appropriate supply chain has been met for both registration and reporting of product sales. During the period, the TKMM do not sales CSPO with RSPO claim but ISCC. Total CSPK sales is 9,355 tonnes, announcemet through palmtrace are done by transaction and shipping (as much as 54 transaction).</p>	
	<b>Status: Comply</b>
<b>5.8</b>	<b>Training</b>
<b>5.8.1</b> <b>The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff</b>	
<b>Question :</b> <b>Has the organization established RSPO training plan?</b>	
<p>SCCS training are planned in yearly basis, for 2018 conduct in April, the personnel to be trained : mill unit head, mill sub unit head, adm head, process assistant, security head, SPO officer, production clerk, weigh-bridge clerk.</p>	
	<b>Status: Comply</b>
<b>5.8.2</b> <b>Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed</b>	
<b>Question :</b> <b>Has the organization Delivered Effective RSPO training?</b>	
<p>Yes, training to all staff and officer involve in SCCS implementation has been done regularly, the latest training held 8 Feb 2017 by SPO Certification Staff (HO), 20 participant. During interview with TKMM Adm Head, weigh-bridge operator and security sigthted that they are able to demonstrate the SCC implementation.</p>	
	<b>Status: Comply</b>
<b>5.9</b>	<b>Record keeping</b>
<b>5.9.1</b> <b>The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements</b>	
<b>Question :</b> <b>All records are accurate, complete, up-to-date and accessible?</b>	
<p>Yes, the SCCS records are kept in TKMM office, all information are up to date and accessible.</p>	
	<b>Status: Comply</b>
<b>5.9.2</b> <b>Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock</b>	
<b>Question :</b> <b>All records are kept for minimum two years and comply with legal and regulatory requirements?</b>	
<p>According to the SOP no.: SOP/SMART/UMUM/SADV/I/001, all company records are stored for 10 years including SCCS records.</p>	
	<b>Status: Comply</b>
<b>5.9.3</b> <b>The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.</b>	
<b>Question :</b> <b>For all palm oil / palm kernel oil volumes purchased (input) and claimed (output) records kept over a period of twelve (12) months.?</b>	
<p>Yes, FFBs, CSPO and CSPK produced and/or claimed records are kept in minimum 12 months.</p>	

	<b>Status: Comply</b>
<b>5.10</b>	<b>Conversion factors</b>
<b>5.10.1</b> Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries	
<b>Question :</b> <b>Conversion rates applied accurately?</b>	
TKMM do not convert its product.	
	<b>Status: Comply</b>
<b>5.10.2</b> Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
<b>Question :</b> <b>Conversion rates periodically updated?</b>	
TKMM do not convert its product.	
	<b>Status: Comply</b>
<b>5.11</b>	<b>Claims</b>
<b>5.11.1</b> The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
<b>Question :</b> <b>Any communication to any stakeholder group / customers issued in accordance with RSPO Rules on Market Communications and Claims?</b>	
There is no communication to any stakeholders since the mill only processed certified FFB from its own estates. The requirements of RSPO Market Communications and Claims Documents describes in the SOP No.: No. PT FLD-TKMM/SOP/35.	
	<b>Status: Comply</b>
<b>5.12</b>	<b>Complaints</b>
<b>5.12.1</b> The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
<b>Question :</b> <b>Documented procedures for stakeholders complaints established?</b>	
The mill only processed certified FFB from its own estates. Proceduer for stakeholder complaint are established in the document no.: SOP/SMART/SIGS-CSRD/SADV/I/003, issued on 1 July 2014.	
	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>
<b>5.13.1</b> The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
<b>Question :</b> <b>Management reviews performed annually at planned intervals?</b>	

The new standard are applicable since 1 January 2018, management review are planned and verified in the next audit.	
	<b>Status: Comply</b>
<b>5.13.2</b> <b>The input to management review shall include information on:</b> <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	
<b>Question :</b> <b>Has all input required above has been included in the management review?</b>	
The new standard are applicable since 1 January 2018, management review are planned and verified in the next audit	
	<b>Status: Comply</b>
<b>5.13.3</b> <b>The output from the management review shall include any decisions and actions related to:</b> <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	
<b>Question :</b> <b>Has all output required above has been included in the management review?</b>	
The new standard are applicable since 1 January 2018, management review are planned and verified in the next audit	
	<b>Status: Comply</b>



**3.2.3 (Module E) CPO Mills - Mass Balance Requirements**

Clause	(Module E) CPO Mills - Mass Balance Requirements																		
E.1	Definition																		
E.1.1																			
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.																			
The POM are applying SCCS Modul E (MB) due to its are received and processed FFB from certified area and uncertified area. During the observation at the time of FFB reception in TKMM (security and weigh-bridge), sighted that the FFB processed during the license period supplied from:																			
<div><div>-</div>Certified → TKME and TRSE</div> <div><div>-</div>Uncertified → TRSE NC (50.25 Ha block 98D13), TRSA, PUSX, PBBX and SAPX</div>																			
	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 estimates certified product for the last license periode 21 April 2017 to 20 April 2018, actual certified product produced since 21 April 2017 – 12 Feb 2018 and estimates certified product for the next license period has been recorded by the CB in this summary report, as below:																			
<table><tr><th>Past Annual Claim Certified Product</th><th>Previous Certificate Claim 21 April 2017 to 20 April 2018 (tonnes/year)</th><th>Actual certified product 21 April 2017 to 12 February 2018 (tonnes/year)</th><th>Next license estimates of certified product 21 April 2018 to 20 April 2019 (tonnes/year)</th></tr><tr><td>FFB Production</td><td>193,124</td><td>166,904.73</td><td>203,800</td></tr><tr><td>CPO Production</td><td>42,487</td><td>36,006.15</td><td>46,874</td></tr><tr><td>Palm Kernel (PK) Production</td><td>10,662</td><td>9,335.00</td><td>11,209</td></tr></table>				Past Annual Claim Certified Product	Previous Certificate Claim 21 April 2017 to 20 April 2018 (tonnes/year)	Actual certified product 21 April 2017 to 12 February 2018 (tonnes/year)	Next license estimates of certified product 21 April 2018 to 20 April 2019 (tonnes/year)	FFB Production	193,124	166,904.73	203,800	CPO Production	42,487	36,006.15	46,874	Palm Kernel (PK) Production	10,662	9,335.00	11,209
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Palm Kernel (PK) Production	10,662	9,335.00	11,209																
	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).																			
Verified through RSPO Palmtrace system and based on transaction document showed by the mill, all requirement for the appropriate supply chain has been met for both registration and reporting of product sales. Information to this requirement as follows:																			
<table><tr><th colspan="2">Memberand license Information</th></tr><tr><td>Member Name</td><td>PT. Forestalestari Dwikarya - Tanjung Kembiri Palm Oil Mill</td></tr><tr><td>Member ID</td><td>RSPO_PO1000001383</td></tr><tr><td>License ID</td><td>CB50896</td></tr><tr><td>Start Date</td><td>4/21/2017</td></tr><tr><td>End Date</td><td>4/20/2018</td></tr><tr><td>License Status</td><td>Active</td></tr></table>				Memberand license Information		Member Name	PT. Forestalestari Dwikarya - Tanjung Kembiri Palm Oil Mill	Member ID	RSPO_PO1000001383	License ID	CB50896	Start Date	4/21/2017	End Date	4/20/2018	License Status	Active		
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Start Date	4/21/2017																		
End Date	4/20/2018																		
License Status	Active																		

During the period, the TKMM do not sales CSPO with RSPO claim but ISCC. Total CSPK sales is 9,355 tonnes, announcement through palmtrace are done by transaction and shipping (as much as 54 transaction). All sales by month detailed in the table below:

Month	Kernel Sold			Buyer
	ISCC (Kg)	RSPO (ton)	NON CERTIFIED (Kg)	
21 s/d 30 April		450	750	PT SIP
May		115.24	185.43	
June		1,039.76	609.57	
July		1,404.62	583.23	
August		745.38	254.62	
September		937.85	262.15	
October		1,926.54	594.19	
November		985.61	155.81	
December		1,100	300	
January 18		650	250	
12 February 18		-	-	
Total	-	9,355	3,945	

Tonnage of selling product	Actual selling product period 21 April 2017 until 12 February 2018
<ul style="list-style-type: none"> <li>CSPO sold as RSPO certified product</li> <li>CSPK sold as RSPO certified product</li> </ul>	-
<ul style="list-style-type: none"> <li>CSPO sold under other scheme (ISCC)</li> <li>CSPK sold under other scheme</li> <li>CSPO sold under conventional</li> <li>CSPK sold under conventional</li> </ul>	9,335.00
	36,006.15
	-
	-
	-

**Status: Comply**

**E.3**

**Documented procedures**

**E.3.1**

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

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

No changes, since the last assessment, 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 key personnel involved, definition, the FFB reception process, weighing, checking quality, processing, monitoring refined products, mass balance calculations, delivery of the product. Its need to adjust the reference to the new standard. #OFI

In addition sighted on place the SOP of Reporting of RSPO Certified Product (No: PT FLD-TKMM / SOP / 36) dated January 2, 2016.

**Status: Comply**

**E.3.2**

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

No changes, the mill has procedure of Supply Chain RSPO Products - Mass Balance Model (No: PT FLD-TKMM/SOP/35) dated January 2, 2016 explaining that:

- The source or supplier of FFB received by the mill can be classified into 3: Own estates (certified), smallholder scheme and individuals FFB.
- All FFB suppliers has recorded /recapitulated/and maintained its current status.
- Suppliers of certified FFB as a sustainable raw material that can be identified or given information that differentiates it from non-certified suppliers.

**Status: Comply**

**E.4 Purchasing and goods in**
**E.4.1**
**The site shall verify and document the volumes of certified and non-certified FFBs received.**

All FFBs received and processed has been recorded by the mill for both certified and uncertified, the mill has been set coding system to verify the FFB in reception station (security and weigh-bridge). In the table below, describes all the FFB received during the license period (21 April 2017 – 12 Feb 2018):

Month	FFB certified received and processed (Kgs)		FFB un-certified received and processed (Kgs)					TOTAL
	TKME	TRSE	TRSE NC	TRSA	PUSX	PBBX*	SAPX	
21 s/d 30 April	1,501,403	1,774,797	59,690	294,910	781,820	1,728,560		6,141,180
May	6,462,013	6,104,357	269,670	789,950	2,916,700	5,025,490		21,568,180
June	8,942,419	6,896,481	303,160	664,610	2,994,670	5,130,210	393,980	25,325,530
July	13,969,289	10,562,811	381,250	421,820	2,599,960	5,724,040	996,170	34,655,340
August	11,797,022	8,485,748	332,090	228,420	1,713,260	3,684,200	515,020	26,755,760
September	12,886,688	8,630,442	378,990	162,480	1,408,790	3,880,090	180,340	27,527,820
October	12,134,514	8,332,606	322,070	675,150	976,880	3,349,970	191,310	25,982,500
November	12,501,270	8,994,570	387,220	305,480	-	4,017,000	107,830	26,313,370
December	8,363,370	6,859,350	385,800	486,480	-	4,056,890	204,980	20,356,870
January 18	4,707,080	4,064,090	230,760	721,340	-	5,159,640	156,240	15,039,150
12 February 18	1,558,960	1,375,450	90,450	444,160	-	2,386,700	64,110	5,919,830
<b>Total</b>	<b>94,824,029</b>	<b>72,080,701</b>	<b>3,141,150</b>	<b>5,194,800</b>	<b>13,392,080</b>	<b>44,142,790</b>	<b>2,809,980</b>	<b>235,585,530</b>

\*PPBX → TSWE, MMKA, MMNA, LMTA, THRA, GRMA, MTSA

\*\*Certified and non-certified FFB received period of 25 April 2017 to 12 Feb 2018

Mechanism for FFBs separation from TRSE certified and non-certified area has been set, the separation are made since from field in estates including FFBs transportation. There are list of uncertified block namely : H7, K8, L9, L10, K12, R17, R18, P15, S26, S29, total 55.25 Ha. In the FFBs receipt letter from uncertified areas have been marked by yellow stamp "NC" to separate data by weigh-bridge operator in Mill.

**Status: Comply**

**E.4.2**
**The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.**

There is no over production of estimates certified product during the period 21 April 2017 to 12 February 2018.

	Past Annual Claim Certified Product	Previous Certificate Claim 21 April 2016 to 20 April 2017 (tonnes/year)	Actual certified product 21 April 2017 to 12 February 2018 (tonnes/year)
	FFB Production	193,124	166,904.73
	CPO Production	42,487	36,006.15
	Palm Kernel (PK) Production	10,662	9,335.00

**Status: Comply**

**E.5**

**Record keeping**

**E.5.1**

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

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. No sales for RSPO CSPO during the license period. All CSPK sell to PT SIP, address : Sinar Mass Land Plaza, tw 2, fl 20, Jakarta, Indonesia. Sighted the shipping instruction document wich describes buyer identity, shipping date, product, amount, sales contract. For example instruction no.: 001/IP/2950/01/2018, shipping on 11-15 Jan 2018, for CPSK amount of 650,000 Kgs, certificate no.: MUTU-RSPO/037-18010042/RSPO MB.

Records and balancing all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK done on monthly basis, as below:

Month	FFB Certified	FFB non Certified	CSPO	CPO	CSPK Produced	PK produced	CSPO sales (ISCC)	CSPO RSPO	CPO sales by conventional	CSPK sales by RSPO claim	PK Sales by conventional
<b>Beginning stock (physical)</b>			<b>346.45</b>	<b>2,978.19</b>	<b>623.10</b>	<b>318.21</b>					
21 - 30 April	3276.2	2864.98	678.57	594.30	185.83	163.17	857.03	-	598.09	450	750
May	12566.37	9001.81	2640.59	1891.37	577.30	414.41	2,857.15	-	1,856.62	115.24	185.43
Jun	15838.9	9486.63	3232.13	1930.94	831.58	499.33	3,071.98	-	1,584.19	1,039.76	609.57
Jul	24532.1	10123.24	4828.30	2002.52	1,292.65	526.17	3,851.74	-	1,768.46	1,404.62	583.23
Aug	20282.77	6472.99	4245.21	1352.99	1,055.96	333.43	4,679.16	-	2,029.86	745.38	254.62
Sept	21517.13	6010.69	4572.18	1279.21	1,135.59	319.09	4,843.79	-	808.18	937.85	262.15
Oct	20467.12	5515.38	4241.33	1144.43	1,116.31	299.85	4,737.17	-	892.79	1,926.54	594.19
Nov	21495.84	4817.53	4504.29	1007.37	1,180.20	266.89	4,419.410	-	999.90	985.61	155.81
Dec	15222.72	5134.15	3184.55	1068.05	868.77	294.37	3,649.79	-	777.35	1,100	300
Jan 18	8771.17	6267.98	1951.76	1398.95	458.19	327.69	2,479.34	-	1,521.16	650	250
12 Feb18	2934.41	2985.42	696.91	702.12	148.24	146.41	559.59	-	709.29	-	-
<b>Total</b>	<b>166904.7</b>	<b>68680.8</b>	<b>34775.82</b>	<b>14372.25</b>	<b>8,850.60</b>	<b>3,590.83</b>	<b>36,006.15</b>	<b>-</b>	<b>13,545.89</b>	<b>9,355</b>	<b>3,945</b>

**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-4</b>	The company does not use RSPO logo.	√
	<b>Status: NA</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA-4</b>	The company does not use RSPO logo.	√
	<b>Status: NA</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA-4</b>	The company does not use RSPO logo.	√
	<b>Status: NA</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-4</b>	The company does not use RSPO logo.	√
	<b>Status: NA</b>	

### 3.4. Summary of RSPO Partial Certification.

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

Golden Agri Resources, Ltd Time Bound Plan (TBP) is explained in table 1.10. Golden Agri Resources run forty two (42) mills and one hundred thirty six (136) estates (own and smallholders) in Indonesia and has achieved RSPO certified for twenty eight (28) 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 sixteen (16) uncertified management unit of GAR. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

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



		<ul style="list-style-type: none"> <li>- PT Sawit Mas Sejahtera (Sungai Kikim and supply base), monitoring via SPO Scorecard online.</li> <li>- PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) 28 Maret – 01 April 2016</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base), monitoring via SPO Scorecard online</li> <li>- PT Adi Tunggal Mahajaya (Sako Mill) (under construction)</li> <li>- PT Kresna Duta Agroindo (Pelakar Mill and supply base) 24 – 29 October 2016</li> <li>- PT SMART (Bukit Kapur Mill and supply base) 15 – 19 Februari 2016</li> <li>- PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) 19 – 23 Desember 2016</li> <li>- PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base 06 – 10 Februari 2017</li> <li>- PT Sawitakarya Manunggal (Sawita Mill and supply base)</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> <li>- PT Kresna Duta Agroindo (Pelakar Mill and supply base)</li> <li>- PT SMART (Bukit Kapur Mill and supply base)</li> <li>- PT Kresna Duta Agroindo (Rantau Panjang 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></p>

		<p>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> <li>- PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) any new planting since January 1<sup>st</sup> 2010 and NPP has been applied these.</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></p> <p>There are no land conflicts. The Company has a land conflict resolution mechanism in accordance with the RSPO criteria 6.4; 7.5; and 7.6. This procedure is outlined in the SOP Social Conflict Management (SOP/SMART/SENS-CSR/SADV/I/02). This procedure regulates social conflict settlement agreed. Conflict resolution can be done in a participatory manner and can also be done by a third party (mediator). The company also has procedures to deal with complaints before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/I/003. The company handling complaints appropriately and quickly. GAR has been initiated to become a member of RSPO DSF as a category "out growers".</p> <p><b>Auditor Verification:</b></p> <p>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> <li>- PT Kresna Duta Agroindo (Pelakar Mill and supply base)</li> <li>- PT SMART (Bukit Kapur 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> </ul>

		<ul style="list-style-type: none"> <li>- PT Sawit Mas Sejahtera (Sungai Kikim and supply base)</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base)</li> <li>- PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base)</li> <li>- PT Kresna Duta Agroindo (Gunung Kombeng 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-CSR/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, 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</li> </ul>

		<p>(Sako Mill) doesn't have Land Use Title (HGU).</p> <ul style="list-style-type: none"> <li>- PT Kresna Duta Agroindo (Pelakar Mill and supply base), there is a difference the concession area between Land Use Title (HGU) and Plantation Business Permit (IUP) and Permits Location.</li> <li>- PT SMART (Bukit Kapur Mill and supply base, doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Sawitakarya Manunggal there is an area is still in process for HGU (Committee B meeting).</li> <li>- PT Djuanda Sawit Lestari is an area is still in process for HGU Muara Kandis Estate (574.58 Ha)</li> <li>- PT Ivomas Tunggal there is an area is still in process for HGU Samsam Estate (29.09 Ha), Kandista Estate (158.46 Ha), Nenggala Estate (419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha)</li> <li>- PT Buana Wiralestari Mas there is an area is still in process for HGU Naga Mas Estate (253.39 Ha), Naga Sakti Estate (59.79 Ha), Kijang Mas Estate (56.07 Ha)</li> <li>- PT Ramajaya Pramukti there is an area is still in process for HGU Rama Rama Estate (318.76 Ha)</li> </ul>
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### 3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

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

<b>NCR No.</b>	:	<b>2017.01</b>	<b>Issued by</b>	:	<b>Yohanes Hardian</b>
<b>Date Issued</b>	:	<b>9 February 2017</b>	<b>Time Limit</b>	:	<b>9 April 2017</b>
<b>NC Grade</b>	:	<b>Major</b>	<b>Date of Closing</b>	:	<b>3<sup>rd</sup> March 2017</b>
<b>Standard Ref. &amp; Requirement</b>	:	<b>5.3.2</b> 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> <ol style="list-style-type: none"> <li>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.</li> <li>2. Remove the ex-lubricants drum in fertilizer storage Division 5 and 7 to the legal temporary hazardous storage.</li> <li>3. Ensuring all hazardous waste stored in legal temporary hazardous storage.</li> <li>4. Record of hazardous waste handling socialization to the warehouse officer and contractor documented.</li> <li>5. Record of zero hazardous waste in othe fertilizer warehouse.</li> </ol>					
<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 fertililizer 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.					
<b>Verified by</b>	:	<b>Yohanes Hardian</b>			

**3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment**

<b>NCR No.</b>	:	-	<b>Issued by</b>	:	-
<b>Date Issued</b>	:	-	<b>Time Limit</b>	:	-
<b>NC Grade</b>	:	-	<b>Date of Closing</b>	:	-
<b>Standard Ref. &amp; Requirement</b>	:	-			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>					
-					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>					
-					
<b>Correction</b> <i>(filled by organization audited):</i>					
-					
<b>Corrective Action</b> <i>(filled by organization audited):</i>					
-					
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>					
-					
<b>Verified by</b>	:	-			

**3.5.3 Opportunity for Improvement**

No	Ref. Std.	Description Deskripsi
1	2.3.2	PT FLD has been extending HGU until 2078 which has been issued since 2005, in this regard the company can improve its performance to avoid conflict by conducting socialization / communication to the surrounding community.
2	4.6.12	Early pregnancy detection mechanism for pesticide applicators.
3	6.3.2	Improve the records of complaints submitted by employees, whether written or oral
4	SCCS E.3.1 CoC 5.3.1	Update the existing Supply Chain Procedure by adjusting it in accordance with the requirements of RSPO Supply Chain Certification Standard 2017.
5	CoC 5.8.2	SCCS key personnel regarding to the new SCCS system and standard training.

**3.5.4 Noteworthy Positive Components**



No	Ref Std	Descriptions
1	-	The company's commitment to implement sustainability standards in oil palm plantations, is demonstrated by obtaining ISPO and ISCC certification
2	-	Commitment to contribution to the surrounding community is demonstrated by CSR programs that focus on improving the community economic through agricultural coaching/development and smallholder scheme.
3	-	Implementation of mechanization in the application of empty bunch in the field



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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<b>Belitung District Labor Inspection Agency.</b> <ul style="list-style-type: none"> <li>The certificate holder already has an approved Guiding Committee of Occupational Safety and Health structure and has a secretary who has attended general HSE expert training.</li> <li>The certificate holder routinely reports on Guiding Committee of Occupational Safety and Health activities every 3 months which includes reports of work accidents and emergency response, monthly meeting minutes, Guiding Committee of Occupational Safety and Health program.</li> <li>There has been no employment related cases / reporting in the past 1 year.</li> <li>The certificate holder has used the district minimum wage of 2018.</li> <li>The certificate holder uses a collective labor agreement that has been authorized by the relevant agencies and is still valid.</li> </ul>	<p>The company has implemented the principles &amp; criteria of RSPO on indicator 4.7.4, 2.1.1, 6.5.1, and 6.5.2</p>
<b>National Land Agency of Belitung District</b> <ul style="list-style-type: none"> <li>Until the audit, the certificate holder 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 certificate holder and other parties.</li> <li>There was no mining concession in their operational areas. National Land Agency of Belitung District not yet conducted field observation to the certificate holder's area in order to verify their land acquisition</li> </ul>	<p>The company has implemented the principles &amp; criteria of RSPO on criterion 2.1, 2.2, and 5.2</p>
<b>Food security and agriculture Agency, Belitung District</b> <ul style="list-style-type: none"> <li>The certificate holder already has the documents of land rights in the form of concession and permits for business activities</li> <li>The certificate holder has reported its business activities to the agency routinely. For example, the Plantation Business Development Report semester II of 2017.</li> <li>There are no negative issues such as fires, conflicts / disputes with local communities and other business interruptions.</li> <li>The certificate holder 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>There is no indigenous forests and indigenous lands in the area of operations.</li> </ul>	<p>The company has implemented the principles &amp; criteria of RSPO on criterion 2.1 and 2.2.</p>
<b>Tuesday, 12 February 2018</b> ✓ <b>Head of Kembiri Village</b> ✓ <b>Head of Selasar Village</b> <ol style="list-style-type: none"> <li>Up to ASA-4, the communication and relation between villages around with company are well maintained, the company's PIC for public relation already known by the communities.</li> <li>There is no land dispute and/or others, the mechanism for complaint and grievance submission has been understood well by the community</li> <li>Stated that the CSR programs and other aids has been widely received by the communities and villages.</li> </ol>	<p>Whole information has confirmed and written in criterion 2.2; 2.3, 6.1 and etc. Related to the extension of HGU, has been note as #OFI</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
4. Stated that the company has renewed HGU up to 2078 without any information to the villager head and/or other community representative 5. No issues/complaint raised during the interview	
<b>Local Contractor – CV. Cipta Nusantara Sejahtera</b> 1. There is no issue raised, stated that the cooperation relationship has been going on for 20 years, however mentioned that related to project is always based on tender. 2. Every project are bond by contract letter which is preparing together by both parties. 3. Job offer was fair and there was no indication of bribery and other conflicting practices 4. Payment are done in timely manner, regarding to employment aspect is being contractors responsibility.	Whole information has confirmed and written in criterion 1.3 and 6.11.

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<p><b>Formal Sign-off of Assessment Findings</b></p> <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Forestalestari Dwikarya Head of Environmental Departement</p>  <p><b><u>Ismu Zulfikar</u></b></p> <p>Tuesday, 13<sup>th</sup> March 2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Sandra Purba</u></b></p> <p>Tuesday, 13<sup>th</sup> March 2018</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environment Agency	District of Belitung	-	Interview by phone	13 <sup>th</sup> February 2018	√	-
2	Land Agency	District of Belitung	-	Interview by phone	13 <sup>th</sup> February 2018	√	-
3	Plantation Agency	District of Belitung	-	Interview by phone	13 <sup>th</sup> February 2018	√	-
4	Worker union	PT Forestalestari Dwikarya	-	Interview	14 <sup>th</sup> February 2018	√	-
5	Gender Committee	PT Forestalestari Dwikarya	-	Interview	13 <sup>th</sup> February 2018	√	-
6	Tanjung Kembiri Estate - 6 workshop workers - 2 chemical storage operators - 2 child day care workers - Foreman: 1 person - Applicator: 3 persons - Foreman: 1 person - Harvester: 2 persons - Loosefruit collector: 3 persons - Foreman: 1 person - Land Application Worker: 1 person - Foreman: 1 person - Tractor Operator : 1 person - Manuring helper: 2 persons	PT Forestalestari Dwikarya	-	Interview	13 <sup>th</sup> February 2018	√	-
7	Tanjung Rusa Estate - 2 child day care workers - 2 workshop workers - 2 chemical storage operators - Foreman of application: 1 person - Applicator: 9 persons - Foreman of harvester: 1 person - Harvester: 2 persons - Head of Storage: 1 person	PT Forestalestari Dwikarya	-	Interview	14 <sup>th</sup> February 2018	√	-

	<ul style="list-style-type: none"> <li>- Storage Clerk: 1 person</li> <li>- Manuring Operator : 1 person</li> <li>- Manuring Foreman: 1 person</li> <li>- Manuring Helper: 2 persons</li> </ul>						
8	Tanjung Kembiri Mill <ul style="list-style-type: none"> <li>- 1 WWTP operator</li> <li>- 1 chemical storage operator</li> <li>- Foreman: 1 person</li> <li>- Grading worker: 4 persons</li> <li>- 1 person (WTP operator)</li> <li>- Assistant of workshop: 1 person</li> <li>- Foreman: 1 person</li> </ul>	PT Forestalestari Dwikarya	-	Interview	13 <sup>th</sup> February 2018	√	-
9	Head of Kembiri Village	District of Belitung	-	Interview	13 <sup>th</sup> February 2018	√	-
10	Head of Selasar Village	District of Belitung	-	Interview	13 <sup>th</sup> February 2018	√	-
11	WALHI	-	informasi@walhi.or.id	Email	5 <sup>th</sup> February 2018	-	√
12	Sawit Watch	-	info@sawitwatch.or.id	Email	5 <sup>th</sup> February 2018	-	√
13	AMAN	-	info@sawitwatch.or.id	Email	5 <sup>th</sup> February 2018	-	√

**Appendix 2. Assessment Program**

DATE	12-15 February 2018	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 12 February 2018</b>		
14.20 – 15.30 17.00 – 17.30	<b>JAKARTA → BELITUNG (TANJUNG PANDAN)</b> <b>Opening Meeting</b>	<ul style="list-style-type: none"> <li>• SP/AST/SSM/YDT</li> <li>• SP/AST/SSM/YDT</li> </ul>
<b>Tuesday, 13 February 2018</b>		
08.00 - 12.00	<b>Stakeholders consultation to Belitung District Government and local NGO (by phone)</b> <b>Stakeholders consultation to surrounded communities</b> <b>Consultation to internal stakeholders (labor union, gender committee)</b>  <b>Field Observation <a href="#">TANJUNG KEMBIRI Estate</a></b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, Best Agricultural Practices, Land Application</li> <li>• Worker Welfare (payments, complaint mechanism)</li> <li>• Hazardous Waste Material Management, storages, workshop</li> <li>• Worker facilities (housing, health clinic, clean water, etc)</li> <li>• Conservation area, Land Fire facilities, Storage, ect..</li> <li>• Legal operational</li> </ul>	<ul style="list-style-type: none"> <li>• YDT</li> <li>• SP</li> <li>• AST</li> </ul> <ul style="list-style-type: none"> <li>• SSM</li> <li>• YDT</li> <li>• AST</li> <li>• AST</li> <li>• YDT</li> <li>• SP</li> </ul>
12.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	<b>Field Observation to <a href="#">TANJUNG KEMBIRI POM</a></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>• SSM</li> <li>• AST</li> <li>• AST/YDT</li> <li>• AST/YDT</li> <li>• SSM</li> <li>• SP</li> </ul>
<b>Wednesday, 14 February 2018</b>		
08.00 – 12.00	<b>Field Observation <a href="#">TANJUNG RUSA Estate</a></b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, Best Agricultural Practices, Land Application</li> <li>• Worker Welfare (payments, complaint mechanism)</li> <li>• Hazardous Waste Material Management, storages, workshop</li> <li>• Worker facilities (housing, health clinic, clean water, etc)</li> <li>• Conservation area, Land Fire facilities, Storage, ect..</li> <li>• Legal operational</li> </ul>	<ul style="list-style-type: none"> <li>• SSM</li> <li>• YDT</li> <li>• AST</li> <li>• AST</li> <li>• YDT</li> <li>• SP</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>• SP/AST/SSM/YDT</li> <li>• SP/AST/SSM/YDT</li> </ul>
<b>Thursday, 15 February 2018</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>• SP/AST/SSM/YDT</li> <li>• SP/AST/SSM/YDT</li> </ul>
10.00 – 12.00 15.00 – 17.00	<b>PT FLD → Tanjung Pandan</b> <b>BELITUNG (TANJUNG PANDAN) → JAKARTA</b>	<ul style="list-style-type: none"> <li>• SP/AST/SSM/YDT</li> <li>• SP/AST/SSM/YDT</li> </ul>