

**Roundtable on Sustainable Palm Oil Certification**

**R S P O**

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

Name of Management Organisation : **Sungai Bengkal Palm Oil Mill – PT Satya Kisma Usaha subsidiary of Golden Agri Resources Holdings Ltd**

Plantation Name : **Sungai Bengkal Estate, Muara Kilis Estate and Sungai Bengkal KKPA**

Location : **Village of Betung Bedarah, Sub District of Tebo Ilir, District of Tebo, Province of Jambi, Indonesia.**

Certificate Code : **MUTU-RSPO/052**

Date of Certificate Issue : 28 February 2015      Date of License Issue : 28 February 2018

Date of Certificate Expiry : 27 February 2020      Date of License Expiry : 27 February 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
<b>ASA-3</b>	15 to 19 January 2018	Andi Pratama Pasaribu (Lead Auditor), Trismadi Nurbayuto, Brigitta Prita, Yudhi Yuniarto, & Radytio Puspanjana	Ardiansyah	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>ASA-3</b>	<b>8 March 2018</b>

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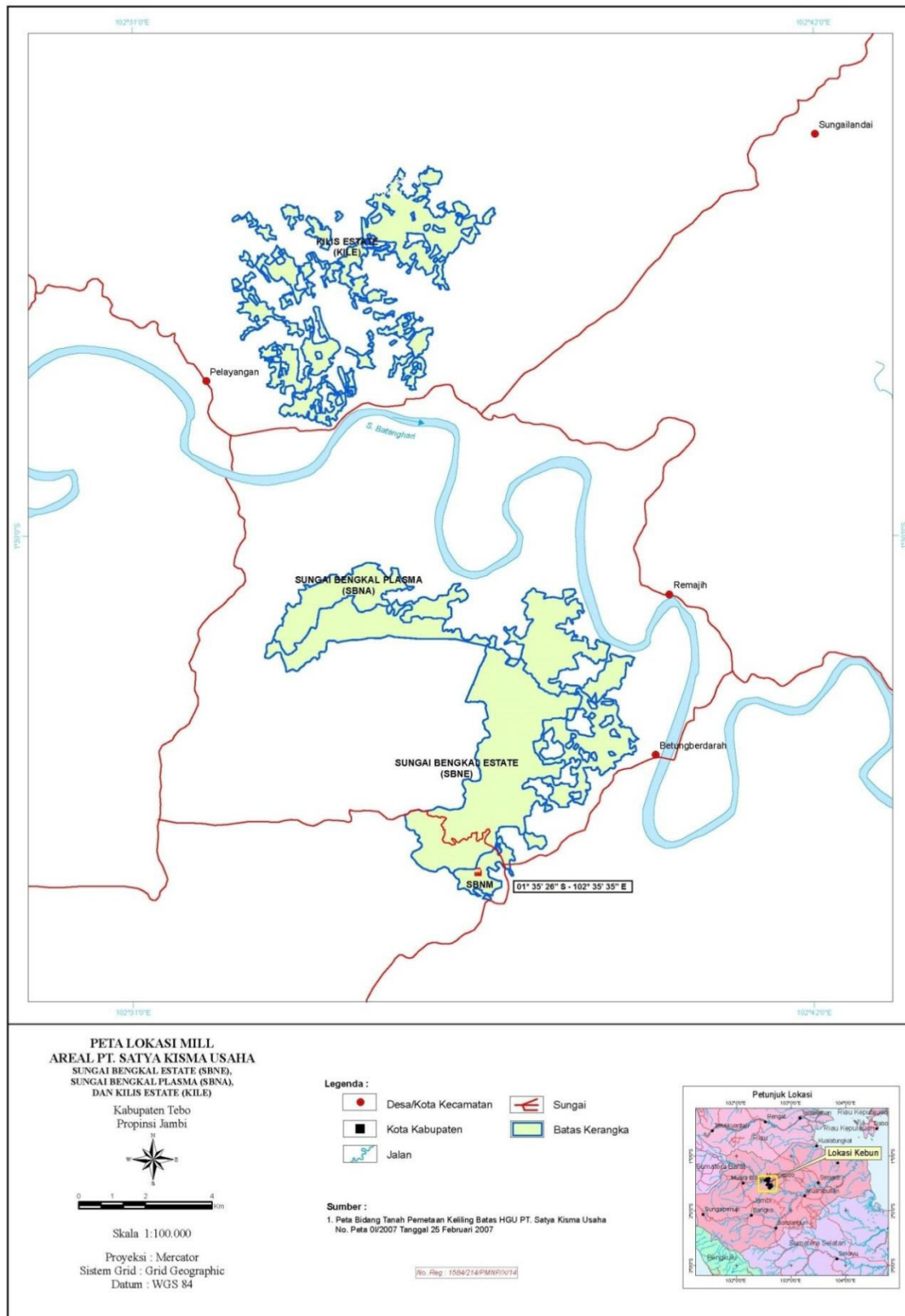
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**Figure 1. Location Map of PT Satya Kisma Usaha**



Figure 2. Operational Map of PT Satya Kisma Usaha



**Abbreviations Used**

ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPN	:	Badan Pertanahan Nasional (National Land Agency)
BKS-PPS	:	<i>Badan Kerjasama-Perusahaan Perkebunan Sumatera</i> (Cooperation Agency of Sumatera Plantations Company)
CH	:	Certificate Holder
CMMX	:	<i>Citramulia Manunggal</i> (FFB Supplier)
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EIA	:	Environment Impact Assessment
FFB	:	Fresh fruit Bunch
FPIC	:	Free Prior Informed and Consent
FR	:	Frequency Rate
GAR	:	Golden Agro Resources
HCV	:	High Conservation Value
HGU	:	Hak Guna Usaha (Land Use Title)
HGFB	:	High Grade Fertilizer Borate
ISPO	:	Indonesian Sustainable Palm Oil
ISCC	:	International Sustainability of Carbon Certification
IPM	:	Integrated Pest Management
IUCN	:	International Union for Conservation of Nature
IUP	:	<i>Ijin Usaha Perkebunan</i> (Plantation Business Permit)
KILE	:	Muara Kilis Estate
KKPA	:	<i>Kredit Kepada Koperasi Primer untuk Anggotanya</i> (Cooperative Credit Scheme)
LCC	:	Leguminosae Cover Crop
LUC	:	Land Use Change
LSC	:	Land Suitability Class
LTA	:	Lost Time Accident
MCAR	:	Management Committee Agronomy and Research
MSDS	:	Material Safety Data Sheet
MOP	:	Muriate of Potash
NGO	:	Non Government Organization
NHKX	:	Nur Hikmah (FFB Supplier)
OER	:	Oil Extraction Rate
OFI	:	Oppurtunity for Improvement
OHS	:	Occupational Health and Safety
OIA	:	Operational Internal Audit
OSMX	:	Osman Malau (FFB Supplier)
PIC	:	Personnal in Charge
PK	:	Palm Kernel (Inti Sawit)
POM	:	Palm Oil Mill
PPE	:	Personal Protective Equipment
PSM	:	<i>Perkebunan Sinarmas</i> (Sinarmas Plantation)
PUKBP	:	<i>Petunjuk Umum Keamanan dalam Bekerja</i>
RACP	:	Remediation and Compensation Procedure
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> (Environment Management Plan and Environment Monitoring Plan)
RP	:	Rock Phospate
RSPO	:	Roundtable Sustainable Palm Oil



RTE	:	Rear, Treath, Endangered
RZBX	:	Rezeki Bersama (FFB Supplier)
SBNA	:	Sungai Bengkal KKPA
SBNE	:	Sungai Bengkal Estate
SBNM	:	Sungai Bengkal Mill
SCCS	:	Supply Chain Certifications System
SCEP	:	Social and Community Engagement Policy
SMARTRI	:	Sinarmas Agribussines Research and Technology Research Institute
SIA	:	Social Impact Assessment
SKU	:	Satya Kisma Usaha
SOP	:	Standart Opeartional Procedure
SPO	:	Sustainable Palm Oil
SR	:	Severity Rate
WHO	:	World Health
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

<b>1. SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>		<ul style="list-style-type: none"> <li>Indonesian National Interpretation of RSPO Principle and Criteria 2013, Endorsed by RSPO Board of Governors meeting on 30<sup>th</sup> September 2016</li> <li><i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill).</i></li> </ul>	
<b>1.2 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	PT Satya Kisma Usaha subsidiary of Golden Agri Resources Holdings Ltd	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Organisation address and site address	<b>RSPO registered company:</b> 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535  <b>Liaison Office:</b> Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia	
1.2.4	Telephone	+62-21 50338899 ext 1184	
1.2.5	Fax	+62-21 50389999	
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 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>Sungai Bengkal Mill, Sungai Bengkal Estate, Muara Kilis Estate and Sungai Bengkal KKPA</li> </ul>	
1.3.2	Type of certificate	Single	
<b>1.4 Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b>
			<b>Longitude</b>
	Sungai Bengkal Mill	Village of Betung Bedarah Barat, Sub District of Tebo Ilir, District of Tebo, Provice of Jambi	S 1° 35' 26"
			E 102° 36' 36"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply</b>	<b>Location</b>	<b>Coordinate</b>

	<b>Base</b>		<b>Latitude</b>	<b>Longitude</b>	
	Sungai Bengkal Estate	Village of Betung Bedarah Barat, Sub District of Tebo Ilir; Village of Rantau Api and Penapalan, Sub District of Tengah Ilir; Village of Sungai Keruh, Sub District of Tebo Tengah; District of Tebo, Province of Jambi	S 1° 34' 16"	E 102° 36' 36"	
	Muara Kilis Estate	Village of Muara Kilis, Sub District of Tebo Ilir; Villages of Kandang, Pelayangan and Sungai Keruh, Sub District of Tebo Tengah; District of Tebo, Province of Jambi	S 1° 25' 06"	E 102° 34' 07"	
	Sungai KKPA Bengkal	Village of Betung Bedarah Barat, Sub District of Tebo Ilir; Village of Rantau Api and Penapalan, Sub District of Tengah Ilir; Village of Sungai Keruh, Sub District of Tebo Tengah; District of Tebo, Province of Jambi	S 1° 34' 16"	E 102° 36' 36"	
1.5 Description of Area Statement					
1.5.1	Tenure				
	• State		3,825.03 Ha		
	• Community		1,062.58 Ha		
1.5.2	Area Statement				
	• Total area		4,887.61 Ha		
	• Mature area		4,361.06 Ha		
	• Mill		6.25 Ha		
	• Building		31.68 Ha		
	• Infrastructure		267.77 Ha		
	• Air Strip,		4.83 Ha		
	• Reserve area, Effluent ponds		51.28 Ha		
	• River		97.60 Ha		
	• Enclave		67.14 Ha		
	• HCV*		505.78 Ha		
	*HCV area are include within planted area				
1.6 Planting Year and Cycles					
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Sungai Bengkal Estate	Muara Kilis Estate	Sungai Bengkal KKPA	Total
	1996	108.95	-	-	108.95
	1997	565.26	-	-	565.26
	1998	618.94	-	-	618.94
	1999	299.55	-	-	299.55
	2006	502.42	-	977.15	1,479.57
	2007	14.05	-	-	14.05
	2008	-	140.33	-	140.33



	2009	-	977.24	-	977.24		
	2010	-	157.17	-	157.17		
	<b>TOTAL</b>	<b>2,109.17</b>	<b>1,274.74</b>	<b>977.15</b>	<b>4,361.06</b>		
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle				
<b>1.7 Description of Mill and Supply Base</b>							
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (ton)</b>	<b>Extraction (%)</b>	<b>Out put (ton)</b>	<b>Extraction (%)</b>
	Sungai Bengkal	30	132,183.79	30,005.72	22.70	7,627.00	5.77
<i>*Production data source from Period January to December 2017</i>							
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/ year)</b>	<b>Yield (tonnes/ha/ year)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	Sungai Bengkal	2,364.49	2,109.17	41,642.72	19.74	41,642.72	100
	Muara Kilis	1,460.54	1,274.74	16,688.71	13.09	16,688.71	100
	Sungai Bengkal KKPA (Usaha Bersama Cooperation – 334 Smallholders)	1,062.58	977.15	16,124.98	16.50	16,124.98	100
	<b>TOTAL</b>	<b>4,887.61</b>	<b>4,361.06</b>	<b>74,456.41</b>	<b>17.07</b>	<b>74,456.41</b>	<b>100</b>
<i>*Production data source from Periode January to December 2017</i>							
1.7.3	FFB description from other source						
	<b>Name of sources/Organisation (RSPO certified / non-certified)</b>	<b>Type of Organisation</b>	<b>Number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill FFB (tonnes/year)</b>		
	Muara Kilis Plasma (Sukma Bersatu Cooperation – 418 members)	PT SKU	418	930.85	13,274.26		
	Alex Nelson Sianipar (ANSX)	Independent supplier	-	450	1,080.69		
	Osman Malau (OSMX)	Independent supplier	-	170	2,288.05		
	Rezeki Bersama (RZBX)	Independent supplier	-	-	35.99		
	Satu Kosong Lima (SKLX)*	Independent supplier	-	-	417.12		
	Benture Sinurat (BSNX)	Independent supplier	-	424	1,110.26		
	PT.Tebo Indah Mandiri (TEIX)	Independent outgrower	-	7,038	456.05		
	Velindo Aneka Tani (VATX)	Independent outgrower	-	1,600	1,407.68		
	Nur Hikmah (NHKX)	Independent	-	410.09	6,272.80		

		supplier			
	PT. Citramulia Manunggal (CMMX)*	Independent outgrower	-	-	27,022.61
	Bintang Selatan Agro (BSAX)	Independent supplier	-	306	200.08
	PT. Persada Alam Hijau (PAHX)**	Independent outgrower	-	-	4,161.79
	TOTAL				57,727.38
	Source: Production data from Periode January to December 2017				
	*) CMMX and SKLX not verify due to they no longer supplied since the TTP Program was held.				
	**) PAHX are the new supplier and will verified soon by traceability consultant that has engage with GAR.				
1.7.4	Product categories		FFB, CPO, PK		
1.8 Estimate Tonnage of Certified Product					
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 28 February 2017 to 27 February 2018 (tonnes/year)	Actual certified product 28 February 2017 to 13 January 2018 (tonnes/year)	
	• FFB Production		116,228	62,384	
	• CPO Production		26,732	14,348	
	• Palm Kernel (PK) Production		6,102	3,119	
1.8.2	Product Selling				
	Tonnage of selling product		Actual selling product period 28 February 2017 until 13 January 2018		
	• CSPO sold as RSPO certified product		-		
	• CSPK sold as RSPO certified product		-		
	• CSPO sold under other scheme		14,348		
	• CSPK sold under other scheme		-		
	• CSPO sold as conventional		-		
	• CSPK sold as conventional		3,119		
	Source: Actual selling product period 28 February 2017 until 13 January 2018				
1.8.3	Estimate of Certified FFB Claim				
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
	Sungai Bengkal Estate	2,364.49	2,109.17	43,725	20.73
	Muara Kilis Estate	1,460.54	1,274.74	17,523	13.75
	Sungai Bengkal KKPA (Usaha Bersama Cooperation – 334 Smallholders)	1,062.58	977.15	16,931	17.33
	TOTAL	4,887.61	4,361.06	78,179	17.93
	*Projected FFB production for period 28 February 2018 to 27 February 2019				
1.8.4	Estimate of Certified Palm Product Claim				
	Name of Mill	Capacity	FFB	CPO	Palm Kernel
					Supply Chain

		(tonnes/ hour)	Processed (tonnes/year)	Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)	Module
	Sungai Bengkal	30	78,179	17,981	23.00	4,104	5.25	MB
	<i>*Projected CSPO and CSPK production for period 28 February 2018 to 27 February 2019</i>							
1.9 Other Certifications								
	ISO 9001:2015			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			ISCC EU assessment by GutCert No. EU-ISCC-Cert-DE101-15502013				
	Others			PT SKU has certified ISPO on 2016 MUTU-ISPO/053 19 July 2016 – 18 July 2021				
1.10 Time Bound Plan								
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time Bound Plan						
	Pangkalan Panji (PT Sawit Mas Sejahteras)	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 Plasma)	2019	South Sumatera	-		
	Sungai Rungau Mill (PT Sumber Indah Perkasa)	2013	Sungai Rungau Estate	2013	Central Kalimantan	Certified		
			Sungai Seruyan Estate	2013	Central Kalimantan	Certified		
			Terawan Estate	2013	Central Kalimantan	Certified		
			Tangar Estate	2013	Central Kalimantan	Certified		
			Bukit Tiga Estate	2013	Central Kalimantan	Certified		
	Bukit Perak EMIII (PT Bumi Permai Lestari)	2013	Bukit Perak Estate	2013	Bangka Belitung	Certified		
			Bukit Permata Estate	2013	Bangka Belitung	Certified		
	Tanjung Kembiri Mill (PT Forestalestari Dwikarya)	2013	Tanjung Kembiri Estate	2013	Belitung	Certified		
			Tanjung Rusa Estate	2013	Belitung	Certified		
			Tanjung Rusa KKPA	2019	Belitung	-		

Sungai Buaya Mill (PT Sumber Indah Perkasa)	2014	Sungai Buaya Estate	2014	Lampung	Certified
		Smallholder (KKPA Gedung Aji Lama)	2014	Lampung	Certified
		Smallholder (KKPA Mesuji)	2014	Lampung	Certified
Sungai Merah Mill (PT Sumber Indah Perkasa)	2014	Sungai Merah Estate	2014	Lampung	Certified
		Smallholder (KKPA Gedung Aji Baru)	2014	Lampung	Certified
Kasuari Mill (PT Sinar Kencana Inti Perkasa)	2018	Cendrawasih Estate	2018	Papua	ST-1
		Nuri Estate	2018	Papua	ST-1
		Rajawali Estate	2018	Papua	ST-1
		Mambruk Estate (PT Sumber Indah Perkasa)	2018	Papua	ST-1
Pekawai Mill (PT Agrolestari Mandiri)	2018	Kayung Estate	2018	West Kalimantan	ST-1
		Pekawai Estate	2018	West Kalimantan	ST-1
		Sungai Kelik Estate	2018	West Kalimantan	ST-1
		Nanga Tayap Estate	2018	West Kalimantan	ST-1
		Smallholder (Kayung Plasma)	2019	West Kalimantan	ST-1
Kenanga Mill (PT Kencana Graha Permai)	2014	Kencana Estate	2015	West Kalimantan	Certified
		Cendana Estate	2015	West Kalimantan	Certified
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2018	West Kalimantan	-
		Delima Estate (PT Kencana Graha Permai)	2018	West Kalimantan	-
		Gaharu Estate (PT Bangun Nusa Mandiri)	2019	West Kalimantan	-
		Smallholder (Gaharu Plasma)	2019	West Kalimantan	-
		Smallholder (Kencana Plasma)	2019	West Kalimantan	-
		Smallholder (Kenanga Plasma)	2019	West Kalimantan	-
Perdana Mill (PT Binasawit Abadi Pratama)	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
Kuayan Mill (PT Agrokarya Prima Lestari)	2020	Mentaya Estate	2020	Central Kalimantan	ST-1
		Kuayan Estate	2020	Central Kalimantan	ST-1
		Bukit Santuhai Estate	2020	Central Kalimantan	ST-1
		Tajur Beras Estate	2020	Central Kalimantan	ST-1
		Seranau Estate	2020	Central Kalimantan	ST-1
		Sungai Sambon Estate	2020	Central Kalimantan	ST-1
		Smallholder (Sungai Sambon Plasma)	2020	Central Kalimantan	-

		Sapiri Estate (PT Buana Adhitama)	2020	Central Kalimantan	ST-1
		Bukit Dua Estate (PT Buana Adhitama)	2020	Central Kalimantan	
		Bukit Tunggal Estate (PT Buana Adhitama)	2020	Central Kalimantan	
Belian Mill (PT Paramitra Internusa Pratama)	2018	Belian Estate	2018	West Kalimantan	ST-1
		Tengkawang Estate	2018	West Kalimantan	ST-1
		Kenari Estate (PT Bangun Nusa Mandiri)	2019	West Kalimantan	ST-1
		KerANJI Estate (PT Bangun Nusa Mandiri)	2019	West Kalimantan	ST-1
		Muara Tawang Estate (PT Kartika Prima Cipta)	2019	West Kalimantan	ST-1
		Kapuas Hulu Estate (PT Persada Graha Mandiri)	2018	West Kalimantan	ST-1
		Sungai Beran Estate (PT Persada Graha Mandiri)	2018	West Kalimantan	ST-1
		Smallholder (Belian KKPA)	2020	West Kalimantan	-
		Smallholder (Tengkawang KKPA)	2020	West Kalimantan	-
		Smallholder (Kenari Plasma)	2019	West Kalimantan	-
		Smallholders (Kapuas Hulu KKPA)	2020	West Kalimantan	-
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2018	West Kalimantan	-
Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa)	2016	Sungai Kupang Estate	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 Aditunggul Mahajaya)	2020	Central Kalimantan	-
Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa)	2019	Sungai Magalau Estate	2019	South Kalimantan	-
Jalemo Mill* PT Agro Lestari Sentosa	2020	Balasang Estate	2020	Central Kalimantan	-
		Jalemo Estate	2020	Central Kalimantan	-
Sako Mill* (PT Adi Tunggal Mahajaya)	2020	Sulin Plasma	2020	Central Kalimantan	-
		Sapiri Plasma	2020	Central Kalimantan	-
		Sako Plasma	2020	Central Kalimantan	-
Padang Halaban Mill (PT SMART Tbk)	2011	Padang Halaban Estate	2011	North Sumatera	Certified
		Penantian Estate	2011	North Sumatera	Certified
		Adipati Estate	2011	North Sumatera	Certified
		Kanopan Ulu Estate	2011	North Sumatera	Certified
Batu Ampar Mill (PT SMART Tbk)	2012	Batu Ampar Estate	2012	South Kalimantan	Certified
		Batu Mulia Estate	2012	South Kalimantan	Certified
		Sungai Panci Estate	2012	South Kalimantan	Certified
		Sungai Panci KKPA	2012	South Kalimantan	Certified
Tanah Laut Mill (PT SMART Tbk)	2012	Tanah Laut Estate	2012	South Kalimantan	Certified
		Kinta Pura Estate	2012	South Kalimantan	Certified
Langga Payung Mill (PT Tapian Nadenggan)	2012	Langga Payung Estate	2012	North Sumatera	Certified
		Paya Baung Estate	2012	North Sumatera	Certified
		Normark Estate	2012	North Sumatera	Certified
Hanau Mill (PT Tapian Nadenggan)	2012	Hanau Estate	2012	Central Kalimantan	Certified
		Tasik Mas Estate	2012	Central Kalimantan	Certified
		Tanjung Paring Estate	2012	Central Kalimantan	Certified
		Langadang Estate	2012	Central Kalimantan	Certified
		Medang Sari (PT Satya Kisma Usaha)	2018	Central Kalimantan	-
Semilar (PT Tapian Nadenggan)	2013	Semilar	2013	Central Kalimantan	Certified
		Sei Rindu	2013	Central Kalimantan	Certified
		Mandang	2013	Central Kalimantan	Certified
		Puri	2013	Central Kalimantan	Certified
Jak Luay Mill (PT Tapian Nadenggan)	2015	Pantun Mas Estate	2015	East Kalimantan	Certified
		Pantun Mas KKPA	2018	East Kalimantan	-



		Jak Luay Estate	2015	East Kalimantan	Certified
		Jak Luay KKPA	2018	East Kalimantan	-
		Long Buluh Estate	2015	East Kalimantan	Certified
		Bukit Subur Estate	2015	East Kalimantan	Certified
		Bukit Subur KKPA	2018	East Kalimantan	-
Leidong West Mill (PT MP Leidong West Indonesia)	2014	Leidong West Utara Estate	2014	Bangka Belitung	Certified
		Leidong West Selatan Estate	2014	Bangka Belitung	Certified
Muara Wahau Mill (PT Kresna Duta Agroindo)	2014	Muara Wahau Estate	2014	East Kalimantan	Certified
		Gunung Kombeng	2014	East Kalimantan	Certified
Gunung Kombeng Mill (PT Kresna Duta Agroindo)	2019	Gunung Kombeng KKPA	2019	East Kalimantan	-
Rantau Panjang (PT Kresna Duta Agroindo)	2020	Rantau Panjang Estate	2020	East Kalimantan	-
		Rantau Panjang KKPA	2020	East Kalimantan	-
Jelatang Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
		Tiga Serumpun KKPA	2019	Jambi	-
		Bukit Bungkul KKPA	2019	Jambi	-
		Kubang Ujo Plasma	2019	Jambi	-
		Pamenang Plasma	2019	Jambi	-
Pelakar Mill (PT Kresna Duta Agroindo)	2017	Pelakar Estate	2017	Jambi	ST-1
		Tiga Serumpun KKPA	2019	Jambi	-
		Batang Merangin Estate	2017	Jambi	ST-1
		Batang Tembesi Estate	2017	Jambi	ST-1
		Kubang Ujo Plasma	2019	Jambi	-
Langling Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
		Bangko Plasma	2019	Jambi	-
		Bukit Bungkul KKPA	2019	Jambi	-
		Batang Gading Estate	2019	Jambi	-
		Batang Gading KKPA (PT Satya Kisma Usaha)	2019	Jambi	-
		Pamenang Plasma	2017	Jambi	-
Sungai Bengkal Mill (PT Satya Kisma Usaha)	2015	Sungai Bengkal Estate	2015	Jambi	Certified
		Sungai Bengkal KKPA	2015	Jambi	Certified
		Muara Kilis Estate	2015	Jambi	Certified
		Muara Kilis KKPA	2019	Jambi	-
Bukit Kapur Mill (PT SMART Tbk)	2020	Bukit Kapur Estate	2020	South Kalimantan	ST-1
		Sungai Cantung Estate	2020	South Kalimantan	ST-1
Samsam Mill	2009	Samsam Estate	2009	Siak-Riau	Certified

	(PT Ivomas Tunggal)		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 Sawit)	2011	Indra Lestari Estate	2011	Indragiri-Riau	Certified
			Indra Sakti Estate	2011	Indragiri-Riau	Certified
			Indragiri Plasma	2011	Indragiri-Riau	Certified
			Indrasakti Plasma	2011	Indragiri-Riau	Certified
	Bumipalma Mill (PT Bumipalma Lestari Persada)	2012	Bumi Lestari Estate	2012	Indragiri-Riau	Certified
			Bumi Palma Estate	2012	Indragiri-Riau	Certified
			Bumi Sentosa Estate	2012	Indragiri-Riau	Certified
	Sawita Mill	2018	Sawita Estate	2018	South Kalimantan	ST-1

	(PT Sawitakarya Manunggal)	Pamukan Estate	2018	South Kalimantan	ST-1
		Sawita KKPA	2018	South Kalimantan	ST-1
	<p>*)under construction</p> <p>There are revision of time bound plan, the justification from top management is:</p> <ol style="list-style-type: none"> <li>1. Pelakar Mill and Rantau Panjang Mill is still process on disclosure &amp; liability by RSPO, while Bukit Kapur Mill doesn't have land use title (HGU), the HGU is still on process.</li> <li>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.</li> <li>3. Sawita Mill had conducted pre assessment RSPO on 2015 and Another entire Management Unit under PT Ivo Mas Tunggal has been RSPO certified.</li> <li>4. Rantau Panjang Mill and Estate Unit (Rantau Panjang Estate &amp; Rantau Panjang KKPA) are still in the process of HCV Remediation and Compensation Plan (RaCP) related to land clearing above November 2005 without HCV Identifications. In accordance to RSPO requirements, if RaCP proposal not yet approved by RSPO Secretariat. Thus certification target will be postponed year of 2020.</li> <li>5. Kilis KKPA as FFB Supplier to Sungai Bengkal Mill are still in the process of HCV Remediation and Compensation Plan (RaCP) related to land clearing above November 2005 without HCV Identifications. In accordance to RSPO requirements, if RaCP proposal not yet approved by RSPO Secretariat. Thus certification target will be postponed year of 2019</li> </ol> <p>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.</p>				
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	<p>Sungai Bengkal KKPA (SBNA) has been certified since mill certified. Therefore Muara Kilis KKPA still awaiting for RACP progress.</p> <p>The mill also received FFB from other sources which is divided by 3 independent outgrowers and 8 independent suppliers. According to interview with mill staff, one of outgrower has been RSPO certified. Remain outgrower will verified in the next assessment.</p>				

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-3</b>	<p><b>1. Andi Pratama Pasaribu (Lead Auditor).</b> Indonesian citizen. Bachelor degree, majoring social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training, such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, auditor OHSAS etc. He has some experiences of ISPO audit in Indonesian palm oil in best management practices, land legality, environmental, social and worker welfare aspect. During this audit, land legality and social aspect.</p> <p><b>2. Trismadi Nurbayuto (Auditor).</b> Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001;14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; and RSPO Next. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and. During this audit, he was verify aspect Long term business plan, OHS and social aspect.</p> <p><b>3. Brigitta Prita (Auditor).</b> Citizen of Indonesia. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism. She had attended Training ISPO by Commission ISPO on June 2013, Training ISO 9001:2008 Quality Management System on January 2014, In House Training 17021 and 17065 management system and Product Quality, Training High Conservation Value by IPB on September 2015, In House Training HCV on August 2016, In House Training Roundtable Sustainable Palm Oil on January 2014; In House Training ISO 14000:2004 Environmental Management System; Training Lead Auditor RSPO by Daemeter &amp; Proforest. She has been audit experience ISPO &amp; RSPO since April 2013 in the environmental, conservation, waste management and worker welfare aspects. During this audit, she verify environment and HCV.</p> <p><b>4. Radytio Puspanjana (Auditor Trainee).</b> Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Awareness In House Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. At the time of audit, has verify aspect of HCV,GHG and Environment.</p> <p><b>5. Yudhi Yuniarto Tallutondok (Auditor Trainee).</b> Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Have experience of working over three years since 2013 as plantation operations staff in private palm oil plantation companies in Indonesia. Training have been followed including Indonesian Sustainable Palm Oil Auditor, Lead Auditor ISO 9001:2015, ISO 14001:2015, ISO 22000:2009, ISO 19011:2011, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness RSPO, ISO 17021 and ISO 17065. In this audit activity performs the assessment of best practical management and transparency.</p>
<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-3</b>	<p>Number of auditors : 3 Auditor and 2 trainee auditor</p> <p>Number of days for <b>ASA-3</b> at site : 5 days.</p> <p>Number of working days for <b>ASA-3</b> at site :25 Working days.</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-3</b>	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT

Satya Kisma Usaha to the requirements of of RSPO Principles and Criteria for Sustainable Palm Oil Production of Sustainable Palm Oil 2013 for Indonesia July 2016, approve RSPO Governors September 30, 2016- and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill).

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) *interview*, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results **ASA 3** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase **ASA-4**.

Improvement of findings from **ASA 2** findings were observed by auditors at this **ASA-3**. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA 3**.

The assessment program please find Appendix 2

### 2.2.3 Locations of Assessment

#### ASA-3

#### SBNM

1. **Security gate.** Observation and interview with security officer regarding to FFB receiving, CPO/PK dispatch and SCCS procedures and it implementation, documentation and record keeping.
2. **Weighbridge.** Observation and interview with weighbridge operator regarding to procedures FFB receiving, CPO/PK dispatch and SCCS procedures and it implementation.
3. **Loading ramp.** Observation and interview with sortation officer regarding to sortation procedures, record keeping and documentation.
4. **Mill office.** Observation and interview with mill manager and staff regarding to SCCS implementation and demonstration.
5. **Chemical Store.** Observation regarding to implementation of OHS aspect, environment aspect and waste management aspect. Interview with store keeper regarding to the medical surveillance, SOP understanding and training.
6. **Material Store.** Observations related to PPE stock for workers
7. **Workshop.** Observations and interviews with workers related to the management and implementation of health safety, and social worker and hazardous waste management.
8. **WTP.** Observations and interviews related to aspects of OHS, Employment, environmental sanitation around the WTP and safe working methods.
9. **Mill Drainage.** Observations mill effluent lines, sanitation mill and flow of leaching mill.
10. **Hazardous waste warehouse.** Observation regarding to implementation of OHS, waste management, the emergency facility has been provided in the store according to the license requirement. Interview with store keeper regarding to the SOP understanding and training.
11. **Solid Waste.** Observation of the management of Solid waste consist of EFB, fiber and shell from the production process of mill.
12. **WWTP.** Observation and interview related to POME management from mill.
13. **Collecting place of Iron scrap.** Observation the waste management.
14. **Housing complex SBMM.** Observation on workers facilities, and domestic waste management.
15. **Boiler station.** Observation and interview related to OHS, health inspection and operator license. The company was provide all PPE's such as: helmet, mask, safety shoes, and glove.
16. **EFB incenerator.** Observation for industrial waste management (EFB).
17. **Hydrant 01.** Auditor was observe emergency response, all pipe and nozzle on good conditions.
18. **Engine room.** Observation and interviews related to the competence of workers, medical check up, and implementation OHS.

#### SBNE

19. **Spare part and agrochemical storage.** Observation of spare part and agrochemical management, safety guidance and interview with storage officer regarding to chemical management knowledge.
20. **Workshop.** Observation and interview with workshop officer regarding to maintenance procedure and schedule waste management.
21. **Schedule waste storage.** Observation of schedule waste management and its monitoring. Including symbol and



- label of schedule waste.
22. **Daycare.** Observation of daycare facility, first aid kit etc.
  23. **Housing complex.** Observation and interview with family of worker regarding to housing facility, electricity and water access, complaint mechanism, worship place etc.
  24. **Mixing station and pesticide application equipment.** Observation of mixing area, waste material management and OHS implementation.
  25. **Pesticides warehouse.** Observation of pesticides warehouse, waste material management and OHS implementation.
  26. **Education facility.** Observation of education facility for employee's children or surrounding community.
  27. **Clinic.** Observation and interview with paramedic regarding to work accident and medical service for the employee and his family, scheduled waste (infectious waste) management and workers security agency implementation.
  28. **Landfill.** Observation of domestic waste management.
  29. **Firefighting facilities.** Observation, interview and demonstration of firefighting facilities regarding to land fire handling by emergency response team.
  30. **Boundary pole No. 04 Block A11, Division I.** Observation of availability and maintainability of legal boundary.
  31. **Boundary pole No. 16 Block H08, Division III.** Observation of availability and maintainability of legal boundary.
  32. **Boundary pole No. 19 Block K8/K9, Division IV.** Observation of availability and maintainability of legal boundary.
  33. **Penapalan river riparian block H04, Division III.** Observation for conservation areas management
  34. **Bunut river riparian block D07, Division II.** Observation for conservation areas management
  35. **Block C03 dan block C04 (Land Application).** Field observation and interview related to compliance of occupational safety and health, technical land application implementation, POME monitoring and housing facility.
  36. **Well monitor number 1 block A06 and number 3 block A09.** Observation condition of well monitor and equipment.
  37. **Harvesting,** Block F01/F02 Division 3, observation and interview related to safe harvesting work, OHS, labour, and welfare aspect.
  38. **Circle and Path spraying,** Block C05 Division 2, observation and interview related to safe spray work, OHS, labour, and welfare aspect.
  39. **Land Application Area,** Block C04 Division 1, observation and interview related to flat bed condition, flat bed maintenance, labour, welfare aspect, and environmental pollution.
  40. **Owl nest,** Block C06 Division 2, observation on nest condition and its monitoring.
  41. **Erosion Pole,** Block C03 Division 1, observation of erosion monitoring by using erosion pole, which is observed regularly and reported to the SMARTRI for analyzed
  42. **FFB transport,** Block A07 Division 1, observations and interviews related to safe loading of FFB, OHS, labour, welfare aspect.
- SBNA**
43. **Daycare.** Observation of daycare facility, first aid kit etc.
  44. **Housing complex.** Observation and interview with family of worker regarding to housing facility, electricity and water access, complaint mechanism, worship place etc.
  45. **Mixing station and pesticide application equipment.** Observation of mixing area, waste material management and OHS implementation.
  46. **Pesticides warehouse.** Observation of pesticides warehouse, waste material management and OHS implementation.
  47. **Boundary pole No. 14 Block J14, Division I.** Observation of availability and maintainability of legal boundary.
  48. **Boundary pole No. 09 Block J7, Division I.** Observation of availability and maintainability of legal boundary.
  49. **Boundary pole No. 30 Block I16 Division II.** Observation of availability and maintainability of legal boundary.
  50. **Penapalan river riparian block I09, Division I.** Observation for conservation areas management
  51. **Block J 11. Erosion stick.** Observation measurement of erosion rate.
  52. **Block J011 and Block J03 Division 1.** Observation the implementation of management in HCV area in form of riparian of Penapalan River and Api River.
  53. **Boundary Poles Inspection:** Boundary poles sampling checks consist of: Pole 09 (block J7), 30 (block I 16), 14 (block J14). The poles was installed in good condition and the poles numbers can be read clearly.



	<p>54. <b>Harvesting</b>, Block I03 Division 2, observation and interview related to safe harvesting work, OHS, labour, and welfare aspect.</p> <p>55. <b>Maintenance Pruning</b>, Block I04 Division 2, observation and interview related to safe harvesting work, OHS, labour, and welfare aspect.</p> <p>56. <b>Owl nest</b>, Block I05 Division 2, observation on nest condition and its monitoring.</p> <p>57. <b>Circle and Path spraying</b>, Block J23 Division 1, observation and interview related to safe spray work, OHS, labour, and welfare aspect.</p> <p><b>Stakeholder Consultation</b></p> <ol style="list-style-type: none"> <li>1. Surrounding communities (Rantau Api Village, Betung Bedarah Barat and Muara Kilis Village). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society and the impact of corporate activities.</li> <li>2. Government Institutions of Tebo Districts Environment Agency, Plantation Agency, Land Agency, Forestry Agency and Labour Agency). Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area.</li> </ol>
<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-3</b>	<p>The public consultation with stakeholders to PT Satya Kisma Usaha – Sungai Bengkal Palm Oil Mill is done through:</p> <ul style="list-style-type: none"> <li>• Public announcement at web website MUTU (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) on 27 December 2017.</li> <li>• Public consultation meeting with local stakeholder conducted by visits to (Betung Bedarah Barat Village, Sungai Keruh Village, and Rantau Api Village on 16 January 2018.</li> <li>• Public consultation meeting with gender committee, labour union and employee cooperative on 18 January 2018.</li> <li>• Public consultation with government agency of Tebo District (Environment Agency, Plantation Agency, Land Agency, Forestry Agency and Labour Agency) by interview on 16 January 2018.</li> <li>• Public consultation by email with NGO (Setara, Walhi, WWF) by email on 8 January 2018.</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Satya Kisma Usaha.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<b>Please find appendix 1</b>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ASA-4 will be determined nine month until one year after this assessment.

### 3.0. ASSESSMENT FINDINGS

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

Mutuagung Lestari has conducted an assessment of Sungai Bengkal Mill – PT Satya Kisma Usaha subsidiary of Golden Agri Resources Holdings Ltd operation consisting of one mill and three estates.

During the assessment, there were four (4) nonconformity againsts minor compliance indicator in previous assessment (ASA-2), one (1) Nonconformity were assigned against Major Compliance Indicator; two (2) nonconformities were assigned against Minor Compliance Indicators and six (6) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidence(s) e.g. (document record/photographic/etc...). Those corrective actions taken that consist of *one* (1) Major non-conformities and *six* (6) Minor non-conformities had been closed out.

MUTUAGUNG LESTARI found that Sungai Bengkal Mill – PT Satya Kisma Usaha subsidiary of Golden Agri Resources Holdings Ltd complied with the requirements of **RSPO P & C Indonesian National Interpretation 2013, endorsed September 2016, RSPO Supply Chain Requirement for CPO Mill, 2014 (revised June 14, 2017) and RSPO Certification System June 2007, revised March 2011**

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is *Issued/Continued/suspended\**).

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>Minor 1.1.1 &amp; Major 1.1.2</b>	
<p>Certificate holder maintains a list of stakeholders containing the stakeholder description, contact name, address, phone and other information. At the time of the audit activity, certificate holder may present a list of stakeholder documents divided into sections such as: Government (21 stakeholders), Village Head (4 stakeholders), Usaha Bersama Cooperative (5 stakeholders), Labor Union (2 stakeholders), Cooperative of Employees (1 stakeholder), Public Figure/Traditional Leaders/Religious Leaders (8 stakeholders), Gender Committees (1 stakeholder), and Local Contractors (1 stakeholder).</p> <p>The results of interviews with the management are as follows:</p> <ul style="list-style-type: none"> <li>- Updating stakeholder data and updating information is the responsibility of SPO Officer and public relations assistant. Updating stakeholder data is usually done for once a year or when there are structural changes from each stakeholder.</li> <li>- Information about internal certificate holder is open to public. The public may create a letter of submission in connection with an information request which then goes into the management unit and recorded into the information book and then the Head Unit responds no later than 3 weeks after the letter is received.</li> </ul> <p>Certificate holder has a communication and consultation procedure with the number SOP/SMART/GENERAL/SAD/II/004 and procedures for responding to stakeholders with the number F/SMART/GENERAL/SADV/004/003. The procedure applies to Sustainability Division in 2014 and approved by the Head of Upstream and Sustainability Division Head. Based on document verification procedure with the number F/SMART/GENERAL/SADV/004/003 note that the procedure has covered several things as follows:</p> <ul style="list-style-type: none"> <li>- Number of employees and employee wage list.</li> <li>- Data of tax ID number (NPWP) and land and building tax (PBB).</li> <li>- Payment of local taxes / user charges.</li> </ul>	

- Environmental documents.
- Deed of establishment and amendment, area and production data, data of fertilization.
- Proof of control over land.
- HCV identification report.
- SIA identification report.
- Community empowerment program reports.
- Committee occupational health and safety adviser (P2K3) Report.
- Document of continuous improvement program.
- Document of the RSPO audit report.
- Human rights policy documents.
- Recap of employee complaints.
- Land compensation procedures / social conflict procedures.

In order for the stakeholders to understand about the intent and purpose of Communication Consultation procedure and response to the information request, the certificate holder shall disseminate to the parties concerned, for example as follows:

- On September 27<sup>th</sup>, 2017 held at the Office of Region Jambi 2, the socialization was attended by 11 people.
- On October 7<sup>th</sup>, 2017 held in the Office of SBNE/A, the socialization was attended by 4 people.
- On October 5<sup>th</sup>, 2017 held at the Office of Region Jambi 2, the socialization was attended by 5 people.

Each request for information is recorded in the request book and information response book. At the time of the audit, the certificate holder may present the request notebook and the information response as follows:

- Data request by Central Bureau of Statistics (BPS) of Tebo District with letter number B-17 / BPS / 15085/10/2017 on October 5<sup>th</sup>, 2017 regarding Data Demand for Special Survey on Formation of Gross Fixed Capital Formation Matter (SKM-PMBT) Year 2017. The certificate holder responded to the letter on October 19, 2017 by sending a letter of submission of matrix matrix of PMTB 2017 with number 29 / EM-SBNE / X / 2017.
- Data request by Central Bureau of Statistics (BPS) of Tebo Regency with letter number B-07 / BPS / 15085/06/2017 on June 2<sup>th</sup>, 2017 regarding Data Demand for Special Survey on Environmental Protection and Environmental Goods / Services Production. The Company responded to the letter of letter on June 7, 2017 by sending a list of letter numbers 10 / EM-SBNE / VI / 2017.

	<b>Status: Comply</b>	
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**1.2**  
**Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.**

**1.2.1.**  
 Certificate holder has a communication and consultation procedure with the number SOP/SMART/GENERAL/SAD/II/004 and procedures for responding to stakeholders with the number F/SMART/GENERAL/SADV/004/003. The procedure applies to Sustainability Division in 2014 and approved by the Head of Upstream and Sustainability Division Head. Based on document verification procedure with the number F/SMART/GENERAL/SADV/004/003 note that the procedure has covered several things as follows:

- Number of employees and employee wage list.
- Data of tax ID number (NPWP) and land and building tax (PBB).
- Payment of local taxes / user charges.
- Environmental documents.
- Deed of establishment and amendment, area and production data, data of fertilization.
- Proof of control over land.
- HCV identification report.
- SIA identification report.
- Community empowerment program reports.
- Committee occupational health and safety adviser (P2K3) Report.
- Document of continuous improvement program.
- Document of the RSPO audit report.
- Human rights policy documents.

- Recap of employee complaints.
- Land compensation procedures / social conflict procedures.

**Status: Comply**

### 1.3

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

##### **Minor 1.3.1**

The company has had a document "Code of Integrity and Ethical Conduct Policy" that signed by Regional Controller on November 1<sup>st</sup>, 2015. This policy consist:

- The values that guide our daily activity is integrity, positive attitude, commitment, continuous improvement, innovation and loyalty.
- Committed to the highest standards of conduct in managing the company in the way we behave with each other, with stakeholders, environment and community.
- Committed to achieve high standards for best management practices and promoting corporate transparency.
- The company has no tolerance for bribery and corruption cases in any form. Any employee found to be involved in this cases will be sanctioned and punished by the company in accordance with regulations.

This policy has been socialized to all level of employee in February 1<sup>st</sup> and November 11<sup>th</sup>, 2017. Based on interview with employee and the villagers concluded that they has known this ethical policy.

**Status: Comply**

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

### 2.1

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

##### **2.1.1**

Certificate holder has listed the compliance regulatory and evaluation compliance requirements for 2017 period evaluated by the SPO Officer, among others: the fulfillment of labor regulations (61 regulations), environmental regulations (57), land permits (30) and HCV regulations (25). The list is stored in the Mill & Estate office.

Certificate holder has a mechanism to identify, implement and evaluate compliance with the law described in SOP Regulation and Other Requirements. This procedure has been explained about the PIC which is responsible for identifying the regulation and the PIC which is responsible for evaluating the rules. Based on this mechanism, the company identifies the type of legislation that must be fulfilled and classifying them in a group of HCV, Employment, Environment, Health and Safety.

Evidence of compliance undertaken by the company, for example for legality and employment:

1. Land Use Title, Certificate No. 37 dated April 25<sup>th</sup> 2014 for palm oil estate.
2. Land Use Building, Certificate No. 1 and No. 2 dated December 30<sup>th</sup> 2005 for mill.
3. Plantation business permit, based on Head of District Decree No. 437 dated August 22<sup>nd</sup> 2013 for mill and estate.

Regulatory Compliance in the scope of environment:

- Compliance with possession of a document related to EIA (Environmental Impact Analyst) and reporting RKL-RPL periodically to the government agency. Complied with law government Number 32 year 2009.
- Has a temporary storage hazardous wastes and reported the waste balance refers to PP No.101 Tahun 2014. Permit storage of warehouse hazardous
- Land preparation without burning and has the infrastructure in fire anticipation, according to Permentan Number. 26 of 2007 section 15.
- Compliance with the permit to utilization effluent. According to Decree of regent district Tebo Number. 699 year 2014.
- The Compliance Regulatory is owned by the sustainability team and SPO officer Saved on estate and Palm oil Mill.

Best Practices.

1. PT SKU has had a whole type of pesticide that has been registered in the Pesticides Agriculture and Forestry 2016, Fertilizers and Pestsida Directorate of the Ministry of Agriculture of the Republic of Indonesia.
2. All employees who use a pesticide spray in the PT SKU has a certificate that has been issued by the Fertilizer and Pesticide

supervision Jambi regency.

3. Employees have been trained pesticide applicators and using PPE when doing his job
4. Periodic medical checkup per half of year.

Worker welfare.

1. Jambi Governor Decree dated on 31 Oktober 2016 concerning the establishment of Jambi province minimum wage in 2017.
2. Collective labor agreement period 2015 – 2017.

The Company has all up date and applicable laws and regulations list in period 2017 full with copied document. That documents available in estate and mill offices including copied of new regulations, such as environmental impact assessment for SBNE/A/SBNM and KILE, land application permit, and hazardous & toxic waste storage permit.

Based on the document review, it is known that the certificate and license of OHS Wheel Loader in SBNM has expired on December 21<sup>st</sup>, 2017. CH has not yet presented evidence of application for extension to the Jambi Provincial Social Service of Labor and Transmigration. This is not yet in accordance with the Ministerial Decree No.9 Year 2010 concerning Operators of Heavy Equipment. **This is a non-conformance of NCR No.2018.01 with Major category.**

#### **Evaluation, January 29<sup>th</sup> 2018.**

Certificate Holder has presented additional evidence in the form of:

- Monitoring of licenses Operator of River Bengkulu Mill.
- Receipt of extension document of operator Wheel loader on behalf Muhammad Muaz on January 22, 2018 (receipt signed by staff of OHS labor representative without stamp).

Based on the additional document, basically the evidence of improvement shown is acceptable. However, the above facts remain a nonconformance because the documents are sent after the conclusion of the audit (closing meeting). Please complete the root of the cause, corrective action and preventive action.

#### **Verification February 22<sup>nd</sup>, 2018.**

The management unit has showed a screen shot of the GAR Sustainability Information System (GSIS) which showed the monitoring database of machine and equipment permits and permits for employee competency certification in each work unit. From the database it is known that the management unit has a system to monitor employee competency data, including ensuring the validity of certification of competence owned by each employee.

#### **Auditor's conclusion February 22<sup>nd</sup>, 2018.**

Based on evidence of improvement that has been shown above, this nonconformance is stated Closed with Observation. The document resulting from the licenses Operator renewal process will become a further verified section by the ASA-4 auditor team

#### **2.1.2, 2.1.3 and 2.1.4.**

Certificate holder has a SOP of compliance with other regulations and requirements (SOP / SMART / GENERAL / SADV / I / 002, dated July 1<sup>st</sup>, 2014) which discusses: eligibility procedures, completeness and flowcharts that explain in detail in evaluating compliance with laws and regulations. Invitation, SPO and other requirements. The officers responsible for updating the list of rules according to the SOP are: Identification of regulations at national level by SADV and at the regional level by SPO Officer PSM and SPO Officer Unit.

Evaluation conducted every 1 year in December 2017 conducted by SPO Officer listed in the compliance document has been described in indicator 2.1.1. Based on document verification and interview with unit management knows that the company has implemented the last regulation for example: local regulation regarding to minimum wages

The Company has indicated the list of compliance and evaluation of compliance regulations reviewed by SPO Officer, among others:

- Fulfillment of the Employment Regulation as many as 61 regulations, the regulations are updated in January 2018 which explains the Regulation Number, validity date, article, requirements, implementation / documentation, status.



- Regulatory Compliance 57 regulations consisting of (9) EIA, (2) management of hazardous material, (10) management of hazardous waste, (2) solid waste management, (14) control of water & soil pollution, (10) air pollution control & fixed source disturbance, (3) energy efficiency, and (7) other regulations explaining regulatory numbers, valid dates, articles, requirements, implementation / documentation, status.
- Regulation compliance of permits for plantation land 30 regulations consist of Law no. 5 of 1960, Law No.39 of 2014, Law No.41 of 1999, Law no. 12 years about the cultivation system, Regulation number No.26 of 2008, Regulation No.24 of 1997, Government Regulation No.40 of 1996 and others explaining the Regulation Number, validity date, article, requirements, implementation / documentation, status.
- Fullfillment of HCV 25 regulations consisted of Presidential Decree No.43 of 1978, Law no. 5 Year 1990, PP No.7 Year 1999, Law No.41 Year 1991, Law No.18 Year 2013 and others explaining Regulation number, validity date, article, requirement, implementation / documentation, status.

**Auditor conclusion on January 18, 2018**

Based on the above explanation, then this nonconformance No 2017.02 has been fulfilled

<b>Status: Non-conformance of NCR No.2018.01 with Major category is closed</b>
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**2.2**

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

**Major 2.2.1**

Until the second annual surveillance assessment, the company has no new land expansion. Based on the hectare statement that showed during the audit, total area that managed by the company has 4,887.61 Ha which is 1,397 Ha in SBNE has had Land Use Title and 15.5 Ha in SBNM has had Building Use Tittle. The rest of area, are still on progress to get Land Use Title certificate.

According to interview with Document & Legal (D&L) Coordinator of PT SKU, there are update of Kadastral progress year of 2017. Target of Land Use Title will raised on June 2018. There are latest Kadastral Map, such as:

- SBNE Kadastral Map Number 10/2017; 11/2017 and 11.A/2017 with area: 1,133.58 hectare.
- SBNA Kadastral Map Number 15.A/2017; 15.B/2017; 16.A/2017 and 16.B/2017 with area: 1,050.1 hectare.
- KILE Kadastral Map Number 13/2016 and 13.A/2016 with area: 1,439.01 hectare.

**Minor 2.2.2**

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

According to field observation to several sample, known that all boundary were demarcated and monitored, such as:

- SBNE: boundary pole number 04 (Block A11, Division I), number 16 (Block H08, Division III), number 19 (Block K8/K9, Division IV).
- SBNA: boundary pole number 14 (Block J14, Division I), number 09 (Block J7, Division I), number 30 (Block I16, Division II).

**Minor 2.2.3; minor 2.2.4; minor 2.2.5; and Major 2.2.6.**

According to interview with several stakehodors in Betung Bedarah Village, Penapalan Village and Rantau Api Village) that known there are no land dispute between company and communities during last year. The latest land dispute on 2015, there is a claim at main road on 2015 and company has had conduct completion to those claim. Management representative also shows completion document which has been conducted by land owner, head of village and witness from villagers. Besides that, the map of land claim can showed by the company.

<b>Status: Comply</b>
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**2.3**

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

**Major 2.3.1; minor 2.3.2; minor 2.3.3; and Major 2.3.4.**

The company has had procedure of FPIC Implementation (SOP/SMART/SENS-CSR/SADV/II/003 dated on 1 July 2014). It set several procedures as a guidance for the new land acquisition and mill building. Land tenure for the management unit within the scope of the audit was State lands and community lands that have been made for compensation from 1995 to 2005. Evidence of



community land acquisition complete documented and stored by the Legal department of the company. Land acquisition has been done through a system of FPIC and recognized by the various parties involved (stakeholders). Until ASA-3 company does not expand the area, where the implementation of land compensation performed the last time in 2003.

**Status: Comply**

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

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

##### **Major 3.1.1 & minor 3.1.2.**

The certificate holder already has a Long Term Plan document (CPR) of 2017 - 2020 and has been approved by the Vice President of Finance and Accounting. The CPR includes several indicators such as: operational and production costs, selling prices, yields, statement area, factory capacity, profitability. certificate holders regularly evaluate each month. in this case the Head Unit in each estate is responsible for conducting monthly evaluations related to the plan and realization of CPR, after being evaluated in each estate it will be evaluated by the Regional Controller. Furthermore the certificate holder shows one example of a review in the Operational Cost Commentary document for Crops Produce Per Ha for the period of December 2017 for example:

- Mature Upkeep for the harvesting path over budget 68% due to field conditions that vegetation growth faster because the beginning of the year is the rainy season.
- Uprooting woody growth over 75% due to the area that has been shrubby by the wood tillers so the application forwarded the application earlier in November 2017.
- Operational cost of waste water treatment plant over budget 210,5% due to purchase of new pump for waste pool which is not budgeted.

At the time of the audit, the certificate holder has not yet established a program for replanting, as the oldest palm oil plant is still 21 years old (year of planting 1996/1997). Based on SOP/SMART/MCAR/II/TA-PRP documents on Replanting Planning, the proposed replanting program refers to the following considerations: age of plant >25 years, average tree height >13 meters, production per year <14 ton/ha and total stand <100 trees/ha.

Result of verification of SBNE land map and classification document with registration number 456/201 / PMNP / 01/06 presented on 1: 50,000 scale, SBNA deepest land view map with registration number 1037/214 / PMNP / VIII / 14 presented in Scale 1: 50,000 , and map of land review semi details of KILE with registration number 624/214 / PMNP / V / 14 presented on 1: 35.00 scale, Source of satellite imagery landsat 5 ETM, known that there is no peat soil type in the area of PT Satya Kisma Usaha.

**Status: Comply**

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

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

##### **Major 4.1.1; minor 4.1.2; & minor 4.1.3**

The certificate holder has documents related to procedures for oil palm cultivation and palm oil processing listed in the following documents:

- Technical procedure of Palm Oil Cultivation is prepared by MCAR (Management Committee Agronomy and Research) team in 2012. SOP-IK Technical of Oil Palm Cultivation covers planning of planting new area, replanting planning, breeding, opening of new land, replanting, pest and disease control, weed control, fertilization, maintenance of immature crops, preparation before harvesting, harvesting, loading and transport of FFB and rainfall measurement.
- Processing in SOP / SMART / MCMD / I / TM-PKS documents issued on December 6, 2013, authorized by MCMD Chairman and Head of Upstream. SOP includes Standard Operating Procedures in MCC as follows: TBS receiving station, sterilizer station, thresher station, press station, clarification station, oil recovery tank, oil purifier tank, storage tank storage, nut and kernel station, boiler station, engine room, water treatment, final effluent analysis, ripple mill operation, throughput mill calculation, Stock and Production Calculation of CPO and Kernel.

The certificate holder also has a Work Instructions for Technical Documentation of Palm Oil Cultivation which is derived from technical SOP of oil palm cultivation.

All master of procedures are complete and available at the time of the audit and can be shown to the Auditor. Based on the results of interviews with the management, known that the renewal of the procedure is the responsibility of the MCAR (Management Committee Agronomy and Research) team.

The Company opportunities to ensure the quality of transport of FFB and lose fruit in accordance with the procedures already owned.  
**OFI**

The certificate holder has an Internal Audit procedure with SOP / SMART / GENERAL / SADV / 009 document number describing the working procedures on which the operations of the plant and plant are based on the principles of sustainable palm oil. The objective is to manage the internal audit process of Sustainable Palm Oil in order to know the effectiveness and conformity with the requirements of the certification system applied. In the procedure regulate related Steps of Preparation of Reparation and Prevention Plan as follows:

- The Head Unit determines and implements corrective and preventive actions and determines its execution time.
- Follow up on the findings of inconsistencies in detail described in the procedure of Precaution and Prevention on Non-Conformities.

Based on the procedure, the certificate holder is known to routinely conduct internal audit every 6 months. Internal audits are conducted by the Company's Internal Auditor to conduct checks related to the operations of a management unit (estate and Mill). The certificate holder shows the results of the internal audit of 2nd semester of 2017 conducted on November 10, 2017. Internal audit implementation covers several criteria such as: cash bank administration, inventory, plant maintenance, crop production, crop production, wages and personnel.

#### Major 4.1.4

The company has had FFB Purchasing Procedures (PT. SKU-SBNM/RSPO-SOP/08) last revised dated on 1 July 2010). The procedures explain that objectives, scope, PIC, job description, work step, FFB payment and documentation. To ensuring all FFB comes from the legal area, the company has verify each supplier through the Traceability To Plantation (TTP) Program. Based on verification result, the company has shown all FFB supplier as follows:

No.	Supplier	Hectare statement
1.	PT. Citra Mulia Manunggal (CMMX)*	-
2.	Alex Nelson Sianipar (ANSX)	450
3.	Osman Malau (OSMX)	170
4.	Satu Kosong Lima (SKLX)*	-
5.	Benture Sinurat (BSNX)	424
6.	PT. Tebo Indah (TEIX)	7.038
7.	Velindo Aneka Tani (VATX)	1.600
8.	Nur Hikmah (NHKX)	410,9
9.	Bintang Selatan Agro (BSAX)	306
10.	PT. Persada Alam Hijau (PAHX)**	-
<b>Total</b>		<b>10,398.9</b>

Notes:

\*) CMMX and SKLX not verify due to they no longer supplied since the TTP Program was held.

\*\*) PAHX are the new supplier and will verified soon by traceability consultant that has engage with GAR.

<b>OFI</b> <b>4.1.1</b>	<b>Status: Comply</b>	
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#### 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

##### Major 4.2.1

The certificate holder have a procedure related to the management of planting fertility listed in the procedure with the number SOP / SMART / MCAR / IX / TA-KDP, entered into force on June 12<sup>th</sup>, 2012. This procedure discusses the fertilization implementation procedure in the nursery, fertilization of legume cover crops, inorganic fertilization in immature upkeep, fertilization of empty bunch,

leaf sampling and soil samples, control of fertilizer quality, fertilization by plane, composting fertilization, fertilization of empty bunch ash, land application on mature upkeep, control the quality of land application

**Minor 4.2.2**

The certificate holder shows document fertilizer use per tonne of FFB for SBNE and KILE period following 2017:

**a. Sungai Bengal Estate (SBNE)**

Type of Fertilizer	Program (ton)	Actual (ton)	Production of FFB (ton)	Fertilizer per ton of FFB
HGFB	16.64	16.64	41,681.89	0.00040
Urea	347.30	257.40	41,681.89	0.00618
MOP	795.25	639.35	41,681.89	0.01534
Kieserite P	342.05	62.35	41,681.89	0.00150
Kieserite G	49.50	78.90	41,681.89	0.00189
DAP	285.20	127.95	41,681.89	0.00307
RP	105.10	185.80	41,681.89	0.00446
TSP	74.30	101.95	41,681.89	0.00245
S. Dolomite	51.75	58.15	41,681.89	0.00140
Abu Janjang	239.67	364.42	41,681.89	0.00874
<b>Total</b>	<b>2,067.09</b>	<b>1,528.49</b>	<b>41,681.89</b>	<b>0.03667</b>

**b. Muara Kilis Estate (KILE)**

Type of Fertilizer	Program (ton)	Actual (ton)	Production of FFB (ton)	Fertilizer per ton of FFB
HGFB	5.62	5.62	16,124.98	0.00034841
Urea	43.45	202.10	16,124.98	0.012533349
MOP	155.45	198.80	16,124.98	0.012328697
Kieserite P	15.60	16.60	16,124.98	0.001029459
Kieserite G	69.50	151.90	16,124.98	0.009420167
DAP	95.95	328.65	16,124.98	0.020381421
RP	3.75	11.35	16,124.98	0.000703877
TSP	15.20	101.60	16,124.98	0.006300783
Empty Bunch Ash	36.68	116.86	16,124.98	0.007247203
<b>Total</b>	<b>404.52</b>	<b>1,016.62</b>	<b>16,124.98</b>	<b>0.06305</b>

Interview with the management known that every day each division reported the realization of work on the previous day including fertilization activities to the estate office, while for fertilization recapitulation will be made by each division admin every month to be used as object monthly evaluation by the Estate Manager.

Based on document verification and interview with management knows that the fertilizer recommendation for 2018 is based on the result of leaf sampling unit (LSU) and soil sampling unit (SSU) and being analyze by SMARTRI. unit management use the recommendation as guidance on fertilizer.

**Minor 4.2.3**

The Company already has procedures for leaf and soil analysis as follows:

- SOP No 101/Daun/LAB-SMARTI/III/2016 tanggal March 28<sup>th</sup>, 2016
- SOP No 072/Tanah/LAB-SMARTRI/XI/2015 tanggal November 18<sup>th</sup>, 2016

Leaf and soil sampling activities were conducted by SMART Research Institute - Analytical Laboratory.

Soil sampling for SBNE, SBNA and KILE was conducted on February 13<sup>th</sup>, 2017 until April 1<sup>st</sup>, 2017. Soil sampling was done at 2 points deepness ie 0-15 cm and 15-30 cm while for sampling location in 1 tree in 6 dots ie 0-15 cm in the circle path, 0-15 cm in the inter row, 0-15 cm in the harvesting path, 15-30 cm in the circle path, 15-30 cm in the harvesting path, and 15-30 cm in the inter row. In analyzing the soil samples, there are 14 elements analyzed as follows: pH H<sub>2</sub>O and KCl, C-organic, N-total, P-total, K-total, Mg-total, P-available, Cation Exchange Capacity, saturation bases, H-interchangeable, Al-mixed, B and texture.

Soil and leaf analysis results are used as the basis for determining fertilizer recommendation. In this case the certificate holder shows a sample of temporary fertilizer recommendation for each Estate as follows:

- SBNE  
The first half of 2018. Division 2 Block B9: Urea 1,300 Kg, Rock Phosphate 1,200 Kg, MOP 1,700 Kg, HGFB 0.050 Kg.
- SBNA  
The first half of 2018. Division 1 Block J7: Urea 1,250 Kg, TSP 1,750 Kg, MOP 2,250 Kg, Dolomite 1,000 Kg, HGFB 0,100 Kg.
- KILE  
The first half of 2018. Division 1 Block A2: Urea 2,900 Kg, TSP 4,050 Kg, MOP 2,900 Kg, Dolomite 2,300 Kg, HGFB 0,100 Kg.

#### Minor 4.2.4

The certificate holder known that have a nutrient recycling strategy such as the utilization of pruning, the application of mill liquid waste and the utilization of plant residues after replanting under the following procedures:

- SOP/SMART/MCAR/XII/TA-PTM - Plant Cultivation Produce, the stem of the pruning result is arranged in the inter row with the form of L-Shape (on flat area) and parallel to the contour (in wavy area) and cut into 2 parts (in land application area).
- SOP/SMART/MCAR/II/TA-PRP – Planning of Replanting, submission of replanting program refers to the following considerations: plant age >25 years, average tree height >13 meters, annual production <14 tons/ha, number of stands <100 trees / ha.
- SOP/SPO/SMART/LH-09 on waste management and IK.SMART/MCAR/IX/TA-PPK/14 on fertilization using palm oil mill effluent

Field observation in Block C4 of Division 1 of SBNE, known that the certificate holder is utilizing the liquid waste from the palm oil mill. Land application bed treatment performed by 3 employees with permanent status. Results of interviews with the workers, known that employees do maintenance by reopening the blocked flow path and elevate the embankment for every bed LA to prevent the occurrence of luring (run off)

The certificate holder has a procedure for the provision of empty bunch ash with the number SOP/SMART/MCAR/TA-KK and Work Instruction with the number IK/SMART/MCAR/IX/TA-KDP/13 - Fertilization of empty bunch ash In mature plants. Fertilization of empty bunch ash as recommended by the recommended 11% moisture content is 2 times the weight of the recommended MOP fertilizer dose. Application is done once a year in rotation semester 1 and semester 2 with MOP and empty bunch of fertilizer

The certificate holder shows the monitoring of the ash blank application for the period of 2017 as follows:

Estate	Program (Ton)	Actual (Ton)	Percentage (%)
SBNE	239,67	364,42	152,05
KILE	36,68	116,86	318,59
<b>Total</b>	<b>276,35</b>	<b>481,28</b>	<b>174,15</b>

From the data in the table it is known that the average achievement of empty bunch ash application for 2 estates (SBNE and KILE) reached 174.15%. The results of interviews with research assistants found that empty bunch ash applications did not necessarily follow recommendations, could also be applied in areas indicated to have potassium deficiency.

**Status: Comply**

### 4.3

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

##### Major 4.3.1; Minor 4.3.2

The certificate holder has a detailed soil map containing a land map and contains information: soil classification, texture, depth, drainage, limiting factor, rocks and conformity information for oil palm plantation development, as follows:

##### 1. Sungai Bengkal Estate (SBNE)

The certificate holder has a semi-detailed soil survey document for SBNE, which is land map and classification no. reg 456/201/PMNP/01/06 presented on a scale of 1: 50,000. The Certificate holder also has a land map of semi-detailed Land Suitability Class (LSC) of Sungai Bengkal Estate (SBNE) scale 1:50,000, Transaction mercator system (geographic) and datum (WGS 84) with registration no. 1036/214/PMNP/VIII/14. The map is accompanied by table of soil characteristics and land suitability assessment of Sungai Bengkal Estate (SBNE) land plot of 2,364.49 Ha The map is described in the table below:

Slope Class		Description	Depth		Suitability Class	Hectarage	
%	(°)		Effective	Solum		Ha	%
3 – 9	2 – 5	Flat	>100	>150	S2	172.84	7.3
9 – 16	5 – 9	Undulating	>100	> 150	S2	183.53	7.8
16 – 21	9 – 12	Rolling	>100	>150	S2	773.74	32.7
21 – 40	12 – 22	Hilly	>100	>150	S3	1,202.28	50.8
9 – 16	5 – 9	Rolling	>100	>150	S2	28.22	1.2
<b>Water body</b>						<b>3.87</b>	<b>0.2</b>
<b>TOTAL</b>						<b>2.364.49</b>	<b>100.0</b>

## 2. Sungai Bengal KKPA (SBNA)

The certificate holder has an in-depth overview map of the Sungai Bengal KKPA (SBNA) with a scale 1: 50,000, projection system (transverse mercator, geographic) and datum (WGS 84) with registration number : 1037/214/PMNP/VIII /14. is equipped with table unit of land map and assessment land suitability class for palm oil Sungai Bengal KKPA (SBNA) of 1,062.58 Ha. The map is described in the table below:

Slope Class		Description	Depth		Suitability Class	Hectarage	
%	(°)		Effective	Solum		Ha	%
0 – 3	0 – 2	<i>Typic Endoaquults</i>	>150	>100	S3	30,78	2,9
3 – 9	2 - 5	<i>Typic Dystrudepts</i>	>150	>100	S2	110,80	10,4
9-16	5 - 9	<i>Typic Dystrudepts</i>	>150	>100	S2	25,21	2,4
16 - 21	9 - 12	<i>Typic Dystrudepts</i>	>150	>100	S2	471,30	44,4
21 – 40	12 – 22	<i>Typic Dystrudepts</i>	>120	>100	S3	372,68	35,1
9 – 16	5 – 9	<i>Type Hapludults</i>	>120	>100	S2	8,92	0,8
16 – 21	9 – 12	<i>Type Hapludults</i>	>120	>100	S2	42,89	4
<b>Total</b>						<b>1.062,58</b>	<b>100</b>

## 3. Kilis Estate (KILE)

The certificate holder has an overview map of Kilis Estate (KILE) with a scale of 1: 50,000, projection system (transverse mercator, geographic) and datum (WGS 84) with registration number: 1037/214/PMNP/VIII/14 is equipped with a unit table of land and land suitability assessment for Kilis Estate (KILE) of 1,460.54 Ha The map is described in the table below:

Slope Class		Description	Depth		Suitability Class	Hectarage	
%	%		Effective	Solum		Ha	%
0 – 3	0 – 2	Type Enduoquepts	>120	>100	S3	283.15	19.4
3 – 9	2 - 5	Type Destrudept	>120	>100	S2	13.70	0.9
3 - 9	2 - 5	Type Destrudept	>120	>100	S2	31.10	2.1
3 - 9	2 - 5	Type Hapludults	>120	>100	S2	184.85	12.7
9 – 16	5 – 9	Type Hapludults	>120	>100	S2	347.52	23.8
16 – 21	9 – 12	Type Hapludults	>120	>100	S2T	190.36	13.0
21 – 40	12 – 22	Type Hapludults	>120	>100	S2T	284.75	19.5
40 - 58	22 - 30	Type Hapludults	>120	>100	S2T	125.11	8.6
<b>Total</b>						<b>1.460.54</b>	<b>100.00</b>

The certificate holder already has the document that is the reference for planting in the slope area in this case is the technical procedure document of oil palm cultivation developed by MCAR (Management Committee Agronomy and Research) team in 2012. Especially in the procedure that discuss about technical planting in the area with a certain slope is:

- SOP/SMART/MCAR/II/TA-PPA concerning planning in new planting area, shall enter into force on June 12<sup>th</sup>, 2012.
- SOP / SMART / MCAR / IV / TA-PLB on land preparation in new area, shall entered into force on June 12<sup>th</sup>, 2012.

Several applied management strategy are constructing terrace, contour, conservation terrace, individual terrace with silt pit and conservation plant planting. The land management action for particular slope especially the one that is indicated having more than 15% slope are by maintaining terrace construction and frond stacking surrounding plant circle, weeding surrounding plant circle and interrow and by letting wild plant growing to prevent erosion such as an measuring the erosion. Based on field observation at SBNA



Block J 11 Division 1 be found terrace contour and 3 stik erosion on the slope (lower, middle,top).

### Minor 4.3.3

Budget for hardening road of SBNE (4 Divisions) for 2018 is 6,849.03 M<sup>3</sup>. interview with the management known that SBNE has 1 unit of Road Grader and 2 Compactor units, further explained that up to audit activities carried out the certificate holder has not done the road hardening activity due to the high rainfall condition. Currently, SBNE only focuses on road services that are often damaged.

The Company shows documents related to the progress of the road hardening work as follows:

- Letter of Agreement No 24/SBNE/MDNO/04/2017 on behalf of CV. Tebo Sejahtera. Hardening road uses the laterite material for divisions 1 and 3 with a contract value of 2,947 M<sup>3</sup>. Attached to the realization of work up to July 17<sup>th</sup>, 2017 is 2,947 M<sup>3</sup> or 100%.
- Letter of Agreement No. 25/SBNE/MDNO/04/2017 on behalf of Yusri Idris. Hardening road uses the laterite material for divisions 2 and 4 with a contract value of 2,308 M<sup>3</sup>. Attached to the realization of work up to July 17<sup>th</sup>, 2017 is 2,306.07 M<sup>3</sup> or 99.92%.
- Letter of Agreement No SBNE/LKL/02/2017/010 on behalf of Yusri Idris. Hardening road uses the laterite material for divisions 1, 2 and 4 with a contract value of 657.97 M<sup>3</sup>. Attached to the realization of work up to July 17<sup>th</sup>, 2017 is 657.97 M<sup>3</sup> or 100%.

The Company has the opportunity to ensure road repairs in the low-lying areas. **OFI**

### Major 4.3.4 & minor 4.3.5

The certificate holder has a procedure for planting oil palm (SMA/MCAR/05/05-07), in section 5.11.1 there is a discussion on the preparation of planting on peat soil but based on verification of land document and land classification SBNE. Reg 456/201 / PMNP / 01/06 presented on a scale of 1: 50,000, a land map in depth of SBNA no. Registration: 1037/214 / PMNP / VIII / 14 presented in Scale 1: 50,000, and soil map review Semi details KILE No: Reg: 624/214 / PMNP / V / 14 presented on 1: 35.00 scale, satellite image source Landsat 5 ETM, it is known that there is no peat soil type in the area of PT Satya Kisma Usaha.

### Minor 4.3.6

Based on document verification indicates that the company already has other marginal land management strategies and other critical lands described in MCAR, including:

- SOP / SMART / MCAR / I / TA-PPA concerning the planning of new plantings, shall be effective on June 12, 2012. In the procedure regulated on terrain with topography of 15 - 40%, managed through the creation of conservation terraces, contour terraces, , planting conservation crops such as through planting vetiver grass, planting beans. Areas with inhibited drainage are managed through the manufacture of trenches or drainage channels.
- SOP / SMART / MCAR / IX / TA-KDP on fertilization, shall take effect on June 12, 2012. In the procedure it is explained that fertilization using empty ash is done to improve the physical structure and soil chemical properties.
- SOP / SPO / SMART / LH-09 on waste management and IK.SMART/MCAR/IX/TA-PPK/14 on fertilization using palm oil mill effluent.

The results of interviews with the management are known that all procedures are stored in each estate office.

<b>OFI</b> <b>4.3.3</b>	<b>Status: Comply</b>	
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## 4.4 Practices maintain the quality and availability of surface and ground water.

### 4.4.1

All of water sources identification and management plan are listed on 2017 water management document. These document describe the water source identification, Mill water usage monitoring & efficiency, and catchment area protections. Field visits on block J-11 and J-3 at SBNE for examples, found that companies managed *Penapalan* riparian and *Api* riparian by marked the buffer zone (throughout 50 m bothsides on riparian), perform revegetation with bamboo, and signboard placement. Company also conducted regularly water quality testing every semester for Kilis besar river (KILE) and Betung Bedarah river (SBNE/A). Based on workers interview on estate housing shown that drinking water for them originated from refill water and SBNM also provides clean water access for all workers.



According to environment monitoring analysis, it was informed that the company activity has not given negative affect. Moreover, water consumption in housing complex from Mill (WTP) and consumption water from reverse osmosis testing shows that all parameters are accordance with Minister of Health Regulation (*Permenkes*) No. 416/1990.

CH has conducted the testing of surface water quality once every 6 months, based on the results of testing of semester 1 of 2017 known there is no test results that exceed the quality standard Government Regulation No. 82/ 2001 Class II.

#### 4.4.2

Company has identified and shown the maps for catchment areas (including riparian) with 1:50,000 scale. HCV identification document shown there is some river flow on estate such as Langli river (SBNE), Selinggur river (KILE), and Penalapan river (SBNA). Company provided procedures for these catchment areas protection/conservations listed on SOP/SPO/SMART/LH-06 document.

All identified buffer zone has been designated as HCV and protected areas. Evidence of surface water flow protection measures and including riparian such as:

- Determination of river buffer zone with a distance of 50 meters left-right of Small River Demarcation of the border is done with the installation of boundary markers river border.
- Periodic water quality testing every three months with the parameters of environmental quality standards as stipulated in Government Regulation No. 82 in 2001.
- No chemicals application (fertilizers and herbicides) in the buffer zone area,
- Signboard of river buffer zone protection. Prohibiting the use of chemicals in the river buffer zone.
- Planting riparian with *bamboo and vertifer grass* to prevent landslide and erosion.

CH has implemented Protection on water courses and wetlands based on program 2017 period and approval RC Jambi 2.

#### Minor 4.4.3

Mill effluent produced by SBNM processed at waste water treatment plant (WWTP) based on procedure SOP/SPO/SMART/LH-09, until it complying to standards before it distributed to SBNE as land applications based on decree of Tebo regent No 699/2014 valid until 2019. Waste water quality testing document review shown for January -December 2017 all of waste water testing parameters is compliant to the standards quality and of waste water management and monitoring has been reported to related institutions per 3 month regularly

#### Minor 4.4.4

Procedure for SBNM water usage and monitoring are provided and has been listed on procedure IK/SMART/MCMD/I/TM-PKS/19-Water Treatment. Standards of water usage for FFB process recorded on 2017 budget projected 1.40 m<sup>3</sup>/tonne FFB processed. Water usage monitoring was done periodically and recorded, for example on December 2017 FFB processed 11,539 tonne, process water usage 14,693 m<sup>3</sup> and water usage efficacy was 1.24 m<sup>3</sup>/tonne FFB processed. Observations on SBNM water treatment plant found monitoring for raw and process water usage was done by officer periodically, and flowmeters at inlet/outlet serves normally.

The Company shown evidence of retribution of surface water utilization tax for December 2017 period paid to The Revenue Department Jambi Province.

<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.**

##### Major 4.5.1; Minor 4.5.2

Plant Disease Control Procedures (HPT) is contained in Management Committee Agronomy and Research (MCAR) document with the number SOP/SMART/MCAR/VII/TA-HPT. The procedure aims to guide the Integrated Pest Management activities as one of the activities in the process of care of oil palms. Further explained about the economic threshold of each pest eg Rat : 5% palm/block and *Oryctes rhinoceros* :  $\geq 6$  (5%)/Ha.

The certificate holder already has an integrated pest monitoring and control program listed in the budget of 2018. The budget is in

accordance with the procedures contained in the integrated pest control procedure that is for the census Nettle Caterpillars and Bagworms once a month, Oryctes Rhinocheros twice a week, Rat is done once a month and monitoring the owl nest once a month. The census was conducted routinely by the research staff and reported to the Estate Manager.

The certificate holder shows the pest monitoring records conducted during the period of 2017 as follows:

- The rat census in Division 3 SBNE in October 2017 period showed no significant attacks, based on a census recap showing only 0,84% attacks and only 50 subjects from 5,956 sample subjects.
- Census of leaf eater caterpillars in Block J3 with an area of 28.42 Ha on 12 September 12th, 2017 showed no significant leaf eater caterpillars attack. The level of attack is still carried the economic threshold.
- The rat census in the 6th Division KILE period of October 2017 showed no significant attacks, based on a census recap showing only 0.51% attacks and only 9 subjects from 1,740 sample subjects.

Based on the above, it is known that there are no significant pest attacks. The results of field visits in the C06 Block of Division 2 SBNE, indicating that there are no significant pest attacks.

To control the rat, certificate holder uses Tyto alba by installing gupons in each estate. The Company planted and maintained for a beneficial plant of Antigonon leptosus and Turnera subulata as a host plant of leaf eater caterpillars.

The certificate holder shows several documents related to employee training records in 2017 for example : Integrated Pest Management Training conducted at KILE/A unit on November 22<sup>th</sup>, 2017 attended by 48 employees. Documentation and attendance list available. Training materials include the definition of IPM, the nature of IPM, the IPM development step, and the basic considerations of the IPM system. The results of field visits and interviews with employees, known that the company regularly conduct training to improve the ability to work.

**Status: Comply**

#### 4.6

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

##### Major 4.6.1

The Company has guidance on the use of pesticides documented in the appendix of weed control procedures, ie general guidance on safety in working with pesticides with document number LAMP/VIII/TA-PGM/03-PUKBP. In the document there are some guidelines that are selective in selecting, storing, using, overcoming contamination, understanding signs and symptoms of pesticide poisoning, first aid instructions and medical treatment guidelines for poisoning

The certificate holder shows the pesticide listing documents used in the following 1 year period:

Name of Pesticide	Ingredients	Registration No.	Permit Period	Target Weeds
Erkafuron 20 WG	Metil metsufuron	RI. 01030120134861	Dec 12 <sup>th</sup> , 2018	Broad leaf weed
Garlon 670 EC	Triklpir	RI. 0103011984695	Sept 9 <sup>th</sup> , 2018	Woody weeds
Rolifos 150 SL	Amonium glufosinat	RI. 01030120103683	May 5 <sup>th</sup> , 2020	Broad leaf weed
Roll Up 480 SL	Glifosat	RI. 032012283	August 8 <sup>th</sup> , 2022	Narrow leaf weeds and broad leaf weed
Starane 290 EC	Floroksipir	RI. 0103011988854	April 15 <sup>th</sup> , 2019	Broad leaf weed

##### Major 4.6.2

the certificate holder has a program related to the use of pesticides listed in the budget budget of 2018. At the time of the audit activity the certificate holder can show the document to the auditor.

The Company shows data on the use of pesticides for SBNE period of 2017 as follows:

Month	Garlon 670 EC (L)	Rollifost 150 SL (L)	Roll Up 480 SL (L)	Starane 290 EC (L)	Erkafuron (Gr)
January	-	15.50	31.00	16.28	1.00
February	20.50	33.09	90.06	34.60	0.25
March	25.00	2.00	142.50	44.63	-
April	2.00	-	227.85	50.13	-
May	11.00	11.41	289.20	51.89	-
June	18.00	8.50	59.65	16.31	-

July	5.50	3.50	185.25	36.67	0.05
August	32.00	-	195.45	5.95	1.40
September	8.00	-	158.40	-	1.45
Oktober	-	26.00	66.69	-	1.50
November	-	-	20.00	-	0.65
December	-	-	35.00	0	0.15

The Company shows data on the use of pesticides for SBNA period of August 2017 as follows: :

Name of Pesticide	LD50	% Ingredients	Number of apps	Total Active Ingredient	FFB Production (MT)	Pesticide Unit/Ton	Application area (Ha)	Pesticide Unit/Ha
Garlon	2000	0.67	-	-	1,348.39	-	-	-
Rillifost	2000	0.15	12.00	1.80	1,348.39	0.000000667463	51.24	0.000017564403
Roll Up	5000	0.41	97.40	39.93	1,348.39	0.000005923212	819.32	0.000009748084
Starane	2000	0.26	22.60	5.88	1,348.39	0.000002178895	819.32	0.000003585901
Erkafuron	2000	0.41	1.00	0.41	1,348.39	0.000000152033	64.40	0.000003183230

#### Major 4.6.3

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

#### Minor 4.6.4

At the time of the audit activity, the certificate holder can present the document of The WHO Recommended Classification of pesticides by hazard by IPS (International Programme on Chemical Safety) and guidelines to classification 2004, and a complete list of pesticides into IA or IB. Based on the document of the identification result, the company does not own and use the type of pesticides that entered into the WHO list of classes 1A and 1B

The certificate holder shows document regarding the use of pesticides paraquat-year period 2011 - 2016 as follows:

Month	Years					
	2011 (L)	2012 (L)	2013 (L)	2014 (L)	2015 (L)	2016 (L)
January	10.00	-	15.30	10.50	-	-
February	-	-	12.90	2.30	-	-
March	-	-	12.90	3.60	3.30	-
April	20.00	20.00	-	4.00	-	-
May	20.00	-	3.40	1.40	-	-
June	-	-	19.10	0.50	1.00	-
July	-	-	3.05	6.70	-	-
August	-	20.00	2.00	-	15.00	-
September	-	-	7.10	6.00	7.00	-
Oktober	-	-	0.30	-	9.50	-
November	-	-	3.20	-	4.00	-
Desember	-	-	9.00	-	7.00	-
<b>TOTAL</b>	<b>50.00</b>	<b>40.00</b>	<b>87.85</b>	<b>35.00</b>	<b>46.8</b>	<b>-</b>

Based on the above table, it is known that since 2016 the company no longer uses paraquat, this is in accordance with the Memorandum No: 032 / PD / VIII / 2016 dated August 13, 2016 by President Director Daud Darsono, about the ban on the use of paraquat.

#### Major 4.6.5

The certificate holder shows the documents related to the training plan for the period of 2018 as follows:

- SBNE : Safe Spray Safety Practice Training planned in February 2018.

- SBNA : Safe Spray Practice Training planned in March 2018.
- KILE : Safe Spray Practice Training planned in April 2018

The results of observations and interviews with foreman in block C5 Division 2 SBNE and in Block J23 Division 1 SBNA known that each foreman has been able to explain and explain the usefulness of the MSDS and has been trained about Material Safety Data Sheet (MSDS) introduction. Further explained by the foremen that the MSDS is always delivered during the briefing for pesticides applicators so that they always work in safe conditions.

Based on field observation the PPE used by the employee has been in accordance with the identified risk identification and product instructions, eg pesticide applicants equipped with helmets and cover (glasses), masks, gloves, apron and boots, it is in accordance with identification hazards and instructions on the product or packaging

#### **Major 4.6.6**

The certificate holder shows documents relating to monitoring of exit gallon ex-pesticide packaging during the period of 2017. The document describes the number of gallons of pesticides coming out of the central warehouse and the entry (after application of the spaciousness) to the hazardous waste temporary wafrehouse. Exit gallons of pesticides are recorded based on each type of pesticide from each estate. The results of interviews with management are known to be done to ensure the tracking of ex-pallet gallons in each division. the auditor visits the pesticide warehouse located in the central warehousing complex.

The socialization of the ban on the use of ex-agrochemical packaging which was carried out on January 14<sup>th</sup>, 2017 at 06.30 - 07.30 took place in the office of 4<sup>th</sup> division of SBNE. The socialization was attended by 40 employees (not just employees related to chemicals). Documentation and attendance list available

#### **minor 4.6.7**

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

The company has a mixing station and pesticide application equipment which is a place of mixing pesticides and storage of PPE. The remaining waste water is utilized for the subsequent mixing process as the optimization of agrochemical usage. Auditor conducts a field visit to perform the related verification about waste material management and OHS implementation.

#### **Major 4.6.8**

Based on interview with the management, known that the certificate holder does not do pesticide application by air. Although the certificate holder does not conduct pesticide applications over the air but the certificate holder has an environmental aspect identification document for fertilization using F/SMART/LEMSDESEHSD/SHDP/001/001 aircraft. Based on interviews with community leaders around, it is known that the certificate holder never do spraying pesticides by air.

#### **4.6.9.**

The Company has provided information on the use and handling of pesticides such as: During field visit to the Chemical and Fertilizer Warehouse there is a Material Safety Data Sheet. Based on interviews with SBNE Warehouse officer, there is MSDS in each hazardous material warehouse including Pesticides. In addition, pesticide officers and applicators have been trained on pesticide handling.

#### **4.6.10**

CH possesses procedure for Toxic and Hazardous waste including ex agrochemicals management listed on SOP/SPO/SMART/LH-18. These procedure stated that all ex chemicals containers were kept on temporary hazardous storage at SBNE, SBNA, and SBNM. Training for workers and staff regarding hazardous & toxic material handling conducted on October 2016. Based on interview with spraying worker found that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling.

Record of hazardous waste management included in report of hazardous waste management which quarterly sent to environment agency, such as report of on October s/d December 2017. Based on interviews with spraying officers, they comprehend related ex-

pesticide disposal.

#### **Verification, January 18<sup>th</sup>, 2018.**

Sungai Bengkal Estate

The Company shows the monitoring of package of pesticide from the central warehouse unit of Sungai Bengkal estate for the period of January to December 2017. Details monitoring of pesticide packaging include:

- Packaging Roll up January of 34 pcs, carried by freight transporter transporter on March 13<sup>th</sup>, 2017.
- Packaging Roll up month April - October 2017 as much as 45 pcs, carried by lisenced transporter on October 10<sup>th</sup>, 2017.
- Stock Packaging Roll up stored at hazardous waste warehouse Bengkal River estate 65 pieces.

Records monitoring the utilization of used pesticide packaging during 2017 have been well monitored.

#### **Muara Kilis Estate**

The company shows monitoring of expenditure of ex-pallet gallon from Muara Bengkal Estate's central warehouse unit for the period of January to December 2017. The company shows the news of re-packaging of pesticide packaging, such as:

- Re-use of packaging Roll up month on June 30<sup>th</sup>, 2017 as much as 14 pcs utilized for pesticide cultivation to division I KILE.
- Re-use of packaging Roll up month on November 30<sup>th</sup>, 2017 as much as 12 pcs utilized for pesticide transported to division I KILE.
- The company also demonstrates monitoring of optimization of ex-peppered rinsing water, reused for Harvesting path and Fruit Collecting Point.

#### **Auditor's Conclusion January 18<sup>th</sup>, 2018.**

Based on the evidence of improvement that has been demonstrated, this nonconformance No 2017.05 have been fulfilled

#### **4.6.12.**

Certificate holder commitment not to hire pregnant and lactating women has been listed in the circular No: 02 / VPA-1 / I / 2009 dated January 13<sup>th</sup>, 2009, stating that CH prohibits pregnant and lactating women from performing spraying work.

Certificate holder already has a non-pregnant or breastfeeding spray checklist conducted once a month by a Polyclinic medical officer. For example, the period of December 2017 is known that there are no female spray employees who are pregnant and lactating. Based on interviews with spraying teams in KILE, SBNE and SBNA it is known that applicator pesticide (women workers) are not in the condition of pregnant and lactating; and have understood the policy

<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.**

Certificate holder already has a working safety and health policy as a guideline for the implementation of Occupational Health & Safety Management System, stating that CH is committed to continuously improve the performance of health and safety in the plantation environment. Interviews with harvest workers in F01 & F02 block 3 Division of SBNE It is known that there is an OSH related policy implemented at the morning assembly.

Occupational health and safety plans in the workplace are listed in the guiding committee of occupational safety & health report informing the description of activities, objectives / targets, implementers, month of implementation and description of the implementation.

#### **4.7.2.**

Certificate holder has showed the identification of risk, assessment and risk control for the period of January-December 2018 for example: Hazards Identification, Risk Assessment & Risk Control document describes Activity information, types of routine, non-routine & emergency work, sources / events, impacts, existing controls, and risk analysis.

Field observation at SBNM and harvest in block F01 & F02 Division 3 SBNE known applicator pesticide team using carbon cloth mask, rubber gloves, apron, helmet, rubber boots and face shield. WWTP Operator using earplug, safety shoes and helmet.



**4.7.3.**

Certificate holder shows programs and recording of OHS training for January – December 2017 period for example: Training of welder, First Aid Training, Emergency Preparedness, Operator Certification (SIO), Fire Control Officer, Occupational Health & Safety Management System, Risk Management (ISBPR), General Occupational Safety Expert, Paramedic and Fire Danger Rating System.

There is PPE minutes of meeting (Number of SMART / HESS-EHSD / SADV / 010/002) for 2017 period such as: Replacement of boots for 4 workers SBNE (Evidence Photo documentation and submission). Based on field visits in harvesting and spray activities are known the workers having PPE such as, shoes, Helmets, Apron, Glasses and gloves that in accordance with the result of hazard identification and risk analysis.

Based on interview with the worker if the PPE is damaged, workers can apply for the replacement by providing the damaged PPE to the foreman and the foreman will check and apply to Assistant to provide new PPE for the workers.

**4.7.4.**

Certificate holder already has the structure of Guiding Committee of Occupational Safety & Health period 2017 which is still in the process of submission to the Head of Department of Manpower and Transmigration of Jambi Province. This is clarified in accordance with a letter from the Office of Manpower & Transmigration of Jambi Province with the numbers 016 / DISNAKERTRANS-3.1 / KT / 2017 dated October 24, 2017 (For SBNE & KKPA). **OFI.**

The structure of Guiding Committee of Occupational Safety & Health for the KILE unit has been authorized by the labor agency that in accordance with the Decree of the Office of Manpower and Transmigration of Jambi Province No. 795 / SK-P2K3 / DISNAKERTRANS-3.1 / 2017 dated November 24<sup>th</sup>, 2017. This Decree has been valid until 2 years from the date of stipulation. The structure of Guiding Committee of Occupational Safety & Health consists of supervisor, Chairman, Secretary / OHS Expert, Field Evaluation, Field Supervision, Field Research, Field Training / Counseling, and Health Sector (15 people).

Minutes of Guiding Committee of Occupational Safety & Health meetings were held on December 22<sup>nd</sup>, 2017, the materials discussed were among others: management's review on employment risk analysis 2017, preparation of risk analysis and OHS program 2018, and preparation for the National OHS month reception. The meeting of OHS committee has been conducted every month.

**4.7.5.**

Certificate holder already has procedures in case of accident and emergency along with its instructions, CH show the following documents:

- Preparedness and emergency preparedness SOP no document: SOP / SMART / GENERAL / SADV / I / 005 dated July 1<sup>st</sup>, 2014. In the SOP has been explained about the purpose, scope, definition. There is also a flow chart of the preparedness and explanation of the flow and the flow chart of emergency simulations and explanations.
- SOP for accident handling and occupational diseases no document SOP / SMART / HESS-EHSD / SADV / I / 005. Explain the stages of handling in case of accident, accident reporting.

The Company has the opportunity to ensure the effectiveness of the emergency response system is working properly and first aid box monitoring is sufficient. **OFI**

Based on field visit to the Spray and harvest activities in Block F01 & F02 of Division 3 SBNE, it is known that the foreman providing a First Aid kit. In addition, Based on interviews with officer, it is known that there has been first aid kit training conducted by Doctors Polyclinic. The foreman has been trained regarding first aid emergency, he have licensed of first aid emergency.

**Assessor Evaluation and Conclusion:**

Evaluation of the Assessors and Conclusions (completed by the auditor):

Verification, February 20<sup>th</sup>, 2017

- The Company shall show the fire extinguisher Replacement Report on January 11<sup>th</sup>, 2017 in the Main Office and Genset House 2 KILE / A.
- The Company shall show the Minutes of Replacement of fire extinguisher at WTP Mill dated January 16<sup>th</sup>, 2017.

**Verification, January 18<sup>th</sup>, 2018.**



Location Water Treatment Plant.

The Company shows a letter of warning given to the SPO Officer of the SBNM unit dated January 16, 2018. This warning Letter explains that the officer should not repeat the matter and become the officer's motivation to improve the discipline and thoroughness in performing each job.

#### **Location KILE.**

The company shows the minutes of goods release event (fire extinguisher) dated January 11, 2017 as much as 3 goods to complement and replace the need for low-pressure fire extinguisher in the main office and Genset house 2. Available minutes of warning letter to the Officer dated January 13, 2017. This letter of warning is approved by Estate Manager.

#### **Auditor conclusion on January 18, 2018**

Based on the above explanation, then this nonconformance No 2017.10 has been fulfilled

#### **4.7.6.**

Certificate holder has shown evidence of payment of insurance Health & Employment for Permanent Employees & Contracts for the period of December 2017. For example:

- Employees of SBNM are 122 Permanent Employees.
- Employees of SBNE & SBNA Contracts are 434 & 148 Employees
- SBNE & SBNA Permanent Employees of 266 & 98 Employees.
- KILE employees are 211 employees.
- KILE contract employees are 158 Employees.

Based interview with harvester, manuring workers and applicator pesticide, they already have Labor Social Assurance.

#### **Health and labor social insurance**

Based on field visits and interviews with FFB loader workers at loading ramp, obtained information that there is FFB loader supplier worker. Has been shown to the auditor evidence of Collective labor agreement in the form of Work Order No. 001 / SBNM / SPK-LK / 1 / 2018 (valid from 1 January to 30 June 2018) where in Article 4 – Labor social insurance there is a worker's acceptance clause to include its workers in Labor social insurance program. **This is a non-conformance of NCR No.2018.02 with Minor category.**

#### **4.7.7.**

Based on LTA annual recapitulation data for the period of 2017 (January to December 2017) note that:  
SBNM, SBNA, SBNE, and KILE.

Frequency Rate (FR) = 0 & Severity Rate (SR) = 0.

Frequency Rate (FR) = 0 & Severity Rate (SR) = 0.

Frequency Rate (FR) = 0 & Severity Rate (SR) = 0.

<b>OFI 4.7.5</b>	<b>Status: Non-conformance of NCR No.2018.02 with Minor category is closed</b>	
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#### **4.8**

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

#### **4.8.1. & 4.8.2.**

Certificate holder showed the training plan for Mill, estate & Plasma units from January to December 2018, including: GAR social & environmental policy in September 2018, RSPO Understanding, ISPO Understanding, ISCC Understanding, Understanding & GHG Emission Calculation, SCSS Understanding, and understanding of measuring tools & workshops in September 2018, and others.

Certificate holder shows the realization of Employee training period 2017, among others:

- Integrated Pest Management Training Division I & II of SBNE on November 14<sup>th</sup>, 2017. Participants are 42 people.
- GAR's social and environmental policies in January 2017.
- Understanding of RSPO, ISPO, ISCC, GHG calculations in October 2017.
- Management of HCV monitoring in September 2017.
- And others.

Based on interviews with some workers in estates and mill that's known all workers have been trained in accordance with the work being performed.

**Status: Comply**

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

### **5.1**

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

#### **5.1.1**

Until ASA-3 there is no scope changes related to mill capacity, new plantings, and replanting on PT SKU areas. All company operation activities are covered on these old document.

The company has a document of Environmental Impact Assessment (EIA) for the scope of Sungai Bengkal Estate, Sungai Bengkal KKPA and Sungai Bengkal Mill approved by Jambi Environmental Agency on 2007. Additionally, the company also has Environmental Management Document for the scope of Muara Kilis Estate which approved by the Tebo Environmental agency on 2011.

Both of these documents explained the impact that might caused by the company's operations such as land acquisition, construction of roads, creation of infrastructure, creation of processing mills, land preparation, crop management, oil palm planting, development of conservation areas, etc. Both documents also discuss the management plan and monitoring plan that should be done by the company.

#### **5.1.2**

CH has conducted environmental management based on addendum documents of Environmental Management Plan / Environmental Monitoring Plan. Report implementation for environmental monitoring and management plan has been reported to environmental agency Tebo regent regularly. For examples, 1st semester 2017 RKL/RPL report (PT SKU) have been reported on August 30, 2017.

Implementation of environment management plan PT SKU such as potential erosion, management plan is a prohibition use of fire, Impaired Surface Water Quality and Water Biota, Impaired air quality and noise, socializing to workers, forming a fire control team. Groundwater and soil water disorders management is minimizing the generated waste and reviewing all activities that produce waste, especially the utilization of land application.

Records of implementation of environmental management describe in RKL-RPL implementation report such as report of 1st semester 2017 and reported to environment agency.

#### **5.1.3**

Implementation of environmental monitoring was described in RKL-RPL implementation report. Based on the RKL-RPL implementation report of semester 1 year 2017 known there isn't negative impact caused by CH, such as the result of mill effluent quality testing that conducted periodically has been accordance with the standard qualities set by the government. Interview with environmental agency of Tebo district show that CH has been submit the RKL-RPL implementation report every six month and there isn't negative impact caused by CH.

CH has Opportunity for Improvement ensure about environmental parameters are tested as directed by environmental document, such as testing of water biota (benthos and plankton) for the RKL-RPL report of semester 1 of 2017 hasn't included in report due to delayed of results testing from third party laboratories. **OFI.**

**OFI**  
**5.1.3**

**Status: Comply**

### **5.2**

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

**ensure that they are maintained and/or enhanced**

### 5.2.1

The Company has been conducted HCV assessment for the entire area of operations which done by the RSPO Approve Assessor on 2010 (KILE) and 2011 (SBNA/SBNE). The process of HCV Identification conducted by using HCV identification guides in Indonesia on June 2008. These identifications indicates there is HCV 1.1, 1.2, 1.3, 4.1, and 6 presence on SBNE/SBNA, and KILE. Each HCV areas have been mapped covered areas with following details : SBNE 156.60 ha, SBNA 89.04 ha, and KILE 260.14 ha. HCV identification results also explain the presence of Rare, Threatened, or Endangered (RTE) species according IUCN-Redlist such as *Elephas maximus sumatranus* (gajah sumatera) and *Panthera tigris sumatrana* (harimau sumatera). All of indicates HCV areas was mapped by 1:30,000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape.

### 5.2.2

CH has HCV management plan document period of 2017, the program consist of :

- Riparian area management (HCV boundaries marking and maintaining, marking of chemicals application borders, HCV socialization to surrounded community and workers, planting of erosion control plants and HCV area patrols)
- Management of RTE species
- To conduct species identified protection.
- Implementation of company procedure related to HCV management, such as Number SOP/NP/Smart/IV/LH001 about HCV identification and management, Senior Managing Director Circulation Letter No. 002/SE-SMDOPS/IX/2010 dated September 20<sup>th</sup> 2010.
- HCV monitoring (monitoring of HCV attribute, monitoring of HCV in three monthly basis and monitoring of HCV rehabilitation).

Field visit on HCV area of SBNA block J-11 (Panapalan riparian) and SBNE block J-03 (Api riparian) is HCV 4.1 water catchment areas, known that the company has carried out the management and maintenance of HCV area in accordance with management plan, for example signboard HCV installation and signboard RTE Species and in natural vegetation.

Management of existing HCV area shown reporting patrols for period January to June 2017 is known there is no activity hunting, illegal logging, fires and damage to HCV attributes.

### 5.2.3

Disciplinary action to the employee who catches, hurt and/or collecting RTE species has been explained on document of a RTE protection policy, June 25, 2015 endorsed by President Director of PT Smart.

Training and socialization on RTE species and sanction programmed and conducted routinely, for examples training on 17 January 2017 and 14 March 2017 as many as 53 attendants. Meanwhile, socialization on RTE species to the workers also conducted in time of muster morning including socialization of sanction. It also has been verified during interview with the workers in field and emplacement.

Based on interview with surrounded community, it was state that the CH has conducting socialization on HCV area and protected fauna within estates operational areas which also informed by signboard. Moreover, there were no protected fauna on estate offices and employees housing areas in both SBNE and SBNA.

### 5.2.4 and 5.2.5

Monitoring of RTE species has been conducted routinely (every semester), the monitoring result will be the input in the next monitoring plan. The CH was able to shows evidence of receipt note document of flora and fauna identified in to relevant Agency. Monitoring of RTE species has been conducted routinely, the monitoring result will be input in the next monitoring plan.

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

**Status: Comply**

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

#### 5.3.1

The entire products of waste and its sources have been identified and documented in the identification list document of Environmental Aspects on 2017. The examples of waste products are oil sourced from FFB trucks, emissions/smoke from FFB trucks/CPO, waste sourced from used sacks, emissions/smoke that comes from generators, emissions/smoke coming from the chimney boiler, emissions/smoke coming from EFB fireplace, spilled lubricant /oil sourced from the generator engine, oil drums sourced from the workshop, former battery/former dust cloth/used lamp sourced from materials warehouse, former chemical container from chemical warehouse, effluent that sourced from the former chemical bottles derived from laboratory, effluent that comes from FFB processing, and others. The company has SOP of hazardous waste handling which describe the waste (domestic and hazardous waste) management program, as follows:

- Agrochemical ex-container collected, washed, recorded on the form of agrochemicals containers Log book (F/SMART/LEMS-EHSD/SADV/002/001). All records should be maintained on the provided place.
- Liquid waste (effluent) applied to increase the nutrient in the soil
- Emission controlled by using air pollution controller and tested on accredited lab.
- Domestic waste managed by separated organic and an-organic, organic waste backfilled and an-organic collected to be transported to domestic waste landfill.
- Hazardous waste (used oil, used filter, used battery, contaminated spill kit, used lamp) recorded and stored in the scheduled hazardous waste storage, will be hand over to the licensed transporter.

Field visits in chemical warehouse SBNE and SBMM is known ex-chemicals container be placed to hazardous waste warehouse. Record of hazardous waste management included in report of hazardous waste management which quarterly sent to environment agency, such as report period October to December 2017 submitted January 1 2017 to environmental Agency of District Tebo. The training and socialization to spraying workers, about ex pesticide container disposal is available.

Field visit on FFB processing activities known that effluent product resulting from the processing of FFB. Based on visit in chemical warehouse known that the former packaging chemical products are produced from chemical warehouse. Results of observation on housing known that the waste products generated from household activities is domestic waste and has been managed at landfill and septic tank.

#### 5.3.2

CH conduct an inventory of the waste described in the document Evaluation Aspects of 2017. Several hazardous waste that produce by operational activity in mill and estates such as former pesticide container, former paint cans, ex-fertilizer sacks has been placed in schedule waste storage. Based on field visits in chemical warehouse SBNE and SBNA is known the resulting, former chemicals container be placed to schedule waste storage.

Record management Hazardous Waste, included in reporting management hazardous waste quarter period October to December 2017 addressed to environment agency. The Training And socialization to spraying workers, about ex-pesticide container disposal. All discarded containers of chemicals generated by Estate and Mill, placed in schedule waste storage.

#### 5.3.3

Record management Hazardous Waste, included in reporting management hazardous waste quarter period October to December 2017 addressed to environment agency. Hazardous waste management recorded several documents, consist of:

- Company has Logbook (Hazardous Waste Warehouse) period October to December 2017
- Company has Balance Hazardous waste warehouse reported period October to December 2017
- Company has Agreement Letter, PT Primanru for transporter Hazardous waste
- Company has Agreement Letter, PT Pratama Saoloan Green for transporter medical waste
- Company has shipping manifest Hazardous waste warehouse, period October to December 2017

Base on field visit, was found waste used lamps in the pantry of the SBNE region office and auditor's verification on the spare parts storage, SAP system SBMM, known demand for lamp replacement for SBMM operational. CH needs to make sure related to waste management of used lamps sourced from the operation of the Mill and Estate. **This is OFI number 06 indicator 5.3.3 category minor.**

Based on the results of verification and field observation results January 18<sup>th</sup>, 2018 (**Audit ASA-3**), nonconformance **2017.10** issued 13 January 17 has been closed with evidence :

- The company shows the minute of meeting of the installation of warning at Bengkal Estate on March 1<sup>st</sup>, 2017 which is located cottage I and II, home genset cottage I and II.
- The company shows the minute of meeting of the installation of 1 piece of warning on March 1<sup>st</sup>, 2017 at pondok II Sungai Bengkal Estate.
- The company shows documentation of evidence before and after the domestic waste incineration behind the SBNE Division 1 security post.

### **Infectious Waste**

Base field visit is known medical waste from activities clinic placed in hazardous box (yellow box) and before shipping temporary hazardous waste storage and finally shipping by licensed transporters.

The waste is stored in the Hazardous Waste Storage and subsequently handed over to the carrier company hazardous waste as hazardous waste others management. Infectious waste transported PT Pratama Saoloan Green (transporter permit number 798/AJ.309/DJPD/2016/140711103 BB-0002). Here's proof of transporting infectious waste such as shipping August 21, 2017 Hazardous Waste manifest AWE 0000062 with a weight of 0.0003 tons of infectious waste.

### **Emissions**

From processing operations in Mill also produce waste in the form of air emissions from the boiler chimney activity, and generators, as well as the noise emanating from the operational turbines, generators, polishing drum rotation, nut creeker. The shape management by measuring the air quality and noise on a regular basis, such testing on October 21, 2016. The results of the emission test parameter generator with NO<sub>2</sub>, SO<sub>2</sub>, CO, particulate, opacity, and flow rate in accordance with the quality standards established at Regulation Of Environmental Ministry No. 21 of 2008.

Field visits on the boiler station any a fiber and shell is used as fuel. Remaining fiber shell and placed so did not result in pollution and potential fire.

### **POME**

CH manages the POME generated by SBMM on WWTP ponds, then utilize on land application according regent's decree number 699 year 2014 issued December 31, 2014 valid for 5 years. CH also has testing POME quality every month, accordance Minister Decree environmental agency number 28/2003.

Field visits on WWTP (pump room) known POME water level height has exceeded safety level threshold of POME level in WWTP and no indicator sufficient safety. It is not yet in accordance with WWTP Keeping Work Instruction (IK / SMART / LEMS-EHSD / SADV / 002/2005). Base on field visit on workshop SBNE Still found oil spilled around the workshop area due to operational vehicle repair work outside the space provided, not accordance with SOP of waste management (SOP / SMART / LEMS-EHSD / SADV / I / 002). **This is Non-Compliance 2017.03 with minor category.**

### **Auditor's Verification on February 26, 2018**

#### **1. WWTP**

CH shown evidence

- Decision Letter of operation WWTP emergency Pond Number. 003 / SKU-SBNM / 2018 endorsed by SBNM Head Unit related of technical information on the operation of land application pump and POME level in WWTP Berita acara pengiriman aplikasi limbah cair pada Land Aplikasi yang dilakukan setiap bulan misalnya bulan Januari 2018 yang dibuat 1 Februari 2018 diketahui limbah cair yang dihasilkan dari TBS olah 9.872,72 ton adalah sebesar 5.142 m<sup>3</sup> total limbah yang diaplikasikan ke flatbed LA adalah 12.340 m<sup>3</sup>.
- Environmental Officer has been socialize to WWTP operators a letter of direction, about extension of POME flow to land application as well monitoring level of WWTP for high rainfall condition
- Attendance list of socialization about handling overflows WWTP January 22, 2018. The socialization material is related to routine examination of WWTP conditions and mitigation of overflows.
- Minutes of Installation Re-installation of WWTP level by replace POME indicator level sheath higher than maximum level of



WWTP January 25, 2018. Dokumentasi pengerjaan peninggian parit inlet rumah pompa yang telah selesai pada tanggal 25 Januari 2018.

- Socialization of WWTP Maintenance form (F / SAMRT / LEMS-EHSD / SADV / 002/006) February 14, 2018.
- Program of POME manage period 2018, Management cleaning WWTP, flow meter recording, POME analysis, and POME level recording every month
- Report maintenance of WWTP period 2018, February 12, 2018 known condition of WWTP in good condition. Monitoring indicators such as condition of pond embankments, PPME levels, entry prohibition signs, flow meter (inlet / outlet), collecting trench, and monitoring boards (pH and discharge).
- Minute of emergency pond cleaning event February 22, 2018.
- Socialization of WWTP Maintenance form (F / SAMRT / LEMS-EHSD / SADV / 002/006) February 15 2018.

## 2. Workshop

- Minutes of tractor removal event (TT55) was damaged from the workshop's yard in workshop area January 17, 2018.
- Socialization of hazardous waste management for workshop area, January 18, 2018.
- Workplace monitoring program period 2018, the program consist of monitoring plan in workshop which has been done January 2018.
- Recapitulation of general inspection form (F / SMART / HESS-EHSD / SADV / 016/001), and OHS (SOP / SMART / HESS-EHSD / SADV / I / 016) from estate activities.

### Auditor conclusion February 26, 2018

Based on evidence shown, **Non-Conformity No. 2018.3 is Comply**. The effectiveness of corrected evidence and corrective action will be observe next surveillance.

Field visit on land application block C 03 and C 04 known overflow (run-off) POME. CH showed evidence of improvement in monitoring condition of flatbed land application for the fourth quarter of 2017, based on the monitoring known for POME level in the flatbed at critical point and embankment has silted. CH showed documentation of making LA Bed emergency on block C04 SBNE, making emergency flatbed.

Based on water testing of Betung Bedarah river (upstream & downstream), Sungai Api known result testing of parameter analysis of BOD accordance with KepmenLH No. 28/2003. Base on verification with nearest community village of Betung Bedarah Barat, Muara Kilis, and Rantau Api showed no indication of pollution, from Mill and Estate. This is OFI number 06.

<b>Status: Non-conformance No.2017.03 with minor Category is closed</b>	
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## 5.4

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

Sungai Bengkal Mill already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example use of shells and fiber in December 2017 was 2105 tonne, which produce 227,120 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 0.05 kwh / ton FFB. In December 2017, The energy from direct fossil fuel 8,881 litre / ton FFB afforded 19,102 kWh.

<b>Status: Comply</b>	
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## 5.5

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

#### Major 5.5.1; minor 5.5.2.

The company has policies and procedure land preparation without burning number SOP/SMART/MCAR/IV/TA-PLB dated 12 June 2012. According to landsat map verification before year of 2008 number. Reg: 343/214/PMN/III/12 (SBNE) and Reg: 345/214/PMNP/III/12 (KILE) dated 30 May 2006 (citra landsat 7 ETM+ path/row 126/061) and dated 18 June 2010 (citra landsat 7 ETM+ path/row 126/061). There are no land burning during this period, therefore based on public consultation with Plantation Agency staff in District of Tebo and village representative from Betung Bedarah Barat, Penapalan, and Rantau Api noted that the company does not use fire for land preparing/clearing.

<b>Status: Comply</b>	
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## 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

### 5.6.1

The Company has GHG emission mitigation mechanism (SOP / IMT / GRK document) effective April 5, 2012. Identification of GHG sources has been done, as follows:

- Emissions derived from the consumption of fossil fuels for internal transportation of estate and machinery.
- Emissions derived from the use of fertilizers,
- Emissions derived from the use of pesticides
- Emissions derived from the consumption of fossil fuels at the plant, and the use of factory byproducts.
- Emissions from Palm Oil Mill Effluent.

The management unit has identified the sources of pollution and emissions in the mill and estate.

### 5.6.2

The Company periodically per 6 months has been testing the sources of emissions and pollutants, as indicated by the test results semester 1 year 2017 with test results that are below the threshold. Based on field interviews management SBNA and SBNE that have a fertilization work plan based on recommendations from the company, spraying activity schedule and reduce the use of rat poison. In addition also has a wash facility for spraying equipment.

### 5.6.3

Available proof of delivery of GHG RSPO performances as follows: SBMM, dated September 22, 2017.

#### Summary of Net GHG Emissions periode July 2016 – June 2017:

Emissions per product	tCO <sub>2</sub> e/tProduct	Extraction	%	Production	ton/year
CPO	0.28	OER	33.1	FFB Processed	102415.18
PK	0.28	KER	7.32	CPO Produced	33895.94

OER and KER is high because the extraction calculation of FFB process is derived from FFB own estate, while CPO production data is derived from out growers and own estate.

Land Use	Ha
OP planted area	5291.9
OP Planted on peat	0
Conservation area	26.63

#### Summary of Field Emissions and Sinks

	Own Crop			Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha
<b>Emissions</b>									
Land conversion	39101.84	7.39	0.38	-	-	-	-	-	-
*CO <sub>2</sub> emissions from fertilizer	2702.94	0.62	0.03	-	-	-	-	-	-
**N <sub>2</sub> O emissions	2885.88	0.66	0.02	-	-	-	-	-	-
Fuel consumption	1314.56	0.3	0.01	-	-	-	-	-	-
Peat Oxidation	0	0	0	-	-	-	-	-	-
<b>Sinks</b>									
Crop	-	-9.36	-0.48	-	-	-	-	-	-

sequestration	49541.36								
Conservation Sequestration	0	0	0	-	-	-	-	-	-
<b>Total</b>	<b>4100.540</b>	<b>-0.77</b>	<b>-0.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Summary of Mill Emissions and Credits**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>		
POME	15333.58	0.15
Fuel consumption	348.66	0
Grid Electricity Utilisation	0	0
<b>Credits</b>		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>15682.24</b>	<b>0.15</b>

**Palm oil Mill Effluent (POME) Treatment**

Divert to compost	0
Divert to anaerobic digestion	100

**POME Diverted to Anaerobic Digestion:**

Divert to anaerobic pond	100
Divert to methane capture (flaring)	0
Divert to methane capture (electricity generation)	0

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

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

**6.1.1 & 6.1.2.**

The management of PT Satya Kisma Usaha has document of Social Impact Assessment that also include partnership of Sungai Bengkal KKPA. The assessment process has been done in 2013 and the scope of study are impact of plantation and mill operation to workers and community neighboring of operation area. The assessment and reported was carry out by internal assessment team. These document was explained of negative and positive impact of plantation and mill operation to social aspect. The document has been disseminated on 19 December 2012 and was attended by 48 participants.

**6.1.3.**

Certificate Holder has plans to reduce the negative impact as a result of the CH operations such as:

- Prevention of river water pollution from Mill waste leak every six months.
- Road improvement and maintenance plan into CSR program and its realization every 1 year.

The actions of the social governance plan have been participatory with the community (Betung Barat Village & Betung Timur Village) on October 3<sup>rd</sup>, 2017.

**6.1.4.**

Certificate holder showed the social impact evaluation of the period of 2017 on the operational activities, such as:

- The absorption of manpower by CH is considered to have helped the people's economy, many local people working in the company and applicators pesticide have been receiving routine health check facilities.

- Repairing of access roads is done routinely & the CH has done road improvement regularly and also watering the road especially during dry season or not rain within 3 days.
- Increased employee economic growth due to additional income and facilities & benefits.
- And others.

The actions of the social governance plan have been participatory with the community (Betung Barat Village & Betung Timur Village) on October 3<sup>rd</sup>, 2017.

#### 6.1.5.

Based on interviews with community leaders in Sungai Keruh, Muara Kilis, & Rantau Api who are also farmers in partnership with the company, concerned have been involved in the impact assessment resulting from the company's operations.

**Status: Comply**

### 6.2

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

#### 6.2.1.

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

#### 6.2.2.

Certificate holder shows a letter of appointment of social officer number 110 / PC Jambi / II / 2017 on behalf of SBNM Manager dated November 8<sup>th</sup>, 2017. The appointed PIC is tasked with conducting communication & consultation process with stakeholders. Letter of appointment of social officer number 001 / RC-SKU / I / 2017 on behalf of Estate Manager of SBNE / Plasma dated January 2, 2017. The appointed PIC is tasked with conducting communication & consultation process with stakeholders.

Based on interview with local community of betung Bedarah Barat Village, Muara Kilis Village, and Rantau Api Village, they have known the personnel which is appointed to communicate with them.

#### 6.2.3

Based on interviews with management are known that the certificate holder maintains a list of stakeholders lists including affected local communities. The list of stakeholders is contained stakeholder descriptions, contact names, addresses, phone and descriptions. At the time of the audit activity, CH shows the list of stakeholder such as: government (21 stakeholders), village head (4 stakeholders), joint business cooperatives (5 stakeholders), Worker union (2 stakeholders), employee cooperatives (1 stakeholder), community / 8 stakeholders, gender committees (1 stakeholder), and local contractors (1 stakeholder).

Documentation of Communication & Consultation Documentation Number F / SMART / GENERAL / SADV / 004/001 documented for the period of 2017. For example: Request for transportation assistance for the Independence Day Republic of Indonesia ceremony on August 12<sup>th</sup>, 2017 and has been responded by the CH with lending the transportation.

Based on interview with Head of Betung Bedarah Barat Village its conclusion there is no issue of environmental pollution, CH contributes to village development through CSR program. The company has fully contributed to local development and others.

**Status: Comply**

### 6.3

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

#### Major 6.3.1

The company has the SOP Handling Complaints and Dis-satisfaction no. SOP/SMART/SIGS-CSR/SADV/II/003 that explain the process of delivering and handling complaints and grievances internally and externally. In the SOP also mentioned that the company

guarantees the anonymity of the reporting and the revealer of the case (whistleblower). Head of Administration is responsible for hearing and record all complaints and grievances that exist both orally and in writing from the external. Responses to the complaint and dissatisfaction is given as soon as possible and no later than one month after the issue received. SOP Handling Complaints and Dissatisfaction only up to the enterprise level. Based on interviews with management, if there is no solution in the complaint mechanism, can be brought to the RSPO Complaint System.

**Major 6.3.2**

The whole recording and handling of related complaints recorded in the Monitoring Form Handling Complaints and dissatisfaction. Based on the form is known that during the period of 2017 there were no complaints presented. According to interviews with workers and communities there are no complaints or dissatisfaction of employees and external (community).

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

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

**Major 6.4.1**

PT SKU has had the procedure SOP Compensation for Land No. SOP/NP/SMART/III/D&L001 that identifies the mechanisms to identify and calculate land compensation. In this procedure was explained that the process of identifying the company's land involves the community, the village administration and the government sub district. According to interview with community leader from Betung Bedarah Barat, Penapalan and Rantau Api. There are no land compensation during last year, the latest compensation land on 2005.

**Minor 6.4.2**

The company has FPIC Procedure number SOP/SMART/SENS-CSR/SADV/II/003, part 2.4 was explain about: identification of participatory mapping related to land own to be consider gender, communities leader, local community, ethnic, etc. According to interview with community leader from Betung Bedarah Barat, Penapalan and Rantau Api. There are no land compensation during last year, the latest compensation land on 2005.

**Major 6.4.3.**

The Company keeps documentation of the agreement or compensation with affected parties such as letter revelation of physical mastery, the minutes of the measurement, a statement of ownership, waiver of land, receipts etc. The documents are kept on the Document & Legal (D&L) department.

<b>Status: Comply</b>	
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**6.5**

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

**Major 6.5.1**

The company hired their employee with status monthly rate worker, daily rate worker, peace worker, temporary worker etc.

Company determines minimum wages based on the Government regulation every year, the minimum wages in 2017 as regulated in Jambi Governor Decree dated on 31 October 2016 regarding to minimum wage in Province of Jambi Year of 2017. Minimum wage set by the government is **IDR 2,063,948.63** whereas the value of wages established by the decision of CEO is **IDR 2,095,500/month** (for daily rate worker) and started from **IDR 2,152,100/month** (for lowest grade of monthly rate worker) in force since January 1, 2017 for all permanent workers below of one year work period. While for free labor using **IDR 83,820/man day**. Based on document verification and interview with estates and mill workers that known, the company has paid all wage according to regulation. For example, according to simulation of calculation overtime payment for office clerk in SBNE (3 hours) on November 30<sup>th</sup> 2017 has comply with the regulation.

**Major 6.5.2.**

Labor laws contained in the Collective Labor Agreement BKS PPS (Cooperation Agency of Sumatera Plantations Company) in the period 2015 - 2017 which was approved by the General Director of Industrial Relations and Social Security of Work on June 18, 2015. For example, the regulation regarding to minimum wage, reproduction right etc. In the Collective Labor Agreement discussed

the rules on leave, working defaulters, payment of meal allowance, overtime and overtime wages, provisions on premiums, and others. Each unit has socialized collective agreement to the workers, for example, carried out in Sungai Bengkal Mill on January 14, 2016 and in Sungai Bengkal Estate on 13 January 2016. The results of interviews with estate and mill workers showed that the workers have known about their rights and obligations explained in the collective labor agreement. Based in interview with labour union, the CLA is still valid until the next CLA approved by parties.

**Minor 6.5.3.**

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

**Minor 6.5.4.**

According to field visits and interview with workers on each housing complex SBNE and SBNA showed that the company has been providing employee cooperatives that sell daily necessities to meet the needs of workers. Management through cooperative management always monitoring the prices of sold goods in the cooperative in order to remain affordable for the employees. All employees are also entitled to receive rice under the following conditions:

Item	Worker	Wife/husband not work (maximum 1 person)	Each children (maximum 3 person)
Rice	15 kg	9 kg	7.5 kg

**Status: Comply**
**6.6**

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

**Major 6.6.1 and Minor 6.6.2**

Management has Circular Letter No.: 218/CEO1-SE/11/2010 dated 15 November 2010 explained that the company respect the rules and regulations prevailing in Law No. 21/2000 on Labor union. Based on interview with Labor Union, management provides freedom to all workers to establish labor unions. According to interview with the employee in field, known that whole employee are voluntary and free to join the labor union. The result of an agreement between the labor unions and the company in the form of Collective Labor Agreement which is available in Bahasa and has been implemented by the company.

They also had bipartite council that approved by head of social, labor and transmigration agency of Tebo District since November 30<sup>th</sup> 2016. Based on document verification, bipartite council has attended the meeting regularly. The last meeting has been held on April, August and October 2017.

**Status: Comply**
**6.7**

**Children are not employed or exploited.**

**Major 6.7.1.**

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

**Status: Comply**

**6.8**

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

**Major 6.8.1 and Major 6.8.2**

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

**Minor 6.8.3.**

Based on interview with mill manager, it's known that all worker in mill has been appointed as permanent worker (daily or monthly rate worker. In the other hand, in estate it's known that there are no new appointment of permanent workers during last year. The latest appointment permanent workers has conducted on 2013.

**Status: Comply**

**6.9**

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

**Major 6.9.1 and Major 6.9.2**

The Company has a policy on the prevention of sexual harassment and violence as outlined in circular letter CEO PSM 1 on 2 September 2013. In addition, the company also has a policy to protect the reproductive rights as outlined in the circular Letter dated 4 April 2009. The policies has been disseminated to all workers, such as socialization on 18 August 2017 attended by 16 participants (mill) and socialization on 23 August 2017 attended by 18 participants (estate).

**Minor 6.9.3**

The company has established a gender committee in each unit as an organization to manage the complaints of women workers in the event of sexual harassment and violations of reproductive rights. Interviews with the management committee of gender shows that they already know the duties and responsibilities as the socialization of the complaints mechanism, the socialization of sexual harassment, etc. The company guarantees the anonymity of the reporting and the revealer of the case. Based on interviews with Labor unions and Gender Committee, there is no cases related to abuse or violence.

**Status: Comply**

**6.10**

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

**Minor 6.10.1**

Sungai Bengal Mill receives FFB from nucleus estate (KKPA estates) with fully managed by the company and third parties. The prices were set for FFB of KKPA estates is the price from government, while the FFB prices from third parties referring to the agreement made by both of parties. Based on field observation to weight bridge station (SBNM) showed that prices of FFB from third parties informed in the board that is located at front of weight bridge station. According to interview with FFB suppliers (third parties) that known, there are no issues related to FFB prices.

**Major 6.10.2**

FFB prices for smallholder (SBNA and KILA) are refer to FFB prices that set by local government. Meanwhile, FFB from outside supplier refer to FFB Purchasing Procedure that approved since July 1<sup>st</sup> 2010. Pricing mechanism refer to estimation of FFB quality and extraction.

The company have record of FFB transaction between SBNM and nucleus estate; and also from FFB supplier through Bank transfer. According to interview with head of cooperation Sukma Bersatu and Karya Bersama, that known there are no problem related to monthly payment from the company.

**Minor 6.10.3 & Minor 6.10.4.**



The company have agreement with local contractor (No. SPK/SBNM/XII/2017/039) dated on December 11<sup>th</sup> 2017. All contract was written in Bahasa and clear about rights and obligation both of parties. According to transfer document verification and interview with head of nucleus cooperation, there are no delayed of payments.

**Status: Comply**

#### 6.11

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

##### Minor 6.11.1

The form of the company's contribution to local development is done through realization of CSR to communities around the plantations, uses local contractors for jobs such as FFB transport, buildings etc and has a partnership with the community but management made in full by the company and the community just as the land owner. Some forms of CSR contributions realized during 2017 include assistance aspects of education, road improvements, the social aspects of religion, etc.

##### Minor 6.11.2

The results of document review, interviews and field visits that there is no smallholder schemes within the scope of this certification. There is a community plantation in the PT SKU namely Sungai Bengkal KKPA, but management made in full by the company and the community just as the land owner.

**Status: Comply**

#### 6.12

**No forms of forced or trafficked labour are used.**

##### Major 6.12.1; Minor 6.12.2; Major 6.12.3

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

Based on documents verification list of employees of PT SKU noted that there are no illegal workers, it is supported by interviews with management unit and local contractors, there are no employees was hired illegally. Every worker has work agreement or letters of appointment.

The company considers the job security scheduling system to pay attention to the rotation of the holiday. **OFI**

**OFI Status: Comply**

##### 6.12.1

#### 6.13

**Growers and millers respect human rights**

##### Major 6.13.1.

Policy of Environment and Social GAR were including the human rights for all workers. The company has socializing this policy to all workers and contractor on each unit. For example: SBNE unit has socializing this policy dated February 1<sup>st</sup> 2017 to all workers and local contractor and November 11<sup>th</sup> 2017 in SBNM.

**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 and 7.1.3

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

**Status: Comply**

**7.2**

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

**Major 7.2.1 & minor & 7.2.2**

The certificate holder has a map document and land classification SBNE Registration No. 456/201/PMNP/01/06 presented on a scale of 1: 50,000, a land map in depth of SBNA Registration No. 1037/214/PMNP/VIII/ 4 presented on 1: 50,000 scale, and KILE semi detailed ground map Registration No. 624/214/PMNP/V/14 presented on 1: 35.00 scale, satellite landscape image source 5 ETM, it is known that there is no peat soil type in the area of PT Satya Kisma Usaha. Based on the above (land map) it can be seen that the land suitability class cultivated by the certificate holder (SBNE/A and KILE) is S2 (Fairly Accepted) 62% and S3 (Correct / Marginal) 38.00%, average drainage quite well with the limiting factor is topography / relief.

The result of verification of the document of certificate area owned by the certificate holder is known that SBNE has not cleared the land since 2008, SBNA since 2007 and KILE since 2011. Distribution of planting year consists of planting year 1996 - 2010 and up to the audit activity is the oldest plant age is the year of planting 1996 aged 21 years and the management has not done the preparation for the replanting program.

**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 and 7.3.2**

The document review showed that the company performed land clearing after November 2005 without preceded by the identification of HCV. PT Satya Kisma Usaha has conducted disclosure of liability and LUC analysis in accordance with RSPO template on December 14<sup>th</sup> 2015. Related to the progress of disclosure and LUC analysis, On October 24<sup>th</sup> 2016 company has contacted RSPO, but there is no responses until ASA-2 on going.

CH has reporting the disclosure report and LUCA to RSPO December 7, 2017 for Satya Kisma Usaha unit (SKU-Jambi 2). Based on CB communications January 22, 2018 with RSPO Compensation Panel, CH (SBMM) is given an opportunity to complete the RACP process during grace period given next surveillance (ASA-4).

**7.3.3; 7.3.4 and 7.3.5**

The results of document review, field visits and interviews found that PT SKU did not expand or conduct new planting till the activities of ASA-3.

**Status: Comply**

**7.4**

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

**Minor 7.4.1 & Major 7.4.2**

The certificate holder has a map document and land classification SBNE Registration No. 456/201/PMNP/01/06 presented on a scale of 1: 50,000, a land map in depth of SBNA Registration No. 1037/214/PMNP/VIII/ 4 presented on 1: 50,000 scale, and KILE semi detailed ground map Registration No. 624/214/PMNP/V/14 presented on 1: 35.00 scale, satellite landscape image source 5 ETM, it is known that there is no peat soil type in the area of PT Satya Kisma Usaha. Based on the above (land map) it can be seen that the land suitability class cultivated by the certificate holder (SBNE/A and KILE) is S2 (Fairly Accepted) 62% and S3 (Correct / Marginal) 38.00%, average drainage quite well with the limiting factor is topography / relief.

The result of field observation in SBNE and SBNA is known that to minimize the impact of rainfall erosion, the certificate holders plant Vertiver grass such as in SBNE Block A7, C5 and F2 while for SBNA along the road seen vertiver grass plants are maintained as in Block I5 and J23.

**Status: Comply**

**7.5**

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

through their own representative institutions.

**Major 7.5.1.**

Based on Document review, field visit and interview with the management, PT SKU did not conduct new planting or expand the area after the last assessment (ASA-2).

**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**

Based on Document review, field visit and interview with the management, PT SKU did not conduct new planting or expand the area after the last assessment (ASA-2).

**Status: Comply**

**7.7**

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

**Major 7.7.1 & minor 7.7.2.**

Based on Document review, field visit and interview with the management, PT SKU did not conduct new planting or expand the area after the last assessment (ASA-2).

**Status: Comply**

**7.8**

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

**7.8.1 and 7.8.2**

The management unit does not perform the expansion and development of the plantation after January 1, 2015. The results of the study documents and field visits showed that the distribution of planting year in operation areas consist of 1996-2010.

**Status: Comply**

**PRINCIPLE #8 Commitment to continuous improvement in key areas of activity**
**8.1**

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

**Major 8.1.1.**

The company has internal audit document and the corrective action, for example: internal audit RSPO, ISPO, OHS System, OIA, and others. The management review has conducted to answering all of finding from internal auditor. RSPO and ISPO internal audit was conducted dated 9-13 October 2017.

**Best Management Practices:**

The company has had an annual innovation program in 2017 that has been realized. For instance:

- Three in one crane harvest tool for FFB control.
- Strategy of achieving a standard loose fruit presentation.
- Barn Owl Box shadows.

**Environment:**

The company has implemented commitment to reduce environment impacts on the regular action plan. For example:

- Effluent management and monitoring. WWTP pond management, effluent quality test and report it to Tebo District Environment

Agency.

- Air quality management and monitoring. Road maintenance, air quality test and report it to Tebo District Environment Agency.
- Ground water management and monitoring. Testing ground water quality and report it to Tebo District Environment Agency.
- Hazardous waste management. Storing hazardous waste at the permitted hazardous waste, managing and monitoring hazardous waste.

**SBNE and SBNA**

- Moving dead slow Control Program Stock realization 100% on September.
- Three-in-one tool to control the crop 13% on January 2017.
- Shadow Gupon realization 11% .
- Applications Liquid waste pipe system with inter-bed.
- Tools wiping ply with models flops.

<b>Status: Comply</b>
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## 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>	<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>
	Question: Does the organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products at their premises or through the outsourcers?
	Yes.  Facility has outsource their CSPO and CSPK handles to the third party outsourcers. Whole contract has well documented. Including contract of bulking.
	<b>Status: Comply</b>
<b>5.1.2</b>	<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>
	Question: Is the organization buying from RSPO licensed traders who pass the certification number of the product manufacturer and the applicable supply chain model?
	No.  Facility only processed their own FFB.
	<b>Status: Comply</b>
<b>5.1.3</b>	<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>
	Question: Is the site level or its parent company a member of RSPO and registered on RSPO IT platform?
	<ul style="list-style-type: none"> <li>• RSPO IT Platform member registration number: RSPO_PO 1000001722</li> <li>• Certified CPO sold to each buyer period of 28 February 2017 to 13 January 2018: no certified product sold.</li> <li>• Certified PK sold to each buyer period of 28 February 2017 to 13 January 2018: no certified product sold.</li> </ul>
	<b>Status: Comply</b>
<b>5.1.4</b>	<b>Processing aids do not need to be included within an organization's scope of certification.</b>
	Question: Is the site level or its parent had a processing aids?
	No.  Facility has not using processing aids.
	<b>Status: Comply</b>
<b>5.2</b>	<b>Supply chain model</b>

**5.2.1**

**The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.**

Question: Has the organization applied the Supply Chain Model correctly?

Yes,

Facility has applied Mass Balance (Module E) for mill.

**Status: Comply**

**5.2.2**

**The site can use one (1) or a combination of supply chain models as audited and certified by the CB.**

Question: Has the organization applied a combination of Supply Chain Model correctly?

No.

Facility only applied Mass Balance (Module E) for mill.

**Status: Comply**

**5.3**
**Documented procedures**
**5.3.1**

**The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.**

Questions : Documented procedures established and covering all provisions following:

- Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.
- Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).
- 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.

Sungai Bengkal Mill has had SOP of RSPO Products Supply Chain Mass Balance Module. This procedure describes the parties involved in the process of SCCS, duties and responsibilities of each party, FFB admissions process, weighing the weight / volume, checking the quality of raw material, processing, monitoring the processed products and the products shipment.

Results of interviews with security and weightbridges operator showed that the employee has already known their responsibilities regarding to implementation of supply chain system. Sungai Bengkal Mill can also show the refreshing records of SCCS training conducted on November 10<sup>th</sup> 2016.

**Status: Comply**

**5.3.2**

**The site shall have a written procedure to conduct annual internal audit**

Question :

Documented annual internal audit procedures established and covering all provisions :

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

Yes.

Facility has conducted internal audit on October 2017 and there is no NC's regarding to supply chain implementation.



	<b>Status: Comply</b>
<b>5.4</b>	<b>Purchasing and goods in</b>
<b>5.4.1</b>	<b>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</b>
<p>Question :</p> <p>All RSPO product information is provided by suppliers in accordance with :</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment / delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number</li> <li>• 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).</li> <li>• 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.</li> <li>• 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 (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> <li>• 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.</li> </ul> <p>Based on document verification and interview with head clerk staff who take responsibility for all CSPO and CSPK sales, all purchasing and goods in has been in compliance with the following minimum information for RSPO certified products is made available by the supplier. Entire information regarding to name and address of buyer, name and address of seller, loading shipment/delivery date, date of document issued, supply chain model used, quantity, unique identification number, RSPO IT platform per shipment has been written in monthly report of Sungai Bengkal Mill.</p>	
	<b>Status: Comply</b>
<b>5.4.2</b>	<b>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</b>
<p>Question :</p> <p>Has the organization established mechanism in place for handling non-conforming oil palm products and/or documents?</p>	
<p>No.</p> <p>Facility does not buy oil palm product from other.</p>	
	<b>Status: Comply</b>
<b>5.5</b>	<b>Outsourcing activities</b>
<b>5.5.1</b>	<b>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</b>

**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?**

Facility delivered all palm kernel oil that they produced to the palm kernel crushers (Pelakar KCP – PT. Kresna Duta Agroindo) that has been certified (Certificate No. SQUAL40376 since 13 April 2017).

**Status: Comply**

### **5.5.2**

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

- a. The site has legal ownership of all input material to be included in outsourced processes;
- b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.
- c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.
- d. 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**

Facility has kept the contract of agreement outsourcing activity.

**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?**

Based on document verification and interview with head clerk staff who take responsibility for all CSPO and CSPK sales, all purchasing and goods in has been in compliance with the following minimum information for RSPO certified products is made available by the supplier. Entire information regarding to name and address of buyer, name and address of seller, loading shipment/delivery date, date of document issued, supply chain model used, quantity, unique identification number, RSPO IT platform per shipment has been written in monthly report of Sungai Bengkal Mill.

**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?**

It will verify in the next assessment.

**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;

<ul style="list-style-type: none"> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply chain certificate number of the seller;</li> <li>• A unique identification number.</li> <li>• 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</li> <li>• 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.</li> </ul>	
<p>Based on document verification and interview with head clerk staff who take responsibility for all CSPO and CSPK sales, all purchasing and goods in has been in compliance with the following minimum information for RSPO certified products is made available by the supplier. Entire information regarding to name and address of buyer, name and address of seller, loading shipment/delivery date, date of document issued, supply chain model used, quantity, unique identification number, RSPO IT platform per shipment has been written in monthly report of Sungai Bengkal Mill.</p>	
	<b>Status: Comply</b>
<b>5.7</b>	<b>Registration of transactions</b>
<b>5.7.1</b> <b>Supply chain actors who:</b> <ul style="list-style-type: none"> <li>• are mills, traders, crushers and refineries; and</li> <li>• 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</li> </ul>	
<p>Question :</p> <p>Has the organization registered their transactions in the RSPO IT platform? (mills, traders, crushers and refineries only)</p>	
<p>Facility has registered in palmtrace even there is no transaction of RSPO certified product during this audit.</p>	
	<b>Status: Comply</b>
<b>5.7.2</b> <b>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</b> <ul style="list-style-type: none"> <li>• <b>Shipping Announcement / Announcement:</b> 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.</li> <li>• <b>Trace:</b> 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.</li> <li>• <b>Remove:</b> RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>• <b>Confirm:</b> Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	
<p>Question :</p> <p>Did the organization correctly perform the applicable actions on RSPO IT Platform?</p>	
<p>There is no transaction of RSPO certified product during this audit.</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>	
Question : Has the organization established RSPO training plan?	
Yes, facility has organized RSPO training plan annually to all staff.	
	<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>	
Question : Has the organization Delivered Effective RSPO training?	
Yes, facility has organized RSPO training plan annually to all supply chain officer.	
	<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>	
Question : All records are accurate, complete, up-to-date and accessible?	
Yes, whole record of transaction has update and accessible in mill.	
	<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>	
Question : All records are kept for minimum two years and comply with legal and regulatory requirements?	
Based on the procedure, are record kept for 2 years.	
	<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>	
Question : For all palm oil / palm kernel oil volumes purchased (input) and claimed (output) records kept over a period of twelve (12) months.?	
Yes.	
Facility estimated their palm product which is written in annex of ASA-2 certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.	
	<b>Status: Comply</b>
<b>5.10</b>	<b>Conversion factors</b>
<b>5.10.1</b> <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</b>	

be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ([www.rspo.org](http://www.rspo.org)); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries

Question :

Conversion rates applied accurately?

No.

Facility did not using conversion rate.

**Status: Comply**

#### 5.10.2

**Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.**

Question :

Conversion rates periodically updated?

No.

Facility did not using conversion rate.

**Status: Comply**

#### 5.11

##### Claims

##### 5.11.1

**The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.**

Question :

Any communication to any stakeholder group / customers issued in accordance with RSPO Rules on Market Communications and Claims?

No.

Facility did not using logo during communication with stakeholder / customer.

**Status: Comply**

#### 5.12

##### Complaints

##### 5.12.1

**The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.**

Question :

Documented procedures for stakeholders complaints established?

Yes.

Facility has had documented procedures for stakeholders complaints.

**Status: Comply**

#### 5.13

##### Management review

##### 5.13.1

**The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken**

Question :

Management reviews performed annually at planned intervals?



Yes, the last management review is after internal audit on October 2017.	
	<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> Has all input required above has been included in the management review?	
Not applicable at this moment.  It will be verify in the next assessment (ASA-4).	
	<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> Has all output required above has been included in the management review?	
Not applicable at this moment.  It will be verify in the next assessment (ASA-4).	
	<b>Status: Comply</b>

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

Clause	Requirement												
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.													
SCSS module used in Sungai Bengkal Mill is Mass Balance (MB), because the mill receives FFB from the estate that has been certified by RSPO and non-certified RSPO. Source or supplier of FFB received by the mill can be classified into three categories: Nucleus estates, KKPA which are managed by the company and suppliers / third parties.													
	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.													
Estimates of CPO and PK generated by Sungai Bengkal Mill have been noted in the report ASA-2 RSPO.													
	<table><tr><th>Product</th><th>Estimated in certificate (Ton)</th><th>Realization until January 13<sup>th</sup> 2018 (Ton)</th></tr><tr><td>FFB</td><td>116,228</td><td>62,384</td></tr><tr><td>CPO</td><td>26,732</td><td>14,348</td></tr><tr><td>PK</td><td>6,102</td><td>3,119</td></tr></table>	Product	Estimated in certificate (Ton)	Realization until January 13 <sup>th</sup> 2018 (Ton)	FFB	116,228	62,384	CPO	26,732	14,348	PK	6,102	3,119
Product	Estimated in certificate (Ton)	Realization until January 13 <sup>th</sup> 2018 (Ton)											
FFB	116,228	62,384											
CPO	26,732	14,348											
PK	6,102	3,119											
	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).													
<ul style="list-style-type: none"><li>• RSPO IT Platform member registration number: RSPO_PO 1000001722</li><li>• Certified CPO sold to each buyer period of 28 February 2017 to 13 January 2018: no certified product sold.</li><li>• Certified PK sold to each buyer period of 28 February 2017 to 13 January 2018: no certified product sold.</li></ul>													
	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:													
<ul style="list-style-type: none"><li>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</li><li>b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</li></ul>													
Sungai Bengkal Mill has had SOP of RSPO Products Supply Chain Mass Balance Module. This procedure describes the parties involved in the process of SCCS, duties and responsibilities of each party, FFB admissions process, weighing the weight / volume, checking the quality of raw material, processing, monitoring the processed products and the products shipment.													

Results of interviews with security and weightbridges operator showed that the employee has already known their responsibilities regarding to implementation of supply chain system. Sungai Bengkal Mill can also show the refreshing records of SCCS training conducted on November 10<sup>th</sup> 2016.

**Status: Comply**

### E.3.2

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

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

No.	Supplier Name	Supplier Code
Own Estate		
1.	Sungai Bengkal Estate	SBNE
2.	Sungai Bengkal Plasma	SBNA
3.	Muara Kilis Estate	KILE
Third Parties		
1.	PT. Citra Mulia Manunggal	CMMX
2.	Alex Nelson Sianipar	ANSX
3.	Osman Malau	OSMX
4.	Satu Kosong Lima	SKLX
5.	Benture Sinurat	BSNX
6.	PT. Tebo Indah	TEIX
7.	Velindo Aneka Tani	VATX
8.	Nur Hikmah	NHKX
9.	Bintang Selatan Agro	BSAX
10.	PT. Persada Alam Hijau	PAHX

Weight bridge operator says that all supplier has been registered in system. It means outsider supplier or unregistered supplier cannot accept in mill.

**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.**

Estimates of CPO and PK generated by Sungai Bengkal Mill have been noted in the report ASA-2 RSPO.

Product	Estimated in certificate (Ton)	Realization until January 13 <sup>th</sup> 2018 (Ton)
FFB	116,228	62,384
CPO	26,732	14,348
PK	6,102	3,119

FFB certified has been verified in delivery note and recapitulated every day. For example, the mill staff shows FFB delivery note and weight bridge ticket as follows:

**Certified Raw Material**

- FFB Delivery Note Serial No: 17622; unit ID B 9132 PDD; Division 1 SBNE; Complex B-06; Block A13 bunches; 617 kg; dated on 12 January 2018. Stamped with certified ID of ISSC.
- Weight bridge ticket: S151 SBNM P 14014; Sungai Bengkal Estate; Division 1; dated on 9 January 2017; net weight 7,290 Kg.

**Non Certified Raw Material**

- FFB Delivery Note Serial No: 14; Supplier: Supplier Osman Malau (OSMX); unit ID BH 8482 HY; 170 bunches; dated on 12 January 2018. Not stamped with certified ID.
- Weight bridge ticket: S151 SBNM P 13971; dated on 12 January 2018; net weight 4,720 Kg.

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

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

Sungai Bengkal Mill has recorded every acceptance of FFB, CPO production and PK production. The document verification results in the period of 28 February 2017 to 13 January 2018 showed that the production of RSPO certified products does not exceed the projected, that is:

Product	Estimated in certificate (Ton)	Realization until January 13 <sup>th</sup> 2018 (Ton)	Variant (Ton)
FFB	116,228	62,384	53,844
CPO	26,732	14,348	12,384
PK	6,102	3,119	2,983

Through the table above concluded that the mill has had the remaining quota to produce certified product during the remaining the certificate period.

**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.)

Sungai Bengkal Mill has had a monthly report which describes about FFB Acceptance, CPO Production, PK Production, CPO Shipping, PK Shipping and product stocks. During the period of 28 February 2017 – 13 January 2018 there are no shipping of CSPO and CSPK. The following is a product shipment data from Sungai Bengkal Mill:

Period	CSPO Delivery (ton)			PK Delivery (ton)		
	RSPO	Uncertified	ISCC	RSPO	Uncertified	ISCC
28 February 2017	-	31.15	73.31	-	71.13	-
March 2017	-	883.94	2,074.13	-	402.45	-
April 2017	-	737.05	1,750.97	-	680.47	-
May 2017	-	566.63	1,729.74	-	468.65	-
June 2017	-	641.07	811.12	-	568.32	-

July 2017	-	665.83	2,076.12	-	645.41	-
August 2017	-	982.710	1,401.43	-	652.22	-
September 2017	-	1,006.57	1,403.43	-	487.64	-
October 2017	-	1,084.79	1,699.23	-	757.26	-
November 2017	-	911.56	1,529.27	-	775.87	-
December 2017	-	885.58	1,457.71	-	637.16	-
1 – 13 January 2018	-	763.17	713.49	-	316.80	-
<b>Total</b>	-	<b>9,178.32</b>	<b>16,719.95</b>	-	<b>6,463.65</b>	-

Note: SBNM and its supply bases also ISCC certified. Scope of certification ISCC wider than RSPO.

The company has showed certified CPO/PK delivery document as follows:

- **CPO**

1. Delivery note No. 1350/CPO/TT/18/01/4157; date 12 January 2018; Contract No: 1350/CPO/1350/18/T001; Net weight: 24,450 kg; Vehicle No: BH 8154 SJ; Transporter PT. Satrindo Jaya Agropalma.
2. Weightbridge card: S151 SBNM P 13977; Transporter PT. Satrindo Jaya Agropalma; dated on 12 January 2018; net weight 24,450 Kg.

- **PK**

1. Delivery note No. 1350/KER/LK/18/01/4155; date 12 January 2018; Contract No: 1153/KER/1350/18/L001; Net weight: 20,100 kg; Vehicle No: BH 8068 CU; Transporter Jumawarzi.
2. Weightbridge card: S151 SBNM P 13972; Transporter Jumawarzi.; dated on 12 January 2018; Net weight 20,100 Kg.

Both of delivery document attributed with ISCC stamp.

**Status: Comply**

#### **E.5.2**

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

Sungai Bengkal Mill is delivered all palm kernel oil that they produced to the palm kernel crushers (Pelakar KCP – PT. Kresna Duta Agroindo) that has been certified (Certificate No. SQUAL40376 since 13 April 2017).

**Status: Comply**

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



<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-3</b>	The company has certified no certificate: MUTU-RSPO/052.	√
	<b>Status: Comply</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-3</b>	The company does not use RSPO logo.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA-3</b>	The company does not use RSPO logo.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-3</b>	The company does not use RSPO logo.	√
	<b>Status: Comply</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 March – 01 April 2016</li> <li>- PT Sawit Mas Sejahtera (Sungai Kikim and supply base), monitoring via SPO Scorecard online.</li> </ul>

		<ul style="list-style-type: none"> <li>- PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) 28 March – 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> 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> </ul>

		<ul style="list-style-type: none"> <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> 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> 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> <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</p>

		<p>complaints workers before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/I/003.</p> <p>Procedures related employee issues is arranged in the form of internal grooves for employees included in the 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/I/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p><b>Auditor Verification:</b> Land legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> <li>- PT Paramitra Internusa Pratama (Belian Mill and supply base), still in the process of Committee B and the company has got plantation business permit (IUP)</li> <li>- PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance.</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base) and PT Adi Tunggal Mahajaya (Sako Mill) doesn't have Land Use Title (HGU).</li> <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</li> </ul>

		<p>(419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha)</p> <ul style="list-style-type: none"> <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-2 RSPO.

NCR No.	: 2017.02	Issued by	: Rizliani Aprianita Hasibuan
Date Issued	: 13 January 2017	Time Limit	: ASA 3
NC Grade	: Minor	Date of Closing	: 18 January 2018
Standard Ref. & Requirement	: 2.1.4 A system for tracking any changes in the law shall be implemented		
Non-Conformance Description & Evidence observed (filled by auditor):			
Based on document verification of regulations and other requirements and document list of rules and regulations, the company has a system that records every change in the law. However, the change in the law has not completely been refurbished. For example. Regulation no. 78 2015 on Equal Remuneration, Jambi Governor Regulation No. 6 of 2011 related to local taxes for surface water.			
Root Cause Analysis (filled by organization audited):			
The company is committed to comply with all regulation, however there are several regulation which no include to the document of regulation evaluation book.			
Correction (filled by organization audited):			
Updating the evaluation document regarding to latest regulation			
Corrective Action (filled by organization audited):			
Updating the evaluation documents of regulatory compliance on a regular basis. The PIC conducting the evaluation in accordance with the SOP of Compliance and Other Requirements (SOP / SMART / GENERAL / SADV / I / 002) is SPO Officer and guiding committee of occupational safety & health Secretary. The time frame is done at least once a year or when the latest regulatory updates are received. Will coordinate with the SPO Region and PCDV to update the regulation.			
Assessor Evaluation and Conclusion (filled by auditor):			
Verification on 20 February 2017			
The company was show evaluation of regulation result on the worker welfare, plantation permit, and environment aspects. Based on evaluation results, there are Government Regulation No. 78 year of 2015 about payment and also Jambi Governor Regulation No. 6 year of 2011 about local taxes for surface water.			
Observation January 18, 2018			
The Company has indicated the list of compliance and evaluation of compliance regulations reviewed by SPO Officer, among others:			
<ul style="list-style-type: none"><li>Fulfillment of the Employment Regulation as many as 61 regulations, the regulations are updated in January 2018 which explains the Regulation Number, validity date, article, requirements, implementation / documentation, status.</li><li>Regulatory Compliance 57 regulations consisting of (9) EIA, (2) management of hazardous material, (10) management of hazardous waste, (2) solid waste management, (14) control of water &amp; soil pollution, (10) air</li></ul>			

pollution control & fixed source disturbance, (3) energy efficiency, and (7) other regulations explaining regulatory numbers, valid dates, articles, requirements, implementation / documentation, status.

- Regulation compliance of permits for plantation land 30 regulations consist of Law no. 5 of 1960, Law No.39 of 2014, Law No.41 of 1999, Law no. 12 years about the cultivation system, Regulation number No.26 of 2008, Regulation No.24 of 1997, Government Regulation No.40 of 1996 and others explaining the Regulation Number, validity date, article, requirements, implementation / documentation, status.
- Fullfillment of HCV 25 regulations consisted of Presidential Decree No.43 of 1978, Law no. 5 Year 1990, PP No.7 Year 1999, Law No.41 Year 1991, Law No.18 Year 2013 and others explaining Regulation number, validity date, article, requirement, implementation / documentation, status.

**Auditor conclusion on January 18, 2018**

Based on the above explanation, then this nonconformance has been fulfilled.

**Verified by** : **Brigitta Prita**

NCR No.	: 2017.05	Issued by	: Steve Mualim
Date Issued	: 13 January 2017	Time Limit	: 20 March 2018
NC Grade	: Minor	Date of Closing	: 18 January 2018
Standard Ref. & Requirement	4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> : Has not provided evidence of monitoring for the use of agrochemical packaging in the warehouse division of each of unit that could potentially lead to the use of used agrochemical packaging is not traceable.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> : The company is committed not to use ex-chemical containers for others activity, however there are employees which using ex-chemical containers.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> : The company was disposed ex-chemical containers to the schedule waste.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> : <ul style="list-style-type: none"><li>• The Manager makes a letter of affirmation to all division assistants to ensure that all agrochemical packaging from the division must be recorded in the Log Book of Chemical Packaging. In the letter of affirmation is also ordered to all assistant divisions to socialize to employees not to use the former packaging of agrochemicals.</li><li>• Socialization to employees regarding the prohibition of using chemical packaging for activities outside the agrochemical application activities. Activities are conducted at the morning apple by the foreman.</li></ul>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> :  <b>Verification, February 20<sup>th</sup>, 2017.</b> The Company shows the minutes of Withdrawal of ex-pesticide packaging in Division I KILE on January 10 <sup>th</sup> , 2017;			

besides that, socialization of agrochemical waste management was also conducted on January 11<sup>th</sup>, 2017 to employees in SBNE.

**Verification, January 18<sup>th</sup>, 2018.**

Sungai Bengkal Estate

The Company shows the monitoring of package of pesticide from the central warehouse unit of Bengkal estate river for the period of January to December 2017. Details monitoring of pesticide packaging include:

- Packaging Roll up January of 34 pcs, carried by freight transporter transporter on March 13<sup>th</sup>, 2017.
- Packaging Roll up month April - October 2017 as much as 45 pcs, carried by lisenced transporter on October 10<sup>th</sup>, 2017.
- Stock Packaging Roll up stored at hazardous waste warehouse Bengkal River estate 65 pieces.

Records monitoring the utilization of used pesticide packaging during 2017 have been well monitored.

**Muara Kilis Estate**

The company shows monitoring of expenditure of ex-pallet gallon from Muara Bengkal Estate's central warehouse unit for the period of January to December 2017. The company shows the news of re-packaging of pesticide packaging, such as:

- Re-use of packaging Roll up month on June 30<sup>th</sup>, 2017 as much as 14 pcs utilized for pesticide cultivation to division I KILE.
- Re-use of packaging Roll up month on November 30<sup>th</sup>, 2017 as much as 12 pcs utilized for pesticide transported to division I KILE.
- The company also demonstrates monitoring of optimization of ex-peppered rinsing water, reused for Harvesting path and Fruit Collecting Point.

**Auditor's Conclusion January 18<sup>th</sup>, 2018.**

Based on the evidence of improvement that has been demonstrated, this discrepancy is stated to have been fulfilled.

<b>Verified by</b>	:	<b>Radytio Puspanjana</b>
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NCR No.	: 2017.08	Issued by	: Trismadi Nurbayuto
Date Issued	: 13 January 2017	Time Limit	: ASA-3
NC Grade	: minor	Date of Closing	: 20 February 2018
Standard Ref. & Requirement	4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Record of all accidents shall be kept and periodically reviewed.		
Non-Conformance Description & Evidence observed (filled by auditor)::  According to field observations to generator room in housing complex 2 KILE, KILE Office, and Water Treatment Plant SBNM showed that all fire extinguisher were under pressure indication.			
Root Cause Analysis (filled by organization audited): There are mechanism to ensure that all of fire extinguisher on stand by condition according to SOPSMARTHESS-			

EHSDSADVI013 – about fire extinguisher plan and use procedure, however the officer who checking was slipshod in monitoring activity.

**Corrective Action** *(filled by organization audited):*

The company has been changed the fire extinguisher in the warehouse of KILE and SBNM.

**Preventive Action** *(filled by organization audited):*

Confirmation letter from Estate Manager to all officers which monitor the fire extinguisher conditions.

**Assessor Evaluation and Conclusion** *(filled by auditor):*

Evaluation of the Assessors and Conclusions (completed by the auditor):

Verification, February 20<sup>th</sup>, 2017

- The Company shall show the fire extinguisher Replacement Report on January 11<sup>th</sup>, 2017 in the Main Office and Genset House 2 KILE / A.
- The Company shall show the Minutes of Replacement of fire extinguisher at WTP Mill dated January 16<sup>th</sup>, 2017.

**Verification, January 18<sup>th</sup>, 2018.**

Location Water Treatment Plant.

The Company shows a letter of warning given to the SPO Officer of the SBNM unit dated January 16, 2018. This warning Letter explains that the officer should not repeat the matter and become the officer's motivation to improve the discipline and thoroughness in performing each job.

**Location KILE.**

The company shows the minutes of goods release event (fire extinguisher) dated January 11, 2017 as much as 3 goods to complement and replace the need for low-pressure fire extinguisher in the main office and Genset house 2. Available minutes of warning letter to the Officer dated January 13, 2017. This letter of warning is approved by Estate Manager.

**Auditor conclusion on January 18, 2018**

Based on the above explanation, then this nonconformance has been fulfilled

**Verified by** : Trismadi Nurbayuto

NCR No.	: 2017.10	Issued by	: Steve Mualim
Date Issued	: 13 January 2017	Time Limit	: 20 March 2018
NC Grade	: Minor	Date of Closing	: 18 January 2018
Standard Ref. & Requirement	5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.		
Non-Conformance Description & Evidence observed (filled by auditor):: The field visits found there were indications of a former domestic waste burning behind the security post Division I SBNE, housing complex 1 and 2 Kile. It is not in accordance with waste management procedures SOP / SMART / LEMS-EHSD / SADV / I / 2012.			
Root Cause Analysis (filled by organization audited): Lack of knowledges of employee related to environment hygiene and prohibiton of waste burnings.			
Corrective Action (filled by organization audited): Socializing to all security team and all of employees in housing complex 1 and 2 of KILE.			

**Preventive Action** *(filled by organization audited):*

There are program Friday cleans, to separating organic waste and an-organic waste to prevent waste burning by employees.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Verification on 20 February 2017**

The company was showing evidences:

1. Minutes of cleaning residual waste burning on surrounding of security post dated 11 January 2017, and also minutes of socialization to all security related to prohibition of waste burning.
2. Minutes of socialization to all employees in KILE/A housing complexes dated 13 January 2017 related to prohibition of waste burning and agrochemical waste handling.

**Verify January 18<sup>th</sup>, 2018.**

- The company shows the minute of meeting of the installation of warning at Bengkal Estate on March 1<sup>st</sup>, 2017 which is located cottage I and II, home genset cottage I and II.
- The company shows the minute of meeting of the installation of 1 piece of warning on March 1<sup>st</sup>, 2017 at pondok II Sungai Bengkal Estate.
- The company shows documentation of evidence before and after the domestic waste incineration behind the SBNE Division 1 security post.

**Auditor's conclusion January 18<sup>th</sup>, 2018.**

Based on the results of verification and field observation results, this nonconformance has been closed.

**Verified by** : **Radytio Puspanjana**

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

<b>NCR No.</b>	<b>: 2018.1</b>	<b>Issued by</b>	<b>: Brigitta Prita</b>
<b>Date Issued</b>	<b>: 19 January 2018</b>	<b>Time Limit</b>	<b>: 20 March 2018</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 22 February 2018</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.1.1</b> <b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  Based on the document review, it is known that the certificate and license of OHS Wheel Loader in SBNM has expired on December 21 <sup>st</sup> , 2017. CH has not yet presented evidence of application for extension to the Jambi Provincial Social Service of Labor and Transmigration. This is not yet in accordance with the Ministerial Decree No.9 Year 2010 concerning Operators Aircraft Lift & Transport.			
<b>Root Cause Analysis (filled by organization audited):</b> Certificate Holder already has a SOP on the Compliance of Legislation and Other Requirements (SOP / SMART / GENERAL / SADV / I / 002) which regulates regulatory compliance evaluation every 1 year including Regulation of the minister of labor No.9 Year 2010, but there is no monitoring system apply licenses Operator as required in the regulation.			
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• SPO Officer make monitoring document of license Operator of Sungai Bengkal Mill.</li> <li>• SPO Officer applying for extension of license Operator on behalf Muhammad Muaz to the Ministry of Manpower of the Republic of Indonesia.</li> </ul>			
<b>Corrective Action (filled by organization audited):</b>  Certificate holder will make a regulatory compliance monitoring system automatically through the GSIS (GAR Sustainability Information System) program.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Evaluation, January 29<sup>th</sup> 2018.</b> Certificate Holder has presented additional evidence in the form of: <ul style="list-style-type: none"> <li>• Monitoring of licenses Operator of River Bengkal Mill.</li> <li>• Receipt of extension document of operator Wheel loader on behalf Muhammad Muaz on January 22, 2018 (receipt signed by staff of OHS labor representative without stamp).</li> </ul> <p>Based on the additional document, basically the evidence of improvement shown is acceptable. However, the above facts remain a nonconformance because the documents are sent after the conclusion of the audit (closing meeting). Please complete the root of the cause, corrective action and preventive action.</p>			
<b>Verification February 22<sup>nd</sup>, 2018.</b> The management unit has showed a screen shot of the GAR Sustainability Information System (GSIS) which showed the monitoring database of machine and equipment permits and permits for employee competency certification in each work unit. From the database it is known that the management unit has a system to monitor employee			



competency data, including ensuring the validity of certification of competence owned by each employee.

**Auditor's conclusion February 22<sup>nd</sup>, 2018.**

Based on evidence of improvement that has been shown above, this nonconformance is stated Closed with Observation. The document resulting from the licenses Operator renewal process will become a further verified section by the ASA-4 auditor team.

**Verified by** : **Andi Pratama Pasaribu**

<b>NCR No.</b>	<b>2018.2</b>	<b>Issued by</b>	<b>Andi Pratama Pasaribu</b>
<b>Date Issued</b>	<b>19 January 2018</b>	<b>Time Limit</b>	<b>Surveillance – 4</b>
<b>NC Grade</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>26 Februari 2018</b>
<b>Standard Ref. &amp; Requirement</b>	<b>4.7.6.</b> <b>All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</b>		

**Non-Conformance Description & Evidence observed** *(filled by auditor):*

**Health and labor social insurance**

Based on field visits and interviews with FFB loader workers at loading ramp, obtained information that there is FFB loader supplier worker. Has been shown to the auditor evidence of Collective labor agreement in the form of Work Order No. 001 / SBNM / SPK-LK / 1 / 2018 (valid from 1 January to 30 June 2018) where in Article 4 – Labor social insurance there is a worker's acceptance clause to include its workers in Labor social insurance program. However, the results of the document review indicate that it has not been proven that workers have been included in the health and labor social insurance program.

**Root Cause Analysis** *(filled by organization audited):*

Certificate Holder has not understood yet regarding to health and labor social insurance obligation for his employee.

**Correction** *(filled by organization audited):*

Certificate Holder facilitates the contractor for consultation or registration of its employee to the health and labor social agencies.

**Corrective Action** *(filled by organization audited):*

Certificate Holder conducted socialization to the contractor regarding to registration of whole employee into the health and labor social insurance program. As written in the contractor's monitoring procedure, Unit Head shall monitoring and evaluating all contractors especially in order to registrating their employee to the health and labor social insurance program.

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**Auditor's verification on 26 Februari 2018**

The company has show several corrective evidence as follows:

- Application of health and labor social insurance program of contractor's employee (FFB unloading) to the health and labor social insurance agencies of Muara Bungo on February 21<sup>st</sup> 2018.

- Name list of contractor's employee (FFB unloading) that has been verify by head clerk and mill manager on February 21<sup>st</sup> 2018.
- Minutes of meeting of health and labor social insurance program in meeting room of SBNM to all contractor's employee (20 person). The socialization consisting information regarding to health and labor social insurance program, monthly contribution of it program and obligation to all contractor to ensure all of his employee has been registered in health and labor social insurance program.

**Auditor's conclusion on 26 Februari 2018.**

Based on corrective action that has been shown, this non conformity stated as **Closed with Observation**, its efectivity will verify in the next assessent (ASA-4).

<b>Verified by</b>	:	<b>Radytio Puspanjana/Andi Pratama Pasaribu</b>
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NCR No.	: 2018.3	Issued by	: Radytio Puspanjana
Date Issued	: 19 January 2018	Time Limit	: Surveillance – 4
NC Grade	: Minor	Date of Closing	: 26 Februari 2018
Standard Ref. & Requirement	: 5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.		
Non-Conformance Description & Evidence observed (filled by auditor):			
Implementation of waste management plan has not implemented yet <ul style="list-style-type: none"><li>Field visits on WWTP (pump room) known POME water level height has exceeded safety level threshold of POME level in WWTP and no indicator sufficient safety. It is not yet in accordance with WWTP Keeping Work Instruction (IK / SMART / LEMS-EHSD / SADV / 002/2005)</li><li>Base on field visit on workshop SBNE Still found oil spilled around the workshop area due to operational vehicle repair work outside the space provided.</li></ul>			
Root Cause Analysis (filled by organization audited):			
1. WWTP <ul style="list-style-type: none"><li>Weather conditions with high rainfall caused POME in WWTP above embankment top level</li><li>Increased POME level due high rainfall in WWTP, indicator level POME be damaged.</li><li>Environmental Officer hasn't understood related of POME level monitoring in accordance with Form WWTP Maintenance (F / SAMRT / LEMS-EHSD / SADV / 002/006).</li></ul>			
2. Workshop <p>CH already has vehicle repair area in workshop, but the mechanics hasn't understood potential environmental impacts arising from vehicle repair activities.</p>			
Correction (filled by organization audited):			
1. WWTP <ul style="list-style-type: none"><li>Environmental Officer has been socialize to WWTP operators a letter of direction, about extension of POME flow to land application as well monitoring level of WWTP for high rainfall condition</li><li>SPO Officer issued Minutes of Installation of POME indicator level in WWTP</li><li>Repair trench inlet and container POME in pump house.</li></ul>			

- d. Socialization of WWTP Maintenance form (F / SAMRT / LEMS-EHSD / SADV / 002/006).

## 2. Workshop

The mechanic head move the heavy equipment (tracktor) that is being repaired to workshop area

### **Corrective Action** (filled by organization audited):

#### 1. WWTP

- Environmental Officer has monitoring program to WWTP and conducted monitoring Maintenance WWTP every month
- Stream POME into an emergency pond if POME level exceeds the limit in high rainfall conditions until low level.
- Socialization of WWTP maintenance procedure's (IK/SMART/LEMS-EHSD/SADV/002/005).
- Socialization of emergency procedure's response (SOP/SMART/UMUM/SADV/II/005).
- Program of repair embankment WWTP

#### 2. Workshop

- The engineering officer conducts inspections in workshop area, using the General Inspection Form F / SMART / HESS-EHSD / SADV / 016/001 and OHS procedures (SOP / SMART / HESS-EHSD / SADV / I / 016).
- Enviro Officer and technical assistant to socialize SOP of Waste Management (SOP / SMART / LEMS-EHSD / SADV / I / 002) to workshop employees

### **Assessor Evaluation and Conclusion** (filled by auditor):

#### **Auditor's Verification on February 26, 2018**

##### 1. WWTP

CH shown evidence

- Decision Letter of operation WWTP emergency Pond Number. 003 / SKU-SBNM / 2018 endorsed by SBNM Head Unit related of technical information on the operation of land application pump and POME level in WWTP Berita acara pengiriman aplikasi limbah cair pada Land Aplikasi yang dilakukan setiap bulan misalnya bulan Januari 2018 yang dibuat 1 Februari 2018 diketahui limbah cair yang dihasilkan dari TBS olah 9.872,72 ton adalah sebesar 5.142 m<sup>3</sup> total limbah yang diaplikasikan ke flatbed LA adalah 12.340 m<sup>3</sup>.
- Environmental Officer has been socialize to WWTP operators a letter of direction, about extension of POME flow to land application as well monitoring level of WWTP for high rainfall condition
- Attendance list of socialization about handling overflows WWTP January 22, 2018. The socialization material is related to routine examination of WWTP conditions and mitigation of overflows.
- Minutes of Installation Re-installation of WWTP level by replace POME indicator level sheath higher than maximum level of WWTP January 25, 2018. Dokumentasi pengerjaan peninggian parit inlet rumah pompa yang telah selesai pada tanggal 25 Januari 2018.
- Socialization of WWTP Maintenance form (F / SAMRT / LEMS-EHSD / SADV / 002/006) February 14, 2018.
- Program of POME manage period 2018, Management cleaning WWTP, flow meter recording, POME analysis, and POME level recording every month
- Report maintenance of WWTP period 2018, February 12, 2018 known condition of WWTP in good condition. Monitoring indicators such as condition of pond embankments, PPME levels, entry prohibition signs, flow meter (inlet / outlet), collecting trench, and monitoring boards (pH and discharge).
- Minute of emergency pond cleaning event February 22, 2018.
- Socialization of WWTP Maintenance form (F / SAMRT / LEMS-EHSD / SADV / 002/006) February 15 2018.

##### 2. Workshop

- Minutes of tractor removal event (TT55) was damaged from the workshop's yard in workshop area January 17, 2018.
- Socialization of hazardous waste management for workshop area, January 18, 2018.
- Workplace monitoring program period 2018, the program consist of monitoring plan in workshop which has been done January 2018.

- Recapitulation of general inspection form (F / SMART / HESS-EHSD / SADV / 016/001), and OHS (SOP / SMART / HESS-EHSD / SADV / I / 016) from estate activities.

Auditor conclusion February 26, 2018

Based on evidence shown, **Non-Conformity No. 2018.3 is Comply**. The effectiveness of corrected evidence and corrective action will be observe next surveillance.

<b>Verified by</b>	<b>:</b>	<b>Radytio Puspanjana</b>
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**3.5.3 Opportunity for Improvement**

No	Ref. Std.	Description
1	4.1.1	Opportunities to ensure the quality of transport of FFB and lose fruit in accordance with the procedures already owned.
2	4.3.3	The Company has the opportunity to ensure road repairs in the low-lying areas.
3	4.7.4.	Management of Legalization of guiding committee of occupational safety & health (SBNE / SBNA & SBNM) to the Office of Manpower and Transmigration of Jambi Province <b>(Observation)</b> .
4	4.7.5	The Company has the opportunity to ensure the effectiveness of the emergency response system is working properly and first aid box monitoring is sufficient.
5	5.1.3	The company has the opportunity to ensure that environmental parameters are tested according to the environmental documentation <b>(Observation)</b> .
6.	6.12.1	The company considers the job security scheduling system to pay attention to the rotation of the holiday.

**i. Noteworthy Positive Components**

No.	Description
1	The company commitment to implement the principles of sustainable palm oil management.
2	Personal competence in their respective fields.
3	Has been certified ISCC, ISPO and Golden Flag of OHSAS according to Regulation 50 Year 2012.
4	Have cooperation partnership of plasma with surrounding community.



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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<b>Head of Betung Bedarah Barat Village.</b> <ul style="list-style-type: none"> <li>No issue of environmental pollution</li> <li>The CH contributes to village development through CSR program. Significant programs are plasma collaboration through KUD <i>Usaha Bersama</i>. CSR programs are channeled in a participatory manner, i.e. consulted in accordance with the needs of the Village</li> <li>The company's contribution to local development includes the construction of access roads, employment and educational facilities.</li> <li>Communication between community and company is good.</li> <li>Communities are involved in an environmental impact assessment carried out before the opening of the plantation</li> <li>There is no land conflict</li> <li>Even though the main impact is not directly affected from PT SKU, but communication with the company was good.</li> </ul>	<p>The company has implemented the principles &amp; criteria of RSPO.</p>
<b>Head of Desa Rantau Api Village</b> <ul style="list-style-type: none"> <li>No issue of environmental pollution</li> <li>The village does not experience any constraints related to transparency, communication, requests and information responses to the CH. Communication and consultation between the two parties is harmoniously established between the village and the CH through the Estate / Mill Manager.</li> <li>There is no land conflict, there are no constraints related to legality, land disputes with village parties..</li> <li>No environmental pollution issues from CH operations. Including villagers have also understood the concept of conservation areas, protected animals and should not be hunted.</li> <li>In general, the relationship between the CH and the Village is quite good and conducive. Currently, the village will discuss with related companies of cooperation (CSR) which is contributive (besides plasma) in the aspect of education, such as assistance for the construction (facilities) of medical facilities and schools.</li> </ul>	<p>The company has implemented the principles &amp; criteria of RSPO.</p>
<b>Head of Muara Kilis Village</b> <ul style="list-style-type: none"> <li>Communications between villagers and the plantation is good, but communication with mill is not good.</li> <li>There is no land conflict in operation area of PT SKU and smallholders</li> <li>The company has provided good guidance and training to smallholders</li> <li>CH contributions to the community include road</li> </ul>	<p>The company has implemented the principles &amp; criteria of RSPO.</p>



Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>maintenance, smallholders plantations, etc</p> <ul style="list-style-type: none"> <li>Giving information from the plantation is good.</li> </ul>	
<p><b>Tebo District Environmental Departement. (Environmental section).</b></p> <p>Certificate holder has submitted the report of hazardous waste &amp; liquid waste in the fourth quarter dated January 3<sup>rd</sup>, 2018. RKL / RPL Report semester I Year 2017 on January 12<sup>th</sup>, 2018. RKL / RPL Reporting Semester II Year 2017 has not been sent because waiting for test results. Permits of land application and hazardous waste temporary warehouse still valid. So far, there has never been any reporting from stakeholders or issues related to environmental pollution. CH has 3 environmental permits such as DPLH for supporting facilities such as airplane base for fertilization, Social Environment Impact Assessment for mill &amp; estate and DPLH for Muara Kilis Estate.</p>	<p>The company has implemented the principles &amp; criteria of RSPO.</p>
<p><b>Tebo District Plantation Departement.</b></p> <p>Certificate holder has sent plantation business activity and fire prevention reports every semester. Assessment of plantation business has been done for the period 2017 until 2020. The realization of CSR has been reported in the plantation valuation report.</p>	<p>The company has implemented the principles &amp; criteria of RSPO.</p>
<p><b>Tebo District Labor inspection agency.</b></p> <p>Certificate body has sent compulsory reports on a regular basis such as guiding committee of occupational safety &amp; health reports, work accidents reports, labor report and contract worker records. The agency supervises once every 1 year is was done in August 2017.</p> <p>The structure of guiding committee of occupational safety &amp; health for mill &amp; estate is in process at the Provincial Agency. As for the Muara Kilis estate has been approved by the Provincial Agency. There has been no issue or report on child labor and workers discrimination.</p>	<p>The company has implemented the principles &amp; criteria of RSPO.</p>
<p><b>Local Contractor of PT Satrindo Jaya Agropalma &amp; FFB Supplier</b></p> <p>The local contractor has a letter of cooperation agreement with the company. Pricing is determined by both parties. During this time, the company has made payments on a regular basis. Local contractors are knows of their rights &amp; obligations. As job</p>	<p>The company has implemented the principles &amp; criteria of RSPO.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
insurance and PPE are borne by local contractors, FFB pricing is IDR 1,500, - for Thursday (18 January 2018).	
<b>Gender Committee.</b>  Based on the results of interviews with the board of the gender committee, the socialization of gender policy has been submitted to workers. Reporting mechanisms can be submitted through the board of the gender committee. During this time, there is no a case of sexual harassment.	The company has implemented the principles & criteria of RSPO.
<b>Labor Union (Secretary).</b>  Labor union of CH has been registered at the Tebo District Labor Departement, Mill dan Estate has union. Internal meeting activities are conducted as needed. Joint work agreements still use old CLA because new CLA is still waiting for BKPPS meeting (from main office). Labor unionI members for Mill amount to 119 members and for SBNE units 460 members. The Company facilitated labor union activities such as vehicle and lending a room.	The company has implemented the principles & criteria of RSPO.

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
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 Satya Kisma Usaha Management Representative</p>  <p><b><u>Ismu Zulfikar</u></b> Thursday, February 22, 2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Andi Pratama Pasaribu</u></b> Thursday, February 22, 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 Tebo	-	Interview	16 January 2018	√	-
2.	Plantation Agency	District of Tebo	-	Interview	16 January 2018	√	-
3.	Labour Agency	District of Tebo	-	Interview	16 January 2018	√	-
4.	Labour Union (Serikat Pekerja Seluruh Indonesia)	District of Tebo	-	Interview	18 January 2018	√	-
5.	Gender Committee	District of Tebo	-	Interview	18 January 2018	√	-
6.	Workers Cooperative	District of Tebo	-	Interview	18 January 2018	√	-
7.	Village of Sungai Keruh	District of Tebo	-	Interview	16 January 2018	√	-
8.	Village of Betung Bedarah Barat	District of Tebo	-	Interview	16 January 2018	√	-
9.	Village of Rantau Api	District of Tebo	-	Interview	16 January 2018	√	-
11.	Local Contractor	District of Tebo	-	Interview	18 January 2018	√	-
12.	WWF	-	wwf-indonesia@wwf.or.id	Email	8 January 2018	-	√
13.	Setara	-	-	Email	8 January 2018	-	√
14.	Walhi	-	informasi@walhi.or.id	Email	8 January 2018	-	√
15.	<b>Sungai Bengkal Plasma</b> - 2 Worker of road maintenance - 1 Foreman SBNA - 2 aplicator pesticide SBNA. - 2 field assistant for monitoring erosion stick and HCV.	Disctrict of Tebo	-	Interview	17 January 2018	√	-
16	<b>Sungai Bengkal Estate</b> - 3 Land application operator. - 1 well operator. - 4 harvesters - 4 pesticide operators - 3 upkeep workes - 2 clerk production - 5 housewives - 3 daycare officer - 1 nurse	Disctrict of Tebo	-	Interview	17 January 2018	√	-

17	<b>Sungai Bengkal POM</b> - 1 Warehouse officer - 1 Hazardous waste warehouse officer - 1 WTP operator - 3 WWTP operator - 3 housewife - 1 engine room operator - 4 grading operators - 2 boiler operators - 1 loading ramp operators. - 1 welder. - 1 mechanic.	Disctrict of Tebo	-	Interview	18 January 2018	√	-
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**Appendix 2. Assessment Program**

DATE	December 15 <sup>th</sup> – 19 <sup>th</sup> 2017	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Mon, 15<sup>th</sup> January 2018</b>		
05.45 – 07.10	Flight from Jakarta to Jambi (GA 130)	ALL TEAM MEMBER
08.00 – 12.00	Traveling from Jambi to the site of PT. SKU	ALL TEAM MEMBER
14.00 – 15.00	Opening Meeting	ALL TEAM MEMBER
15.00 – 15.30	Verification of previous assessment (ASA-2) findings and field observation plan	ALL TEAM MEMBER
<b>Tue, 16<sup>th</sup> January 2018</b>		
08.00 – 12.00	Public Consultation to Government Agency	BGA
08.00 – 12.00	Public Consultation to Nearest Community	RPJ
08.00 – 12.00	Field Observation to Sungai Bengkal Estate <ul style="list-style-type: none"> <li>Legal boundary, HCV management area, firefighting facilities</li> <li>Manuring, Spraying, Harvesting, IPM, Workers safety</li> <li>Workers facilities (housing, worship, health care, school, union, etc.) and Waste management (landfill, sanitary)</li> </ul>	TNB YYT APP
12.00 – 14.00	Break	ALL TEAM MEMBER
14.00 - .....	Continuing field observation (if any)	ALL TEAM MEMBER
14.00 – 16.30	Completing checklist	ALL TEAM MEMBER
16.30 – 17.00	Verification of field visit and completing checklist	ALL TEAM MEMBER
<b>Wed, 17<sup>th</sup> January 2018</b>		
08.00 – 12.00	Field Observation to and Sungai Bengkal KKPA <ul style="list-style-type: none"> <li>Legal boundary, HCV management area, firefighting facilities</li> <li>Manuring, Spraying, Harvesting, IPM, Workers safety</li> <li>Workers facilities (housing, worship, health care, school, union, etc.) and Waste management (landfill, sanitary)</li> </ul>	TNB YYT/BGA APP
12.00 – 14.00	Break	ALL TEAM MEMBER
14.00 – 15.00	Stakeholder consultation with labour union, gender committee and FFB supplier	RPJ
14.00 – 16.30	Completing checklist	ALL TEAM MEMBER
16.30 – 17.00	Verification of field visit and completing checklist	ALL TEAM MEMBER
<b>Thu, 18<sup>th</sup> January 2018</b>		
08.00 – 12.00	Field Observation to Sungai Bengkal Mill <ul style="list-style-type: none"> <li>SCCS, Mill Processing and OHS Implementation</li> </ul>	ALL TEAM MEMBER TNB/APP



	<ul style="list-style-type: none"> <li>• POM waste management (hazardous, emission, pollution, POME application, etc.) and Water management</li> <li>• Stakeholder consultation to local contractor (Transporter FFB, CPO and PK) and others</li> <li>• Stakeholder consultation to labour union, gender committee, and FFB Supplier</li> </ul>	<b>RPJ</b>  <b>BGA</b>  <b>BGA</b>
12.00 – 14.00	Break	<b>ALL TEAM MEMBER</b>
14.00 – 16.30	Completing checklist	<b>ALL TEAM MEMBER</b>
16.30 – 17.00	Verification of field visit and completing checklist	<b>ALL TEAM MEMBER</b>
<b>Fri, 19<sup>th</sup> December 2017</b>		
07.30 -10.00	<b>Closing Meeting</b>	<b>ALL TEAM MEMBER</b>
10.00 – 15.00	<b>Traveling from Site – Jambi</b>	<b>ALL TEAM MEMBER</b>
17.40 – 19.00	<b>Jambi – Jakarta</b>	<b>ALL TEAM MEMBER</b>