

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

[✓] Surveillance

Name of Management : Jangkang Palm Oil Mill – PT Sahabat Mewah & Makmur, subsidiary of Organisation Austindo Nusantara Jaya Agri
 Plantation Name : PT Sahabat Mewah & Makmur: Jangkang Estate, Balok Estate, Ladang Jaya Estate, Sari Bunga Estate and Air Ruak Estate
 Location : Village of Jangkang, Sub District of Dendang, District of Belitung Timur, Province of Bangka Belitung, Indonesia
 Certificate Code : MUTU-RSPO/090
 Date of Certificate Issue : 06 January 2016 Date of License Issue : 06 February 2019
 Date of Certificate Expiry : 05 January 2021 Date of License Expiry : 05 January 2020

| Assessment | Assessment Date | PT. Mutuagung Lestari Auditor | Reviewed by | Approved by |
|------------|------------------------|---|---------------------------|-------------|
| ASA-1.3 | 05 to 09 November 2018 | Sandra Purba, Arif Faisal Simatupang, Yudhi Yuniarto Tallutondok, Asystasya Aishah Silalahi, Steve Muallim | Octo H.P.N. Nainggolan | Ardiansyah |

| Assessment | Approved by MUTUAGUNG LESTARI on: |
|------------|-----------------------------------|
| ASA-1.3 | 25 January 2019 |

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Figure 1. Location Map of PT Sahabat Mewah & Makmur, Bangka Belitung Province

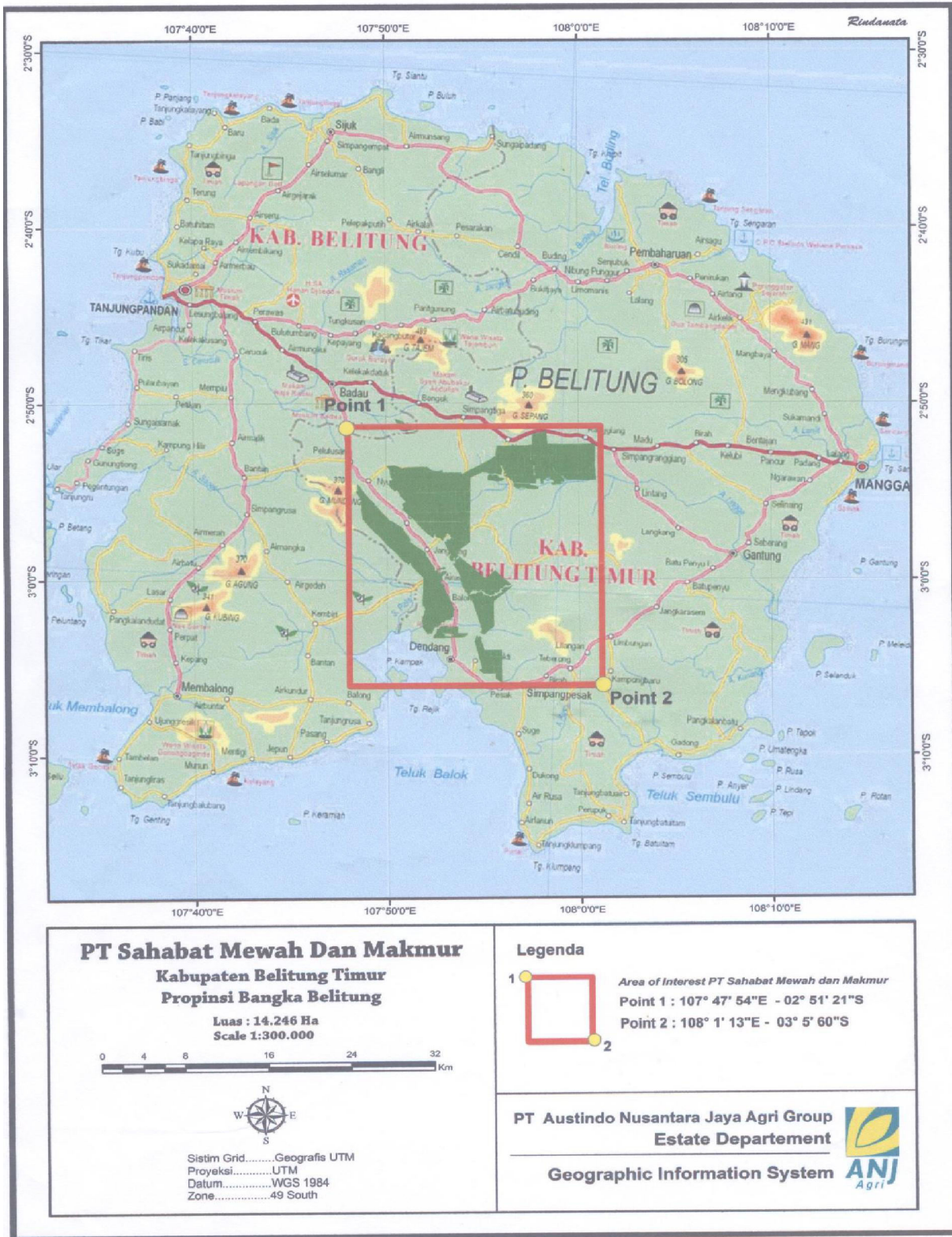
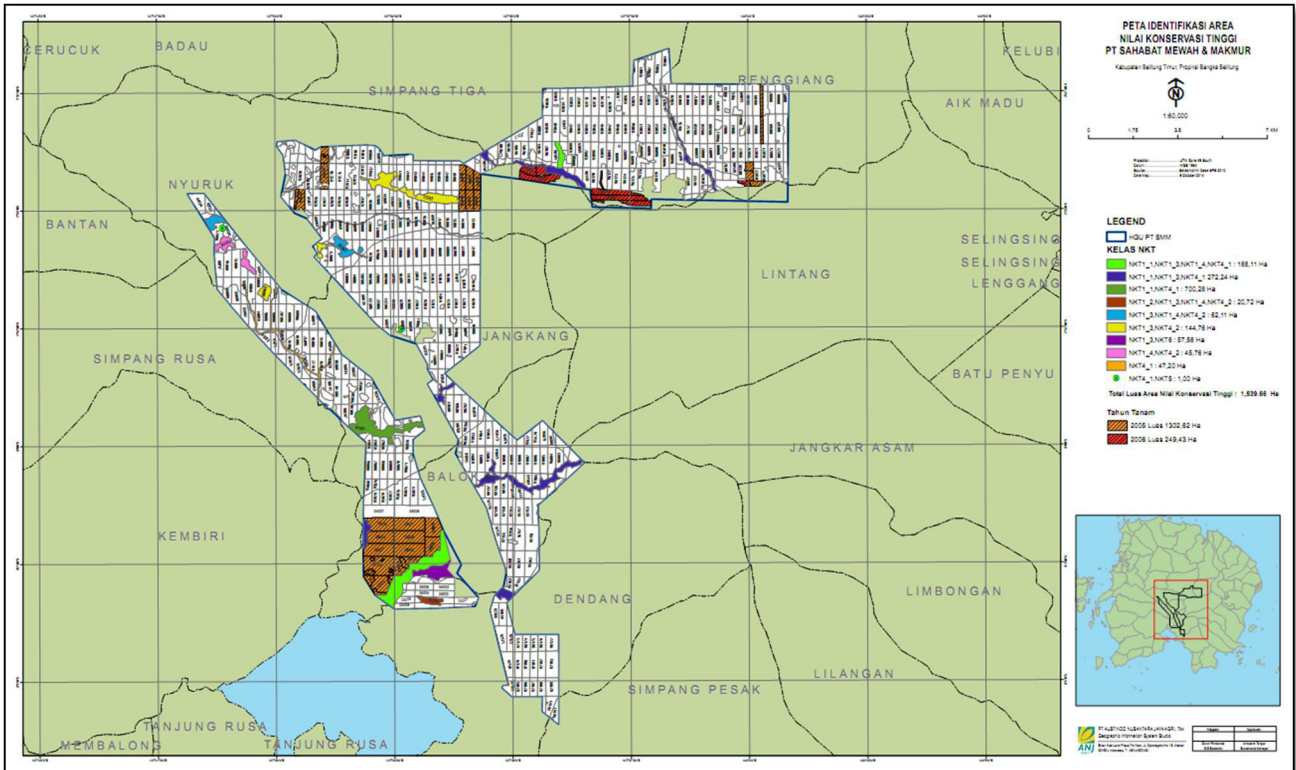


Figure 2. Operational Map of PT Sahabat Mewah & Makmur, Jangkang Village, Belitung Timur Regency, Bangka Belitung Province



Abbreviations Used

| | | |
|-------|---|---|
| ANJ | : | Austindo Nusantara Jaya |
| ANJA | : | Austindo Nusantara Jaya Agri |
| ARE | : | Air Ruak Estate |
| ASA | : | Annual Surveillance Assesment |
| BLE | : | Balok Estate |
| BPJS | : | <i>Badan Penyelenggara Jaminan Sosial</i> (social security administrator) |
| CH | : | Certificate Holder |
| CID | : | Community Involvement Development |
| CPO | : | Crude Palm Oil |
| CR | : | Critical |
| CSPK | : | Certified Sustainable Palm Kernel |
| CSPO | : | Certified Sustainable Palm Oil |
| CSR | : | Corporate social responsibility |
| CWT | : | Central Workshop Technique |
| DO | : | Delivery Order |
| EFB | : | Empty Fruit Bunch |
| EIA | : | Environment Impact Assesment |
| EN | : | Endangered |
| FFB | : | Fresh Fruit Bunch |
| FPIC | : | Free, Prior, Informed, Consent |
| GHG | : | Green House Gas |
| HCV | : | High Conservation Value |
| HGU | : | <i>Hak Guna Usaha</i> (Land Use Title) |
| HIRAC | : | Hazard Identification, Risk Assessment and Control |
| HRO | : | Human Resource Officer |
| ID | : | Identification |
| IPM | : | Integrated Pest Management |
| ISCC | : | International Sustainable & Carbon Certification |
| IUCN | : | International Union for Conservation of Nature and Natural Resources |
| IUP | : | <i>Izin Usaha Perkebunan</i> / Plantation Business Permit |
| JHT | : | <i>Jaminan Hari Tua</i> (old age benefit) |
| JKE | : | Jangkang estate |
| JKK | : | <i>Jaminan Kecelakaan Kerja</i> (work accident insurance) |
| JKM | : | <i>Jaminan Kematian</i> (dead insurance) |
| JKS | : | <i>Jaminan Kesehatan</i> (health insurance) |
| JP | : | <i>Jaminan Pensiun</i> (Retirement insurance) |
| KER | : | Kernel Extraction Rate |
| LTA | : | Lost Time Accident |
| LUCA | : | Land Use Change Analysis |
| MB | : | Mass Balance |
| MR | : | Management Representative |
| MSDS | : | Material Safety Data Sheet |
| MT | : | Metric ton |
| NCR | : | Non Conformity Report |
| NGO | : | Non Government Organization |
| OER | : | Oil Extraction Rate |
| OFI | : | Opportunity for Improvement |

| | | |
|------------|---|--|
| OHS | : | Occupational Health and Safety |
| P2K3 | : | <i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (OHS Committee) |
| Permenaker | : | <i>Peraturan Menteri Tenaga Kerja</i> (Regulation of Ministry of Labor) |
| PIC | : | Person In Charge |
| PK | : | Palm Kernel |
| PLN | : | <i>Perusahaan Listrik Negara</i> (State Electricity Company) |
| POM | : | Palm Oil Mill |
| POME | : | Palm Oil Mill Effluent |
| PPE | : | Personal Protective Equipment |
| RKL RPL | : | <i>Rencana Pengelolaan Lingkungan – Rencana Pemantauan Lingkungan</i> (Environment Management & Monitoring Plan) |
| S / NS | : | Sustainable / Non Sustainable |
| RSPO | : | Roundtable on Sustainable Palm Oil |
| SC | : | Supply Chain |
| SCCS | : | Supply Chain Certification System |
| SIA | : | Social Impact Assesment |
| SMM | : | Sahabat Mewah & Makmur |
| SOP | : | Standard Operational Procedure |
| SPO | : | Sustainable Palm Oil |
| WB | : | Weight bridge |
| WHO | : | World Health Organization |
| WTP | : | Water Treatment Plant |
| WWTP | : | Waste water treatment plant |

| | | | |
|------------|---|--|-----------------------------------|
| 1.0 | SCOPE of the CERTIFICATION ASSESSMENT | | |
| 1.1 | Assessment Standard Used | <ul style="list-style-type: none"> • Indonesian National Interpretation of RSPO P&C 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO BoG 30th September 2016. • 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) • RSPO Certification System for Principles and Criteria, 14 June 2017 | |
| 1.2 | Organisation Information | | |
| 1.2.1 | Organisation name listed in the certificate | PT Sahabat Mewah & Makmur Subsidiary of PT Austindo Nusantara Jaya Agri | |
| 1.2.2 | Contact person | Antoperis Tarigan | |
| 1.2.3 | Organisation address and site address | <ul style="list-style-type: none"> • RSPO registered company: Wisma BII Lt. 7 - Diponegoro street No. 18, Medan. • Liaison Office: Atrium Mulia, 3A Floor, Suite 3A-02 Jl. H.R. Rasuna Said Kav. B10-11 Jakarta 12910, Indonesia | |
| 1.2.4 | Telephone | +62-21-2965 1777 | |
| 1.2.5 | Fax | +62-21-2965 1788 | |
| 1.2.6 | E-mail | antoperis.tarigan@anj-group.com | |
| 1.2.7 | Web page address | www.anjagri.com | |
| 1.2.8 | Management Representative who completed the application for certification | Juli Wankara Purba (General Manager) | |
| 1.2.9 | Registered as RSPO member | 1-0032-07-000-00 27 February 2007 | |
| 1.3 | Type of Assessment | | |
| 1.3.1 | Scope of Assessment and Number of Management Unit | Palm Oil Mill and supply base Jangkang Palm Oil Mill, 5 Estates: Jangkang Estate, Balok Estate, Ladang Jaya Estate, Sari Bunga Estate and Air Ruak Estate | |
| 1.3.2 | Type of certificate | Single | |
| 1.4 | Locations of Mill and Plantation | | |
| 1.4.1 | Location of Mill | | |
| | Name of Mill | Location | Coordinate |
| | | | Latitude Longitude |
| | Jangkang POM | Village of Jangkang, Sub-District of Dendang, District of Belitung Timur, Province of Kepulauan Bangka Belitung, | S 02° 59' 54" E 107° 52' 35" |

| | | | | | | |
|------------|--|---|-----------------------------------|---------------------------|--------------------------|------------------------|
| | Indonesia | | | | | |
| 1.4.2 | Location of Certification Scope of Supply Base | | | | | |
| | Name of Supply Base | Location | Coordinate | | | |
| | | | Latitude Longitude | | | |
| | Jangkang Estate | Village of Jangkang, Sub-District of Dendang, District of Belitung Timur, Province of Kepulauan Bangka Belitung, Indonesia | S 02° 59' 29" E 107° 52' 45" | | | |
| | Balok Estate | Village of Balok, Sub-District of Dendang, District of Belitung Timur, Province of Kepulauan Bangka Belitung, Indonesia | S 03° 02' 02" E 107° 54' 56" | | | |
| | Ladang Jaya Estate | Village of Jangkang, Sub-District of Dendang, District of Belitung Timur, Province of Kepulauan Bangka Belitung, Indonesia | S 02° 57' 35" E 107° 53' 29" | | | |
| | Sari Bunga Estate | Village of Nyuruk, Sub-District of Dendang, District of Belitung Timur, Province of Kepulauan Bangka Belitung, Indonesia | S 02° 56' 42" E 107° 53' 01" | | | |
| | Air Ruak Estate | Village of Simpang Tiga, Sub-District of Simpang Renggang, District of Belitung Timur, Province of Kepulauan Bangka Belitung, Indonesia | S 02° 54' 56" E 107° 53' 36" | | | |
| 1.5 | Description of Area Statement | | | | | |
| 1.5.1 | Tenure | | | | | |
| | • State | | 16,276.87 Ha | | | |
| | • Community | | - Ha | | | |
| 1.5.2 | Area Statement | | | | | |
| | • Total area | | 16,276.87 Ha | | | |
| | • Mature area | | 10,299.13 Ha | | | |
| | • Immature area | | 3,979.94 Ha | | | |
| | • Mill | | 6.61 Ha | | | |
| | • Emplishment, Infrastructure | | 139.77 Ha | | | |
| | • Nursery | | 7.00 Ha | | | |
| | • Plantable reserve | | 109.18 Ha | | | |
| | • Enclave, Hill, river, swamp, trench | | 259.37 Ha | | | |
| | • HCV | | 1,475.87 Ha | | | |
| 1.6 | Planting Year and Cycles | | | | | |
| 1.6.1 | Age profile of planting year | | | | | |
| | Planting Year | Hectarage (Ha) | | | | |
| | | Jangkang Estate | Balok Estate | Ladang Jaya Estate | Sari Bunga Estate | Air Ruak Estate |
| | 1990 | 725.19 | - | - | - | 725.19 |
| | 1992 | 38.37 | 639.98 | - | - | 939.21 |

| | | | | | | | |
|-----------------------|---|------------------------------------|--|------------------------------|--|------------------------------|---------------------------|
| 1993 | 88.32 | - | - | - | 1,182.05 | 1,270.37 | |
| 1994 | - | - | - | - | 80.90 | 80.90 | |
| 1995 | 313.99 | 429.08 | - | - | - | 743.07 | |
| 1996 | 23.37 | 142.30 | - | - | 821.86 | 987.53 | |
| 1998 | - | 194.93 | 786.11 | 266.15 | - | 1,247.19 | |
| 1999 | 233.86 | - | - | 402.18 | 808.58 | 1,444.62 | |
| 2000 | 301.48 | - | - | 472.94 | 457.38 | 1,231.80 | |
| 2001 | - | - | - | - | 30.85 | 30.85 | |
| 2004 | 137.95 | 251.63 | - | - | - | 389.58 | |
| 2005 | 620.73 | - | - | 140.22 | 260.06 | 1,021.01 | |
| 2006 | - | - | - | - | 187.81 | 187.81 | |
| Total Mature | 2,483.26 | 1,657.92 | 786.11 | 1,281.49 | 4,090.35 | 10,299.13 | |
| 2015 | - | - | - | 547.83 | - | 547.83 | |
| 2016 | 462.96 | - | - | - | - | 462.96 | |
| 2017 | - | - | 599.67 | - | - | 599.67 | |
| 2018 | 44.64 | 1,234.20 | 722.96 | 251.80 | 115.88 | 2,369.48 | |
| Total Immature | 507.6 | 1,234.20 | 1,322.63 | 799.63 | 115.88 | 3,432.11 | |
| TOTAL | 2,990.86 | 2,892.12 | 2,108.74 | 2,081.12 | 4,206.23 | 14,279.07 | |
| 1.6.2 | New Planting area after January 2010 | | - | | | Ha | |
| 1.6.3 | Planting Cycle | | 2 nd Cycle | | | | |
| 1.7 | Description of Mill and Supply Base | | | | | | |
| 1.7.1 | Description of Mill | | | | | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO | | Palm Kernel | |
| | | | | Out put (tonnes) | Extraction (%) | Out put (tonnes) | Extraction (%) |
| | Jangkang POM | 60 | 340,764.78 | 75,806.32 | 22.25 | 17,630.56 | 5.17 |
| | <i>*Source Production Data on 12 months before assessment (November 2017 – October 2018)</i> | | | | | | |
| 1.7.2 | Description of Certification Scope of Supply Base | | | | | | |
| | Name of Estate | Total Area (Ha) | Planted Area (Ha) | FFB (tonnes/year) | Yield (tonnes/ ha/year) | Supplied to Mill | |
| | | | | | | FFB (tonnes/year) | % |
| | Jangkang Estate | 3,744.01 | 2,990.86 | 53,799.23 | 17.99 | 53,799.23 | 100 |
| | Balok Estate, | 3,202.29 | 2,892.12 | 49,883.63 | 17.25 | 49,883.63 | 100 |
| | Ladang Jaya Estate | 2,214.65 | 2,108.74 | 20,404.47 | 9.68 | 20,404.47 | 100 |
| | Sari Bunga Estate | 2,427.93 | 2,081.12 | 34,220.11 | 16.44 | 34,220.11 | 100 |
| | Air Ruak Estate | 4,687.99 | 4,206.23 | 91,471.47 | 21.75 | 91,471.47 | 100 |
| | TOTAL | 16,276.87 | 14,279.07 | 249,778.91 | 17.49 | 249,778.91 | 100 |
| | <i>* Source Production Data on 12 months before assessment (November 2017 – October 2018)</i> | | | | | | |

| 1.7.3 FFB description from other source | | | | | |
|--|---|--|------------------------|--|-------------------|
| | Name of sources/Organisation (RSPO certified / non-certified) | Type of Organisation | Number of smallholders | Production Area (Ha) | Supplied to Mill |
| | | | | | FFB (tonnes/year) |
| | Koperasi Mitra Lestari | Associated Smallholder (Non-certified) | 44 | 55.79 | 1,188.44 |
| | Koperasi Mitra Anugrah | Associated Smallholder (Non-certified) | 31 | 52.86 | 615.69 |
| | Koperasi Sambar Jaya Makmur | Associated Smallholder (Non-certified) | 35 | 70.53 | 1,222.11 |
| | Koperasi Berimpun sejahtera | Associated Smallholder (Non-certified) | 32 | 64.90 | 521.88 |
| | Koperasi Tiong Sejahtera | Associated Smallholder (Non-certified) | 234 | 366.00 | 1,012.32 |
| | Koperasi Gunong Nyerudong Sejahtera | Associated Smallholder (Non-certified) | 49 | 66.11 | 609.55 |
| | BUMDes Balok | Associated Smallholder (Non-certified) | 145 | 154.07 | 513.62 |
| | Koperasi Anugerah | Independent Smallholder (Non-certified) | - | - | 6,489.58 |
| | Koperasi Bumi Makmur | Independent Smallholder (Non-certified) | - | - | 29,896.98 |
| | Koperasi Sawit Sepakat Maju | Independent Smallholder (Non-certified) | - | - | 715.82 |
| | CV. Subur Mandiri | Independent Smallholder (Non-certified) | - | - | 1,471.91 |
| | CV. Tata Subur Makmur | Independent Smallholder (Non-certified) | - | - | 4,224.02 |
| | Sawit Alam Permai | Independent Smallholder (Non-certified) | - | - | 8,635.44 |
| | Rawi Agro Mandiri | Independent Smallholder (Non-certified) | - | - | 4,498.34 |
| | KUD Bakti | Independent Smallholder (Non-certified) | - | - | 6,612.90 |
| | Agro Inti Abadi | Independent Smallholder (Non-certified) | - | - | 7,148.52 |
| | Henco Billitone Agroindo | Independent Smallholder (Non-certified) | - | - | 3,582.23 |
| | Tri Selaras Agri | Independent Smallholder (Non-certified) | - | - | 6,501.15 |
| | Hasil Sawit Bina Sejahtera | Independent Smallholder (Non-certified) | - | - | 5,525.37 |
| TOTAL | | | | | 90,985.87 |
| <i>*Source Production Data on 12 months before assessment (November 2017 – October 2018)</i> | | | | | |
| 1.7.4 | Product categories | FFB, CPO, PK | | | |
| 1.8 | Tonnage of Product | | | | |
| 1.8.1 | Past Annual Claim Certified Product | Last Year Projected Certified Volume (tonnes/year) | | Last Year Actual Certified Product (tonnes/year) | |

| | | | | | | | | |
|--------|--|---|------------------------------------|---|---|-------------------------|-----------------------|----------------------------|
| | FFB Processed | | 272,727 | | 249,778.91 | | | |
| | CPO Production | | 60,000 | | 58,530.89 | | | |
| | Palm Kernel (PK) Production | | 15,000 | | 13,539.25 | | | |
| 1.8.2 | Product selling | | | | | | | |
| | Type of selling product | Last Year of Actual Selling Product (tonnes/year) | | | | | | |
| | CSPO sold as RSPO certified product | | | | 7,487 | | | |
| | CSPK sold as RSPO certified product | | | | 0 | | | |
| | CSPO sold under other scheme | | | | 0 | | | |
| | CSPK sold under other scheme | | | | 0 | | | |
| | CSPO sold as conventional | | | | 47,488.93 | | | |
| | CSPK sold as conventional | | | | 12,005.39 | | | |
| 1.8.3 | Estimate of Certified FFB Claim | | | | | | | |
| | Name of Estate(s) | Total Area (Ha) | Planted Area (Ha) | FFB (tonnes/year) | Yield (tonnes/ha/year) | | | |
| | Jangkang Estate | 3,744.01 | 2,990.86 | 57,027 | 19 | | | |
| | Balok Estate, | 3,202.29 | 2,892.12 | 52,877 | 18 | | | |
| | Ladang Jaya Estate | 2,214.65 | 2,108.74 | 21,629 | 10 | | | |
| | Sari Bunga Estate | 2,427.93 | 2,081.12 | 36,273 | 17 | | | |
| | Air Ruak Estate | 4,687.99 | 4,206.23 | 96,960 | 23 | | | |
| | TOTAL | 16,276.87 | 14,279.07 | 264,766 | 19 | | | |
| | <i>* Projected FFB production for 12 months of certificate (6 Jan 2019 – 5 Jan 2020)</i> | | | | | | | |
| 1.8.4 | Estimate of Certified Palm Product Claim | | | | | | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO | | Palm Kernel | | Supply Chain Module |
| | | | | Out put (tonnes) | Extraction (%) | Out put (tonnes) | Extraction (%) | |
| | Jangkang POM | 60 | 264,766 | 57,119 | 22 | 14,352 | 5 | MB |
| | <i>* Projected CSPO and CSPK production for 12 months of certificate (6 Jan 2019 – 5 Jan 2020)</i> | | | | | | | |
| 1.9 | Other Certifications | | | | | | | |
| | ISCC | | | EU-ISCC-Cert-DE129-35208680 (17 Jan 2018 – 16 Jan 2019) | | | | |
| | Others | | | TNI-ISPO-I-1406 (8 Dec 2014 – 7 Dec 2019) | | | | |
| 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 | | | | | | |
| | ANJA Siais (PT ANJA Siais) | 2014 | Lembah Subur Utara | 2014 | South Tapanuli District, North Sumatera Province, Indonesia | Certified | | |
| | | | Lembah Subur Tengah | 2014 | | | | |
| | | | Lembah Subur Selatan | 2014 | | | | |
| | Jangkang | 2009 | Jangkang | 2009 | East Belitung District, | Certified | | |

| | | | | | |
|---|--|-----------------------------------|------|--|---------------------|
| (PT.Sahabat Makmur) | Mewah | Balak | 2009 | Bangka Belitung Province, Indonesia | |
| | | Ladang Jaya | 2009 | | |
| | | Sari Bunga | 2009 | | |
| | | Air Ruak | 2009 | | |
| Binanga (PT ANJ Agri) | 2012 | Estate Wilayah Timur | 2012 | Padang Lawas Utara District, North Sumatera Province | Certified |
| | | Estate Wilayah Tengah | 2012 | | |
| | | Estate Wilayah Barat | 2012 | | |
| Kasai (PT.Kayung Agro Lestari) | 2018 | Sungai Gemilang Teduh 1 (SGT-1) | 2019 | Ketapang District, Province of West Kalimantan | Planned to re-audit |
| | | Sungai Gemilang Teduh 2 (SGT-2) | 2019 | | |
| | | Gunung Sejahtera Tumbuh 2 (GST-2) | 2019 | | |
| | | Gunung Sejahtera Tumbuh 3 (GST-3) | 2019 | | |
| - | - | PT.Galempa Sejahtera Bersama | 2020 | Empat Lawang District, South Sumatera | NPP |
| - | - | PT. Putera Manunggal Perkasa | 2020 | South Sorong District, West Papua | NPP |
| - | - | PT.Permata Putera Mandiri | 2020 | South Sorong District, West Papua | NPP |
| - | - | PT Austindo Nusantara Jaya Tbk | 2022 | South Sorong District, West Papua | |
| <p>* Data source: document of revision of certification time-bound statement of PT ANJA and its subsidiaries</p> <p>* Certification progress for Kasai Mill – PT. Kayung Agro Lestari is still awaiting for LUCA approval from RSPO to closed NC Major on stage 2 (stage 2 held on 5 – 10 September 2016)</p> <p>* PT ANJT is ex PT Pusaka Agro Makmur, on 2017 not registered as ANJA subsidiary has been reported on ACOP to be certified on 2022, PT PAM legally become PT ANJT on 2015, for further activities will be use entity as PT ANJT.</p> | | | | | |
| 1.10.2 | Progress of Associated Smallholders and Outgrowers for Certifiable Standard | | | | |
| | The current status of smallholder scheme under PT SMM is non-certified, 5 of it is on process of extension scope (599.5 Ha), and the rest (3 cooperative units, 260.17 Ha) not yet planned (due to the NPP process). | | | | |

| | |
|----------------|--|
| 2.0 | ASSESSMENT PROCESS |
| 2.1 | Assessment Team |
| ASA-1.3 | <ol style="list-style-type: none"> Sandra Purba (Lead Auditor). Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG vericator and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next, SCCS LAT and SA8000. Involve in many audit activities of similar scheme (ISPO and MSPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. During this audit, she verified legal compliance, social and SCCS. Arif Faisal Simatupang (Auditor). Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has successfully completed an RSPO endorsed P&C Lead Auditor Training, RSPO SCCS endorsed Lead Auditor Training, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor Training, Management System Certification ISO 9001-2008 Lead Auditor Training, Environmental Management System ISO 14001 Lead Auditor Training, ISO 17021 and ISO 17065 Awareness Training, Management of High Conservation Value (HCV) Training, Social Accountability SA 8000 Training. He has four years of working experience as a Field Assistant on oil palm plantation company in Indonesia. Since 2014, he works as an auditor of RSPO and ISPO in the aspects of legal, social, best management practices of mill and estate, OHS, employment, and environmental. In this audit he is responsible for assessing the aspects of best management practices of agronomy and processing, long term program and local development. Yudhi Yuniarto Tallutondok (Auditor). 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 Auditor of Indonesian Sustainable Palm Oil (ISPO), Lead Auditor of Roundtable on Sustainable Palm Oil (RSPO) P&C, Lead Auditor of ISO 9001:2015, ISO 14001:2015, ISO 22000:2009, ISO 19011:2011, Social Accountbilty 8000, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness ISO 17021 and ISO 17065. Has participated in audit activities for the ISPO and RSPO scheme since 2017 for agronomy, OHS, labor, social and legality aspects. In this audit activity performs the assessment of Best Management Practices and OHS. Asystasya Aishah Silalahi (Auditor). Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, and several in house training related to environmental, BMP, SA 8000, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verify transparency, Social, and Worker Welfare aspects Steve Mualim (Auditor). Indonesia citizen. Master of Environmental and Natural Resources Management. Has experience as Environmental management consultant (2012) and Sustainable palm oil assurance auditor since 2013. Has been attended several trainings e.g : ISCC in house training, palm oil GHG emission, HCV management, ISPO lead auditor, RSPO lead auditor, labor and human rights issues, ISO 19011, and ISO 9001:2008. Has been conducted several audits for RSPO / ISPO scheme since 2013 for best management practices, conservation, and environmental management. Fluent in bahasa and chinese mandarin. At this time of audit, verified aspects of environmental management. |
| 2.2 | Assessment Methodology, Assessment Process and Locations of Assessment |
| 2.2.1 | Figure of person days to implement assessment |
| ASA-1.3 | <p>Number of auditors : 5 auditor</p> <p>Number of days for ASA-1.3 at site : 4 days</p> |

| | |
|----------------|--|
| | Number of working days for ASA-1.3 at site : 20 Working days |
| 2.2.2 | Assessment Process |
| ASA-1.3 | <p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the the PT. Sahabat Mewah & Makmur to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 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 E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-1.3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.4). Improvement of findings from main assesment findings were observed by auditors at this ASA-1.3 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.3.</p> <p>The assessment program please find Appendix 2</p> |
| 2.2.3 | Locations of Assessment |
| ASA-1.3 | <p>Number of unit in this certification activity is 1 (one) Mill and 5 (five) Own Estates. The auditor team used the $(0.8\sqrt{y}) \times (z)$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. (y) is the number of estate and (z) multiplier defined by the risk assessment. The consideration for risk assessment are geographic locations, distance of estate, complexity of labour, landscape setting, presence of HCV, number of communities/conflict, legality etc. Based on this formula, the auditor team determined that the sampling locations are one palm oil mill (Jangkang POM) and two estate (Balok Estate and Air Ruak Estate).</p> <p>Balok Estate</p> <ul style="list-style-type: none"> • Aek belas riparian block M33 div 4. Observation related HCV management • Central workshop and tranport. Observation related worker welfare, OHS, and waste management • Central hazarodus waste storage. Observation related worker welfare, OHS, and waste management • Diesel fuel tank. Observation related OHS and hazardous material handling • Chemical store. Observation related OHS and hazardous material handling • Fertilizer store. Observation related OHS and hazardous material handling • Sparepart store. Observation related OHS and worker welfare • Clinic. Observation and interview with paramedic about infectious waste management, work accident handling, medical facility. • Generator room. Observation and interview with generator operator about OHS, waste management, and worker welfare. • Landfill Block T42. Observation about domestic waste separation. • HGU Pole No. BPN 115, BPN 116, BPN 117, BPN 118. Observation of aspect of land demarcation and maintenance of HGU pole. • Harvesting of FFB, Block U42. Observation and interview on procedure implementation, safety dan worker welfare aspect. • Manuring of Immature Oil Palm, Block M22. Observation and interview on procedure implementation, safety dan worker welfare aspect. • Replanting, Block P37. Observation on mechanical land preparation, soil and water conservation by planting LCC. • Fire Monitoring Tower, Block P40. Observation of fire monitoring by building fire monitoring tower. • HCV riparian of Aek Belas River, Block M33. Observations of marking and management of riparian area. • EFB application Block P37. Observation of procedures implementation, safety aspect, road conditions and |

employment interviews and soil erosion monitoring.

Jangkang Estate

- **Land application block P25-26 div I JKE.** Observation related worker welfare, OHS, and pome utilization

Air Ruak Estate

- **Tedong riparian block A58.** Observation related HCV management
- **Putat riparian block blok D47.** Observation related HCV management
- **HGU Pole No. AR 89, AR 90, AR 1, AR 2, AR 3, AR 4.** Observation of aspect of land demarcation and maintenance of HGU pole.
- **Harvesting of FFB, Block A50.** Observation and interview on procedure implementation, safety dan worker welfare aspect.
- **Path and Circle Spraying, Block B57 and B58.** Observation and interview on procedure implementation, safety dan worker welfare aspect
- **Barn Owl Box, Block B58.** Observation of biological treatment of infestation of rats by installing and monitoring barn owl boxes.
- **Fire Monitoring Tower, Block B62.** Observation of fire monitoring by building fire monitoring tower.
- **HCV riparian of Tedong River, Block A58.** Observations of marking and management of riparian area.
- **HCV riparian of Putat River, Block D47.** Observations of marking and management of riparian area.

Jangkang POM

- **Diesel fuel tank.** Observation related OHS and hazardous material handling
- **Workshop.** Observation related worker welfare, OHS, and waste management
- **Chemical store.** Observation related OHS and hazardous material handling
- **Sparepart store.** Observation related OHS and worker welfare
- **Biogas plant.** Observation for GHG reducing plan by methane capture
- **Waste water treatment plant.** Observation for palm oil mill effluent management
- **Composting area.** Observation for empty bunch management
- **Empty bunch area.** Observation for empty bunch management
- **Security and WB station.** Observation and interview related to SCC implementation and worker welfare
- **Grading.** Observation and regulation related to OHS and workers welfare
- **Sterilizer.** Observation and regulation related to OHS, noise impact, license and workers welfare
- **Press.** Observation and regulation related to OHS, noise impact, license and workers welfare
- **Boiler.** Observation and regulation related to OHS, noise impact, license and workers welfare
- **Engine room.** Observation and regulation related to OHS, noise impact, license and workers welfare
- **WTP.** Observation and regulation related to OHS and workers welfare

Public consultation to:

- Government Institution (Labor Agency, Agriculture Agency, Environmental Agency)
- **Local contractor (CV Mitra Utama, CV Saputri Cemerlang, CV Aditya)**
- **Simpang Tiga Village**
- **Dendang Village**
- **Gender Committee**
- **Worker Union and Bipartite Board**
- **Worker Cooperative**

| | |
|-------------|--|
| 2.3 | Stakeholder Consultation and Stakeholders Contacted |
| 2.3.1 | Summary of stakeholder consultation process. |
| ASA- | Consultation of stakeholders for PT Rimba Harapan Sakti was held by: |

| | |
|-------|---|
| 1.3 | <ul style="list-style-type: none"> - Public Notification at web www.mutucertification.com on October 19th 2018 (http://mutucertification.com/wp-content/uploads/2018/11/Notification-of-RSPO-Surveillance-1.3-Assessment-PT-Sahabat-Mewah-Makmur-English.pdf) - Consultation meeting and interview with locals of the nearby village and ex land owner (Simpang Tiga and Dendang Village), as well as the partnership cooperative unit of PT SMM on November 7th 2018. - Consultation meeting and interview with Internal Stakeholder (Bipartite Cooperation, gender committee and local contractor) on November 5th 2018. - Public consultation meeting with government of Belitung Timur Regency conducted by visits and interview on November 6th 2018. - Consultation with NGO (Sawit Watch, WWF, Walhi and AMAN) on October 29th 2018. |
| 2.3.2 | Stakeholder contacted |
| | <i>Please find appendix 1</i> |
| | |
| 2.4 | Determining Next Assessment |
| | The next visit (ASA-1.4) planned to be conducted in the period of three months before the license end date (October 2019 to January 2020) |

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Jangkang POM – PT Sahabat Mewah & Makmur, subsidiary of Austindo Nusantara Jaya Agri operation consisting of one (1) mill and five (5) oil palm estates.

During the assessment, there were two (2) Nonconformities were assigned against Major Compliance Indicator(s), one (1) nonconformance against supply chain requirement for CPO mill and five (5) opportunity(s) for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s). Those corrective action(s) taken shall be verified during next assessment.

MUTUAGUNG LESTARI found that Jangkang POM – PT Sahabat Mewah & Makmur, subsidiary of Austindo Nusantara Jaya Agri complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30th September 2016, and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors June 2017 (Module E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

| Ref Std. | VERIFICATION RESULT of MUTU-Certification |
|---|---|
| PRINCIPLE #1 COMMITMENT TO TRANSPARENCY | |
| 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. | |
| <p>1.1.1 Certificate holder has the latest list of stakeholder updated on September 2018, consist of government (province, sub district, and village), police, media, NGO, associated cooperative, FFB supplier, community leader, and internal organization. Based on interview with management, the list of stakeholders will updated if there is a revision. Based on interview with statutory bodies in Belitung Timur Regency, they've already know the mechanism and person in charge for communication with stakeholder.</p> <p>Mechanism for consultation is listed in Communication and Providing Information Procedure (SOP-Leg-02) dated 1st April 2013. The list of document can be seen in the procedure. Based on interview with statutory bodies in Belitung Timur Regency, it is known that they don't have difficulties to communicate with the company for information request.</p> | |
| <p>1.1.2 Mechanism for consultation is listed in Communication and Providing Information Procedure (SOP-Leg-02). This document explains communication and consultation and information request procedures from the stakeholders. Information request will be responded at least 3 month. The person in charge for communication and consultation is External Affairs Officer. The documentation of information request is recorded well by Certificate Holder. Throughout the year 2018, it is known that the incoming letter from stakeholder is about visit letter, meeting invitation, and proposal to PT Sahabat Mewah & Makmur. For example: The proposal dated 2nd March 2018 from Al Akbar Mosque, Air Nangka Village and responded by PT SMM on 24th March 2018 and showed the handover of the assistance.</p> | |

| | | |
|--|-----------------------|--|
| | Status: Comply | |
| 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. | | |
| 1.2.1 | | |
| <p>CH has a list of document that can be accessed publicly listed in Communication and Providing Information Procedure (SOP-Leg-02). The public documents can be accesed from internal or external stakeholder, such as company's policy, employment document, social document, OHS document, and so on. These documents are available in estate and mill office.</p> <p>CH also has monitoring and management report, such as OHS implementation report, report of environmental management and monitoring plan. These documents also can be accessed by public through the mechanism which has determined by the company.</p> <p>Based on interview with board of Mitra Anugrah Cooperative and Mitra Lestari Cooperative, it is known that they know the deduction of debt of plasma. It can be seen in the report of plasma payment.</p> | | |
| | Status: Comply | |
| 1.3 Growers and millers commit to ethical conduct in all business operations and transactions. | | |
| 1.3.1 | | |
| <p>CH has Code of Business Conduct Ethics document for all operational activities. Code of conduct explain about company's responsibility, human rights, fair treatment and equal opportunities, prevention of harassment, bribery and corruption bans.</p> <p>This policy has been socialized to the workers in each unit, as said in interview with worker in Balok Estate. This policy is available in Indonesian Language. This policy also socialized to local contractor. Based on interview with contractor FFB transportor and upkeep contractor, it is known that they are understand about this policy.</p> | | |
| | 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 | | |
| Employment | | |
| <ul style="list-style-type: none"> - Basic wage of daily worker in accordance with Governor of Bangka Belitung Province Decree No 188.44/1252/DISNAKER/2017 about minimum wage of Bangka Belitung Province Periode of 2018. - Certificate holder shows the progress in reducing the use of contractor worker for harvesting and its program until 2020, it is expected that PT SMM will not use contractor worker. This will be observed in next assessments (OFI). | | |
| OHS | | |
| <p>The certificate holder has undertaken prevention and control measures as listed in Safety Act no. 1 of 1970 Article 3, among others by monitoring the implementation of occupational safety and health, conducting accident investigations, hazard risk analysis, medical check-up, machine operation by persons authorized and socialized safe work practices. Based on the results of document review and interviews with factory workers, for example at boiler stations, it is known that boiler operators have licenses to operate boilers in accordance with Minister of Manpower Regulation No. 1 of 1988.</p> <p>Machinery certificate of inspection are still valid. The machineries are regulary inspected by Labor Agency on one or two yearly basis.</p> | | |

Legality

The Certificate Holder has had land use title (HGU) and plantation business permit (IUP) that describes in more detail in indicator 2.2.1. However, the Certificate Holder has the opportunity for improvement to submit the report of Annual HGU Land Use Report of 2018 to National Land Agency **OFl**.

2.1.2

The company has an SOP evaluation of compliance regulation no.: SOP-Leg-01 document published on March 20, 2015. In the SOP explained that the legislation is evaluated by the Legal Department once every year and is informed to the External Relations Officer in each unit who is then responsible to evaluate the compliance with regulations annually. The company has a list of laws and regulations for the 2018 period and fulfillment evaluation reports for each regulation, describes the types of laws and regulations, regulated aspects, explanation of implementation and fulfillment information. The list includes all regulations that are relevant to the operations of plantations and factories both at the central and regional levels.

2.1.3, 2.1.4

The SOP also explains that the PIC who is responsible for conducting inspections and evaluations of compliance with the regulations is the External Relations Officer in each unit that is conducted once a year. The latest update and evaluation of regulations for the fulfillment evaluation report for each regulation are done in Oct 2018.

In updating, the PIC communicates to all departments, to relevant agencies, through mass media and electronic media.

Status: Comply

2.2

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

2.2.1

The Certificate Holder has had the land use title in the form of HGU covers total area of 16,276.87 ha, consist of HGU No 50/HGU/BPN/2005 dated 16 May 2005 covers 15,873.24 ha and HGU No. 21/HGU/BPN RI/2011 dated 28 March 2011 covers 403.63 ha. Detailed land use can be seen in the basic info of this report.

The Certificate Holder also has had plantation business permit (IUP) covers total area of ±16,291.7 ha, consist of IUP No. 74/T/PERTANIAN/2003 dated 11 March 2003 covers 15,873.24 ha, IUP No. 503/02/IUP/BPPT-BELTIM/KEP/VIII/2009 dated 21 August 2009 covers ± 418.46 ha, as well as IUP for processing (mill) No. 186/Mentanhut/VII/2000 dated 3 November 2000 covers processing capacity of 30 ton FFB/hour.

2.2.2

Certificate Holder has conducted monitoring of HGU poles every 6 months. Field observation of HGU poles in Balok Estate (No. BPN 115, BPN 116, BPN 117, BPN 118), and Air Ruak Estate (No. AR 89, AR 90, AR 1, AR 2, AR 3, AR 4) known that the HGU poles in a well-maintained condition. Results of interviews with the Head of Dendang Village and Simpang Tiga Village, also known that there were no reports of land disputes in the Certificate Holder's operational area.

Field observation of HGU poles in Balok Estate (No. BPN 115, BPN 116, BPN 117, BPN 118), and Air Ruak Estate (No. AR 89, AR 90, AR 1, AR 2, AR 3, AR 4) known that the HGU poles in a well-maintained condition, and the position and coordinates are in accordance with the HGU Map issued by the National Land Agency..

2.2.3, 2.2.4, 2.2.5 & 2.2.6

Result of consultation with Plantation Agency, Village Head of Dendang and Simpang Tiga, as well as field observation known that there was no land dispute in operational area. The Certificate Holder has had procedure of handling differences in opinion with community and land ownership disputes which explain the commitment in prohibit and/or not use mercenaries and para-militaries in conflict resolution.

Status: Comply

2.3

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

2.3.1, 2.3.2, 2.3.3 & 2.3.4

Land tenure of Certificate Holder was State Land and community land that has been made compensation at the early of plantation project. The evidence of land compensation from community has documented completely and stored by legal department. Interview with Village Head of Dendang and Simpang Tiga known that the land compensation at the early of plantation project was conducted without coercion, and there are no indigenous lands. Based on document review, field visit and interview known that until ASA-1.3, the Certificate Holder does not conduct any land expansion.

Status: Comply

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

3.1

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

3.1.1

Certificate holder has Summary of FFB Production per year of Planting for 2019 – 2023 which explain crop projection, yield, and Financial Projection of PT Sahabat Mewah & Makmur 2016 – 2019 which shows Extraction of CPO, PK, CPO & PK Production, CPO & PK price, and profit after tax. Based on interview with estate manager known there is no land expansion plan or mill capacity extension so far.

3.1.2

Certificate holder has Replanting Program of PT SMM until 2022, for example:

| Planting year | Total Ha | Replanting Program | | | | | | Total |
|---------------------|----------|--------------------|--------|------|------|--------|------|-------|
| | | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | |
| Balok Estate | | | | | | | | |
| Divisi 4 | | | | | | | | |
| 1990 | 210.27 | - | 210.27 | - | - | - | - | - |
| 1991 | 212.78 | - | 212.78 | - | - | - | - | - |
| 1995 | 245.54 | - | 245.54 | - | - | - | - | - |
| Total | 668.59 | - | 668.59 | - | - | - | - | - |
| Divisi 6 | | | | | | | | |
| 1992 | 187.86 | - | - | - | - | 187.86 | - | - |
| 1995 | 367.40 | - | - | - | - | 367.40 | - | - |
| 1998 | 184.91 | - | - | - | - | 184.91 | - | - |
| Total | 740.17 | - | - | - | - | 740.17 | - | - |

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

The company has procedures for oil palm cultivation and palm oil processing which are available in Indonesian. Oil palm cultivation procedures include land clearing, water and soil conservation, integrated pest management, plant upkeep, harvesting and transportation whereas for palm oil processing procedures include FFB receipts, FFB grading, FFB processing, and CPO quality sampling.

Based on interviews with management revealed that a copy of the procedure was in each unit. When the audit activity takes place, the company can show the entire procedure to the auditor.

The results of field observations and interviews with employees in the estate and mill revealed that each employee understood their respective working procedures, for example for harvester in Balok Estate and Air Ruak Estate can explain

the criteria for fresh fruit bunches, cutting and arranging fronds, preparation of FFB at the fruit collecting point. While for mill employees in the engine room section can explain monitoring and checking tools and functions of generators and turbines, employees can also explain the time of use between turbines and generators.

4.1.2 and 4.1.3

The company has the Manual Quality Assurance with the number QA-OPR-01 which was established 01 February 2016. The procedure outlines several things such as the company's management system, company operational requirements, internal audit planning and coordination, reporting and follow-up on audit results.

The results of interviews with management known that the implementation of internal audits is conducted annually on a regular basis covering the implementation of all estate procedures, administration of bank cash and trade payables, inventory, wage and personnel administration, vehicle assets, heavy equipment, machinery and follow-up previous internal audit reports.

When the audit activity takes place, the company can show the results of the internal audit document carried out on August 7 - 14, 2018 by the company's internal auditor. The company has taken corrective action on internal audit findings and was declared fulfilled by the company's internal auditors on September, 2018.

4.1.4

The company can show the SOP for third-party FFB sourcing (ANJA – F&A – SOP 31 issued on 2016) which describe that head of sales and commercial department ensure that FFB supplier which receive by mill must comply with requirement such as FFB comes from sources that can be accounted. Observed as much as 19 supplier which is supplied FFB to Jangkang POM, all the supplier are bounded by the agreement.

Status: Comply

4.2

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

4.2.1; 4.2.2 and 4.2.3

The company has a fertilizer procedure with the number SOP-AGR-11. The procedure explains that fertilizer recommendations must be made based on the results of analysis of leaf and soil samples. Based on the company's Palm Oil Cultivation Guidelines, it is explained that leaf sampling and analysis are carried out once a year and soil sampling is carried out every five years.

During the audit activity the company shows the following documents on the results of soil and leaf analysis:

- Results of soil analysis by PT. Laboratorium Analytical & QC Nusa Pusaka Kencana (Asian Agri Group) on 2011. Test parameters include moisture content, cadmium, lead, oil content, exchange cation, calcium, magnesium, iron, manganese, aluminum, potassium, cation exchange capacity, and base saturation.
- Results of leaf analysis by CIRAD Agricultural Research for Development on 2017 for 84 leaf samples. Test parameters include Ash, N, P, K, Mg, Ca, B, Cu, and Zn.

Based on the results of leaf samples analysis in 2017, the company issued fertilizer recommendations for the first semester of 2018 as follows: Urea at a dose of 1 - 1.5 Kg/tree; Rock Phosphate at a dose 0.75 - 1,5 Kg/tree; Muriate Of Potash at a dose of 0.75 - 2 Kg/tree; Dolomite at a dose of 0.5 - 1 kg/tree; and Mycogold with a dose of 50 - 100 gr/tree.

During the audit activity the company can show fertilization monitoring that explains the application dosage, application tonnage, and fertilizer use/tons FFB, for example: Air Ruak Estate realization of fertilization in semester 1 2018 for Urea with a dose of 1.5 Kg/tree with a total application of 498.82 tons.

4.2.4.

The company shows the waste utilization document with the following details:

1. Liquid Waste.

Treatment of wastewater in WWTP is carried out efficiently and do not dispose into rivers; according with the quality standards of liquid waste poured on empty bunches and make leachate reservoirs.

2. Empty Fruit Bunch

Based on interview with composting officer, EFB used in sandy areas also serves to improve soil structure. There is recording of composting delivery such as: for Balok Estate is 781.40 ton; and for Air Ruak Estate is 3,366.80 ton.

3. Fiber and shell are used as boiler fuel.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The company has a PT Sahabat Mewah dan Makmur Soil Analysis Report with a scale of 1: 2,000 dated May 1, 2015. The document complete with legend soil map units, roads, rivers, cities, estate boundary and division boundary.

4.3.2

The company has a management strategy for planting in slope areas contained in the ANJ Agri Palm Oil Cultivation Guidelines. The document describes the management area on sloping area, among others: conservation terrace (for slopes 0 - 2°), terrace with a width of 4 meters (for slopes of 6° - 12°), terrace with a width of 3 - 3,5 meters (for slopes of 20° - 25°), planting cover crops and empty fruit bunch applications..

During the audit activity, the company can show the soil conservation documents for slope areas at PT Sahabat Mewah dan Makmur. Based on field observations in the Blok I27 Balok Estate, known that the company has made terraces for slope areas and has planted *Mucuna bracteata* as a cover crop and retaining surface erosion. In addition, fertilization is also carried out using empty fruit bunch in that block.

4.3.3

The company has a road maintenance program for the 2018 period, for example Balok Estate has a 24,575 meter road maintenance program for 1 year with 2 rotations. During the audit activity, the company showed road maintenance documents for the 2018 period for Balok Estate. Based on verification document, known that until August 2018 the company had carried out 24,684 meters of mechanical road maintenance.

4.3.4 and 4.3.5

Based on verification of semi-detailed land map documents and field visits at Air Ruak Estate and Balok Estate, it is known that throughout PT. SMM there is no area with peat soil types.

4.3.6

Strategies for fragile and other problem soils are included in the semi-detailed soil survey report. The report describes the level of land suitability along with the actions that need to be taken to raise the level of land suitability. Based on the report it is known that the limiting factors in land in the company's operational areas include low nutrient content, steep slope land, sandy soil, low-flood lands and peat soils.

Some recommended strategies include:

- Increasing the organic content of the soil through recycling nutrients, namely the application of EFB and POME, laying the frond in the joint and between the staples.
- Carry out fertilization based on the results of leaf and soil analysis that is carried out regularly.
- Making a terrace system on steep slopes, planting *Mucuna bracteata* and laying the frond parallel to the direction of the contour
- Application of water management to low-lying areas and flood-prone areas, through the creation of drainage systems, piezometer monitoring, land subsidence monitoring (subsidence) and water level monitoring

The company has shown the results of the examination and implementation of the EFB and POME applications, results of soil and leaf analysis, recording of *Mucuna bracteata* planting.

Based on field observations in the Air Ruak Estate and Balok Estate it is known that the fragile land management strategy mentioned above has been well implemented by the company.

| | | |
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| | Status: Comply | |
| 4.4 Practices maintain the quality and availability of surface and ground water. | | |
| 4.4.1 | | |
| <p>Water sources identification and management plan are listed on HCV identification document and environmental management/monitoring document that consists of e.g water usage monitoring on mill, HCV areas management, and surface water quality monitoring. Field visits on block M33 div 4 BLE (Aek Bilas riparian) and block A58 ARE (Tedong river riparian) found that company have marked buffer zone, perform revegetation with woody plants, and HCV signboard installation. During field visit also found riparian condition were forested well and there is no chemical activity indications on those riparian that become sampling audit. 1st semester 2018 water quality analysis on Aik bilas, Lenggang, and Balok river shown that testing parameters on downstream such as BOD, COD, Cadmium, oil and grease are met the standards quality.</p> | | |
| 4.4.2 | | |
| <p>Management for water courses and riparian was done based HCV and riparian management procedure (SOP-CSV-01). PT. SMM has been identified water courses and wetland based on HCV Assessment and the implementation for those procedure has been explained at 4.4.1 indicators. Main watersheds on PT SMM are Balok and Pala riverine, and other sub watersheds streaming on estate for examples are Balok, Aek Bilas, Bentaian, Lenggang, And Tedong river. All of main watershed/sub watersheds has been mapped with 1:100000 scale.</p> | | |
| 4.4.3 | | |
| <p>Based on field visit on Jangkang POM and biogas plant shown that mill effluent produced by POM are distributed on cooling pond firstly, and then flowing to biogas plant. As land application, POM utilized POME derived from biogas plant. Mill effluent has been monitored every months and monitoring period April-Sept 2018 shown that all of effluent testing parameters is compliant to the standards quality, for example BOD on September 2018 1430 mg/l (< 5000 mg/l). Mill Effluent management also was reported and submitted quarterly to Environmental Agency of Belitung timur. Company also owned land application permit based on decree of Belitung Timur regent No. 503/001/PAL/BPMT/2014 valid until 2019.</p> | | |
| 4.4.4 | | |
| <p>Based on field visit on Jangkang POM water treatment plan and interview with WTP operator found that mill water usage monitoring are conducted on regular daily basis based on flowmeter reading. Standards of water usage for FFB process recorded on 2018 budget projected 1.7 m³/mt FFB process. Water usage monitoring was done periodically and recorded, for example on September 2018 FFB processed was 33,376 mt, process water usage 42,742 m³, and water usage efficiency was 1.28 m³/mt FFB process.</p> | | |
| | Status: Comply | |
| 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques. | | |
| 4.5.1 and 4.5.2 | | |
| <p>The company has an integrated pest management procedure that explains how to control pests in biology, chemistry and manually. In addition, the company also has a Cultivation Guidebook which also explains related to Pest and Disease control. In the book, an early warning system is explained, for example, periodic detection for leaf eater caterpillar is done every 2 months, and rat censuses are carried out every 3 months.</p> | | |
| <p>The company is committed to implementing integrated pest management (IPM), this is demonstrated by utilizing beneficial plants and natural predators. In this case, the company shows documents related to planting and maintenance of beneficial plants for the period of 2018, for example, in Air Ruak Estate has planted <i>Turnera subulata</i> with 3,000 seeds and has installed 375 barn owl box.</p> | | |
| <p>The interview with the management revealed that the company routinely conducted training for IPM employees, for</p> | | |

example IPM training conducted on January 25, 2018 at the ANJ Learning Centre and was attended by 61 employees. Documentation, material and attendance lists are available during the audit activity.

During the audit activity, the company shows pest monitoring documents period of October 2018 for Air Ruak Estate and Balok Estate. Based on document verification, it was found that there were no pests that exceeded the threshold, for example rat census on Block B66 Air Ruak Estate conducted on October 1, 2018, the new attack rate showed 5 trees out of 485 sample trees (0.79%).

The results of field observations in Balok Estate are known that the company has installed barn owl box and conducted monitoring every week. The results of interviews with management representatives are known that observations were made on several aspects, for example: the presence of owl, and traces of vomit.

Status: Comply

4.6

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

4.6.1; 4.6.2 and 4.6.5

The company has a policy on safety in using chemicals listed in the procedures for managing hazardous material and hazardous waste with the number SOP-AGR-19 dated on August 1, 2013 and weed, pests and diseases control procedures with the number SOP-AGR-20 dated on April 1, 2016. In the procedure, it is explained about the use of PPE for employees and management of used pesticide containers.

Based on interviews with management revealed that to avoid the development of resistance, the company used a rotation spraying system and use different types of pesticides in each rotation. During the audit, the company showed a chemical justification document for the periode of 2018 at Air Ruak Estate and Balok Estate by identifying trade names, active ingredients, LD50, WHO classification, type, shape, character, application method, function and justification.

The company also has a pesticide use program contained in the annual budget document, while the realization is reported in the Estate Manager's monthly report. The document explains the trademark and active ingredients of pesticides, target weeds, dosages per hectare, monthly use of materials and recapitulation, and the extent of application.

Based on field observations and interviews with pesticide applicators on Balok Estate are known as follows:

- Employees have understood work procedures that are safe in using chemicals such as spraying techniques, target weeds for each pesticide, use of PPE and actions taken when poisoning occurs.
- Regular employees get direction from supervisor before work and also get regular internal training by the company.
- The company provides facilities for mixing pesticides, storing work tools and PPE as well as places for bathing employees when completing the application of pesticides.
- Employees bring food from home, the company in this case provides clean water and soap to clean hands before eating and the location of the place to eat must be different from the location of the application of pesticides.
- The company provides PPE for each employee free of charge and if broken will be given a replacement PPE with the provision of returning the broken PPE.
- Supervisors always carry a first aid kit that will be used as first aid when there is a work accident. The results of checking are known that the contents of the first aid kit are complete and ready to use.

4.6.3

The company has an integrated pest management plan listed in the Division's work document and document Pest control activity plan consisting of detection and identification of pests, rat census, census of leaf eater caterpillar, application of chemical rat control and planting of beneficial plants (*Turnera subulata* and *Cassia cobanensis*).

4.6.4

The company shows the Pesticide List document in the 2018 Classification that identifies trademarks, active ingredients, LD 50 (mg / kg), WHO classification and product classification.

The company has a policy to minimize the use of paraquat dichloride and brodifacoum listed in the memorandum number

056/GM/SMM/IM/XI/2016 dated on November 3, 2016. In the memorandum, it is explained that the use of paraquat dichloride is only for *Scleria sumatrensis* weeds, and companies are also committed to reducing use of paraquat dichloride every year.

Based on field observations and interviews with pesticide applicators on Air Ruak Estate revealed that spraying activities used Glyphosate. while the results of physical verification in the chemical warehouse are in accordance with the inventory records at Air Ruak Estate, it is known that pesticides are available with Basta, Garlon, Agristik, Lindomin, and Amiphosate.

4.6.6

The company has a pesticide storage procedure that is listed in the procedure for mixing and storing chemicals with the number SOP-EHS-004 dated on August 10, 2015. The procedure describes chemical management in accordance with applicable regulations, preventing and overcoming pollution or environmental damage caused by chemicals, administration and use of PPE for implementing chemical management officers and facilities during an emergency. The procedure has been implemented by the company as per field visit result to storage it was observed that chemical are stored at a secure store with retention bunds to contain spillage, spill kit and appropriate signage indicating toxic materials were installed, as well as the PPE are provided in place.

During the audit activity, the company shows a monitoring document of pesticide container used for Air Ruak Estate Period of August 2018. From the monitoring known that until August 2018 there were 121 containers of used pesticides. The results of field visits at the employee housing complex also found no use of used pesticide packaging used for other purposes.

4.6.7 and 4.6.9

The company shows training documents to employees and scheme smallholder related to the use and handling of pesticides as follows:

- Training on spray techniques and handling of pesticides on June 22, 2018 is located at the Air Ruak Estate office. Documentation, material and attendance lists are available during the audit activity.
- Training on spray techniques and handling of pesticides on July 4, 2018 is located at the Balok Estate office. Documentation, material and attendance lists are available during the audit activity.

Based on field observations and interviews with pesticide applicators on Balok Estate are known as follows:

- Employees have understood work procedures that are safe in using chemicals such as spraying techniques, target weeds for each pesticide, use of PPE and actions taken when poisoning occurs.
- Regular employees get direction from supervisor before work and also get regular internal training by the company.
- The company provides facilities for mixing pesticides, storing work tools and PPE as well as places for bathing employees when completing the application of pesticides.
- Employees bring food from home, the company in this case provides clean water and soap to clean hands before eating and the location of the place to eat must be different from the location of the application of pesticides.
- The company provides PPE for each employee free of charge and if damaged will be given a replacement PPE with the provision of returning the damaged PPE.
- Supervisors always carry a first aid kit that will be used as first aid when there is a work accident. The results of checking are known that the contents of the first aid kit are complete and ready to use.

4.6.8

Based on the document verification, field observations, and management interviews, known that the company did not apply the application of pesticides through the air.

4.6.10

Traning and socialization related agrochemicals waste management last conducted on March 2018. Field visit on Central chemical store and mixing store shown that agrochemicals containers are disposed based on MSDS and procedure SOP-EHS-009 i.e cleanly washed on pesticides optimalization storehouse and regularly submitted to licensed collector. Meanwhile ex fertilizer sack were cleanly wash on fertlizzer sack washing areas and then reused again for loose –fruit picking activity on estate. All evidence for ex agrochemical disposal for examples "*berita acara pengiriman bekas kemasan*

pestisida" to related transporter are available and verified by auditor. Both estates, Air Ruak & Balok estate were implemented proper ways for waste disposal based on procedure SOP-EHS-009. Observation results in workers housing areas, found there was pesticide containers used for garbage cans, clean water containers or flower pots.

4.6.11

Based on verification of documents on the special medical check up results for Balok Estate and Air Ruak Estate, it is known that special medical check up for spraying workers are only carried out once a year. This is not in accordance with Regulation of the Minister of Labor No.3 of 1986 Article 7 Paragraph 1 which explains that worker where there are pesticides must get a special medical check up at least once in 6 months. **NCR No. 2018.01 with Major Category.**

4.6.12

Based on interviews with workers in spraying activities in Air Ruak Estate and Balok Estate, it is known that workers have aware regarding to the prohibition of pregnant and breast-feeding women to involve in chemical activities, if any are pregnant or breast-feeding workers then should be transferred to manual-maintenance activities.

| | | |
|---------------------|---|--|
| Major 4.6.11 | Status: NCR No. 2018.01 with Major Category. | |
|---------------------|---|--|

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

4.7.1

Policy on OHS has issued by the President Director, General Manager of ANJ Agri on January 9th 2017. The policy indicates CH's commitment towards OHS implementation through:

- To communicate policy and OHS procedures to all employees and stakeholders which have interest.
- To comply with government OHS related regulations.
- To ensure implementation of OHS as a part of operational process.
- To identify, appraising, and control of continuous improvement in order to avoid work accident.
- To manage and monitor OHS indicators and conducting a continuous improvement.

The CH has socialize the policy mentioned above during P2K3 meeting which conducted on July, August and September 2018.

The work plan of the OHS Program for January to December 2018 covers the areas of extension & training, supervision field, evaluation field; Field of research, Health Sector; PIC; Cost Forecast, Timeline of completion (Jan-Dec 2018) and description. Based on interview result the workers are given guidance through socialization, warning boards and morning briefings before the work. Based on the above explanation, the workers has known about OHS policy.

Evidence of OHS program implementation has recorded in training report, medical check-up report, records of purchasing of OHS related equipment's (PPE, first aid kit, fire extinguisher, hydrant, etc.), P2K3 monthly meeting notes and three-monthly P2K3 reports. Furthermore, Evaluation of OHS program, achievements and its monitoring was presented in P2K3 monthly meeting notes and three-monthly P2K3 reports. Based on observation to Jangkang POM, Air Ruak Estate and Balok Estate, it was found first aid box, fire extinguishers and hydrant stations were satisfactory maintained. Regular checklist monitoring were also available. Moreover, simulation of hydrant were considered satisfactory.

4.7.2

The CH has the hazard identification risk and control (HIRAC) which presented in documents Form FRM-SOP EHS 19-028, as follows:

- Document of HIRAC for Mill, issued by the Secretary of P2K3 on January 2nd 2018.
- Document of HIRAC for Estate, issued by the Secretary of P2K3 on January 2nd 2018.

The HIRAC has covers all working activities on the mill and estates. The analysis has covers risk hazard identification, sources of hazard risk, frequency (routine, non-routine, emergency), potential risk identification (sources and impacts), control management, risk analysis of severity level and value level. Cross-check to the field, the compliance of application of product requirements which presented in MSDS and HIRAC document. For example, based on observation towards Harvester in Air Ruak Estate and Balok Estate, it was found that respirator used by applicators were in accordance with MSDS and HIRAC as well as the caution attached in the packaging.

4.7.3

CH has conduct several training and socialization related to OHS, for example as follows:

- The socialization of OHS and HIRAC on August 16, 2018 took place at the Mill Housing Complex. Training by corporate doctors and attended by 88 employees. Material, documentation and attendance list are available during audit activities.
- First Aid Training held on December 21, 2017 took place at the ANJ Learning Centre. Training by corporate doctors and attended by 39 people. Material, documentation and attendance list are available during audit activities.
- The socialization of OHS and HIRAC conducted on 1 February 2018 was at Air Ruak Estate. Training by SPO Officer and attended by 59 people. Materials, documentation and attendance lists are available at the time of the audit

The CH has shown document of PPE distribution to all workers in estates and mill, which signed by Assistants, Chief of P2K3 and the respective workers. Based on field observations and interviews with harvesters, pesticide applicators and factory operators, they have been equipped with PPE in accordance with procedures owned by the company for example, PPE for harvesters such as helmets, glasses and boots. The Company considered to ensure training programs for welders, electrical, tractor operators, compactor operators, and dump truck operators. **(OFI)**

4.7.4

Unit management has OHS committee (P2K3), which presented in several documents. For example Decree Letter from Head of Manpower and Transmigration Agency of Belitung District dated March December 4, 2017 for PT Sahabat Mewah dan Makmur. The P2K3 secretary has been licensed as OHS Expert. The monthly meeting of P2K3 well conducted and documented. For example, there was a minutes of meeting of OHS committee of Jangkang POM dated on July 30, 2018.

4.7.5

There is no revision in OHS procedures. Procedure of emergency management is presented in document No. SOP-EHS-015 - 031. Emergency situation identified were fire, explosion, contamination, natural disasters, turmoil, demonstration and work accident. The procedure has describes definition, management emergency action chart line, emergency team, planning and action, training and simulation. Moreover, work accident handling has more detail presented in document SOP-EHS-020, which describes victims handling, reporting, investigation, claims, etc. All procedures were available in Bahasa.

Based on interview with mill & estate workers are known that the CH already know the procedure about OHS. To facilitate evacuation in the event of an emergency, the company has established an evacuation route. The evacuation route is available in offices and mill. Besides that, it has been equipped with maps and other markers and adequate sign boards. To the visitors who come will be socialize safety induction as a guide health and safety in the visit process.

Based on field observations and interviews with harvesting and upkeep foremen at Air Ruak Estate and Balok Estate revealed that the foremen had attended first aid officers training conducted on December 21, 2017, the foremen could explain each of the uses of first aid kit items, further explained that routine first aid checks are carried out every month.

4.7.6, 4.7.7

The CH has registering all of it's employees as member of government scheme on health and workforce insurance (*BPJS Ketenagakerjaan* and *BPJS Kesehatan*). Most of non-permanent workers were family member of permanent workers (as wife). Hence, their health insurance are registered under their husband. Record of insurance payment for example in July - September 2018 is presented, for example:

- Health insurance period July 2018 of **PT Sahabat Mewah dan Makmur** has been paid on July 16th 2018. Payment receipt has been verified by auditor.
- Health insurance period August 2018 of **PT Sahabat Mewah dan Makmur** has been paid on August 16th 2018. Payment receipt has been verified by auditor.
- Health insurance period September 2018 of **PT Sahabat Mewah dan Makmur** has been paid on September 16th 2018. Payment receipt has been verified by auditor

Based on interviews with contractors are known that employment aspects including wages, insurance and occupational

safety are the responsibility of the contractor. This is stated in the letter of agreement.

The company has provide lost time accident matric. From the data it is known that there were 2 work accidents in 2018 that occurred in all management units with 42 missing days. This LTA was recorded by SPO officers in each unit. This LTA recorded by SPO officer in each unit. Reporting to the BPJS has been done, there is no insurance claim made for those accident, since the accident just require the first aid action.

Status: Comply

4.8

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

4.8.1

CH has training program for workers for period of 2018. The aspect in the training program are such as environment, labor best management practice aspect, and others. Some of training program, namely:

- Integrated Pest Management Training and Fertilizer Recommendation
- Harvesting procedure training
- Socialization of Company's Policy (Environment Policy, ISCC, Sustainable)
- Waste management (Non Chemical)
- And others

Based on interview with worker Balok and Air Ruak Estate, they have received some training related to their work, such as work procedure training, emergency response, and first aid training. The training has been documented into minutes of meeting, list of attendees, and photo activity.

4.8.2

CH showed the documentation of training or socialization whether it is internal or external training in form of minutes of meeting, list of attendees, and photo activity. For example:

- Integrated pest management and fertilizer recommendation on 25th January 2018 attended by 66 participants.

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 ASA1.3 there is no scope changes related plantation and mill activities such as new estate development or mill production capacity changing. The company has environmental document for both estate and mill dated 2002, plantation expansion dated 2015, the development of biogas plan dated 2009 and environmental document for composting dated 2016. Based on interview with management and field visit found that biogas plant are operated by different entity i.e PT. Austindo Aufwind New Energy, and all electricity generated by this biogas plant are supply to state owned electricity company (PLN).

5.1.2 & 5.1.3

Company have develop plan to mitigate environmental impact (inlcluding replanting activities) which includes monitoring protocol outlined in the RKL-RPL document and implemented plan to monitor the effectiveness of the management activities to mitigate negative impact and enhance postive impacts. Review of this plans has been developed on October 2018. Results of monitoring are listed on regular environmental monitoring and management report, and monitoirng results for examples July-September 2018 shown environmental management related to waste water, surface water quality, land fires, are still comply with regulation and monitoring plan.

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

There are no changes for the HCV Identification assessment, since that was conducted in 2009. All HCV and the RTE species was identified by the RSPO approved assessor. RTE species that were identified based on regular monitoring and referred to IUCN Redlist are: *Shorea balangeran* (CR) on Balok estate, *Manis javanica* (EN), *Trachypitechus auratus* (EN). HCV identifying process conducted by using HCV identification guides in Indonesia on 2008. The identification results indicate that there are HCV attributes covered an area of ±1,475.87 ha.

5.2.2 & 5.2.3

Company established HCV management plan to maintain the HCV areas in operation area of PT SMM, listed on Management plan HCV 2018 documents. HCV management activities that taken by the management unit are maintain HCV attributes (HCV boundry, sign board), HCV socialization (community and worker), maintain HCV area, patrolling around HCV area, monitoring of flora and fuana, enrichment in riparian. Field visits on block M33 div 4 BLE (Aek Bilas riparian) and block A58 ARE (tedong riparian) found that company have marked buffer zone, perform revegetation with woody plants, and HCV signboard placement. During field visit also found riparian condition were forested well and there is no chemical activity indications on those riparian that become sampling audit.

Policy related to HCV and RTE species also developed by company and listed on Conservation policy MAN-CSV-001 on 2018. Based on field visit on central line-site found there is no RTE species captured and reared by workers, and RTE/HCV socialization for workers have been conducted on March 2, 2018.

5.2.4

Program and realization to socialize the status of protected, rare, threatened or endangered (RTE) to all workers were available for examples HCV/RTE socialization on March 2018.

Monitoring for RTE species and HCV are conducted every day on each estate and summarized on HCV monthly report. Based on monitoring result period November 2018 shows that there is no illegal logging, illegal hunting, chemical application on riparian. The species that found during November 2, 2018 monitoring i.e *Maccaca fascicularis* (block B36 ARE) and *Halcyon smyrnensis* (BLE). During 2017, HCV monitoring found new RTE species that not been identified before, i.e *Tarsius bangka* or *Tarsius bancanus* that categorized as VU on IUCN redlist 2018-1. As a result of monitoring, 2018 HCV management plan have included specific monitoring and specific assessment collaborated with Malaysia Environmental consulting for this species monitoring.

5.2.5

Based on HCV identification found there is HCV 5 and 6 presence, that consist of Balok cemetery and water springs. HCV locations has been included on each estate working map with appropriate scale. Mutual HCV management agreement between company and affected parties regarding this HCV attributes are availables for examples Stakeholders meeting for HCV management on June 2016 between PT SMM and affected parties

Status: Comply

5.3

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

5.3.1

All waste and pollutions sources from mill and estate are identified and recorded on waste identification risk assessment 2018 that contains waste source identification, covering solid waste, liquid waste, clinical waste, domestic waste and hazardous waste sourced from workshop, mill, domestic, and etc. Meanwhile waste management plan also has been develop by company such as effluent are managed at waste water treatment plant before it distributed to water stream, hazardous waste were kept at hazardous waste storehouse, and etc.

5.3.2

Based on document review and interview with management, shown all ex pesticide containers on estates and scheme smallholders are managed by rinse on pesticides washing store and regular submitted to related collector. Document review shown that company has sent all toxic and hazardous waste (including medical waste) to CV Bering Greece Jaya (licensed collector and transporter), for examples manifest NI0002447 on August 9, 2018 for ex agrochemical containers. Observation during audits at central temporary hazardous&toxic waste storage shown that all of hazardous waste are compliant with the periods in permit.

Inventory for all chemicals usage and it containers are available on chemicals storehouse / temporary hazardous storage. All ex chemicals containers were kept on temporary hazardous storage at CWT (Central Workshop Transport) and the company has a permit for hazardous and toxic waste storage issued by decree of Head of Belitung Timur Capital investment and integrated service No 188.45-01, valid until 2023.

5.3.3

Company has implemented waste management/utilization based on management plan. Field visit to Jangkang POM shown that palm oil mil effluent are managed on WWTP before its distributed as land application; Fiber and shell has been utilized as a boiler fuel, housing trash has been collected in the garbage then disposed to the landfill area. Field visit on land application activities block P25-26 div I JKE shown that company has utilized POME as nutrient cycle based on permit which it belongs. Related to domestic waste, field visit on worker housing found that All settlements waste are not disposed off using open fire and companies managed settlements/housing domestic waste by provide landfill.

During ASA 1.2, there was an Minor NC (**NCR No.: 2017.2**) regarding to the management of hazardous waste not yet in accordance with SOP Waste Management Plan (No. SOP-EHS-008; Revision 01, dated 05 December 2015) as follows:

- Based on the results of the visit at Ladang Jaya Estate is known there are drums that are used as a hazardous waste stored outside the warehouse.
- Based on the results of the visit in Mill there is hazardous waste in the form of painted paint cans thrown in boiler ash disposal and not stored in Hazardous waste storage

Verification on corrective action plan implementation are done by the auditor on ASA 1.3, the company has conduct hazardous waste management socialization to all mill and estate workers level on 9 November 2017, this socialization was undertake on Jangkang POM on November 9 2017. Based on this explanation, NCR 2017.02 are considered **Closed**

Status: Comply

5.4

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

5.4.1

Company implemented fossil fuel reducing plan by renewable (fiber and shell) energy usage. Certificate holder has assess and estimated the direct energy use such as fuel usages and electricity generated by Mill operational activities for 2018 periods. Shell and fiber usage have been monitored per month and for examples realization of fossil fuel usage during September 2018 are 956 litre. During Jan-Septmber 2018, renewable energy usage for boiler resulting average energy efficiency about 81.72 KwH/mt CPO, meanwhile direct energy usage by fossils fuel are 0.13 litre/mt CPO. Notes : electricity generated by Biogas plant are 100% transfer to state owned electricity company (PLN), therefore there is no grid utilization by PT. SMM.

Status: Comply

5.5

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

5.5.1 & 5.5.2

Zero burning activities for land preparation are listed on procedures SOP-AGR-003 on 2013 and Environmental policy 2015. Document review shown replanting activities was undertaken on Jangkang, Balok and Sari Bunga esate on 2018. Field visit on Balok estate indicates all land preparation for replanting acitivites are conducted by zero burning methods. Auditors also verified working agreement letter for examples working agreement letter No 0203/EST/SMM/2018 and found on articles 2 listed that all land clearing acitivites should conducted by zero burning activities.

Status: Comply

5.6

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

5.6.1 & 5.6.2

To reduce pollution and emissions, the company has identified the source of pollution and greenhouse gases and the measures to manage them. The efforts made by the management unit to reduce the pollution and GHG emissions through the activities including engine maintenance, effluent management and waste utilization, conduct fertilization according to the doses, conduct pesticide application according to the procedure, etc. Field visits in the mill showed that the shell and the fiber has been used as a boiler fuel, therefore it's reducing the use of diesel fuel for generators.

5.6.3

Monitoring for emission and pollutants (air emission (boiler and generator), opacity, air ambient, odor, noise level) from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. 1 st semester 2018 Testing result indicates all parameters related to emission are still comply with standard quality. GHG emission calculated using RSPO palm GHG calculator V3.0.1, the summary of GHG emission for Jangkang POM periods Jan-Dec 2017 are listed as follows :

Summary of Net GHG Emissions

| Emissions / product | tCO ₂ e/t Product | Ext | % | Prod | ton/year |
|---------------------|------------------------------|-----|------|---------------|-----------|
| CPO | 0.52 | OER | 22 | FFB Processed | 286353.05 |
| PK | 0.52 | KER | 4.91 | CPO Produced | 62999.89 |

Land use

| Land Use | ha |
|-----------------------------|----------|
| OP planted area | 14190.34 |
| OP Planted on peat | 0 |
| Conservation (forested) | 1475.87 |
| Conservation (non-forested) | 0 |

Notes : conservation areas area are included forested riparian on planted areas

Summary of Field Emissions and Sinks

| | Own Crop | | | 3 rd Party | |
|--|--------------------|-----------------------|---------------------------|-----------------------|-----------------------|
| | tCO ₂ e | tCO ₂ e/ha | tCO ₂ e/ t FFB | tCO ₂ e | tCO ₂ e/ha |
| Land conversion | 9416.7 | 6.62 | 0.4 | 0 | 0 |
| *CO ₂ emissions from fertilizer | 4033.97 | 0.28 | 0.02 | 0 | 0 |
| **N ₂ O emissions | 5948.6 | 0.42 | 0.03 | 0 | 0 |
| Fuel consumption | 1445.68 | 0.1 | 0.01 | 0 | 0 |
| Peat Oxidation | 0 | 0 | 0 | 0 | 0 |
| Crop sequestration | -89253.74 | -6.27 | -0.38 | 0 | 0 |
| Conservation Sequestration | 0 | 0 | 0 | 0 | 0 |
| Total | 16337.21 | 1.15 | 0.07 | 0 | 0 |

Summary of Mill Emissions and Credits

| | tCO ₂ e | tCO ₂ e/tFFB |
|------------------------------|--------------------|-------------------------|
| Emissions | | |
| POME | 20252.07 | 0.07 |
| Fuel consumption | 126.17 | 0 |
| Grid Electricity Utilisation | 0 | 0 |
| Export of Grid Electricity | 0 | 0 |
| Sales of PKS | 0 | 0 |
| Sales of EFB | 0 | 0 |
| Total | 20378.24 | 0.07 |

Palm oil Mill Effluent (POME) Treatment

| | |
|-------------------------------|----------|
| Divert to compost | 0.00 % |
| Divert to anaerobic digestion | 100.00 % |

POME Diverted to Anaerobic Digestion:

| | |
|--|------|
| Divert to anaerobic pond | 0 % |
| Divert to methane capture (flaring) | 9 % |
| Divert to methane capture (electricity generation) | 91 % |

Based on document review for examples: pesticides usages monitoring, diesel fuel monitoring, HCV identification and etc found that accurate data has been put into the RSPO palm GHG Calculator. Meanwhile this GHG calculation using options No 1 (apply full version).

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 Certificate Holder has had Social Impact Assessment (SIA) dated 11 – 14 October 2013. The assessment covers all social information from all internal stakeholder (staff, foreman, mill and estate employees, employees family, paramedic, labour union representatives and cooperation representatives) as well as external stakeholder (local communities, customary leader, smallholder, teacher, enclave owner etc). Total participant that contributed in this assement were 98 participants.

Social Impact Assessment was conducted by field observation method and focus group discussion. The attendance list, assessment schedule and list of speakers (internal and external stakeholders) are contained in the Appendix to the SIA assessment documents.

6.1.3

The Certificate Holder has a CID Management Plan of 2017 as a form of mitigation action against SIA. The Management Plan is contained in several programs for internal and external stakeholder, that is in aspects of health, education, government administration, communication and CSR, reduced potential of the work of local community, supply of smallholders FFB to Mill, land for the community, environmental pollution, employment, PPE, work equipment, and housing facilities.

The Management plan arranged in a structured manner, contains the program activities, PIC, target, time of

implementation, realization and description. The management plan is evaluated every month to see the realization of the program that has been made. The evaluation includes the program, PIC, realization, evaluation, analysis and improvement.

Based on document review and interview with Village Head of Dendang and Simpang Tiga, known that the management plan has been made in participatory manner.

Based on interview with Village Head of Dendang and Simpang Tiga, known that all social impacts and issue have been identified in the SIA assessment, among others in aspect of livelihood, health, land tenure, employment, education, economy, social, cultural and religious.

6.1.4

The latest review of CID Management Plan has been conducted on August and September 2017 in participatory manner, in form of focused group discussion involving affected parties, for example:

- The attendance list is on 8 August 2017 attended by 20 participants.
- The attendance list is August 7, 2017 attended by 18 participants.
- The attendance list is on August 8, 2017 attended by 13 participants.
- The internal SIA attendance list dated 22 September 2017 was attended by 26 participants.

Based on the review, known that there were some issues or impacts that no longer relevant because there are no more complaints from affected parties.

6.1.5

The Certificate Holder has had associated smallholder with Cooperatives of Mitra Lestari, Mitra Anugrah, Sambar Jaya Makmur, Berimpun Sejahtera, and Lindong Raya. The partnership has been full managed by the Certificate Holder, bounded in agreements.

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; 6.2.2

The Certificate Holder has had procedure of communication and provision of information (No. OP-Leg-02 dated 01 April 2013). The procedure has been disseminated to all stakeholders by the PIC of communication, that is External Affair Department. Result of consultations with Villages Head of Dendang and Simpang Tiga, and cooperatives of Mitra Lestari and Mitra Anugrah, known that the concerned had known the mechanism and PIC of communication. Every communication and request for information is always responded to by the Certificate Holder in a relatively fast time.

6.2.3

The Certificate Holder has list of stakeholders such as Government Agency, local communities, supplier, local contractors, etc. The communication recorded in the logbook of communication and information request and the records stored at the External Relationship Department.

The Certificate Holder routinely conducted stakeholders meeting, for example meeting of Balok Estate with Balok Village and Dendang Village on 25 September 2018, and Air Ruak Estate with Simpang Tiga Village and Renggiang Village on 26 September 2018.

Status: Comply

6.3

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

6.3.1

The Certificate Holder has had internal memo from General Manager (No. 036/HRO/SMM/06/14 dated on 7 June 2014) regarding the mechanism of handling the complaints. The Certificate Holder also had procedure of complain mechanism

(No. Doc. SOP-LEG-02). The procedure has set the protection of whistleblower and anonymity if requested.

The PIC for receiving employee complaints is the direct Supervisor of the worker. If the problem can not be solved then it will be the responsibility of the hierarchy above or the HRO department. The results of interviews with workers and labor union have been informed of the mechanism.

Results of interviews with Plantation Agency, Manpower Agency, Environment Agency, Village Head of Dendang and Simpang Tiga, Cooperatives of Mitra Lestari and Anugerah, FFB Transporters, as well as the workers, known that stakeholders have understood the mechanism for submitting the complaints.

6.3.2

In accordance with the procedure, complaints are submitted directly or in writing. Reporting written complaints is documented in the communication logbook and information request. Based on document review and interviews with internal / external stakeholders, no complaints were submitted specifically and in writing over the past year, because the complaint was accommodated, for example in an annual stakeholder meeting.

Auditor has verified the OFI on ASA 1.2 related realization the complaints of housing repair. Based on observations in housing and interviews with workers, housing damage has been handled well and fairly quickly. There is no such issue in ASA 1.3

However, the Certificate Holder has an opportunity for improvement to emphasize the submission of complaint in written manner, to improve the monitoring of complaints. **OFI**

Status: Comply

6.4

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

6.4.1, 6.4.2, 6.4.3

The Certificate Holder has had procedure of land acquisition (No. 021/HR&GA/CP/Pembebasan Lahan/06-09 dated 1 June 2009) that set the mechanisms of identify and calculate the land compensation. In this procedure was explained that the process of land identification is involved the community and the village government. The results of document review, field observation and interviews known that since Re Certification until ASA 1.3, the Certificate Holder does not conducted any new expansion.

Status: Comply

6.5

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

6.5.1

CH has copy of Bangka Belitung Governor Decree No 188.44/1252/DISNAKER/2017 about minimum wage of Bangka Belitung Province. The minimum wage for Bangka Belitung Province period of 2018 is Rp 2,590,444. Company issued internal memo about wage for daily permanen worker. Basic wage for daily permanent worker is Rp 2,590,444 plus rice allowance Rp 11,000/kg. based on interview with worker in estate and mill, basic wage and overtime payment is paid in accordance with applicable regulation.

However, CH could not showed that overtime in Sundays has been paid in accordance with applicable regulation.

- The company has Internal Memo No. 001 / GMO / SMM / IM / 01/2018 dated January 3, 2018 regarding premium payment of upkeep, general and operator. Based on the memo, the premium payment for crèche keeper in holiday is Rp150,000 per day
- Company showed wage documentation period of September 2018 for crèche keeper in Air Ruak Estate which show that overtime payment in Sunday is Rp 130,000 and Rp 110,000
- Overtime work order for crèche keeper in Sunday with working hours 07.00 – 13.00 and 07.00 – 12.00

- Based on calculation for overtime payment accordance with applicable regulation, overtime in holiday/sunday with basic wage Rp 2,590,444 for 6 hours is Rp 179,688 and 5 hours is Rp 149,740.

It becomes Non Conformity No 2018. 02

6.5.2

CH has collective labor agreement period of 2018 – 2020. The collective labor agreement is ratified on 20th March 2018 through Head of Manpower and Transmigration Agency of Bangka Belitung Province Decree NO. 188.4/22/KEP/DT-KUKM/III/2018. This document is regulated about company and worker responsibilities, recruitment process, promotion and demotion, work time management, payment system, social insurance, contract termination, and so on. Based on interview with the worker, it is known that they understand about worker’s rights and obligation as written in collective labor agreement. It has been socialized to the worker by management representative.

Besides collective labour agreement, other form of agreement with worker is work agreement (contract). CH showed work agreement (contract) of probation worker, for example contract No 038/SMM-HRO/X/SPK/2018 valid for 3 monthes. The document describes about type of work and salary, duty and responsibility, work hour, health and medical, work termination, and others. Contract is written in Bahasa and workers are understood the substance of the contract

Based on interview with worker in estate and mill, they understand the contain of collective labour agreement in general.

6.5.3 & 6.5.4

Based on field observation in housing complex in Balok and Air Ruak Estate, it is known that CH has been providing housing facilities, lighting and water, places of worship, school buses, clinics and educational facilities. Based on interview with the residents, it is known that there is no complaint related to housing facilities. The facilities provided by the CH is adequate. And also it is known that one house is occupied by one family and the condition of housing is still in good shape. Adequate food supply can be accessed through worker cooperative that provide basic food. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with reasonable price.

Major 6.5.2 Status: Non Conformity No 2018. 02 with Major Category

6.6

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

6.6.1

The policy related to form and join worker union is listed Internal Memorandum No 074/ANJA Belitung/GM-HRD/IM/12/2013 dated 11th December 2013. The policy is written in Bahasa Indonesia. Based on interview with representative of worker union of PT SMM, it is true that company is giving freedom for worker to establish a worker union. And also, CH did not give any intervention related to worker union activity. The worker union of PT SMM has been registered to Labor Agency of Belitung Timur Regency with registration number 03/Pct.SPSI/DSTKT/X/2013.

6.6.2

The worker union conducted internal meeting periodically or where there is an issue with company or the member of union. There are meeting documentation, such as minutes of meeting on 30th July 2018 attended by 12 participants. The documentation is available in office unit and available for member if they were asking.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

Based on internal memorandum from General Manager No 009/GM/SMM/IM/3/2013 dated 4th March 2013, instructed to all managers, assistants and foremen not to employ children under the age of 18 in all occupations. Based on document review and field observation, there are no workers under 18 years old. Based on public consultation with Manpower Agency of Belitung Timur Regency and field observation in estate and POM, there is no issue regarding child labor. Based on interview with worker in estate and POM, they know the minimum age to work in the company. Based on field

| | |
|---|-----------------------|
| observation in estate, auditors did not sighted any harvester accompanied by their wife or children. | |
| | Status: Comply |
| 6.8 | |
| Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited. | |
| 6.8.1 & 6.8.2 | |
| CH has policy related to nondiscrimination and equal opportunity listed on Sustainability Policy of ANJ Group which stated that Gender equality ensures that all employees and related parties receive equal treatment and do not experience discrimination based on gender. And also there is no tolerance for discrimination based on ethnicity, religion, nationality, political views, physical conditions and others. All workers are treated equally and have equal opportunity. Based on field observation and interview with spraying and manuring female worker, it is known that there is no issue or complain from worker regarding discrimination. Also, information from board of worker union stated that there is no issue related discrimination. The workers that has been interviewed is came from various social origin, race, and religion. | |
| 6.8.3 | |
| CH kept the personal file of each worker in estate office. Based on interview with management, the recruitment is conducted through the company requirement. The new recruitment is conducted in accordance with the procedure. The document of new recruitment is kept in estate office, such as copy of ID card, application letter, and work agreement. Worker promotion, mutation or demotion is done through the employee performance assessment. | |
| | Status: Comply |
| 6.9 | |
| There is no harassment or abuse in the work place, and reproductive rights are protected. | |
| 6.9.1, 6.9.2, 6.9.3 | |
| The company has a policy to prevent all forms of sexual harassment and violence written in Internal Memo From Act General Manager No 076/GM/HRO/12-2013. Based on interview with female worker in Balok and Air Ruak Estate, it is known that they understand the policy. It is also known that they understand the mechanism of complaint submission. Also, interview with committee of Gender Committee, it is known that there is no issue or complaint related to sexual harassment on the workplace. | |
| CH has formed gender committee for handling the harassment issue around female workers. Complaint can be submitted to board of bipartite cooperation, gender committee, or their foreman. Based on interview with representative of gender committee, the company provides the female worker with maternity leave for about 3 months. Pregnant and nursing female worker is prohibited to work related to chemical. And also, CH give special breast feeding time for female worker, but prohibit the worker from working with chemical material. | |
| | Status: Comply |
| 6.10 | |
| Growers and mills deal fairly and transparently with smallholders and other local businesses. | |
| 6.10.1, 6.10.2 | |
| The Certificate Holder bought FFB from scheme smallholder, that the FFB pricing mechanism refers to the pricing mechanism of Plantation Agency, in accordance with the agreements. Those pricing mechanism can be seen from Certificate Holder or from the website. | |
| 6.10.3, 6.10.4 | |
| Based on review of agreements, as well as interview with Cooperatives of Mitra Anugerah and Mitra Lestari, as well as local contractor and FFB suppliers known that they were given time to learn the contract. It is also stated that there were no obstacles between the stakeholders and The Certificate Holder. The contract has been made in fair, legal and transparent manner. | |
| The payment method has been set, that is payout period was 15 on the following month. For now, payments have been | |

made on time. This has been verified based on evidence of FFB payment of cooperatives for the period of September 2018, which was paid on 12 October 2018.

Auditor conduct verification the NCR of ASA 1.2 (**NCR No.: 2017.3**), that is the payment of smallholder's FFB has passed the 15th as agreed. The Certificate Holder shows the revised agreements with Cooperative of Sepakat Maju and Anugrah as follows:

- Agreement No. 0106-D / COM / SMM / 2018 dated 5 January 2018 with Cooperative of Sepakat Maju.
- Agreement No. 0106-A / COM / SMM / 2018 dated 5 January 2018 with Cooperative of Anugrah.

In the agreements, it was explained that the payment of FFB will be carried out 10 working days after the invoice was received by the Certificate Holder. Has been shown evidences of payment of the September 2018 period, including invoices and slip of transfer indicating that transfers were made within 5 days after the invoice was received.

The results of the interview with the management of Cooperative of Anugrah, obtained information that at this time there were no problems / delays in the payment process.

Based on the description, this nonconformity stated as **comply**.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The Certificate Holder has a Management Plan of CID as a form of local development program in the aspect of health, education, economy, culture and religion and infrastructure. The Certificate Holder has also established oil palm plantation partnership with several cooperatives. The participatory manner with the surrounding community in arrangement of Management Plan has been conducted through annual Stakeholder Meeting. Based on public consultation with Village head of Dendang and Simpang Tiga known that the Certificate Holder has been contributed for their community in participatly manner through stakeholder meeting.

6.11.2

The Certificate Holder conducted oil palm plantation partnership with smallholders through agreement with cooperatives. Resources for increasing the productivity of smallholders have been contained in the agreement, such as credit, input, technical guidance, management system. The partnership is managed in full managed system according to the Certificate Holder's standards and procedures.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

Based on document review, field observation, and interviews with worker and stakeholders, it is known that there is no migrant labor, including forced labor and illegal labor. The recruitment is done according to the company's procedure. All workers have work agreement that explain about the obligation and rights of the worker, and other provision. They work based on the contract and work order. Based on field observation and interviews with the workers in Estate and Mill, it is known that there is no discrimination among them. They came from local and nonlocal worker. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Based on interview bipartite cooperation member, there is no issue related to force labor.

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

Based on interviews worker union and worker in estate and mill, there was no forced labor at PT SMM. Workers interviewed have been listed in the employee list and for the process of receiving new worker refer to the procedure used. Workers get housing facilities and other facilities.

| | | |
|---|-----------------------|--|
| | Status: Comply | |
| 6.13 | | |
| Growers and millers respect human rights | | |
| 6.13.1 | | |
| CH has policy on human rights listed on internal memo No 023/GM/SMM/IM/2015. Based on interview with worker in estate and mill, and with local contractor, they know and understand about workers' rights. And also, from consultation with internal stakeholder (worker union), it is known that there is no complaint related to human rights violation. If there was a complaint, the complaint can still be resolved by amicable way between employees. | | |
| | Status: Comply | |
| PRINCIPLE #7 Responsible development of new plantings | | |
| 7.1 | | |
| A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations. | | |
| 7.1.1, 7.1.2, 7.1.3 | | |
| Based on documents review of area statement and field visits at Jangkang Estate, Sari Bunga Estate, Ladang Jaya Estate and Balok Estate, it is known that the company did not expand of the operational area and there is no more land clearing activity for new development since ASA 1.1. Current SIA and EIA identification are able to seen on indicator 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. | | |
| 7.2.1 and 7.2.2 | | |
| The company does not develop or expand new areas. The company has conducted semi-detailed land surveys as a basis for land suitability for oil palm cultivation. this has been explained in indicator 4.3.1 | | |
| | Status: Comply | |
| 7.3 | | |
| New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values. | | |
| 7.3.1 & 7.3.2 | | |
| Document review showed that the company is performed land clearing after November 1, 2005 without preceded by the identification of HCV. PT Austindo Nusantara Jaya Agri, as the parent of PT SMM has conducted disclouser of liability and LUCA in accordance with RSPO template on 24 August 2015. | | |
| Based on communication between company and RSPO on July 31, 2018 acquired information that the validation progress of Remediation and Compensation Plan (RaCP) for the area opened since November 1, 2005 without preceded by the identification of HCV in accordance with RACP Procedure are still in progress. | | |
| 7.3.3, 7.3.4, 7.3.5 | | |
| The results of document review, field visits and interviews found that PT SMM did not expand or conduct new planting since Recertification (October 2015). HCV identification for current operational activites are able to seen on indicator 5.2. | | |
| | Status: Comply | |
| 7.4 | | |
| Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided. | | |
| 7.4.1 and 7.4.2 | | |

Certification units have no expansion and new development of plantation area after November 2005. The current activities are replanting of oil palm crops starting in year 2014.

Status: Comply

7.5

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

7.5.1

Certification units have no expansion and new development of plantation area after November 2005. The current activities are replanting of oil palm crops starting in year 2014. Regarding FPIC mechanism, please refer to Criteria 2.2 and Criteria 2.3.

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.

7.6.1, 7.6.2, 7.6.3, 7.6.4, 7.6.5 & 7.6.6

Based on documents review of area statement and field observation, it is known that the Certificate Holder did not expand of the operational area and there is no more land clearing activity. The Certificate Holder only doing the replanting activities since 2015.

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.

7.7.1 & 7.7.2

Zero burning activities for land preparation are listed on procedures SOP-AGR-003 on 2013 and Environmental policy 2015. Document review shown during ASA1.1 - ASA1.3 the company not performed any new development or land clearing for all operational activities.

Status: Comply

7.8

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

7.8.1 & 7.8.2

PT SMM do not conduct any new development since January 1st 2015

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.

8.1.1

Social Aspect

The Certificate Holder has compiled a social management and monitoring plan prepared in accordance with SIA documents, and regularly evaluated in a participatory manner through annually Stakeholder Meetings.

Environment Aspect

As emission reducing plan implementation and waste utilization, PT SMM have develop methane capture plant (biogas plant) under management of PT Austindo Aufwind Renewable Energy.

Status: Comply

3.2 Summary of Assessment Report of Supply Chain Requirement

3.2.1. General chain of custody requirements for the supply chain

| Clause | Requirement | | | | | | | | | | | | | | | | |
|------------------------|---|----------------|---------|-------------|------------------------------|-----------|-------------------|------------------------|--|-----------|------------|-----------|----------------------|------------|------------|----------|------------|
| 5.1 | Applicability of the general chain of custody requirements for the supply chain | | | | | | | | | | | | | | | | |
| 5.1.1 | <p>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.</p> <p>This requirements are applicable to Jangkang POM and its CSPO/CSPK contractor since the mill are takes legal ownership and carry out all physically handling against its sustainable oil palm products, the bounded transporter only do delivery upon mill request to the specified destination set by the mill. Agreement between mill and transporter explained in the clause of 5.5.</p> | | | | | | | | | | | | | | | | |
| | Status: Comply | | | | | | | | | | | | | | | | |
| 5.1.2 | <p>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.</p> <p>This requirement are not applicable, audit are conducted to the mill which is produce and sell its product only.</p> | | | | | | | | | | | | | | | | |
| | Status: Comply | | | | | | | | | | | | | | | | |
| 5.1.3 | <p>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.</p> <p>The mill has been registered as RSPO member under ANJ Group as well as registered in the RSPO IT Platform for its supply chain, the information detailed below:</p> <table border="0"> <tr> <td>Sub License ID</td> <td>CB61411</td> </tr> <tr> <td>Member Name</td> <td>PT. Sahabat Mewah dan Makmur</td> </tr> <tr> <td>Member ID</td> <td>RSPO_PO1000000531</td> </tr> <tr> <td>RSPO Membership Number</td> <td>1-0032-07-000-00 (PT Austindo Nusantara Jaya Agri)</td> </tr> <tr> <td>Issued On</td> <td>12/29/2017</td> </tr> <tr> <td>Issued By</td> <td>PT Mutuagung Lestari</td> </tr> <tr> <td>Start Date</td> <td>01/06/2018</td> </tr> <tr> <td>End Date</td> <td>01/05/2019</td> </tr> </table> | Sub License ID | CB61411 | Member Name | PT. Sahabat Mewah dan Makmur | Member ID | RSPO_PO1000000531 | RSPO Membership Number | 1-0032-07-000-00 (PT Austindo Nusantara Jaya Agri) | Issued On | 12/29/2017 | Issued By | PT Mutuagung Lestari | Start Date | 01/06/2018 | End Date | 01/05/2019 |
| Sub License ID | CB61411 | | | | | | | | | | | | | | | | |
| Member Name | PT. Sahabat Mewah dan Makmur | | | | | | | | | | | | | | | | |
| Member ID | RSPO_PO1000000531 | | | | | | | | | | | | | | | | |
| RSPO Membership Number | 1-0032-07-000-00 (PT Austindo Nusantara Jaya Agri) | | | | | | | | | | | | | | | | |
| Issued On | 12/29/2017 | | | | | | | | | | | | | | | | |
| Issued By | PT Mutuagung Lestari | | | | | | | | | | | | | | | | |
| Start Date | 01/06/2018 | | | | | | | | | | | | | | | | |
| End Date | 01/05/2019 | | | | | | | | | | | | | | | | |
| | Status: Comply | | | | | | | | | | | | | | | | |
| 5.1.4 | <p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>There is no processing aids use by the mill for both equipment and/or material.</p> | | | | | | | | | | | | | | | | |
| | Status: Comply | | | | | | | | | | | | | | | | |
| 5.2 | Supply chain model | | | | | | | | | | | | | | | | |
| 5.2.1 | <p>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.</p> <p>Verified based on transaction report in palm-trace and sales document, the mill only claim its product as MB.</p> | | | | | | | | | | | | | | | | |
| | Status: Comply | | | | | | | | | | | | | | | | |
| 5.2.2 | <p>The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p> | | | | | | | | | | | | | | | | |

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| The mill has been applied SC module in accordance with its certificate, namely SC Module E | |
| | 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. |
| | <p>Jangkang POM has a procedure which explain the implementation of entire element on the Mass Balance requirements, such as: SOP Mass Balance (ANJA Group) document no.: SOP-SCD-06 edition 1 revision 3 on 17 September 2018, prepared by Sustainability Manager and approved by Head of Sustainability, in the SOP describes the purpose, personel responsible, supply chain form defined, over-projection mechanism, buyer/supplier complaint mechanism and mechanism of updating on palm-trace.</p> <p>The commercial manager are responsible to conduct the removing stock and announcing of shipping if there were the sales of CSPO and CSPK both claim under RSPO/other scheme or under conventional as well as if there were the allocation for credit, and to informs all sales to Sustainability Manager and Mill Manager. The detail of mechanism for updating trading in RSPO Palm-trace refer to document of IK-SOP-SCD 06-01 (work instruction of up-date trading e-trace system). Mill manager responsible to ensure the documentation of all SCC implementation, made a production and sales calculation in the mass balance system.</p> <p>Related to the material treaceability, it was describes in the SOP of product traceability no.: SOP-SCD-05 issued on 2 Okt 2017, the SOP explained the steps for SCC implementation since from FFB collection point in harvesting block, FFB reception in POM, FFB processing and until CSPO/CSPK dispatch, it was describing as well the personnels involves and their responsibility:</p> <ul style="list-style-type: none"> - Harvesting clerck, issued the FFB delivery document which informs volume, origin (block/estate), for the certified source shall be marked with the GHG value (ISCC) and certificate/SC model (for RSPO). - WB operators, conduct verification the FFB delivered to POM, the certified and non certified FFB volumes will be separated based on the FFB delivery note, input the volumes to the system and issued the WB ticket. The operator also conducting the verification on CSPO and CSPK sales contract, shipping instruction and delivery order, inputs the volume of product sales based on the contract to the system and issued the CPO/CSPO/PK/CSPK tickets. - Mill clerk, receiving the report of FFB which delivered to POM (both from certified and non-certified), inputs the volume of FFB receive, CPO produced, PK produced, separate the volume of CPO/PK certified and non certified based on calculation ratio specified by the RSPO, and sales CSPO/CSPK and CPO/PK in the mass-balance report. |
| | Status: Comply |
| 5.3.2 | The site shall have a written procedure to conduct annual internal audit |
| | <p>SOP of internal audit system management No SOP-SCD-03 valid from 27 November 2017 explain that internal audit of RSPO and SCCS conducted once a year by trained internal auditor.</p> <p>The latest internal audit of SCCS held 31 July – 3 August 2018 by sustainability dan compliance team of ANJ Group, there was identified 2 NC of SCCS, correction and corrective action plan has been determined and implemented by the company, all NCR has been closed.</p> |
| | Status: Comply |
| 5.4 | Purchasing and goods in |
| 5.4.1 | The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier |
| | The mill not purchase CSPO/CSPK from outsider, however for every certified FFB delivered to mill has had document of delivery which informs name of estate, volume and RSPO SC Model applied. |

| | |
|--------------|--|
| | Status: Comply |
| 5.4.2 | The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents |
| | In the SOP of Mass Balance (SOP-SCD-06, 17 Sept 2018) section 7, it describes related to the mechanism of complaint handling from costumers, including handling where found any of nonconformance product and document, explained that the costumers are defined by the commercial dept based on tender and bounded by the sales contract, where there is things which yet implemented and not in accordance with the provisions then customers allowed to communicate with commercial dept (by email, direct and by phone), the commercial dept should clarify the complaint to the related PIC and response the complains according to the agreed conditions. Based on interview and document verification there is no complaint submitted to mill. |
| | Status: Comply |
| 5.5 | Outsourcing activities |
| 5.5.1 | In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing. |
| | There was outsourced activities to independent third parties namely CSPO and CSPK transporting from mill to jetty (Tj Resing), the mill can show agreement letter between both parties (agreement no.: 001/SMM/COM/CPO/II/2018, 2 Jan 2018). Based on interview with MR of Jangkang POM stated that the mill are takes legal ownership to the sustainable oil palm products, the bounded transporter only do delivery upon mill request to the specified destination set by the mil, also stated that the facility (transport tank) are ready to be audited by the auditor if needed. During field visit to Jangkang POM there was no activity of CSPO delivery. |
| | Status: Comply |
| 5.5.2 | Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: |
| | <ul style="list-style-type: none"> 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 |
| | Based on interview with MR of Jangkang POM stated that the mill are takes legal ownership to the sustainable oil palm products, the bounded transporter only do delivery upon mill request to the specified destination set by the mil, also stated that the facility (transport tank) are ready to be audited by the auditor if needed. During field visit to Jangkang POM there was no activity of CSPO delivery. There was one CSPO transporter of Jangkang POM which has been bounded by the agreement no.: 001/SMM/COM/CPO/II/2018, 2 Jan 2018 between PT SMM and CV Mitra Utama. |
| | The mechanism for control system for the outsourced process explained in the SOP-SCD-05 dated 2 Okt 2017 on "tahapan pengimplementasian SCCS". All the term and condition mentioned in the SOP has been written in the agreement which is one of copy has been given to the contractor. |
| | 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. | |
| In the agreement no.: 001/SMM/COM/CPO/II/2018, 2 Jan 2018 between PT SMM and CV Mitra Utama has been written and informs regarding to the names and contact details of the contractors, CV Mitra Utama located in Pilang Village, Tanjung Pandan – Belitung. | |
| | 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 | |
| No new contractors since ASA 1.2, It will be verified on ASA 1.4 | |
| | 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 | |
| There is no CSPK sales since 6 Jan – 31 Oct 2018. On the shipment document of CSPO (shipment instruction, sales contract and delivery order) has been informs the information of buyer name, contact details, address, volume, certificate number of seller, product specification and SC module. For example, document of Do No.: 017/ANJA-BEL/PKS/VII/2018 on 4 July 2018, to buyer of PT Synergy Oil Nusantara, address in Kabil-Nongsa, Batam, Indonesia. Volume of product 1000 MT, SC module: MB, certificate no.: 78782. | |
| | Status: Comply |
| 5.7 | Registration of transactions |
| 5.7.1 Supply chain actors who: <ul style="list-style-type: none"> • are mills, traders, crushers and refineries; and • take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable | |
| Jangkang mill all ready registered in the RSPO IT Platform: | |
| Sub License ID | CB61411 |
| Member Name | PT. Sahabat Mewah dan Makmur |
| Issued On | 12/29/2017 |
| Issued By | PT Mutuagung Lestari |
| Start Date | 01/06/2018 |
| End Date | 01/05/2019 |
| During the periode of license 6 Jan – 31 Oct 2018, there was 7 transaction of CSPO registered and confirmed which is sold to PT Synergy Oil Nusantara, for example transaction id TR-5c06c46d-7a7c on 16 July 2018, volume of 1000 MT, claimed as RSPO-MB, contract date 15 Dec 2017, SPP No.: 038/SMM/VI/2018. 10000 MT of CSPO which is allocated as credit has been removed from certivicate volume. | |
| | Status: Comply |
| 5.7.2 The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> • Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. | |

- Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.
- Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.
- Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.

During the periode of license 6 Jan – 31 Oct 2018, there was 7 transaction of CSPO registered and confirmed which is sold to PT Synergy Oil Nusantara, for example transaction id TR-5c06c46d-7a7c on 16 July 2018, volume of 1000 MT, claimed as RSPO-MB, contract date 15 Dec 2017, SPP No.: 038/SMM/VI/2018.

Mill are sell its CSPO product as conventional as much as 12,958 MT, has been removed from the certificate volume as much as 10000 MT CSPO (allocated as credit), no sales of CSPO claimed under other scheme.

There was no CSPK sold claimed as RSPO – MB during the periode of license. However, there were the CSPK sold under conventional amount of 2,904.8 MT which has been removed from certificate volume on palm-trace. CH has opportunity to Monitoring and ensuring reporting of all CSPO / CSPK transactions through the RSPO Palm-trace

Status: Comply

5.8 Training

5.8.1

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

The SCCS training program has been established where would be scheduled once a year to all personnel involve in SCC implementation.

Status: Comply

5.8.2

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

Based on interview with mill clerck and WB operator, observed that the personnel which is involve has been aware and able to demonstrate regarding to SCC implementation.

Sighted the latest SCC training just performed in 4 September 2018 and 5 Sept 2018 followed by 58 attendant, including security, WB operator, clerck, assistant and managers.

Status: Comply

5.9 Record keeping

5.9.1

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

Sighted the record of SCC which accurate, complete and up to date, all record are stored in Mill office, auditor are verified the document since Nov 2017 to Oct 2018:

- FFB delivery document
- FFB WB ticket
- CSPO and CSPK ticket
- DO of CSPO and CSPK
- Shipping instruction document of CSPO and CSPK

| <ul style="list-style-type: none"> - Agreement of transporter - E-trace transaction report - Mass balance report of CSPO and CSPK | | | | | | | | | | | | | | | | | |
|---|---|---------------------------------------|------------------------------------|---------------------------------------|------------------------------------|------------|---------|-----------|---------|-------------|--------|----------|--------|-------------|--------|----------|--------|
| | Status: Comply | | | | | | | | | | | | | | | | |
| <p>5.9.2 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</p> | | | | | | | | | | | | | | | | | |
| <p>Based on SOP of Documentation System SOP-SCD-01 edition 1 revision 3 on 10 Nov 2014, it is known that retention time for documents is 10 years.</p> | | | | | | | | | | | | | | | | | |
| | Status: Comply | | | | | | | | | | | | | | | | |
| <p>5.9.3 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.</p> | | | | | | | | | | | | | | | | | |
| <p>The estimation of certified volumes has been set by the mill for periode of 6 January 2018 to 5 January 2019, the actual volume has been verified by the auditor since 6 Jan 2018 – 31 Oct 2018 as well as the next 12 month projection after new license issuance:</p> | | | | | | | | | | | | | | | | | |
| | <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th></th> <th>Projection 6 Jan 2018 - 5 Jan 2019</th> <th>Actual production 6 Jan – 31 Oct 2018</th> <th>Projection 6 Jan 2019 - 5 Jan 2020</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>272,727</td> <td>211,031.6</td> <td>253,961</td> </tr> <tr> <td>CSPO</td> <td>60,000</td> <td>49,721.5</td> <td>48,253</td> </tr> <tr> <td>CSPK</td> <td>15,000</td> <td>11,316.7</td> <td>12,698</td> </tr> </tbody> </table> | | Projection 6 Jan 2018 - 5 Jan 2019 | Actual production 6 Jan – 31 Oct 2018 | Projection 6 Jan 2019 - 5 Jan 2020 | FFB | 272,727 | 211,031.6 | 253,961 | CSPO | 60,000 | 49,721.5 | 48,253 | CSPK | 15,000 | 11,316.7 | 12,698 |
| | Projection 6 Jan 2018 - 5 Jan 2019 | Actual production 6 Jan – 31 Oct 2018 | Projection 6 Jan 2019 - 5 Jan 2020 | | | | | | | | | | | | | | |
| FFB | 272,727 | 211,031.6 | 253,961 | | | | | | | | | | | | | | |
| CSPO | 60,000 | 49,721.5 | 48,253 | | | | | | | | | | | | | | |
| CSPK | 15,000 | 11,316.7 | 12,698 | | | | | | | | | | | | | | |
| | Status: Comply | | | | | | | | | | | | | | | | |
| 5.10 | Conversion factors | | | | | | | | | | | | | | | | |
| <p>5.10.1 Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries</p> | | | | | | | | | | | | | | | | | |
| <p>The audit are conducted to palm oil mill which is convert FFB to crude palm oil and palm kernel. The mill has been defined the conversion rate based on FFB, CPO and PK produce since Nov 2017 to Oct 2018, namely :</p> <ul style="list-style-type: none"> - OER : 17.10% - KER : 3.94% | | | | | | | | | | | | | | | | | |
| | Status: Comply | | | | | | | | | | | | | | | | |
| <p>5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p> | | | | | | | | | | | | | | | | | |
| <p>Updating of conversion rate (OER and KER) are done by daily basis, based on ratio of FFB, CPO and PK production.</p> | | | | | | | | | | | | | | | | | |
| | Status: Comply | | | | | | | | | | | | | | | | |
| 5.11 | Claims | | | | | | | | | | | | | | | | |
| <p>5.11.1</p> | | | | | | | | | | | | | | | | | |

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|--|--------------------------|
| 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. | |
| The mill has been make claims in accordance to the RSPO Rules on Market Communications and Claims. There is no use of trademark on product sales document. The mill use trademark on its facility (storage) to promote their implementation of RSPO, Jangkang POM has a RSPO trademark license no.: 1-0032-07-100-00, start date 8 Nov 2018. | |
| | Status: Comply |
| 5.12 | Complaints |
| 5.12.1 | |
| The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints. | |
| In the SOP of Mass Balance (SOP-SCD-06, 17 Sept 2018) section 7, it was describes related to the mechanism of complaint handling from costumers, including handling where found any of nonconformance product and document, explained that the costumer are defined by the commercial dept based on tender and bounded by the sales contract, where there is things which yet implemented and not inaccordance with the provisions then customers allowed to communicate with commercial dept (by email, direct and by phone), the commercial dept should clarifying the complaint to the related PIC and response the complains according to the agreed conditions. Based on interview and document verification there is no complaint submitted to mill. | |
| | 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 | |
| The management review are done annually, the latest are held in 17 Oct 2018, attended by General Manager, Estate and Mill Managers, Supervisors and Assistant. | |
| | Status: Comply |
| 5.13.2 | |
| The input to management review shall include information on: | |
| <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. | |
| The management review has been discuss include follow up of the previous review, internal audit result, evaluation of legal and law compliance, complaint and communication of supplier and costumer, implementation of SCCS overall, status of action plan of NCR and recommendation from management. | |
| | Status: Comply |
| 5.13.3 | |
| The output from the management review shall include any decisions and actions related to: | |
| <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. | |
| Result of internal review has been include the improvement of SCC implementation and resources need, namely improvement of training of personnel and documentation. | |
| | Status: Comply |

3.2.2. Module E – CPO Mills: Mass Balance Requirements

| Clause | Requirement | | | | | | | | | | | | | | | | |
|------------------------|--|---------------------------------------|------------------------------------|---------------------------------------|------------------------------------|-----------|-------------------|------------------------|--|-----------|------------|-----------|----------------------|------------|------------|----------|------------|
| E.1 | Definition | | | | | | | | | | | | | | | | |
| E.1.1 | <p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>The mill are received and processed FFB from certified (own estate) and non-certified (out supplier), so that the mill applied the SC Module E – MB.</p> <p>Status: Comply</p> | | | | | | | | | | | | | | | | |
| E.2 | Explanation | | | | | | | | | | | | | | | | |
| E.2.1 | <p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p> <p>The estimation of certified volumes has been set by the mill for periode of 6 January 2018 to 5 January 2019, the actual volume has been verified by the auditor since 6 Jan 2018 – 31 Oct 2018 as well as the next 12 month projection after new license issuance, as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Projection 6 Jan 2018 - 5 Jan 2019</th> <th>Actual production 6 Jan – 31 Oct 2018</th> <th>Projection 6 Jan 2019 - 5 Jan 2020</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>272,727</td> <td>211,031.6</td> <td>253,961</td> </tr> <tr> <td>CSPO</td> <td>60,000</td> <td>49,721.5</td> <td>48,253</td> </tr> <tr> <td>CSPK</td> <td>15,000</td> <td>11,316.7</td> <td>12,698</td> </tr> </tbody> </table> <p>Status: Comply</p> | | Projection 6 Jan 2018 - 5 Jan 2019 | Actual production 6 Jan – 31 Oct 2018 | Projection 6 Jan 2019 - 5 Jan 2020 | FFB | 272,727 | 211,031.6 | 253,961 | CSPO | 60,000 | 49,721.5 | 48,253 | CSPK | 15,000 | 11,316.7 | 12,698 |
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| CSPO | 60,000 | 49,721.5 | 48,253 | | | | | | | | | | | | | | |
| CSPK | 15,000 | 11,316.7 | 12,698 | | | | | | | | | | | | | | |
| E.2.2 | <p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p> <p>The mill has been registered as RSPO member under ANJ Group as well as registered in the RSPO IT Platform for its supply chain, the information detailed below:</p> <table> <tr> <td>Sub License ID</td> <td>CB61411</td> </tr> <tr> <td>Member Name</td> <td>PT. Sahabat Mewah dan Makmur</td> </tr> <tr> <td>Member ID</td> <td>RSPO_PO1000000531</td> </tr> <tr> <td>RSPO Membership Number</td> <td>1-0032-07-000-00 (PT Austindo Nusantara Jaya Agri)</td> </tr> <tr> <td>Issued On</td> <td>12/29/2017</td> </tr> <tr> <td>Issued By</td> <td>PT Mutuagung Lestari</td> </tr> <tr> <td>Start Date</td> <td>01/06/2018</td> </tr> <tr> <td>End Date</td> <td>01/05/2019</td> </tr> </table> <p>During periode of 6 Jan – 31 Oct 2018 there was amount of 6,900 MT sales of CSPO to PT Synergy Oil Nusantara under RSPO claim, while on palmtrace was reported as much as 8,500 MT, there was a discrepancy amount of 1500 MT, the representative explained it was due to late reporting and announcing of CSPO sales in previous license, the auditor note this</p> | Sub License ID | CB61411 | Member Name | PT. Sahabat Mewah dan Makmur | Member ID | RSPO_PO1000000531 | RSPO Membership Number | 1-0032-07-000-00 (PT Austindo Nusantara Jaya Agri) | Issued On | 12/29/2017 | Issued By | PT Mutuagung Lestari | Start Date | 01/06/2018 | End Date | 01/05/2019 |
| Sub License ID | CB61411 | | | | | | | | | | | | | | | | |
| Member Name | PT. Sahabat Mewah dan Makmur | | | | | | | | | | | | | | | | |
| Member ID | RSPO_PO1000000531 | | | | | | | | | | | | | | | | |
| RSPO Membership Number | 1-0032-07-000-00 (PT Austindo Nusantara Jaya Agri) | | | | | | | | | | | | | | | | |
| Issued On | 12/29/2017 | | | | | | | | | | | | | | | | |
| Issued By | PT Mutuagung Lestari | | | | | | | | | | | | | | | | |
| Start Date | 01/06/2018 | | | | | | | | | | | | | | | | |
| End Date | 01/05/2019 | | | | | | | | | | | | | | | | |

matter as observation to the mill to monitor the reporting and announcing sustainable product transaction. (OFI)
 There is no CSPO sales under other scheme, however it was observed that there was CSPO sold under conventional as much as 12,958 MT (has been reported through palm trace as credit allocation).

There is no CSPK sold asa RSPO, the CSPK sales under conventional as much as 2,904.8 MT has been reported trough palm trace. However, CH has opportunity to monitoring and ensuring the reporting of sustainable product sales does not exceed the license period and all CSPO / CSPK transactions through the RSPO Palm-trace.

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:
a. Complete and up to date procedures covering the implementation of all the elements in these requirements;
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.

Jangkang POM has a procedure which explain the implementation of entire element on the Mass Balance requirements, such as: SOP Mass Balance (ANJA Group) document no.: SOP-SCD-06 edition 1 revision 3 on 17 September 2018, prepared by Sustainability Manager and approved by Head of Sustainability, in the SOP describes the purpose, personel responsible, supply chain form defined, over-projection mechanism, buyer/supplier complaint mechanism and mechanism of updating on palm-trace.

The commercial manager are responsible to conduct the removing stock and announcing of shipping if there were the sales of CSPO and CSPK both claim under RSPO/other scheme or under conventional as well as if there were the allocation for credit, and to informs all sales to Sustainability Manager and Mill Manager. The detail of mechanism dor updating trading in RSPO Palm-trace refer to document of IK-SOP-SCD 06-01 (work instruction of up-date trading e-trace system).
 Mill manager responsible to ensure the documentation of all SCC implementation, made a production and sales calculation in the mass balance system.

Related to the material treacebility, it was describes in the SOP of product treacebility no.: SOP-SCD-05 issued on 2 Okt 2017, the SOP explained the steps for SCC implementation since from FFB collection point in harvesting block, FFB reception in POM, FFB processing and until CSPO/CSPK dispatch, it was describing as well the personnels involves and their responsibility:

- Harvesting clerck, issued the FFB delivery document which informs volume, origin (block/estate), for the certified source shall be marked with the GHG value (ISCC) and certificate/SC model (for RSPO).
- WB operators, conduct verification the FFB delivered to POM, the certified and non certified FFB volumes will be separated based on the FFB delivery note, input the volumes to the system and issued the WB ticket. The operator also conducting the verification on CSPO and CSPK sales contract, shipping instruction and delivery order, inputs the volume of product sales based on the contract to the system and issued the CPO/CSPO/PK/CSPK tickets.
- Mill clerck, receiving the report of FFB which delivered to POM (both from certified and non-certified), inputs the volume of FFB receive, CPO produced, PK produced, separate the volume of CPO/PK certified and non certified based on calculation ratio specified by the RSPO, and sales CSPO/CSPK and CPO/PK in the mass-balance report.

Status: Comply

E.3.2

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

In the SOP of Mass Balance no.: SOP-SCD-06 edition 1 revision 3 on 17 September 2018, section 4 describes that the volume FFB delivered to the POM are inputted separated based on its criteria (sustainable or non-sustainable) in the mass-balance report.

In the SOP of product traceability no.: SOP-SCD-05 issued on 2 Okt 2017 explained the FFB separation are done since from FFB collection point in harvesting block, FFB reception in POM, FFB processing and until CSPO/CSPK dispatch, the FFB delivery document for the certified source shall be marked with the GHG value (ISCC) and certificate/SC model (for RSPO). The certified and non certified FFB volumes will be separated based on the FFB delivery note, input the volumes to the system and issued the WB ticket. The operator also conducting the verification on CSPO and CSPK sales contract, shipping instruction and delivery order, inputs the volume of product sales based on the contract to the system and issued the CPO/CSPO/PK/CSPK tickets. Based on observation to WB station, it seen that the WB tickets from sustainable source (own estate) and non sustainable source (smallholder partnership area) are marked with GHG value and certificate number, it was not in accordance with the company's procedure. **NCR No.: 2018.3**

Status: Nonconformity No 2018. 3

E.4 Purchasing and goods in

E.4.1

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

Verification of FFB are done based on FFB delivery note, during period of 6 Jan 2018 to 31 Oct 2018, the FFB reception are recorded as in the following table:

| Month | FFB Received (ton) | | Total FFB Process (ton) |
|--------------------|----------------------|-----------------|---------------------------|
| | S | NS | |
| Jan | 12,516.7 | 5,907.9 | 18,456.0 |
| Feb | 12,955.5 | 7,346.6 | 20,269.8 |
| Mar | 14,171.2 | 9,046.2 | 23,251.1 |
| Periode I | 39,643.4 | 22,300.6 | 61,976.9 |
| Apr | 18,441.4 | 10,348.5 | 28,759.2 |
| Mei | 22,264.6 | 11,369.8 | 33,632.5 |
| Jun | 17,579.2 | 6,180.1 | 23,754.1 |
| Periode II | 58,285.2 | 27,898.4 | 86,145.7 |
| Jul | 32,224.4 | 8,302.3 | 40,162.3 |
| Ags | 27,917.6 | 7,539.9 | 35,824.8 |
| Sep | 26,736.3 | 6,640.2 | 33,376.1 |
| Periode III | 86,878.4 | 22,482.5 | 109,363.2 |
| Okt | 26,224.7 | 7,895.1 | 34,048.4 |
| Periode IV | 26,224.7 | 7,895.1 | 34,048.4 |
| Total | 211,031.6 | 80,576.6 | 291,534.3 |

Status: Comply

E.4.2

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

Based on verification on production FFB, CSPO and CSPK in the mass-balance report period of 6 Jan 2018 – 31 Oct 2018, there is no over production, as describes in the table below:

| | Projection 6 Jan 2018 - 5 Jan 2019 | Actual production 6 Jan – 31 Oct 2018 |
|------|------------------------------------|---------------------------------------|
| FFB | 272,727 | 211,031.6 |
| CSPO | 60,000 | 49,721.5 |
| CSPK | 15,000 | 11,316.7 |

Increase monitoring of sustainable product production to avoid over-production. **(OFI)**

Status: Comply

E.5 Record keeping

E.5.1

- a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.
- b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)

Jangkang POM has been records and balancing all FFB acceptance from certified source and uncertified source during 6 Jan 2018 – 31 Oct 2018 in three monthly basis. Calculation of volume of certified product are done according to conversions ratio yield and OER/KER. All the delivery of certified product during the license period are made from positive stock, the mass balance report shown as below:

CSPO

| Month | FFB Received (ton) | | Total FFB Process (ton) | CPO Product (ton) | | | CPO Despatch (ton) | | | Stok (ton) | | |
|------------------|----------------------|-----------------|---------------------------|-------------------|-----------------|-----------------|--------------------|-----------------|-----------------|----------------|----------------|----------------|
| | S | NS | | S | NS | Total | S | NS | Total | CSPO | CPO | Physical |
| Jan – March 2018 | 39,643.4 | 22,300.6 | 61,976.9 | 9,777.9 | 4,237.1 | 14,015.0 | 3,700.0 | 7,800.0 | 11,500.0 | 6,075.1 | (2,202.5) | 3,872.6 |
| Apr – Jun 2018 | 58,285.2 | 27,898.4 | 86,145.7 | 13,158.0 | 5,144.0 | 18,302.0 | 2,200.0 | 16,378.9 | 18,578.9 | 10,953.7 | (7,362.3) | 3,591.4 |
| Jul – Sept 2018 | 86,878.4 | 22,482.5 | 109,363.2 | 20,388.1 | 4,271.7 | 24,659.7 | 1,000.0 | 20,821.1 | 21,821.1 | 19,381.6 | (12,958.0) | 6,423.5 |
| Oct 2018 | 26,224.7 | 7,895.1 | 34,048.4 | 6,397.6 | 1,500.1 | 7,897.7 | - | 6,350.0 | 6,350.0 | 6,397.6 | 1,573.6 | 7,971.3 |
| Total | 211,031.6 | 80,576.6 | 291,534.3 | 49,721.5 | 15,152.9 | 64,874.4 | 6,900.0 | 51,350.0 | 58,250.0 | 6,397.6 | 1,573.6 | 7,971.3 |

CSPK

| Month | KERNEL Product (ton) | | | KERNEL Despatch (ton) | | | Stok (ton) | | |
|------------------|------------------------|-----------------|-----------------|-------------------------|-----------------|-----------------|-------------------------------|------------------|----------------|
| | Sustainable | Non Sustainable | Total | Sustainable | NS | Total | Palm Kernel Sustainable (PKS) | Palm Kernel (PK) | Phisik |
| Jan – March 2018 | 2,192.8 | 1,003.5 | 3,196.3 | - | 3,550.0 | 3,550.0 | 2,192.8 | (1,946.1) | 246.7 |
| Apr – Jun 2018 | 2,931.4 | 1,255.4 | 4,186.8 | - | 3,700.0 | 3,700.0 | 2,931.4 | (2,197.9) | 733.5 |
| Jul – Sept 2018 | 4,863.3 | 1,011.7 | 5,875.0 | - | 4,650.0 | 4,650.0 | 4,863.3 | (2,904.8) | 1,958.5 |
| Oct 2018 | 1,329.2 | 355.3 | 1,684.4 | - | 1,900.0 | 1,900.0 | 1,329.2 | 413.8 | 1,743.0 |
| Total | 11,316.7 | 3,625.9 | 14,942.6 | - | 13,800.0 | 13,800.0 | 1,329.2 | 413.8 | 1,743.0 |

Status: Comply

3.3 Conformity Checklist of Certificate and Trademark Use

| | | |
|----------------|--|--------------|
| 1. | Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client | X or√ |
| ASA-1.3 | The company does not use RSPO or Mutu logo, the company has RSPO trademark license no.: 1-0032-07-100-00, start date 8 Nov 2018 | ✓ |
| | Status: Comply | |
| 2. | Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use | X or√ |
| ASA-1.3 | The company does not use RSPO or Mutu logo, the company has RSPO trademark license no.: 1-0032-07-100-00, start date 8 Nov 2018 | ✓ |
| | Status: Comply | |
| 3. | Implementation of Certificate and Trademark is not used on product | X or√ |
| ASA-1.3 | The company does not use RSPO or Mutu logo, the company has RSPO trademark license no.: 1-0032-07-100-00, start date 8 Nov 2018 | ✓ |
| | Status: Comply | |
| 4. | Controlling of Certificate and Trademark, including withdrawing inappropriate trademark. | X or√ |
| ASA-1.3 | The company does not use RSPO or Mutu logo, the company has RSPO trademark license no.: 1-0032-07-100-00, start date 8 Nov 2018 | ✓ |
| | Status: Comply | |

3.4 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of ANJA 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.

ANJA Time Bound Plan (TBP) is explaining in table section 1. ANJA has run four (4) mills and eight (8) management unit Estates in Indonesia. All mills and estates are operated in Indonesia. ANJA has informed the TBP progress through head office in Indonesia.

MUTU has verified partial certification for un-certified unit's subsidiary of ANJA based on their Time Bound Plan. . There are four (4) uncertified management unit of ANJA. 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>Company statement : The company are already doing internal audits.</p> <p>Auditor verification:</p> <ul style="list-style-type: none"> • PT Kayung Agro Lestari has been conducted initial assessment on September 2016 • Internal Audit for PT Putera Manunggal Perkasa and PT Permata Putera Mandiri has been conducted on September 2015. |
| 2.2.2 | No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. | <p>Company statement: The company has been reporting disclosure and zero liability to RSPO. Progress result of review LUCA at follow up by email to RSPO.</p> <p>Auditor Verification : ANJA and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 24, 2015. The validation progress of Remediation and Compensation Plan (RaCP) for the area opened since November 1, 2005 without preceded by the identification of HCV in accordance with RACP Procedure will be observed again on the next visit audit.</p> |
| 2.2.3 | Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure. | <p>company statement: NPP has been applied</p> <p>Auditor Verification :</p> <ul style="list-style-type: none"> • PT Galempa Sejahtera Bersama, NPP date of notification on May 2, 2014 |

| | | |
|-------|---|--|
| | | <ul style="list-style-type: none"> • PT Putra Manunggal Perkasa, NPP date of notification on 24 July 2014 • PT Permata Putra Mandiri, NPP date of notification on September 29, 2014 |
| 2.2.4 | 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>Company statement: There is land conflict, but there is documented evidence that land conflict has been process for resolution.</p> <p>Auditor verification : The company has had a mechanism for addressing land conflicts, described in the SOP of Handling Differences Opinion with the Community and Dispute Tenure (SOP-Leg-03, Issue 01, dated 1 September 2015),</p> |
| 2.2.5 | Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3. | <p>Company statement: There is no labour disputes</p> <p>Auditor verification : The company has a mechanism for grievance described in SOP Handling of Differences of Opinion with Public and Land Dispute (Document No. SOP-EAD-01; Issue 01/00) dated August 1, 2013. A policy related to confidentiality of informant (whistle-blower) regulated in the SOP of Communication and Provision Information (Document No. SOP-Leg-02, Issue 01/04, dated 1 September 2015), it's mentioned in the section 6 of tis SOP. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries</p> |
| 2.2.6 | Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. | <p>Company statement: All legal requirement for palm oil plantation has been comply</p> <p>Auditor verification : PT Kayung Agro Lestari</p> <ul style="list-style-type: none"> • Ketapang Regent Decree No. 103 year of 2004 (26 April 2004) concerning of location permit for Oil Palm Plantation Development Purposes of ± 29,400 ha and Ketapang Regent amendment by decree No. 116 year of 2007 (March 22, 2007) on location permit changes to 20,000 Ha • Issued by Ministry of Forestry through Ministerial Decree No.: SK.643 / Menhut-II / 2009 (October 13, 2009) on release of Production Forest Convertible Area of 17986.90 ha • West Kalimantan Governor Decree No.: 123/BLHD/2010 on the environmental feasibility of plantation activities (total area 18754.9 hectares) and palm oil processing mill (capacity of 85 ton FFB/hour) • The total area of 10,920.36 ha, based on Decree No. 33/HGU/BPN.RI/2014, dated February 4, 2014 |

| | | |
|--|--|---|
| | | <ul style="list-style-type: none"> • Buildings Use Title (HGB) for mill, offices, housing and other facilities, based on National Land Agency (BPN) decree No.: 1/HGB/KEM-ATR/BPN/2016 <p>PT Galempa Sejahtera Bersama</p> <ul style="list-style-type: none"> • Status of PT GSB based on Forest Area Indicated (TGHK) is Non Forest Designated Area (Area Penggunaan Lain) • Location Permit No. 525/535/KEP/HUTBUNTAMBEN/2012, 20 April 2012 • Plantation Permit No. 525/423/KEP/HUTBUNTAMBEN/2013, 08 May 2013 • Environment Permit No. 211, 2013, dated 06 May 2013 • SEIA No. 210, 2013, dated 1 May 2013 <p>PT Putera Manunggal Perkasa</p> <ul style="list-style-type: none"> • Location Permit No. 522/30/II/2011, dated 09 February 2011. Total area ± 22,195.28 Ha • Change Location Permit No. No. 522.2-6/206/10/2012, dated 12 October 2012. Total area ± 22,195.28 Ha • Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.606/MENHUT-II/2012, dated 31 October 2012 • Plantation Business Permit, According to West Papua Governor Decree No. 525/90/V/2011, dated 10 May 2011 for 25,159 Ha and 60 Ton FFB/Hours plant. • Adjustment of plantation area According to West Papua Governor Decree No. 525/584/GPB/2013, dated 30 April 2013 for 23,424.38 Ha and 60 Ton FFB/Hours plant <p>PT Putra Permata Mandiri</p> <ul style="list-style-type: none"> • Location Permit No. 83/2010, dated 30 April 2010. Total area ± 40,000 Ha • Change Location Permit No. 522.2/118/BSS/August Tahun 2010, dated 11 August 2010. Total area ± 40,000 Ha • Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.731/MENHUT-II/2011, dated 21 December 2011 • Plantation Business Permit, According to West Papua Governor Decree No. 95 tahun 2010, dated 28 June 2010 for 40,000 Ha and 3 x 60 Ton FFB/Hours plant. • Cadastral map from National Land Body of Republic Indonesia No. 021-33.05-2014, dated 26 March 2014 for 32,025.14 Ha |
|--|--|---|

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-1.2 Assessment

| | | | |
|--|---|------------------------|--------------------|
| NCR No. | : 2017.1 | Issued by | : Yohanes Hardian |
| Date Issued | : 3 November 2017 | Time Limit | : 2 January 2018 |
| NC Grade | : Major | Date of Closing | : 27 December 2017 |
| Standard Ref. & Requirement | 4.4.2 Protection of water flows and swamp areas, including riverside maintenance and restoration and other buffer zones (referring to national best practice and national guidelines) should be demonstrated. | | |
| Non-Conformance Description & Evidence observed (filled by auditor): Based on the visit in the HCV area at Water spring of Pagu , there is evidence of spraying with chemicals at area defined as buffer zone, this is not in accordance with the SOP of HCV management and River Border no SOP-SCD-02 which is valid on January 1, 2016. In the SOP explained that for buffer zone area no chemical application and maintenance is done manually. | | | |
| Root Cause Analysis (filled by organization audited): The Bufferzone Marking borders has faded and not all employees have understood the Bufferzone borders. | | | |
| Correction (filled by organization audited): Conducting Bufferzone Boundary Marking of Water and Socialization back to employees and staff about HCVs management in the area of water springs and HCV monitoring of HCV areas that have Buffer zone like springs. | | | |
| Corrective Action (filled by organization audited): Conducting Bufferzone Area Paintings that have been faded and socialization of bufferzone area of springs | | | |
| Assessor Evaluation and Conclusion (filled by auditor): Verification 5 December 2017 The company shows evidence of improvement ie: - HCV socialization activity to the spray (maintenance) employee at Divisi C Jangkang Estate on 21 November followed by 25 employees - Documentation painting boundary marks buffer zone radius 200 meters with red paint in the source of spring water Pagu in Jangkang Estate Verification 27 December 2017 The company shows evidence of: - Estate plan training program for HCV socialization - The HCV program of 2018 which has been described by the plan for river boundary care and labeling Based on the above explanation then the discrepancy is stated closed . | | | |
| Verified by | : Yohanes | | |

| | | | |
|--------------------|-------------------|------------------------|-------------------|
| NCR No. | : 2017.2 | Issued by | : Yohanes Hardian |
| Date Issued | : 3 November 2017 | Time Limit | : ASA-3 |
| NC Grade | : Minor | Date of Closing | : 8 November 2018 |

| | |
|--|---|
| Standard Ref. & Requirement | : 5.3.3 Disposal plans and waste management to avoid or reduce pollution should be documented and implemented. |
| Non-Conformance Description & Evidence observed (filled by auditor): Based on the results of the visit, it is known that there is a management of hazardous waste not yet in accordance with SOP Waste Management Plan (No. SOP-EHS-008; Revision 01, dated 05 December 2015) as follows: <ul style="list-style-type: none"> - Based on the results of the visit at Ladang Jaya Estate is known there are drums that are used as a hazardous waste stored outside the warehouse. - Based on the results of the visit in Mill there is hazardous waste in the form of painted paint cans thrown in boiler ash disposal and not stored in Hazardous waste storage | |
| Root Cause Analysis (filled by organization audited): Workers are not aware regarding hazardous waste type and worker are not yet understand about hazardous waste management | |
| Correction (filled by organization audited): Hazardous waste management socialization to workers | |
| Corrective Action (filled by organization audited): Regular socialization to workers related hazardous waste management | |
| Assessor Evaluation and Conclusion (filled by auditor): During ASA-1.2, company has done corrective action by put all hazardous waste that found by auditor on temporary hazardous waste storage. Verification on November 8, 2018 To make sure workers awareness to hazardous waste management, company has conduct hazardous waste management socialization to all mill and estate workers level on 9 November 2017, this socialization was undertake on Jangkang POM on November 9 2017 Based on this explanation, NCR 2017.02 are considered Closed | |
| Verified by | : Steve Muallim |

| | | | |
|---|--|------------------------|--------------------------|
| NCR No. | : 2017.3 | Issued by | : Leonada |
| Date Issued | : 3 November 2017 | Time Limit | : ASA 3 |
| NC Grade | : Minor | Date of Closing | : 8 November 2018 |
| Standard Ref. & Requirement | : 6.10.4 Agreed payments shall be made in a timely manner | | |
| Non-Conformance Description & Evidence observed (filled by auditor): Agreement between the company and the FFB suppliers mentioned that the payment of FFB is done no later than the 15th of the following month, as the example mentioned in the agreement as follows: <ul style="list-style-type: none"> - Agreement No. 0321-G/COM/SMM/2017 with Sepakat Maju cooperative dated 20 March 2017 - Agreement No. 0321-D/COM/SMM/2017 with Anugrah cooperative dated 20 Maret 2017 However, from proof of payment through bank transfer, note the payment of FFB has passed the 15th as agreed, for example: | | | |

- Bank transfer on 22 September 2017 to Anugrah Cooperative for FFB payment of August 2017.
- Bank transfer on 19 October 2017 to Sawit Sepakat Maju cooperative for FFB payment of September 2017
- Bank transfer on 22 September 2017 to Sawit Sepakat Maju cooperative for FFB payment of August 2017
- Bank transfer on 22 Agustus 2017 to Sawit Sepakat Maju cooperative for FFB payment of July 2017

Based on the above, the company has not been able to show proof of payment of FFB in a timely manner in accordance with the agreement.

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

Delivery of invoices that are late via shipping service to Medan Head Office

Correction *(filled by organization audited):*

Do document shipments every Monday to Wednesday, or special packages if there is safekeeping for staff to the Medan Head Office

Corrective Action *(filled by organization audited):*

- Monitor shipments according to expedition books
- Reviewing and revising SPK related payment mechanisms

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

Verification 8 November 2018

The Certificate Holder shows the revised agreements with Cooperative of Sepakat Maju and Anugrah as follows:

- Agreement No. 0106-D / COM / SMM / 2018 dated 5 January 2018 with Cooperative of Sepakat Maju.
- Agreement No. 0106-A / COM / SMM / 2018 dated 5 January 2018 with Cooperative of Anugrah.

In the agreements, it was explained that the payment of FFB will be carried out 10 working days after the invoice was received by the Certificate Holder. Has been shown evidences of payment of the September 2018 period, including invoices and slip of transfer indicating that transfers were made within 5 days after the invoice was received.

The results of the interview with the management of Cooperative of Anugrah, obtained information that at this time there were no problems / delays in the payment process.

Verified by : **Arif Faisal Simatupang**

| | | | |
|--|--|------------------------|--------------------|
| NCR No. | : 2017.4 | Issued by | : Leonada |
| Date Issued | : 3 November 2017 | Time Limit | : 2 January 2018 |
| NC Grade | : Major | Date of Closing | : 27 December 2017 |
| Standard Ref. & Requirement | : SCCS E.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage. | | |
| Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> | | | |
| Known that certified estimated product for period of 6 January 2017 – 5 January 2018: | | | |
| - CSPO: 43,312 ton | | | |
| - CSPK: 9,844 ton | | | |
| However, certified actual product for period of 6 January 2017 – 28 October 2017: | | | |

- CPO: 43,076.125 ton
- **PK: 10,320.950 ton**

Based on the above, the company has not been able to show report to CB for over CSPK production.

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

Not Monitoring the Estimation of FFB Certified Production Increase. PIC: Sustainability Officer

Correction *(filled by organization audited):*

Reporting to CB any over or over production of CSPO/CSPK

Corrective Action *(filled by organization audited):*

Monitoring the Estimation of FFB Certified Production Increase and Reporting Every Excess / Over Over Production of CSPO and CSPK to CB. Monitoring system Using CPO and PK Mass Balance Form and comparing with Etrace System. **PIC:** Laboratorium assistant and Mill

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

Verification 8 December 2017

The Company reported the overproduction of actual CSPK to PT. MAL via email dated 27 November 2017.

Verification 27 December 2017

The Company shows FFB Certified and non-certified daily monitoring formats received and processed in the mill, as well as summary monitoring of CPO and PKO production and over-production estimation. Based on the matters then the NC can be stated closed.

Verified by : Leonada

3.5.2. Identification of Findings, Corrective Actions and Observations at ASA-1.3 Assessment

| | | | |
|---|---|-----------------|------------------------------|
| NCR No. | : 2018.01 | Issued by | : Yudhi Yuniarto Tallutondok |
| Date Issued | : 8 November 2018 | Time Limit | : 6 February 2019 |
| NC Grade | : Major | Date of Closing | : 9 January 2019 |
| Standard Ref. & Requirement | : 4.6.11 Records of the results of the annual health examination for the operator must be available and evidence of follow-up on the results of the examination. | | |
| Non-Conformance Description & Evidence observed (filled by auditor): Based on verification of documents on the special medical check up results for Balok Estate and Air Ruak Estate, it is known that special medical check up for spray workers are only carried out once a year. This is not in accordance with Permenaker No.3 of 1986 Article 7 Paragraph 1 | | | |
| Root Cause Analysis (filled by organization audited): The medical examination conducted once a year because referring to company SOP (SOP-Klinik-05) which is refers to Permenaker no.: 2/Men/1980. | | | |
| Correction (filled by organization audited): Consult to Disnaker of Bangka Belitung Province regarding the technical of medical examination for workers who involve in chemical activities. | | | |
| Corrective Action (filled by organization audited): <ul style="list-style-type: none"> - Made a record of chemical operators and conduct a monitoring of medical examination for spraying operator - Result of the monitoring inputted to clinic management plan | | | |
| Assessor Evaluation and Conclusion (filled by auditor): Verification on 7 Jan 2019, The company has shown evidence of communication and consultation to the Disnaker of Bangka Belitung Province and a response from Disnaker on November 30, 2018 stating that due to chemicals used by the company is not the chemical being used for limited use of pesticides, then stated a health check at least once a year for spraying operator, and it is necessary to report to the labor inspector if there is a complaint from the employee and immediately conduct a special examination. However, the root cause not yet analyzed correctly, the non conformity remain OPEN. Verification on 9 Jan 2019, The company shows SOP no.: SOP-klinik-05 (<i>SOP pemeriksaan kesehatan tenaga kerja</i>) which refers to Minister of Manpower Regulation No.01 / Men / 1981 concerning Obligation to Report Occupational Diseases, which explains that the company is committed to reporting when work-related illnesses occur. Nonconformities are stated to be fulfilled | | | |
| Verified by | : Yudhi Y Tallutondok | | |

| | | | |
|-------------|-------------------|-----------------|-----------------------------|
| NCR No. | : 2018.02 | Issued by | : Asystasya Aishah Silalahi |
| Date Issued | : 8 November 2018 | Time Limit | : 6 February 2019 |
| NC Grade | : Major | Date of Closing | : 7 January 2019 |

| | |
|--|--|
| Standard Ref. & Requirement | 6.5.1 Wage documentation and work requirements must be available in accordance with applicable labor provisions |
| Non-Conformance Description & Evidence observed (filled by auditor): | |
| <ul style="list-style-type: none"> - The company has Internal Memo No. 001 / GMO / SMM / IM / 01/2018 dated January 3, 2018 regarding premium payment of upkeep, general and operator. Based on the memo, the premium payment for crèche keeper in holiday is Rp150,000 per day - Company showed wage documentation period of September 2018 for crèche keeper in Air Ruak Estate which show that overtime payment in Sunday is Rp 130,000 and Rp 110,000 - Overtime work order for crèche keeper in Sunday with working hours 07.00 – 13.00 and 07.00 – 12.00. - Based on calculation for overtime payment accordance with applicable regulation, overtime in holiday/sunday with basic wage Rp 2,590,444 for 6 hours is Rp 179,688 and 5 hours is Rp 149,740. <p>Based on explanation above, the company has not been able to show that overtime payments on Sundays have been paid in accordance with applicable regulations.</p> | |
| Root Cause Analysis (filled by organization audited): | |
| There were an administrative errors during the payment of premium on holidays for crèche officer. Premium payments are made based on actual of realization of working hours and are not in accordance with the working hour's orders letter issued, so that premium payments are made in proportion. | |
| Correction (filled by organization audited): | |
| Reviewing Internal Memos regarding upkeep, general and operator premium setting. | |
| Corrective Action (filled by organization audited): | |
| Conduct a socialization of information to employees regarding Internal Memos that have been reviewed and monitor the implementation of the IM since 1 January 2019. Evidence of implementation can be shown after the January 2019 salary slip is issued. | |
| Assessor Evaluation and Conclusion (filled by auditor): | |
| Verification on 11 December 2018, | |
| The company has provided root cause analysis, corrections, and corrective action plan for non-conformity. However, not yet provided the revised internal memo and supporting evidence for the internal implementation of the revised memo are indicated. | |
| Based on the explanation above, the non-conformity 2018.02 remain OPEN. | |
| Verification 7 Jan 2019, | |
| The company has provided evidence of correction namely the revised circular letter from the General Manager on December 13, 2018 No. 031 / SMM / G / 12-2018 regarding the premium payment provisions of non-staff employees. The circular letter explains the value of premiums for the work of operators, crèche operator, owl management operator, transporting, garbage transporter, school bus driver. The circular letter is valid from 1 Jan 2019. Related to the implementation will be observed at the time of ASA 1.4. | |
| Nonconformity was declared closed with observation. | |
| Verified by | Asystasya Silalahi |

| | | | |
|----------------|----------------|------------------|---------------------|
| NCR No. | 2018.03 | Issued by | Sandra Purba |
|----------------|----------------|------------------|---------------------|

| | | | |
|--|---|------------------------|--------------------------|
| Date Issued | : 8 November 2018 | Time Limit | : 6 February 2019 |
| NC Grade | : Major | Date of Closing | : 9 January 2019 |
| Standard Ref. & Requirement | : SCCS E.3.2 Facilities must have documented procedures for receiving and processing certified and non-certified FFBs. | | |
| Non-Conformance Description & Evidence observed (filled by auditor): <p>In the SOP of product traceability no.: SOP-SCD-05 issued on 2 Okt 2017 explained the FFB separation are done since from FFB collection point in harvesting block, FFB reception in POM, FFB processing and until CSPO/CSPK dispatch, the FFB delivery document for the certified source shall be marked with the GHG value (ISCC) and certificate/SC model (for RSPO).</p> <p>The certified and non certified FFB volumes will be separated based on the FFB delivery note, input the volumes to the system and issued the WB ticket. The operator also conducting the verification on CSPO and CSPK sales contract, shipping instruction and delivery order, inputs the volume of product sales based on the contract to the system and issued the CPO/CSPO/PK/CSPK tickets. Based on observation to WB station, it seen that the WB tickets from sustainable source (own estate) and non sustainable source (smallholder partnership area) are marked with GHG value and certificate number, it was not in accordance with the company's procedure.</p> | | | |
| Root Cause Analysis (filled by organization audited): <p>There was FFB delivering from partnership areal using the delivery form which displaying the GHG value / RSPO Cert Code (form for certified sources), while the Partnership areal is a non-certificate source. This is due to the unavailability of the delivery form for FFB of Partnership (it is still in the order process).</p> | | | |
| Correction (filled by organization audited): <p>Develop the new FFB delivery form specific for FFB from partnership area which not included the GHG value / certificate code as the differentiator with certified sources.</p> | | | |
| Corrective Action (filled by organization audited): <ul style="list-style-type: none"> - Conduct socialization related to SCCS, traceability and the use of FFB delivery form for partnership area to each user - Ensuring that the form are used is in accordance with its purpose by the WB clerk | | | |
| Assessor Evaluation and Conclusion (filled by auditor): Verification on 7 Jan 2019, <p>The company has submitted the correction evidence and corrective action plan, namely the new delivery form of FFB from partnership area which not displayed the GHG value / RSPO certificate code. The company has conducted traceability training and SCCS to production employees, FFB transport, and security and WB operator in the mill on 7 November 2018, the number of participants was 11 people. However, the company not yet provide the assignation of PIC who responsible to monitor the use of form according to its purpose. The NCR remain OPEN.</p> Verification on 9 Jan 2019, <p>The company shows SOP-SCD-05 (product traceability), which explained that the WB officer and the harvesting clerck are responsible for monitoring the use of FFB delivery form are used according to the product category/source. Based on above explanation, the nonconformance stated fulfilled.</p> | | | |
| Verified by | : | Sandra Purba | |

3.5.3. Opportunity for Improvement

| No | Ref. Std. | Description |
|----|-------------------------------------|--|
| 1 | Major 2.1.1 | - Ensure the reduction of the use of contract labor (wholesale) for harvesting activities - Certificate Holder has the opportunity for improvement to submit the report of Annual HGU Land Use Report of 2018 to National Land Agency |
| 2 | Major 4.7.3 | Companies have the opportunity to ensure training programs for Lasers, Electric K3 Experts, Tractor Operators, Compactor Operators, and Dump Truck Operators. |
| 3 | Major 6.3.2 | Certificate Holder has an opportunity for improvement to emphasize the submission of complaint in written manner, to improve the monitoring of complaints |
| 4 | SCCS CoC 5.7.2, Module E.2.2 | - Monitoring and ensuring the reporting of sustainable product sales does not exceed the license period - Monitoring and ensuring reporting of all CSPO / CSPK transactions through the RSPO Palm-trace |
| 5 | SCCS E.4.2 | Increase monitoring of sustainable product production to avoid over-production. |

3.5.4. Noteworthy Positive Components



| No | Ref. Std. | Description |
|----|-----------|---|
| 1 | - | Utilization of organic waste as composting material |
| 2 | - | Good teamwork and PIC competency during the assessment process |
| 3 | - | Has obtained the PROPER certificate for the period of 2016-2017 with Blue rating. |
| 4 | - | Commitment to collaborate in developing associated smallholder with the community |

3.6 Summary of Arising Issues from Public and Auditor Verification

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|--|--|
| <p>Bipartite Cooperation and Worker Union</p> <ul style="list-style-type: none"> • There is no contract worker in PT SMM. All worker is daily permanent worker. There will be 3 months trial time before the assignment as daily permanent worker. • PPE is provided by the company • Basic wage is in accordance with applicable regulation, Decree of Bangka Belitung Province Governor about Minimum Wage for Bangka Belitung Province • Overtime for Mill Worker is paid in accordance with applicable regulation, however overtime for Estate worker is paid with premium pay. • There is a collective labor agreement. • There is no issue related to discrimination or child worker. PT SMM provided facilities for worker welfare | <p>Auditor has verified the compliance towards criteria 6.5, 6.7, 6.8, 6.9</p> |
| <p>Gender Committee</p> <ul style="list-style-type: none"> • Gender committee active in socialized company's policies, such as PKB and complaint mechanism. • PT SMM provided reproductive rights for worker, especially women worker such as menstrual leave, maternal leave, and special time for breastfeeding. • Worker who live in surrounding village can bring along their child and leave them in crèche facility. • There is no issue related to sexual harassment. | <p>Auditor has verified the compliance towards criteria 6.9</p> |
| <p>Worker cooperative</p> <ul style="list-style-type: none"> • Worker cooperative provides basic need with affordable price • Annual meeting for period of 2017 has conducted in May 2018 | <p>Auditor has verified the compliance towards criteria 6.5</p> |
| <p>Local Contractor</p> <p>CV Mitra Utama (FFB and CPO Transporter), CV Saputri Cemerlang (up keep), CV Aditya (FFB Transporter)</p> <ul style="list-style-type: none"> • Work agreement between contractor and PT SMM is made with negotiation • The payment is done on time • PT SMM has socialize the company's policy to contractor, such as code of conduct, social insurance, and PPE • Contractors know and understand how to submit complaint • Social insurance and PPE is provided by contractor | <p>Auditor has verified the compliance towards criteria 6.10 and indicator 4.7.3, 4.7.6, and 6.3.1</p> |
| <p>Simpang Tiga Village</p> <p>Interview with Head of Village and previous land owner</p> | |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|--|---|
| <ul style="list-style-type: none"> • PT SMM has responded all proposal assistant, but it is expected to be more active in provided CSR without proposal from village • There is no land conflict • Land compensation is done without coercion and the copy of compensation document is also kept with the land owner. • There is no environment pollution • Few villagers are work in PT SMM | <p>Auditor has verified the compliance towards criteria 6.1 and 6.11</p> |
| <p>Dendang Village</p> <p>Interview with Head of Village</p> <ul style="list-style-type: none"> • PT SMM will invite village representative in public consultation every six month • PT SMM has provide CSR to Dendang Village • There is no environment pollution and negative social impact. • Some villagers are work in PT SMM | <p>Auditor has verified the compliance towards criteria 6.1 and 6.11</p> |
| <p>Labor Agency of Belitung Timur Regency</p> <ul style="list-style-type: none"> - The Companies have implemented the payment of wages for employees refers to Bangka Belitung Governor Decree number 188.44/1252/DISNAKER/2017 dated on November 21, 2017 concerning the Minimum Wage of Bangka Belitung Province in 2018. - The company has a Collective Labor Agreement periode of 2016 – 2018 between PT Sahabat Mewah dan Makmur and the Executive Board of Workers Union. The Collective Labor Agreement has been registered to Labor Agency of Belitung Timur Regency. - All mandatory reports related to employment have reported well. - There are no issues of migrant workers, no child workers, no substitution contracts, no labor trade or forced labor forms. - All employees have employment agreements and there were no issues or violations committed by Companies related to worker welfare included in payment. | <p>It has been verified and stated under principle 6 in the report</p> |
| <p>Agriculture Agency of Belitung Timur Regency</p> <ul style="list-style-type: none"> - There are no issues related to disruption of plantation business - The Communication goes well, all mandatory reports related to plantation operation have reported well. - There is no issues of land fires and Tools and fire brigade personnel are sufficient. - The company has been doing CSR activities in the field of education, regional development. | <p>It has been verified and stated under Criteria 1.1; 2.1; 4.7; and 6.10 on The report</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Verification |
|---|--|
| <p>Environmental Agency of Belitung Timur Regency</p> <ul style="list-style-type: none"> - The company already has a Schedule Waste Storage license in Mill and Estate. - The Communication goes well, all mandatory reports related to plantation operation have reported well - The companies have all environment permit. - There are no complaints of environmental pollution caused by operational companies on the public. | <p>It has been verified and stated under principle 5 on The report</p> |
| <p>Cooperative Unit (Partnership of PT SMM) Mitra Anugrah Cooperative and Mitra Lestari Cooperative</p> <ul style="list-style-type: none"> • There is an MoU between PT SMM and cooperative • All farmers have legal document such as SKT and SPPL • Payment have not been made, because currently farmers still pay off debts • There is no boundary between farmers field • There is no implementation report of environmental document • Mitra Anugrah Cooperative use contractor worker for operational activity. The agreement is between contractor and PT SMM. • Cooperative committee has not received training related to RSPO • PT SMM provide sterilizer and pesticide to cooperative • FFB price is following Plantation Agency | <p>It has been verified and stated under criterion 6.10 and 6.11 on The report</p> |

| | |
|-----|--|
| 4.0 | CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY |
| 4.1 | Formal Sign-off of Assessment Findings |
| | <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 style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Sahabat Mewah & Makmur General Manager</p>  <p><u>Juli Wankara Purba</u> 09 January 2019</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Sandra Purba</u> 09 January 2019</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 | Community Leader of Dendang Village and previous land owners (3 people) | Dendang Village, Belitung Timur Regency | - | Interview | November 7 th 2018 | ✓ | - |
| 2 | Community Leader of Simpang Tiga Village and previous land owners (3 people) | Simpang Tiga Village, Belitung Timur Regency | - | Interview | November 7 th 2018 | ✓ | - |
| 3 | Worker Union | PT Sahabat Mewah & Makmur | - | Interview | November 5 th 2018 | ✓ | - |
| 4 | Gender Committee | PT Sahabat Mewah & Makmur | - | Interview | November 5 th 2018 | ✓ | - |
| 5 | Worker Cooperative | PT Sahabat Mewah & Makmur | - | Interview | November 5 th 2018 | ✓ | - |
| 5 | Local Contractor (Estate and Mill) Interview with CV Mitra Utama (FFB and CPO Transporter), CV Saputri Cemerlang (up keep), CV Aditya (FFB Transporter) | Belitung Timur Regency | - | Interview | November 6 th 2018 | ✓ | - |
| 6 | Cooperative Unit (Partnership of PT SMM) Mitra Anugrah Cooperative and Mitra Lestari Cooperative | Belitung Timur Regency | - | Interview | November 6 th 2018 | ✓ | - |
| 7 | Walhi Kateng | - | infomasi@walhi.or.id | Email | October 29 th 2018 | - | ✓ |
| 10 | Sawit Watch | - | info@sawitwatch.or.id | Email | October 29 th 2018 | - | ✓ |
| 11 | WWF | - | wwf-indonesia@wwf.or.id | Email | October 29 th 2018 | - | ✓ |
| 12 | AMAN | - | rumahaman@cbn.net.id | Email | October 29 th 2018 | - | ✓ |
| 13 | Jangkang Mill - Weighbridge operators - security - grading operator - sterilizer operator - pressing operator - kernel operator - engine operator - workshop workers - boilerman | PT Sahabat Mewah & Makmur | - | Field observation and interview | November 6 th 2018 | ✓ | - |
| 14 | Balok Estate - Harvesting - 4 | PT Sahabat Mewah & Makmur | - | Field observation and interview | November 6 th 2018 | ✓ | - |

| | | | | | | | |
|----|---|------------------------------|---|------------------------------------|----------------------------------|---|---|
| | workers - Manuring - 7 workers | | | | | | |
| 15 | Air Ruak Estate - Harvesting – 5 workers - Spraying – 9 workers | PT Sahabat Mewah & Makmur | - | Field observation and interview | November 7 th 2018 | ✓ | - |

| Appendix 2. Assessment Program | | |
|--------------------------------|---|--|
| DATE | 05 to 09 November 2018 | |
| PROGRAM | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| Monday, 05 Nov 2018 | | |
| 06.30 – 08.00 | JAKARTA → BELITUNG (TANJUNG PANDAN) TANJUNG PANDAN → PT SMM OPENING MEETING | All Auditor |
| 08.00 – 10.00 | | |
| 10.00 – 12.00 | | |
| 12.00 – 14.00 | BREAK | |
| 14.00 – 17.00 | RSPO Document Review , basic info and Review of Previous Visit Non-conformance (ASA-1.1, ASA 1.2), verification on time bound plan dan partial certification. Public consultation to Local contractor, FFB Supplier, internal stakeholder (labour union, gender committee and cooperative employees) | <ul style="list-style-type: none"> • All Auditor • AST |
| Tuesday, 06 Nov 2018 | | |
| 08.00 - 12.00 | Field Observation to Balok Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Best Agricultural Practices, Worker Welfare (payments, complaint mechanism) and safety aspect, • Hazardous Waste Material Management, Worker facilities (housing, health clinic, clean water, etc), Land Fire facilities, Storage, Land Application ect.. • Conservation Area and Legal operational Field Observation Jangkang POM <ul style="list-style-type: none"> • FFB received, sortation, Processing, worker welfare, Occupational Health and Safety (OHS/K3), Supply Chain etc. • WWTP/IPAL, Hazardous Waste Material, Chemical storage, Fire Fighting Facilities and environment aspect Stakeholders consultation to Government Institution and related NGO | <ul style="list-style-type: none"> • AFS • AST • AFS • SDP • STM • YYT |
| 12.00 – 14.00 | BREAK | |
| 14.00 – 17.00 | <ul style="list-style-type: none"> • Continuing of field observation and stakeholder consultation (if any) • Clarification of Field Observation • Completion Checklist. | • All Auditor |
| Wednesday, 07 Nov 2018 | | |
| 08.00 - 12.00 | Field Observation Air Ruak Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Best Agricultural Practices, Worker Welfare (payments, complaint mechanism) and safety aspect • Hazardous Waste Material Management, Worker facilities (housing, health clinic, clean water, etc), Land Fire facilities, Storage, ect. • Conservation Area, Legal operational Stakeholder Consultation to the nearest village/community leader, Plasma Farmer and cooperative. | <ul style="list-style-type: none"> • AFS • YYT / STM • SDP • AST |
| 12.00 – 14.00 | BREAK | |
| 14.00 – 17.00 | <ul style="list-style-type: none"> • Continuing of field observation and stakeholder consultation (if any) • Clarification of Field Observation | • All Auditor |

| DATE | 05 to 09 November 2018 | |
|------------------------------|--|---|
| PROGRAM | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| | <ul style="list-style-type: none"> • Completion Checklist. | |
| Thursday, 08 Nov 2018 | | |
| 08.00 – 12.00 | <ul style="list-style-type: none"> • Continuing of field observation and stakeholder consultation (if any) • Clarification of Field Observation • Completion Checklist. | <ul style="list-style-type: none"> • All Auditor |
| 12.00 – 14.00 | BREAK | |
| 14.00 – 17.00 | <ul style="list-style-type: none"> • Clarification of Field Observation • Completion Checklist • Closing meeting preparation (internal discussion) | <ul style="list-style-type: none"> • All Auditor |
| Friday, 09 Nov 2018 | | |
| 07.30 – 09.30 | <ul style="list-style-type: none"> • CLOSING MEETING | |
| 09.30 – 12.00 | <ul style="list-style-type: none"> • PT SMM → Tanjung Pandan | <ul style="list-style-type: none"> • All Auditor |
| 14.00 – 16.00 | <ul style="list-style-type: none"> • Tanjung Pandan → Jakarta | |