

Roundtable on Sustainable Palm Oil Certification R S P O

[✓] Surveillance

Name of Management : **TAPUNG KANAN POM, PT SEKARBUMI ALAMLESTARI subsidiary of**
 Organisation : **KUALA LUMPUR KEPONG Bhd**
 Plantation Name : **Tapung Kanan 1 Estate, Tapung Kanan 2 Estate and Tapung Kanan 3 Estate**
 Location : **Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia**
 Certificate Code : **MUTU-RSPO/025**
 Date of Certificate Issue : 24 April 2018 Date of License Issue : 24 April 2019
 Date of Certificate Expiry : 23 April 2023 Date of License Expiry : 23 April 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.1	11 to 14 March 2019	M. Arif Yusni (Lead Auditor), Arif Faisal Simatupang, Radytio Puspanjana, Briyogi Shadiwa	Ardiansyah	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.1	06 April 2019

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 on March 12th, 2014 with registration number **ASI-ACC-055**

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Figure 1. Location Map of PT Sekarbumi Alamlestari

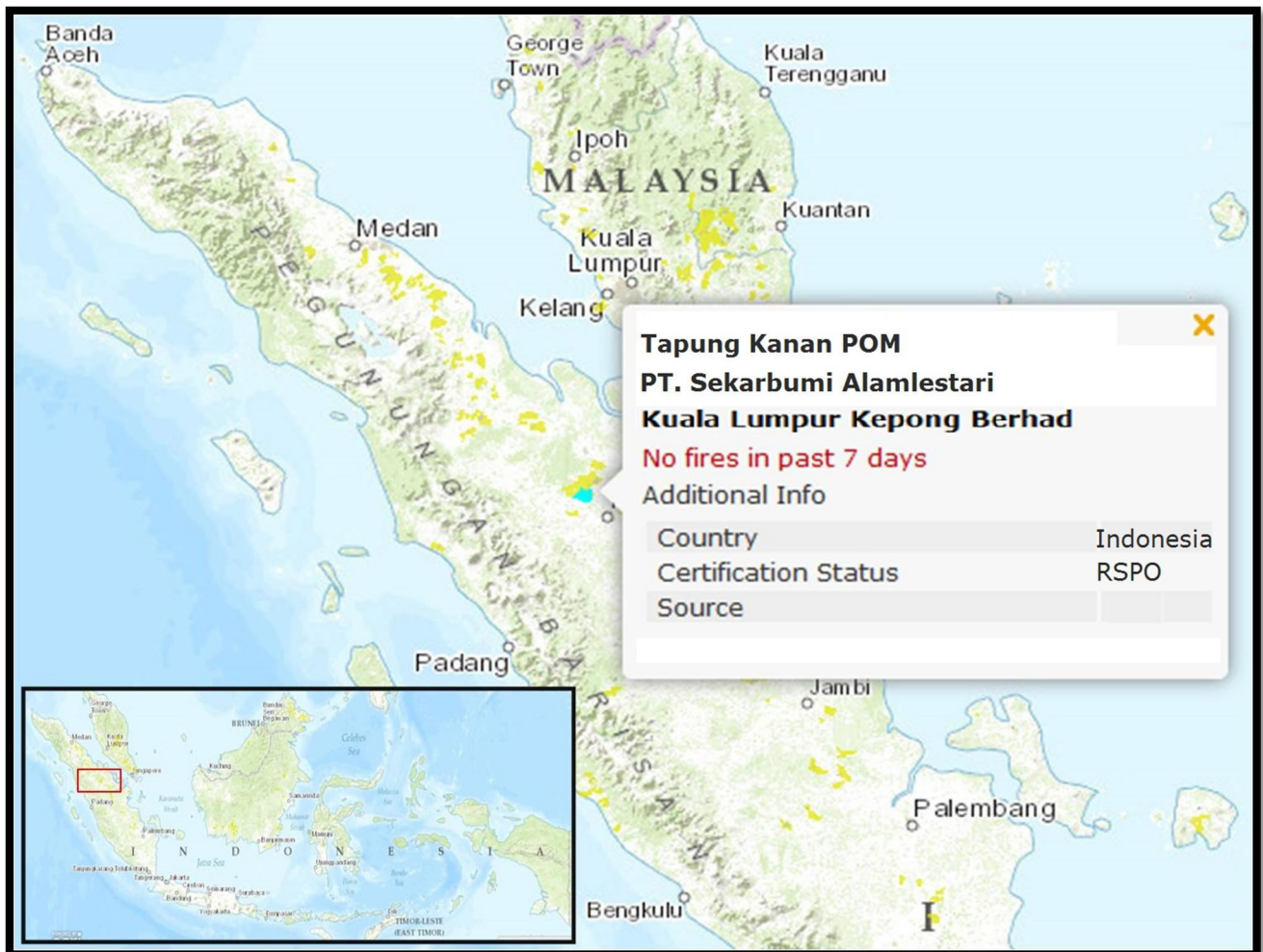
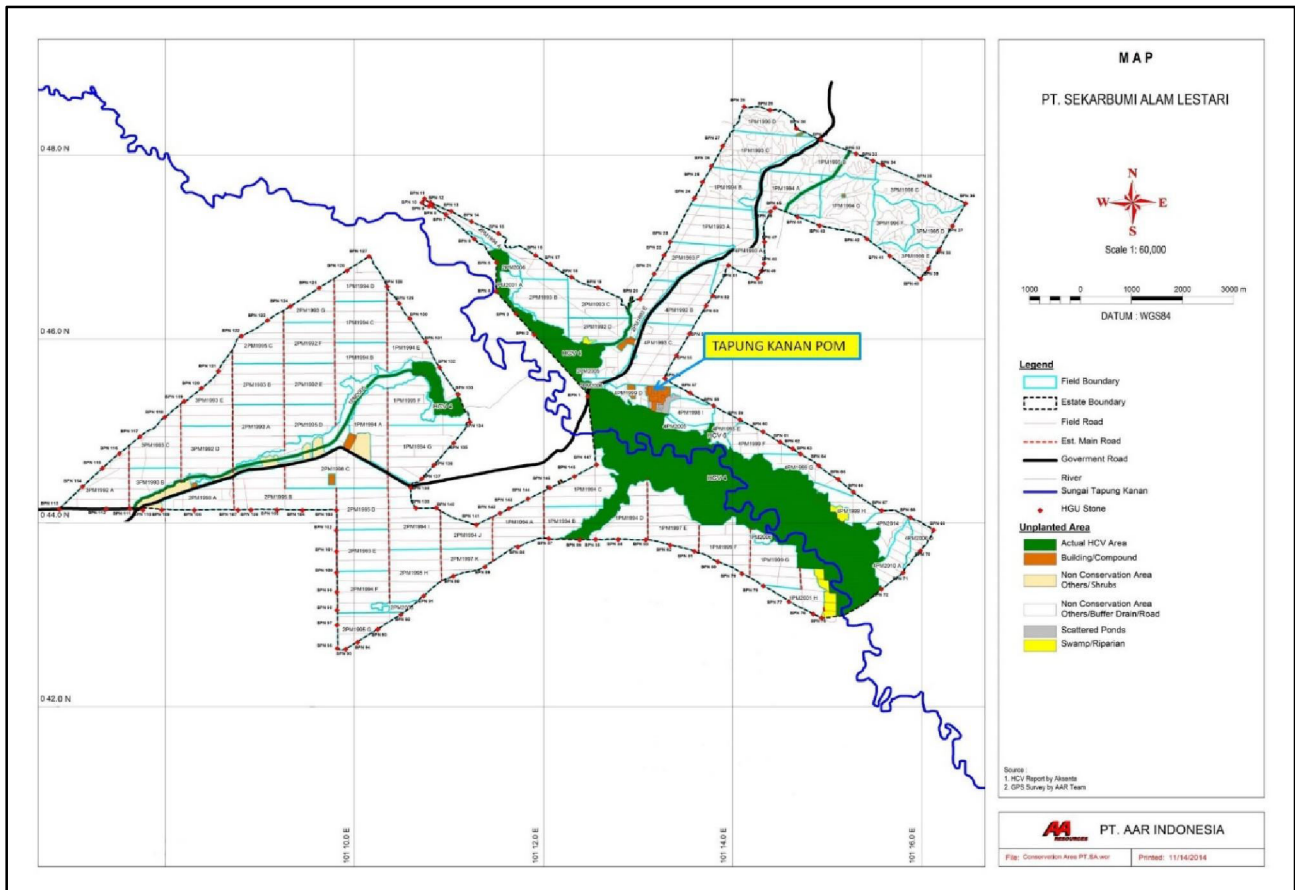


Figure 2. Operational Map of *Operational Map of PT Sekarbumi Alamlestari*



Abbreviations Used

AAR	:	Applied Agriculture Research
ASA	:	Annual Surveillance Assessment/Audit
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial / Social Insurance Organisation</i>
CB	:	Certification Body
CH	:	Certificate Holder
CLA	:	Collective Labor Agreement
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Sustainable Responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Analysis
FFB	:	Fresh Fruit Bunch
FY	:	Financial Year
GHG	:	Green House Gasses
GMP	:	Good Management Practices
GRP	:	Ground Rock Phosphate
HCV	:	High Conservation Value
HGU	:	Land Use Title
HIRA	:	Hazard Identification and Risk Assessment
ILO	:	International Labor Organization
IPAL / WWTP	:	<i>Instalasi Pengelolaan Air Limbah / Waste Water Treatment Plant</i>
ISCC	:	International Sustainability and Carbon Certification
ISPO	:	Indonesia Sustainable Palm Oil
Jamkesda	:	<i>Jaminan Kesehatan Daerah</i>
K3	:	<i>Kesehatan dan Keselamatan Kerja / Occupational Health and Safety</i>
KCP	:	Kernel Crushing Plant
KER	:	Kernel Extract Ratio
KIS	:	<i>Kartu Indonesia Sehat/Indonesian Healthy Card</i>
KKPA	:	<i>Kredit Koperasi Primer Anggota / Scheme Smallholders Cooperative</i>
KLK	:	Kuala Lumpur Kepong
KTK	:	Kebun Tapung Kanan
KOPNI SL	:	Koperasi Tani Sawit Lestari
LA	:	Land Application / Mill Effluent of Land Application
LB3	:	<i>Limbah Bahan Berbahaya dan Beracun / Hazardous Waste</i>
LD	:	Lethal Dosage
LUCA	:	Land Use Change Analysis
MCL	:	Mandau Central Laboratory
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
OER	:	Oil Extract Ration
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja (OHS Committee)</i>
PK	:	Palm Kernel
PPE	:	Personal Protective Equipment
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent

PT MAL	:	PT Mutuagung Lestari
SA	:	Sekarbumi Alamlestari
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SOP	:	Standard Operating Procedure
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened and Endangered
TBS / FFB	:	<i>Tandan Buah Segar / Fresh Fruit Bunches</i>
TPAS	:	<i>Tempat Pembuangan Akhir Sampah / Landfill</i>
TPS	:	<i>Tempat Penyimpanan Sementara / Temporary Hazardous Storage</i>
UKL-UPL	:	<i>Upaya Kelola Lingkungan - Upaya Pemantauan Lingkungan / Environmental Management and Monitoring</i>
WLTK	:	Wajib Laport Tenaga Kerja / Employment Official Report
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 Principles and Criteria 2013, approved RSPO Governors 30 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	Organization Information		
1.2.1	Organization name listed in the certificate	PT Sekarbumi Alamlestari – Subsidiary of Kuala Lumpur Kepong Bhd.	
1.2.2	Contact person	Apputhasamy Rathnam	
1.2.3	Organisation address and site address	<ul style="list-style-type: none">RSPO registered company: Wisma Taiko, 1, Jalan S. P. Seenivasagam, 30000 Ipoh, Perak, MalaysiaIndonesia Liason office: Kompleks Pertokoan Taman Anggrek Blok B2 – B5 Jl. Tuanku Tambusai, Pekanbaru, Riau	
1.2.4	Telephone	0761 – 571885, 571861/62	
1.2.5	Fax	0761 – 571884	
1.2.6	E-mail	ky.tan@klk.com.my	
1.2.7	Web page address	www.klk.co.id	
1.2.8	Management Representative who completed the application for certification	Apputhasamy Rathnam	
1.2.9	Registered as RSPO member	Registration number: 1-0014-04-000-00 18 October 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	1 Mill and 3 Estates as a supply bases: Tapung Kanan POM, Tapung Kanan 1 Estate, Tapung Kanan 2 Estate and Tapung Kanan 3 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
			LatitudeLongitude
	Tapung Kanan	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia	N 0° 45' 26" E 101° 13' 11"
1.4.2	Location of Certification Scope of Supply Base		

	Name of Supply Base	Location	Coordinate			
			Latitude	Longitude		
	Tapung Kanan 1	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia	N 0° 47' 31"	E 101° 10' 44"		
	Tapung Kanan 2	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia	N 0° 46' 53"	E 101° 10' 09"		
	Tapung Kanan 3	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia	N 0° 42' 56"	E 101° 15' 0"		
1.5	Description of Area Statement					
1.5.1	Tenure					
	• State		6,200 Ha			
	• Community		- Ha			
1.5.2	Area Statement					
	• Total area		6,200.00 Ha			
	• Mature area		5,179.00 Ha			
	• Mill / Housing / Road		94.00 Ha			
	• Nursery		4.00 Ha			
	• Conservation		923.00 Ha			
*There is a change of area of planted area of 4 ha from 5175 ha to 5179 ha. Changes in the extent of the embedded area are due to the digitization of the planted area embedded areas including Conservation area. There is no planting in the new area. Therefore, the extent of the embedded area is adjusted to the digitized results						
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		Tapung Kanan I	Tapung Kanan II	Tapung Kanan III	Total	
	1992	144.00	353.00	–	497.00	
	1993	681.00	470.00	85.00	1,236.00	
	1994	384.00	545.00	553.00	1,482.00	
	1995	198.00	234.00	357.00	789.00	
	1996	250.00	–	–	250.00	
	1997	–	–	147.00	147.00	
	1998	38.00	–	175.00	213.00	
	1999	166.00	–	164.00	330.00	
	2001	15.00	–	53.00	68.00	
	2005	–	59.00	–	59.00	
	2006	24.00	–	8.00	32.00	
	2010	47.00	–	–	47.00	
	2015	29.00	–	–	29.00	
	TOTAL		1,976.00	1,661.00	1,542.00	5,179.00

	*There is a change of area of planted area of 4 ha from 5175 ha to 5179 ha. Changes in the extent of the embedded area are due to the digitization of the planted area embedded areas including Conservation area. There is no planting in the new area. Therefore, the extent of the embedded area is adjusted to the digitized results						
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 (%)
	Tapung Kanan	30	145,455.85	30,821.44	21.19	8,345.95	5.74
*Production data source from March 2018 – February 2019							
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)	%
	Tapung Kanan 1	2,447.00	1,976.00	45,117.87	22.83	44,811.10	99.32
	Tapung Kanan 2	1,880.00	1,661.00	41,979.16	25.27	41,979.16	100.00
	Tapung Kanan 3	1,873.00	1,542.00	38,254.09	24.81	38,254.09	100.00
	TOTAL	6,200.00	5,179.00	125,351.12	24.20	125,044.35	99.75
*Production data source from March 2018 – February 2019							
1.7.3	FFB description from other source						
	Name of sources/Organisation	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Koperasi Sahabat Lestari (Non Certified)	Associate smallholders of PT Sekarbumi Lestari	647	1,294.00	20,411.50		
	TOTAL					20,411.50	
*Production data source from March 2018 – February 2019							
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim last year (tonnes/year)		Actual Certified Product last year (tonnes/year)	
	• FFB Production			125,094		125,044.35	
	• CPO Production			30,869		24,260.05	
	• Palm Kernel (PK) Production			10,365		6,737.41	
1.8.2	Product selling						
	Tonnage of selling product			Period of actual selling product last year			
	• CSPO sold as RSPO certified product			0			
	• CSPK sold as RSPO certified product			9,250.00			
	• CSPO sold under other scheme			6,231.74			
	• CSPK sold under other scheme			0			

	<ul style="list-style-type: none">CSPO sold as conventionalCSPK sold as conventional	18,270 0																																																																						
	*CSPK Sold bigger than produce due Stock balance in end of February 2018 are 2990,917 MT).																																																																							
1.8.3	Estimate of Certified FFB Claim																																																																							
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	Others	ISPO: MUTU-ISPO/032, 30 April 2015 – 29 April 2020.																																																																						
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					2016
Mandau POM	Mandau	Bengkalis, Riau	14,799	2012	Certified 2012
Nilo POM	Nilo	Pelalawan, Riau	12,860	2012	Certified 2014
	Smallholder PT Adei Plantation – NILO Complex	Pelalawan, Riau		2018	Certified
Tapung Kanan POM	Sekarbumi Alamlestari	Kampar, Riau	6,200	2012	Certified 2013
	Koperasi Tani Sahabat Lestari (Smallholder)	Kampar, Riau	1,294	-	Refuse to take a part RSPO process.
Gohor Lama POM (LNK Stabat POM)	Basilam	Langkat, Sumatera Utara	2,337	2014	Certified 2017
	Gohor Lama	Langkat, Sumatera Utara	3,307	2014	Certified 2017
	Tanjung Beringin	Langkat, Sumatera Utara	4,157	2019	-
	Maryke	Langkat, Sumatera Utara	2,827	2014	Certified 2017
	Bekiun	Langkat, Sumatera Utara	2,979	2014	Certified 2017
	Padang Brahrang	Langkat, Sumatera Utara	2,024	2014	Certified 2017
	Bukit Lawang	Langkat, Sumatera Utara	1,482	2014	Certified 2017
	Tanjung Keliling	Langkat, Sumatera Utara	2,360	2014	Certified 2017
Padang Brahrang POM	No longer in operation				
PENINSULAR MALAYSIA					
Batu Lintang POM	Pelam	Kulim, Kedah	2,526	2012	Certified 2013
	Batu Lintang	Serdang, Kedah	2,355	2012	Certified 2013
	Subur	Batu Kurau, Perak	1,290	2013	Certified 2013
	Ghim Khoon	Kulim, Kedah	434	2012	Certified 2013
Kekayaan POM	Kekayaan	Paloh, Johor	4,436	2011	Certified
	Landak	Paloh, Johor	4,451	2011	Certified
	Voules	Tenang, johor	2,977	2011	Certified
	Bandar Tenggara	Bandar Tenggara, Johor	950	2011	Certified
	New Pogoh	Tenang, johor	1,560	2011	Certified
	Fraser	Kulai, Johor	2,932	2011	Certified

	Paloh	Paloh, Johor	2,029	2011	Certified
	Sungai Bekok	Bekok, Johor	636	2011	Certified
	Ban Heng	Pagoh, Muar, Johor	631	2011	Certified
	See Sun	Renggam, Johor	589	2011	Certified
Paloh POM		Paloh, Johor			Outside Crop
Jerang Padam POM	Ayer Hitam	Bahau, Negri Sembilan	2,640	2012	Certified
	Batang Jelai	Rompin, Negri Sembilan	2,162	2012	Certified
	Jeram Padang	Bahau, Negri Sembilan	2,114	2012	Certified
	Kombok	Rantau, Negri Sembilan	1,915	2012	Certified
	Ulu Pemas	Pemas, Negri Sembilan	923	2012	Certified
	Gunung Pertanian	Simpang Durian, Negri Sembilan	686	2012	Certified
	Sungai Kawang	Lanchang, Pahang	1,889	2012	Certified
	Renjok	Telepong, Pahang	1,578	2012	Certified
	Tuan	Telepong, Pahang	1,353	2012	Certified
Tanjung Malim POM	Tanjung Malim	Tanjung Malim, Perak	1,544	2013	Certified 2013
	Kerling	Kerling, Selangor	619	2013	Certified 2013
	Sungai Gapi	Serendah, Selangor	603	2013	Certified 2013
	Bukit Kato				Certified 2013
	Kampar				Certified 2013
Tuan Mee POM	Tuan Mee	Sungai Buloh, Selangor	1,556	2012	Certified 2013
Kuala Pertang POM	Kerila	Tanah merah, Kelantan	2,191	2013	Certified 2014
	Pasir Gajah	Kuala Krai, Kelantan	2,107	2013	Certified 2014
	Sungai Sokor	Tanah Merah, Kelantan	1,603	2013	Certified 2014
Changkat Chermin POM	Lekir	Manjung, Perak	3,332	2012	Certified 2013
	Changkat Chermin	Manjung, Perak	2,540	2012	Certified 2013
	Raja Hitam	Manjung, Perak	1,497	2012	Certified 2013
	Allagar	Trong, Perak	805	2013	Certified 2013
	Glenealy	Parit, Perak	1,059	2013	Certified 2013
	Serapoh	Parit, Perak	936	2013	Certified 2013
	Kuala Kangsar	Padang Rengas, Perak	843	2013	Certified

					2013
SABAH, MALAYSIA					
Mill 1		Tawau, Sabah		Outside Crop	
Mill 1	Jatika	Tawau, Sabah	3,508	2009	Certified 2009
	Sigalong		2,864	2009	Certified 2009
	Pangeran		2,855	2009	Certified 2009
	Sri Kunak		2,770	2009	Certified 2009
	Pang Burong		2,548	2009	Certified 2009
Pinang	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
	Tundong		2,155	2009	Certified 2009
	Ringlelet		1,834	2009	Certified 2009
Lungmanis	Lungmanis	Lahad Datu, Sabah	1,656	2010	Certified 2010
	Sungai Silabukan	Lahad Datu, Sabah	2,654	2010	Certified 2010
Rimmer	Rimmer	Lahad Datu, Sabah	2,730	2010	Certified 2010
	Tungku	Lahad Datu, Sabah	3,418	2010	Certified 2010
	Bukit Tabin	Lahad Datu, Sabah	2,916	2010	Certified 2010
Bornion	Bornion	Kinabatangan, Sabah	3,233	2010	Certified 2010
	Segar Usaha	Kinabatangan, Sabah	2,792	2010	Certified 2010
LIBERIA					
Palm Oil Mill is expected to commission by Y2020	Butaw Estate	Liberia	8,011	2022	
	Plam Bay Estate	Liberia	13,007	2022	
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	PT SA has been certified since 24 April 2012 with the scope Tapung Kanan POM, TK I Estate, TK II Estate and TK III Estate. In addition, PT SA also has a partnership with smallholder scheme "KKPA Sahabat Lestari" which also supplies FFB to Tapung Kanan POM. Until now been running four years since Tapung Kanan POM obtained the certificate (Recertification) and KKPA Sahabat Lestari are yet to be proven in compliance with the RSPO certification standards (certifiable) according to the requirements of the RSPO certification system clausul 4.2.3.				

The Company has made an efforts to ensure that the area of KOPNI-SL as one of FFB suppliers to Tapung Kanan POM can be certified. The process of engagement and socialization has been conducted since 2015 (when ASA-2), for example, it can be shown the minutes of meeting on RSPO certification activities for area of KOPNI-SL on July 2, 2015 which was attended by 15 participants including members of KOPNI, Board of KOPNI and PT SA management.

Assessment of the fulfillment of legality aspect of KOPNI-SL has been requested by PT SA to PT MAL and has been done on 14-16 Feb 17 but at the time of the activity the KOPNI's Board is not willing to attend. The meeting between PT SA and KP-SL was resumed in June 2017, and based on the meeting minutes it was found that KP-SL stated that it was unwilling to be audited. The assessment of documents and field observations was undertaken by PT Mutuagung (upon request of PT Sekar Bumi) against KP-SL on 13-16 June 2017, and at that time KP-SL refused to be audited.

A tripartite meeting between PT SA, PT MAL (CB) and RSPO-Malaysia was conducted to discuss these issue on July 6, 2017 at RSPO Secretariat - Kuala Lumpur. Based on the results of the meeting, PT Sekarbumi Alamlestari issued a declaration letter on the status of Kopni Sahabat Lestari, dated July 10, 2017 to PT Mutuagung, which explains the chronology of efforts made by the company, and also its cooperation status was not KKPA (which based on the IUP PT SA have no obligation to develop KKPA), so in this case KP-SL is independent -out grower.

Verification of the declaration letter has been done by PT Mutuagung through an interview to members of the KOPNI on July 13, 2017 and mentioned that most of members and Boards refuse to take a part RSPO process.

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA 1.1	<p>1. Moh Arif Yusni (Lead Auditor). Indonesian citizen. Bachelor of Agriculture, majoring in Plant Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verified legality, OHS, Best Management Practices for mill and estate, Legal, land conflict, long term business plan and transparency.</p> <p>2. 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 employment and transparency, and SCCS.</p> <p>3. Radytio Puspanjana (Auditor). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMIT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Awareness In House Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. Aspect audit: Environment, HCV, GHG</p> <p>4. Briyogi Shadiwa (Auditor Trainee). Indonesian citizens. Diploma 3 of Oil Palm Plantation. He has 7 years working experience since 2009 as Agronomy Assistant and Agronomy Quality Control in several private oil palm plantation companies in Indonesia. The training has been followed include: ISPO Auditor Training by LPP, RSPO Lead Auditor Course by Checkmark Training, Lead auditor ISO 9001: 2015, Awareness SMK3, Lead Auditor ISO 14001: 2015, Awareness OHSAS 18001: 2007 and OHS Expert. During this audit, he assigned to verify Integrated Pest management, communication procedure, social aspect and Worker Welfare under supervised by Moh Arif Yusni.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-1.1	<p>Number of auditors : 3 auditor and 1 auditor trainee</p> <p>Number of days for ASA-1.1 at site : 4 days</p> <p>Number of working days for ASA-1.1 at site : 12 Working days</p>
2.2.2	Assessment Process
ASA-1.1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Sekarbumi Alamlestari to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, Endorsed by BOG on September 2016 and RSPO Supply Chain Certification Standard for Organization seeking or holding certification. Adopted by the RSPO Board of Governors on 21st November 2014, revised on June 2017 (General COC & Module D / 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) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-1.1 delivered by the MUTU auditor to the management unit</p>

and the results are the subject will be verified at the next assessment phase ([ASA-1.2](#)).
Improvement of findings from main assesment findings were observed by auditors at this [ASA-1.1](#) assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of [ASA-1.1](#)

The assessment program please find Appendix 2

2.2.3 Locations of Assessment
ASA-1.1

The sampling location consider the issue arise from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:

POM

- **Security Post.** Observation and interview related FFB receiving and inspection.
- **FFB Grading.** Observations and interviews with grading worker related FFB grading, employment and OHS.
- **Sterilizer Station.** Observation and interviews with sterilizer operator related employment aspect, OHS aspect and working procedures specified.
- **Press Station.** Observation and interviews with operator Press regarding employment aspect, OHS aspect and working procedures specified.
- **Kernel Station.** Observation and interviews with kernel operator regarding employment aspect, OHS aspect and working procedures specified.
- **Power House Station.** Observation and interviews with power house station operator regarding employment aspect, OHS aspect and working procedures specified.
- **Boiler Station.** Observation and interviews with Boiler operator regarding employment aspect, OHS aspect and working procedures specified.
- **Hydrant at boiler station.** Observation of hydrant and fire emergency preparedness.
- **WTP and Water Reservoir.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **WWTP.** Field observations related to Ban to entry to WWTP, run off, testing of effluent.
- **Empty bunch area.** Field observations related to empty bunch management.
- **Scheduled waste storage.** Interview with officer, observation about Storage condition, safety aspect, scheduled waste monitoring and management and MSDS
- **Central Warehouse,** interview with officer, observation about warehouse condition, safety aspect, worker welfare, emergency preparedness and procedure
- **Chemical warehouse,** interview with officer, observation about warehouse condition, safety aspect, worker welfare, emergency preparedness and procedure
- **Workshop,** interview with officer, observation about warehouse condition, safety aspect, worker welfare, emergency preparedness and procedure
- **Mill drainage,** observation and interview related mill drainage
- **Fuel tank,** observation and interview related safety and environmental aspect

KTK I

- HGU poles No. BPN 59, NPN 60, BPN 61, BPN 62, BPN 63, BPN 64, BPN 65, BPN 66, BPN 67, BPN 68, BPN 69. Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- Ex-occupation area of Dolok Saribu, Blok PR2015. Observation on ex occupation area, land demarcation, and potential conflict.
- Ex-occupation area of Mardion, Block PR1993B. Observation on ex occupation area, land demarcation, and potential conflict.
- **EFB application, Block PR1993B.** Observation and interview with PIC related to EFB waste management by application as mulching in the field, especially in low nutrient area.
- Fire watching tower, Block PR2015. Observation of fire control instrument and it affectivity.
- **Barn Owl Box, Block PM1993B.** Observation of biological treatment of rats infestation by installing and monitoring barn owl boxes.
- **Barn Owl Box, Block PM 1993 C.** Observation of biological pest control by using owls (*Tyto alba*).

- **Land Application, Block PM 1993 C.** Observation of land application realization
- **Conservation Areal, Block PM 1995 B.** Observation related to conservation area.
- **Herbicide Application, Block PM 1999 F.** Observation and interview with spraying supervisor, herbicide applicator related to pesticide and fertilize knowledge according to SOP, PPE implementation, employment aspect, OHS implementation, socialization HCV area, first aid training, first aid kit and MSDS of materials.
- **Fruit Collection, Block PM 1993 A.** Observation and interview with workers related to upkeep activities, OHS and worker welfare aspect.
- **Housing Complex block 2A.** Observation and interview with residents about housing facilities, daycare, medical facility, domestic waste management, water reservoir, and complaint mechanism.
- **HCV Area Block 93 E.** Observation the implementation of management in HCV area (Palapian riparian).
- **HCV Area Block 95 E.** Observation the implementation of management in HCV area (cemetery sacred).
- **Domestic Waste Landfill, Block 94B.** Observation about domestic management (landfill).
- **Workshop,** interview with officer, observation about warehouse condition, safety aspect, worker welfare, emergency preparedness and procedure.
- **Central Store.** Observation to Rice Store, Lubricant Store, Pesticide Store, Fertilizer Store, fuel storage and Fire Fighter Store on its compliance towards legality permit, environment, manpower, health and safety aspects.
- **Pesticide mixing area and PPE storage:** observation related pesticide mixing area, PPE storage, safety aspect.
- **Scheduled waste storage.** Interview with officer, observation about Storage condition, safety aspect, scheduled waste monitoring and management and MSDS.

KTK II

- HGU poles No. BPN 134, BPN 135, BPN 136, BPN 137. Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **Herbicide application, Block PM 1994 B.** Observation and interview with spraying supervisor, herbicide applicator related to pesticide and fertilize knowledge according to SOP, PPE implementation, employment aspect, OHS implementation, socialization HCV area, first aid training, first aid kit and MSDS of materials.
- **Fertilization application, Block PM 1994 B.** Observation and interview with manuring supervisor, manuring applicator related to pesticide and fertilize knowledge according to SOP, PPE implementation, employment aspect, OHS implementation, socialization HCV area, first aid training, first aid kit and MSDS of materials.
- **Housing Complex block 3A and 3B.** Observation and interview with residents about housing facilities, daycare, medical facility, domestic waste management, and complaint mechanism.
- **HCV Area Block 94B.** Observation the implementation of management in HCV area (Sepano riparian).
- **Domestic Waste Landfill, Block 94A.** Observation about domestic management (landfill).

KTK III

- HGU poles No. BPN 89, BPN 90, BPN 91. Observation of aspect of land demarcation and maintenance of HGU pole, and land dispute potency.
- **EFB application, Block PM 1993 E.** Observation and interview with EFB application contract worker related to knowledge according to SOP (dose and application procedures), PPE implementation, employment aspect, OHS implementation, first aid kit and accident insurance.
- **FFB Transportation, Block 1994 F.** Observation of FFB Transportation related to work technic and safety work.
- **Harvesting, Block PM 1994 F.** Observation and interview with Harvesting Supervisor and workers related to harvesting procedure accordance to SOP, PPE implementation, employment aspect, OHS implementation, socialization HCV area, and payment system.
- **Housing Complex block 4B.** Observation and interview with residents about housing facilities, daycare, medical facility, domestic waste management, and complaint mechanism.
- **HCV Area Block 93 E.** Observation the implementation of management in HCV area (Paloge riparian).
- **Domestic Waste Landfill, Block 93C.** Observation about domestic management (landfill).

Stakeholder

- sub-district office
- Local Contractor
- Gender Committee of PT Sekarbumi Alamlestari

	<ul style="list-style-type: none"> - Labor Union of PT Sekarbumi Alamlestari - Worker Cooperative of PT Sekarbumi Alamlestari - Village Head of Koto Garo, and previous land owner - Village Head of Koto Aman - WALHI (via email - no respon) - WWF (via email - no respon) - SAWIT WATCH (via email - no respon) - AMAN (via email - no respon) - Forest Peoples Program (via email - no respon)
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1.1	<p>Consultation of stakeholders for PT Sekarbumi Alamlestari was held by:</p> <ol style="list-style-type: none"> 1. Public Notification on PT Mutuagung Website (https://bit.ly/2TRcbE1) on 25 February 2018 2. Conducted interview with the Sub-District Head of Tapung Hilir on March 11, 2019. 3. Consultation with the local community (Head of the Koto Garo and Koto Aman Village) on March 12 and 13, 2019 4. Public consultation with internal stakeholders (representatives of Bipartite Workers' / LKS and cooperative management) on March 12, 2019. 5. Consultation with relevant NGOs via e-mail on March 3, 2019.
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit ASA 1.2 will be determined 08 – 12 months after the date of certificate issued

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of **Tapung Kanan POM – PT Sekarbumi Alamlestari, Kuala Lumpur Kepong Bhd** operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were one (1) Nonconformity were assigned against Minor Compliance Indicators and 10 (ten) opportunities for improvement were identified. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5.

MUTUAGUNG LESTARI found that **Tapung Kanan POM – PT Sekarbumi Alamlestari, Kuala Lumpur Kepong Bhd** complied with 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 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.	
1.1.1	<p>The CH has SOP of Communication, Provision of Information, and Submission of Complaints (SOP No. 01 date 10 August 2017), as practical guidance to handle the internal and external communication related to information of RSPO, environmental, social and law. Based on these procedure, it is intended to ensure that:</p> <ul style="list-style-type: none"> - The reference document in effective and precise time - The effective dialogue among the company, workers and another party - These procedures also were contained of communication flow chart with internal and external. - The company was stated that the deadline for respond of information request is 15 days. <p>The documents that can be accessed by the public including company policy, regional director memo's, working progress of OHS & RSPO program, OHS & RSPO related matters, crop report, insurance, agreement, details of complaints and complaints, incoming and out coming letter, continuous improvement plan, land use rights, public summary and certification assessment report, and human rights policy.</p> <p>Based on interview with Sub-District Head of Tapung Hilir, Village Head of Koto Aman and Koto Garo , if they need information they will submit a letter to the company. According to them, the company always responds each letter submitted.</p>	
1.1.2	<p>The CH was documented all of incoming and outgoing letter from another party. Based on document verification of incoming letter and the respond by the CH, all letter from the stakeholder has been followed up by Certificate Holder, for instance the invitation from Village of Koto Garo related annual village meeting (<i>Musrembang</i>).</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

The CH has a list of information that can be accessed by stakeholders in the SOP of Communication, Provision of Information, and Submission of Complaints (SOP No. 01 date 10 August 2017). The documents that can be accessed by the public including company policy, regional director memo's, working progress of OHS & RSPO program, OHS & RSPO related matters, crop report, insurance, agreement, details of complaints and complaints, incoming and out coming letter, continuous improvement plan, land use rights, public summary and certification assessment report, and human rights policy.

The documents that not listed above categorized as confidential or limited information by the company, for example; business strategic, financial system and workers personnel data.

Based on interview with Sub-District Head of Tapung Hilir, Village Head of Koto Aman and Koto Garo , known that the stakeholder has received socialization and understand how to obtain information from the CH. The CH maintains records of request for information and responses in the logboog on each unit management. Based on document verification, that's known there is no those documents request from stakeholders, but related invitation or request for fund.

Status: Comply

1.3

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

1.3.1

The CH showed a KLK Business Ethics Policy approved by Chief Executive Officer/CEO on 01 Desember 2014. Besides the business ethics, the CH also makes the work ethic that governs the individual's basic attitudes and the individual's behavior inside and outside the company, besides including the prohibition of corruption, bribery and fraud also arranged on the code of conducts. That document which is available in Indonesian Language, explains fair conduct of business, and provides information in accordance with applicable laws. Dissemination of code of integrity and ethical behavior disseminated by specific socialization or morning briefing to all level of workers, or meeting with external stakeholder.

Based on interview with Sub-District Head of Tapung Hilir, Village Head of Koto Aman and Koto Garo, Local Contractor, Employee Cooperative, Labor Union, Gender Committee, as well as the workers in Mill and Estates, they have received information about the code of integrity, and there are no violations related to this.

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.

The CH shown evidences over its compliance toward the applicable regulation related to the aspects of legality , employment, OHS, environment, good agricultural practices and good manufacturing practices. For example there were evidences of compliance toward the land use legality, compliance toward the environment regulation such as POME land application permit, hazardous waste temporary warehouse permit, and report of environmental management and monitoring plan, and compliance toward employment such as minimum payment in according Governor Regulation.

Certificate holder consistently applies legislation relating to plantation and palm oil mill. The last update of laws and regulations list was conducted on October, 14 2017. The Certification Unit has shown compliance with laws and regulations, for example:

- a. PT Sekarbumi Alamlestari already has a Plantation Business Permit in accordance with the regulation of Agriculture Ministry (Permentan) No. 98 Year 2013 about the plantation business permit guidelines.
- b. PT Sekarbumi Alamlestari already has rights of the land / soil in accordance with the Government Regulation No. 40 year 1996 about Land Use Title (HGU).

- c. Reporting Guiding Committee Of Occupational Safety & Health (P2K3) activities have been done with regularly
- d. Reporting WLTk (Employment Official Report) have been done with regularly
- e. Workers have been registered in the program of Workers Social Security Agency (BPJS)
- f. Payment of overtime under applicable regulations
- g. Reporting Environmental Management Efforts / Environmental Monitoring Efforts have been done with regularly.
- h. Licensed operator, such as boilerman, chargerman, welder etc. For example boiler license Operator No Reg.5721/OPK3/PUBT/VI/2017 Valid till 18 Juni 2020

2.1.2; 2.1.3, 2.1.4

The CH has a mechanism to assess compliance with the law and regulation, in accordance with the procedures of Regulatory Compliance and Applicable Law (No. 02 dated 1 August 2013). Starting with inventorying and make a list of the rules applicable in regional, national, and international, and updating it annually or if necessary. The list of regulation shown contained of the field of employment, environment, HCV, OHS, and legality of land use. Those list were include of regional, national, and ratified international regulations. CH has conducted and documented evaluation adherence to rules, regulations and other requirements employment field annually. The latest regulatory compliance audit has been carried out based on a report dated 28 January 2019. The results of the audit have inventoryed the latest list of regulations in 2018, for example the Regulation of Agriculture Minister No. 5 of 2018 concerning developing of plantation land without burning.

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

PT Sekar Bumi Alam Lestari has obtained the land Use Right (HGU) covering an area of **6,200 hectares** accordance with the regulations. Until audit the land use title certificate is still valid. Land Use Right certificate No. 01, on December 1, 1994 covering an area of 6,200 hectares which is valid until December 31, 2024 (30 years, 25 years extended). Certificate refers to the Decree of Agrarian Minister / Head of National Land Agency No. 36 / HGU / BPN / 94 on July 29, 1994. Documents verifications and interview with manager its known of the area under managed by PT Sekarbumi Alamlestari are 6,200 Ha.

2.2.2

Certificate holder has a map of legal boundaries. Boundaries markers monitored once a year according to SOP demarcation and maintenance of boundary markers (SOP No. 4 revised on 10 August 2017), the last monitoring already delivered on October 2018 with the results of monitoring its known if all boundaries poles are good and maintained. From interviews with the local communities are not identified any cases of border violations. Based on field observation by auditor team, checking the sampled boundary poles using GPS tool GARMIN 62s, on Boundaries Pole in KTK 1 No. BPN 59, BPN 60, BPN 61, BPN 62, BPN 63, BPN 64, BPN 65, BPN 66, BPN 67, BPN 68, BPN 69; KTK 2 Estate Pole No. BPN 134, BPN 135, BPN 136, BPN 137 and KTK 3 estate pole No. BPN 89, BPN 90 and BPN 91 all the legal boundaries are well demarcated, visibly maintained and appropriate with coordinates

2.2.3; 2.2.4 and 2.2.5

As a guidance for land conflict settlement the company has had SOP *Prosedur Penyelesaian Sengketa Lahan*/ land dispute settlement (SOP No 6 Dated 10 August 2017) that describes the mechanism of settlement of border, land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC.

According to information gathered during stakeholder consultation with representatives of Koto Garo Village and Koto Aman which include as previous land owner it is confirmed if land acquisition has been carried out since 1991 involving the regional government and there was no customary land or other use right over the certified area. Suggested that there is no communally owned land inside the estate location. Additionally, as suggested by the result of documents verifications most of the entire land use title area was originally converted from the forest conversion production to become the land allocated for other purpose (APL) on 1991.

Based on field observation, interview with management and stakeholder (head of Village Koto Garo and Koto Aman) its known if there is a land dispute in PT Sekarbumi Alamlestari that not yet resolved. The dispute is about Demands on land that has not received compensation (Acknowledgment of Kota Aman Village Group)

The result of document verification is known that the area claimed by the community of Koto Aman Village already has the land title document (HGU). The Kampar Regent explained by letter no. 100 / Pem / V / 2007/654 following up letter from the Governor of Riau No 592.2 / PH / 88.01 dated January 16, 2007, explained that PT Sekarbumi Alamlestari has obtained land title (HGU) in 1994 with covering $\pm 6,200$ ha. Land claimed by the Koto Aman community of $\pm 1,500$ hectares, of which an area of ± 682 hectares has been compensated through the local government team of 1992, while the remaining are forest areas that have been released.

The dispute started in 2007 where the communities from Koto Aman village prosecute to the land that not yet compensated covering 1500 Ha. The result of document verification is known that the area claimed by the community of Koto Aman Village already has the land title document (HGU). The Kampar Regent explained by letter no. 100 / Pem / V / 2007/654 following up letter from the Governor of Riau No 592.2 / PH / 88.01 dated January 16, 2007, explained that PT Sekarbumi Alamlestari has obtained land title (HGU) in 1994 with covering $\pm 6,200$ ha. Land claimed by the Koto Aman community of $\pm 1,500$ hectares, of which an area of ± 682 hectares has been compensated through the local government team of 1992, while the remaining are forest areas that have been released.

In 2015 the communities of Koto Aman Village prosecute back to the company for those area and the management of PT SBAL responded based on letter from Kampar Regent no. 100 / Pem / V / 2007/654 following up letter from the Governor of Riau No 592.2 / PH / 88.01 dated January 16, 2007, explained that PT Sekarbumi Alamlestari has obtained land title (HGU) in 1994 with covering $\pm 6,200$ ha. Land claimed by the Koto Aman community of $\pm 1,500$ hectares, of which an area of ± 682 hectares has been compensated through the local government team of 1992, while the remaining are forest areas that have been released.

In October 2017 there was demonstration from Communities of Koto Aman (Persatuan Koto Aman Menggugat / PEKAM) Regional People's Representative Assembly Kampar Regency and Regent of Kampar Office with demands:\

- Re calculate the Land Tittle of PT Sekarbumi Alamlestari
- Return community land managed by the company
- Land demanded for status quo

During 2018 – 2019 there are several meeting between the company and local community of Koto Aman related the settlement of disputes / claims from villagers. The meeting is mediated by local government (Related institution, police, regent and Regional People's Representative Assembly Kampar Regency, but until ASA 1.1 conduted there is no agreement has been reached,. Company and government explained that if people are not satisfied should take legal action. Based on the results of interviews with the Village Koto Aman this is in the process of completion and involving leaders - community and local government

In 11 February 2019 there is meeting with participants head of Land Agency, Head of Sub district, community representative, management of PT Sekarbumi Alamlestari and interested parties with conclusion:

- Land Tittle No 1 year of 1994 owned by PT SBAL has been in accordance with regulation
- PT Sekarbumi Alamlestari and Koto Aman are expected to conduct a meeting to resolve the dispute
- If there is complaint or not satisfied should take a legal action

There is a letter from head of National Land Agency Province of Riau No HP.01.03/403-14/II/2019 dated 13 February 2019 about dispute and prosecute the community of Koto Aman, sub district of Tapung Hilir, Kampar Regency with PT Sekarbumi Alamlestari against Land Tittle No 1 year of 1994. In that letter National Land described the respond from National Land Agency Province Riau based on meeting regarding prosecute of Communities of Koto Aman on 11 February 2019, that is:

- Land Tittle No 1 year of 1994 owned by PT SBAL has been in accordance with regulation
- Based on letter from Kampar Regent no. 100 / Pem / V / 2007/654 following up letter from the Governor of Riau No 592.2 / PH / 88.01 dated January 16, 2007, explained that PT Sekarbumi Alamlestari has obtained land title (HGU) in 1994 with covering $\pm 6,200$ ha. Land claimed by the Koto Aman community of $\pm 1,500$ hectares, of

which an area of \pm 682 hectares has been compensated through the local government team of 1992, while the remaining are forest areas that have been released.

- National Land Agency Province of Riau expected the Regional Government of Kampar Regency facilitated meeting between Company and communities of Koto Aman

Based on that's explanation above the settlement process of land dispute in operation area of PT Sekarbumi Alamlestari became an opportunity of improvement (Observation) no 1 and will be verify on next assessment.

2.2.6

Certificate holder has a policy to not use the military for operations dated on 12 August 2016 by the Group Manager. Based on field observation and direct interview with sampled workers and communities, it was known that the certificate holder has no evidence to instigate violence in maintaining peace and order in their current operations. Generally, the certificate holder has complied with the right to use the land.

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

PT. Sekarbumi Alamlestari is one of long-established plantations company since 1994. In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making.

The Certificate Holder has developed a mechanism of Implementation of Free Prior Informed Consent as document SOP No 6 Dated 10 August 2017 (*Prosedur Penyelesaian Sengketa Lahan/* land dispute settlement) that describes the mechanism of settlement of border land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC.

The Certificate Holder has had land Use Right (HGU) covering an area of **6,200 hectares** accordance with the regulations. Until audit the land use title certificate is still valid. Land Use Right certificate No. 01, on December 1, 1994 covering an area of 6,200 hectares which is valid until December 31, 2024 (30 years, 25 years extended). Certificate refers to the Decree of Agrarian Minister / Head of National Land Agency No. 36 / HGU / BPN / 94 on July

According to information gathered during stakeholder consultation with representatives of Koto Garo Village and Koto Aman which include as previous land owner it is confirmed if land acquisition has been carried out since 1991 involving the regional government and there was no customary land or other use right over the certified area. Suggested that there is no communally owned land inside the estate location. Additionally, as suggested by the result of documents verifications most of the entire land use title area was originally converted from the forest conversion production to become the land allocated for other purpose (APL) on 1991.

Edaphology team of Riau Province in the "document of edaphology" on September 22, 1991 22 / RSL / HGU / 1991 concludes that it has been completed and there are no parties objected. "Records of land compensation" when the arrangement of Land Use Title is stored at the Central Office of Jakarta on legal and taxation section, for example:

- Submission 4 hectares area is located in the Village of Kota Batak, Payment approved / accepted / confirmed by the owner; Company representatives; Officers of National Land Agency; Village Chief of Sikijang.
- 2 hectares land owners are up to 295 other heads of families. The process of land rights release was witnessed by Team of "Committee B Inventory", the village chief, landowners, Sub-District Head and Company representatives.

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 & 3.1.2

The Company shows long-term plan documents from 2017/2018 to 2021/2022 that include estimates / projections for the coming year, including: Maintenance costs, Fertilization costs, Production projections, production costs (harvesting and transportation), CPO and kernel yield estimates, and replanting plans. Based on the results of interviews with company staff, the Company conducts annual evaluations of the long-term program plans that have been made. The company evaluate the program every year with board of director and the PIC is General Manager of PT Sekarbumi Alamlestari.

The company also had program for replanting during 5 years projection amounting to 1,479 ha. The projection only for Tapung Kanan I and II estates, for now there's no plan for replanting on Tapung Kanan III estate.

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 certificate holder already has an estates SOP (starting from Land Clearing to Harvest) and SOP of the mill (starting from receipt of FFB to shipment of CPO & PKO) that has been documented, including in the revised SOP Sustainability document dated August 10, 2017 and authorized by the General Manager. The SOP includes major processes such as harvesting (SOP number 10), transportation (SOP number 11), fertilization (SOP number 7C), IPM (SOP number 17) and supply chain (SOPs 31 and 32). During an audit, a copy of the SOP is available at the audit site and in the Indonesian language. Based on field observations and interviews with workers, for example, on herbicide application activities in Tapung Kanan I Estate (Block 1999 F) and Tapung Kanan II Estate (Block 1994 B) it is known that workers have understood procedures related to herbicide applications such as doses used, types of pesticides used, mechanisms of herbicide application and related understanding of areas forbidden to apply herbicide.

4.1.2 & 4.1.3

Based on the results of document review and interviews with the management, it is known that the certificate holder routinely conducts inspection or monitoring activities according to the operational procedures performed by Internal Audit Division, Mandau Central Laboratory (MCL), Mill Controller / Mill Advisor and Agronomist PT Applied Agricultural Resources Indonesia (PT AARI). Inspections are also conducted through inspections conducted by local unit staff such as managers, assistants or supervisors (foremen) such as inspections on harvesting activities. The company has procedures related to monitoring activities for operational activities such as explained monitoring conducted by PT AARI conducted every 6 months and monitoring the quality of FFB production and citation of loose fruits conducted once in 4 months by MCL. The procedure also explains the follow-up to the findings of nonconformities. In addition, the company also done internal audit such as:

- Dated 5 – 11 April 2018 for Riau Region (Tapung Kanan I, II and III Estates)
- Dated 5 April 2018 for Tapung Kanan POM

All of the findings has been fulfilled such as, has been repaired seal pump mechanical and steam trap packing (On May 2018).

In addition, inspection which conducted by Internal Audit Division also check, monitor and evaluate contractor performance. Based on interview with local contractor, the company will not extend the contract if not comply with company procedures.

4.1.4

Based on The Report of FFB Actual Processing and CPO Production and Palm Kernel Year 2017/2018, it is known that, FFBs processed in Sungai Tapung Mill that come from the third party was only from Plasma KKPA Estate which is under guidance of PT. Sekarbumi Alamlestari.

Status: Comply

4.2

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

4.2.1

The company has SOP to maintain soil fertility and recording of its implementation in accordance with SOP number 7C related to crop maintenance which explains that fertilization is based on the recommendation issued on soil and leaf test result. In addition, there are SOPs on fertilization before re-planting and fertilizing special compound fertilizer. Based on the result of document review and interview with the management, it is known that the implementation and monitoring of soil and leaf analysis is done by Agronomist Team of PT AARI as the party issuing fertilizer recommendation.

4.2.2

Records of fertilization activities are well recorded by the company which among others explain about the type of fertilizer, the number of workers, work performance and the dose used. For example in the Fertilizer Use Data Document Period 2017/2018 which explains the use of per type of fertilizer compared with the production of FFB per year, among others as follows: 2,538,450 kg of ZA, 336,550 kg of Dolomite, 287,000 kg of Kieserite, 1,413,100 kg of MOP, 22,820 kg of Borate and 499,500 kg of RP (summary of all estates).

4.2.3

Soil analysis, leaf and visual analysis periodically conducted by PT AARI as described in the Palm Manuring Recommendation 2017/2018 document, for example:

- Dated 7 – 9 March 2017 on Tapung Kanan I Estate with results are : N 2.30%; P 0.159%; K 1.08%; Mg 0.25%
- Dated 7 – 9 March 2017 on Tapung Kanan II Estate with results are : N 2.22%; P 0.155%; K 1.13%; Mg 0.22%
- Dated 7 – 9 March 2017 on Tapung Kanan III Estate with results are : N 2.28%; P 0.156%; K 1.16%; Mg 0.23%

CH done Soil analysis, leaf and visual analysis periodically every year. The last analysis conducted on April 2018 (for 2019 recommendation).

Based on the explanation above, the realization of fertilization is suitable with the recommendation which company made.

4.2.4

The company has a recording strategy for nutrient recycling which includes Fiber and Shell usage, EFB application, land application and frond usage. Based on the results of the document review, the company regularly records the activities, including the following:

- EFB application in block 1999 F and 1999 G (Tapung Kanan II) period 2017/2018 has been realized for 844,430 kg.
- EFB application in block 1994 D (Tapung Kanan II) period 2017/2018 has been realized for 1,216,140 kg.

From the results of field observations, the auditors also visited the realization of empty bunch application at Tapung Kanan III Estate (Block 1993 E). It was found that the technical application of empty bunches was in accordance with company regulations: applied between the trees, using 30 tons / ha dosage, no overlap, and not be applied in the river flow.

Status: Comply

4.3
Practices minimize and control erosion and degradation of soils.
4.3.1

Based on the Soil Map (Scale 1:80.000) prepared by PT AAR Indonesia, can be known that fragile land is not identified in area of PT Sekarbumi Alamlestari. Nevertheless, the company has had land management strategy of the high erosion potential area such as construction of the flat bed in lower land and putting fronds horizontal in the edge of lower part of plant circle to minimize soil erosion due to rain and also planting cover crop like Nephrolepis in between the palm tree.

4.3.2

Based on field observations (Block 1995 B of Tapung Kanan I Estate), it is known that certificate holders have management strategies for planting on steep slopes that consider local soil and climate conditions, e.g. pruning frond arrangement and conservation terraces. Based on the results of the document review, the certificate holder has procedures related to erosion management and optimal soil fertility management for productivity which among others regulate the technical management of the area with slopes / high erosion potential e.g. with cover crops, empty bunch application, and conservation terrace manufacture.

4.3.3

Based on the document review results, it is known that each estates of the company has a road maintenance program in accordance with the budget. All road maintenance programs have been realized using heavy equipment and the results are recorded in the Road Maintenance Report 2017/2018.

The company has a Road and Bridges budget account that focuses on planning maintenance of all roads and bridges in rupiah units. Based on field observation, all the roads on PT Sekarbumi Alamlestari maintained very well. In addition, it can be proven with no found rotten fruits that are not transported because the transport can not pass due to damaged roads

4.3.4, 4.3.5 & 4.3.6

Same as the previous assessment, there's no peat land on company area. But the Company has SOP of Seeds, Planting and Plant Maintenance as stated in Sustainability SOP no. 7 dated August 10, 2017, revision 2 of part D on the Planting of Oil Palm on Peat Land. The SOP explained about Compliance with applicable laws and regulations, Conducting land evaluation Peat maturity level, Implementing unburned land clearing, Making drainage consists of 3 primary, secondary and tertiary drainage, Monitoring of Reduced Peat land Water Levels, and Monitoring of Peat Land Reduction.

However, based on the Soil Map PT. Sekarbumi Alamlestari (Scale 1:200.000) prepared by PT AAR Indonesia, it is known that there is no the fragile soil and other problem soil, such as sandy soil in area cultivated by PT Sekarbumi Alamlestari. However, the company has had land management strategy in less fertile soil by applying Empty Fruit Bunch and Solid.

Status: Comply

4.4

Practices maintain the quality and availability of surface and ground water.

4.4.1

Field visits on Palapian riparian block 93 E KTK-1 estate and Sepano riparian block 94 B KTK-2 estate for examples, found that companies managed sepano riparian by marked the buffer zone (throughout 50 m bothsides on riparian), perform revegetation with mahogany, and signboard placement. There is no indications chemical activities (spraying) on both riparian areas.

The company also conducted regularly water quality testing every semester for Tapung kanan river. Based on workers interview on estate housing shown that drinking water for them originated from refill water and Tapung kanan also provides clean water access for all workers.

Water management plan for PT SA are listed on some document such as environment management and monitoring document and HCV management plan 2018-2019. These document describe the water source identification, POM and estates water usage monitoring & efficiency, and water catchment area protections.

4.4.2

Certificate holder shown identification and maps for water courses and wetlands included riparian on 1 : 75,000 scale. HCV identification shown the main watersheds on company areas are tapung river, and other tapung Sub-watersheds including Sepano, Sepahat, and Paloge watershed. Procedures for watersheds protection has been established and listed on sustainability procedures no 22 on 2017. Field visit during audit, for examples on Palapian riparian block 93 E KTK-1 estate acquired information that company shown proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border.

The company has ascertained watershed and wetlands managements for replanting activities based on procedures, explained in environmental Implementation report UKL-UPL and management and monitoring HCV Implementation report semester II year 2018.

4.4.3

CH has permit the utilization of POME for applied to land (Land Application) based on decree of Head of capital investment and integrated services, Kampar regent No 503/DPM-PTSP.PEL/LA/2017/02 dated 7 October 2017 valid 5 years.

Monitoring of BOD has carried out every month regularly and reported to Environment Agency every three month. Evaluation and water sampling in WWTP outlet were carried out by accredited laboratory. Based laboratory testing, it

could be concluded that testing results period November 2018 to January 2019 were accordance with regulation of the environment minister Number. 28/2003. Based on observation to WWTP, it was found that flow meter was well functioned and there were no spills to the land. Furthermore, the certification also has had land application permit and there is no issues from stakeholders related to land application.

Base on field visit in land application area in KTK-1 estate shows the area were well maintained. There was no leakage that flows outside the area. Based on public consultation with village representation, there was no issues regarding to river pollution especially in in to the river that across the village.

4.4.4

Procedure of water use monitoring in mill available under document Procedure of Water Treatment Plant. Water consumption monitored by using flowmeters installed in piping system of WTP. According to water use data in last period November 2018 to January 2019 average of water use for processing still below the determined budget (1.16 m³/ton FFB while budget is 1.45). Overall use of water under the budget of company.

	Status: Comply	
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4.5

Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.

4.5.1

The company monitors pests and controls according to the procedure. Monitoring is done by detection and census. The certificate holder shows the monitoring implementation document, for example Division 4B of Tapung Kanan II and Division 2B of Tapung Kanan I shows recap census of nettle caterpillar, bag worm and rat attacks on period of October 2018. From that record, the company did not carry out further control measures because the census results had not exceeded the threshold, which was 5%. From the results of field observations, auditors also have not found a significant attack of rats, bag worm and nettle caterpillar in the company's operational area

The company also conducts biological control by installing barn owl in the field as a home for owls. The auditor conducted field observations at the Block 1993 C of Tapung Kanan I Estate and found 1 active barn owl. This can be seen from the bones and feathers of owls around *gupon* (BOB). For the control of the nettle caterpillar and bagworm, the company also planted useful plants such as *Turnera subulata* on each blocks.

4.5.2

There are recording training provided to those involved in integrated pest control processes such as nettle caterpillar / bag worm census, spraying, MSDS and chemical mixing.

The auditor also conducts interviews with the responsible foreman related to the results of the pest observation (initial detection of pests), where the foreman understands the technical detection, census, and chemical control. But for now, based on interviews and document reviews, the pest attacks on rat and nettle caterpillars are still below the threshold.

	Status: Comply	
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4.6

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

4.6.1

The company shows the list of chemicals used by the company in accordance with the applicable regulations, such as the Basta trademark with the active ingredient Ammonium glufosinat 851 g / liter with registration number 01030119921113. In addition, the company also has SOP related to the safety of the use and storage of chemicals, explained the recommended doses and targets in accordance with recommendations on pesticide packaging. Steps taken to avoid the emergence of resistance in target species are done such as the rotation of pesticide use.

Based on the results of field observations on herbicide application activity in Tapung Kanan I Estate (Block 1999 F) and Tapung Kanan II Estate (Block 1994 B), it is known that the material used is trademark Ken-lon and Metaprima (registered trademark) with the appropriate dose on the packaging.

4.6.2 & 4.6.3

The use of pesticides has been documented by each estates that explains the name of the active ingredient, LD50, % active ingredients, the number of applications, the total active ingredients used, the total FFB production, pesticides units / Hectare, application hectare and the amounts of pesticide / hectare. The company also has a record of used pesticide on period of 2017/2018, one of the details is as follows: 19,503 liter Glyphostae and 50 liter Indaziflam. Based on document review & interview with company staff, pesticide not been used on prophylactic way, but based on economy threshold. Based on document review, company also had a pesticide program that explains about show pesticide use on a per hectare basis.

4.6.4

Based on the results of document review, field observation and observation of chemical storage warehouse, it is known that the certificate holder does not use pesticides categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions or Paraquat. The use of Paraquat dichloride active ingredients last used in the period 2016 - 2017.

4.6.5

The company has the SOP 18 (August 10, 2017) about the Safety of Use and Storage of Chemicals including Hydrocarbons, in the procedure has ensured all workers have understood the MSDS, equipment is ascertained in safe and good, clean water supplies are available, PPE is available and the spraying technical is good. The Company also identified the needs of PPE for each job in accordance with the level of risk (HIRAC Document). List of spraying team personnel can be shown in the document of Worker list in every unit. Based on document verification, the workers already had pesticide application training such as Spraying training in Division 2A on February 13, 2019 and in Division 1A on February 24, 2018. In addition, the workers can demonstrated how to apply a pesticide based on company procedure (from how to use a PPE, weed target, washing PPE in rinse house, to saving the equipment in appropriate place) in front of auditors.

4.6.6

The company has SOPs on pesticide storage contained in SOP No. 18 about Safety and Chemical Storage Use including Hydrocarbons dated 10 August 2017, revision 1, which explains that chemical storage is stored separately with non-chemical substances and shall be labeled as Hazardous Materials.

Based on the results of visit in the pesticide warehouse known to exist in a special room and have good ventilation. There are MSDS for each type of pesticide. Based on visits at the pesticide mixing site, the company has provided a place to cleaning up after work and available storage equipment such as spray equipment, PPE and shoes. Based on observations to the housing of workers in KTK 1 and KTK 2, there are not found the use of pesticide packaging for household purposes, such as bins, water containers and flower pots.

4.6.7

Companies has pesticide work instruction on SOP 19 about Chemical Mixing at Chemical Mixing Place (dated August 10, 2017) describing the handling of pesticides and SOP 18 about the Safety of Chemical Use and Storage including Hydrocarbons. The procedure informs from how to handling the pesticide, how to use PPE, prohibited for pregnant woman & breastfeeding mothers, technical spraying, emergency response, and medical check-up.

The results of field observation and interviews with workers in in Tapung Kanan I Estate (Block 1999 F) and Tapung Kanan II Estate (Block 1994 B) is known that the employees have been given training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures including how use and handling the risks in accordance with material safety sheets. The Workers using personal protective equipment in accordance with specified hazard identification (HIRAC) and material safety data sheet such as mask, gloves, safety shoes, apron and googles. Based on field observation known that the company provided facility for chemical mixing,

cleaning/washing after work (rinse house) and space for PPE keeping are provided in the each estate.

In addition, Operators of spraying team carry food stored in transportation vehicles (trucks). When the break time arrived, the operators ate on the block which was not applied by pesticides and the foreman brought clean/fresh water (in the form of gallons) as a hand washing tool. This is sufficient to minimize the risk of poisoning.

4.6.8

Same as the previous assessment, based on field observation it is known that the company does not carry out the application of pesticides by air.

4.6.9

Based on document of training, and field observation in spraying activity, known that the employees have been given regular training in safe work practices.

4.6.10

Procedures for pesticides waste handling has been developed by certificate holder, listed on sustainability procedures no 23 (toxic/non toxic and hazardous waste management) on 2017. Field visit during audit on KTK-1 estate and KTK-2 estate found that that all ex chemicals containers were kept on temporary hazardous storage at mill/estates. Training for workers and staff regarding pesticides handling, and hazardous & toxic material handling have been conducted on February 2018 for related workers.

Interview with spraying team on KTK-3 estate shown that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling. Field visit during audit on toxic & hazardous waste storage on KTK-1 estate found company showed proper ways for ex agrochemical disposal. Monitoring evidence for agrochemical usage, ex agrochemicals container stored in storage, and manifest to third parties are available and verified by auditors.

4.6.11

The results of interviews with pesticide operators in Tapung Kanan I Estate (Block 1999 F) and Tapung Kanan II Estate (Block 1994 B), submitted that all pesticide operators have been checked health periodically six months (regular MCU and special MCU) and workers have known the results of the examination. No worker has an indication of exposure to chemicals such as itching, skin irritation, poisoning or anything else.

4.6.12

A policy that states preventing pregnant and lactating women from dealing with pesticides already include on SOP 18 (August 10, 2017) about the Safety of Use and Storage of Chemicals including Hydrocarbons. The procedures says that Pregnant woman and breastfeeding mother are prohibited from working in spraying or chemical contacts. No pregnant workers found during field observations in Tapung Kanan Estate The foreman stated that if any female workers experience signs of pregnancy then the concerned will report to the foreman or staff and immediately went to the clinic. Specially, company also had a pregnancy test every month for every woman workers which evidenced by Pregnancy Book that informs about the results of pregnancy checks by the estate paramedics, Clinical Recommendations, Company Actions.

Status: Comply

4.7

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

4.7.1

The company has a policy of occupational safety and health available in Indonesian language. The policy has been legalized and updated on January, 10 2005 by Group Plantation Director. This policy is designed to control hazards in every activity that is in the workplace to prevent accidents and occupational diseases. It has been disseminated on the activities of the safety briefing before doing the work. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the management review to assess effectiveness.

Interviews were conducted to warehouse clerk and pesticide operator in KTK-1 estate, KTK-2 estate and KTK 3 estate. Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work. Based on field visits in warehouses and hazardous waste storage known sign-board information related Occupational Safety and Health has faded. Opportunity for Improvement number 01.

4.7.2

The company has document of risk analysis for all activities of estate and mill operations (revised January 2019). Work accidents became one of the considerations in developing risk analysis. The document is composed to conduct identification and analysis of dangers potential that is probably happened at workplace and the recommendation to reduce the potential of work accident. According to the result of document review and field visit to mill and estate, the management unit has socialized the risk analysis document to all workers. Based on interview with the employees in Tapung Kanan Estate, Mill, obtained information that the employee has known the potential of dangers that could occurred at workplace.

Based on the document review, company shows a review of Hazard Identification, risk analysis and risk control on January 5, 2019. This is because there is a fatality work accident that occurred in April 2018. Worker accident from maintenance work for upkeep / pruning under voltage electrical installation. Related to this, the company conducts work accident investigations, claims of *jamsostek* (Social Security), work accident report submission, HIRAC review / risk analysis. Related to this, the company conducts work accident investigations, claims of *jamsostek* (Social Security), work accident report submission, HIRAC review / risk analysis.

Based on site observation at workshop and agrochemical warehouse in Tapung Kanan Estate it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, the company has been reduce the potential risk by providing PPE and OHS signboard are available in workplace.

4.7.3

The PPE provided by the company has been adjusted to the potential hazards and risks of its work so as to effectively protect the workers as its users. Base on filed visit in generator room of housing complex KTK 1 Estate, known PPE for generator operator has been in accordance with hazard identification and risk analysis, such as, safety boots, earmuff and mask.

Company has had a training program related to safety and health for 2019 including technical training, safety license training, fire management training etc. Workers have been given training related to safety and health such as how to work safely, Industrial hygiene, ergonomic and health, first aid training, boiler operator training, heavy equipment operators, crane operators, electricians, welders. Certificate holder also provides PPE to employees according to HIRAC and MSDS.

Based on field visit central warehouse in Estate and Mill, known that several PPE stocks are not available, related companies explain location of operational activities, is nearest city, for PPE that is not in stock can be directly ordered to Pekanbaru city, so damaged PPE is replaced immediately. Opportunity for Improvement number 03.

4.7.4

The Company has appointed the person in charge for the OHS implementation in OHS Organizational Structure which has been approved by the Labor Agency and in accordance with the regulations. The organization routinely conducts monthly meetings on OHS issues in the workplace. The minutes of the meeting were recorded and stored well. Based on interviews to workers who are members of the OHS organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident report, medical checkup, safe working practices etc.

4.7.5

The company provides procedures for accidents and emergencies in the SOP No.24 Emergency Response. Established procedures has included the identification of fires, chemical spills, work accidents, natural disasters (floods) etc.. Simulation was performed to know the preparedness of emergency response equipment in the POM. The simulation was performed on hydrants located in Tapung Kanan Mill and the result of the simulation was concluded that the hydrant tool

is ready for use. Based on field observation in Estates and Mill, the CH has emergency response facilities such as muster points, evacuation routes, and first aid kit. The evacuation path is available in office and mill and has been completed with map and other *signboards*. Interview with the first aid officer, it is known that he understood the first aid mechanism in case of emergency

Based on field visits in several operational area such as chemical storage, hazardous waste storage and first aid box for foreman, contents of the first aid kit are in compliance with regulatory compliance. The standard of the first-aid box refers to the Manpower No.15 Year 2008 on First Aid kit in the Workplace which contains 21 items. The company has opportunity an evaluation of first aid kit laying, because based on field visits in workshop (POM) first aid box is too high and difficult to reach. Opportunity for Improvement number 05.

4.7.6

The CH has provided the employees with insurance to cover occupational accident and medical insurance in accordance with the national social insurance for manpower named BPJS that set by the government, which is routinely paid every month. It's has been verified by document of payment and interview with the workers Mill and Estates. In addition the CH has also shown evidence that any work accidents have been reported to the relevant agencies, and all those workplace accidents have been claimed to BPJS.

During the Re Certification audit, there was OFI related to the progress of worker insurance (BPJS) participation registration for 19 workers who had just entered work on 20 December 2017. Verification on ASA 1.1, based on BPJS payment evidence, all these employees had been registered by BPJS.

However, CH needs to monitor the fulfillment of health and accident insurance for contractor employees. In accordance with interviews with Local Contractors, that their employees have been registered in work accident insurance (BPJS). **OFI 05.**

4.7.7

Certificate holder has been consistently conducting the Occupational Accident monitoring that could provide a comprehensive information on the month the accident occurred, the number of cases, the accident location, the types of accident, the effects, the work hours lost, the causes, the follow-up, and the results. Such monitoring is performed every month. An evaluation of the accident is also conducted every month and the outcome is discussed during the monthly meeting of P2K3. Certificate holder carries out monitoring of workplace accidents with lost time accident analysis equipped with accident investigation work submitted regularly to the Manpower Agency District of Kampar.

The company shown Calculation of working hours - cases of occupational accidents using lost time accident analysis. LTA analysis period 2018/2019 for POM, as follows:

Month Number of accidents

Month	Fatality Lost HK / Without missing HK		
	fatality	Work day's	without lost time
October	0	0	0
November	0	0	0
December	0	1	0
<i>Fatality rate</i>	0		
<i>Incident rate</i>	26.1		
<i>Frequently rate</i>	12.7		
<i>Severity rate</i>	12.7		

LTA analysis period October 2017 to September 2018 for KTK estate, as follows:

Month	Fatality Lost HK / Without missing HK		
	fatality	Work day's	without lost time
October	0	7	4
November	0	12	2
December	1	5	4

January	0	8	2
February	0	6	1
March	0	14	2
April	1	6	1
May	0	5	1
June	0	5	0
July	0	6	1
August	0	13	2
September	0	10	2
Fatality rate	2.16		
Incident rate	129.1		
Frequently rate	67.0		
Severity rate	6918.1		
Status: Comply			
4.8			
All staff, workers, smallholders and contractors are appropriately trained.			
4.8.1, 4.8.2			
The CH already has a list of Staff, worker, including contractor and contractor's worker, and developed an annual training program that has covered all existing Estate and mill activities, that has included training on OHS aspects and emergency response. Training for contractors has also been identified which includes OHS and first aid response.			
Based on verification of the training documentations, all the training programs have been conducted. Training programs for the Estates covered harvesting, maintenance, manuring, spraying, integrated pest management, fire extinguishers, OHS, first aid response. The training program for the Mill has included security, SCCS, purchases, cashiers, weighbridge station, all processing stations, electricity, workshops, WTP, and laboratories. While for contractors include OHS, HIRA, safe working attitude, and use of PPE. Field observations and/or interviews with workers in Mill and Estates, it is known that the workers have received regular training and guidance from supervision, they can demonstrated the safe working practices.			
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			
Certificate holder has a document of environmental aspect assessment (EIA) in the form of Environmental Management Effort (UKL) and Environmental Monitoring Effort (UPL) Plantation and Palm Oil Mill in the village of Kota Garo, Siak Hulu District, Kampar Regency, Riau.			
Document of UKL/UPL contains analysis of the environmental impacts for plantations covering an area of 6,200 hectares and palm oil mill with a capacity of 30 tons FFB / hour. This documents are approved by Ministry of Environment, through letter No. B-5109 / Dep.I / LH / 07/2008 Year on 2008.			
5.1.2 and 5.1.3			
The company shows the environmental management plan documents to prevent negative impacts such as erosion, Decreasing of surface water and aquatic biota, RTE species, and public & employee healthy.			
Document review and interview with managment shown that on 2016, certificate holder conduct land preparation for replanting activities. Regarding to this, on 2015 PT. SA established environmental management and monitoring plan listed on monitoring/management plan for replanting documents. Furthermore, action plan for replanting activities management			

has been implemented and established for examples related to surface water management, soil erosion, and OHS.

The company has a management plan contained in the document Environmental Management Effort (UKL) and Environmental Monitoring Effort (UPL) per semester. These report described realization of monitoring and management of the environment in accordance with environmental parameters in the RKL/RPL including replanting activities. Public consultation with Environmental agency of Kampar regent indicate that the company has made environmental management and there is no issue of pollution caused by the company's operational activities. Review for environmental monitoring / management plans have been developed and listed on evaluation chapter on every semester RKL/RPL report, for examples evaluation for UKL/UPL semester 2 year 2018 report shown that company shown effort to reduced all impact caused by plantation activities.

Status: Comply

5.2

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

5.2.1

Certificate holders shown HCV assessment for the entire area of operations which done by the RSPO Approve Assessor on 2012. The process of HCV identification conducted by using HCV identification guides in Indonesia on June 2008. These identifications indicates there is HCV 1.3, 4, and 6 presence on KTK-1, KTK-2, and KTK-3 estates covered for 1070.3 ha. About a HCV area, there is a discrepancy between result of identification and area statement, its due to the digitization of the planted area embedded areas including Conservation area. There is no planting in the HCV area. Therefore, the extent of the embedded area is adjusted to the digitized results After re-measuring / delineating the conservation area at PT Sekar Bumi is 923 Ha.. All of indicates HCV areas was mapped by 1:75000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape and RTE species.

5.2.2 and 5.2.3

HCV identification results also explain there is an RTE species according IUCN-Redlist namely for example *Elephas maximus* and *Panthera tigris*. PT.SA has established HCV management plan 2019 that includes appropriate management and monitoring to maintain HCV attributes and RTE species.

Company has Presenting specific assessment as feedback of RTE species monitoring result data especially for elephas maximus. evaluation of RTE species monitoring, result is base home range mapping, population and migration time frame.

Related to RTE species, company had RTE species protections procedures, listed on sustainability procedures SOP 22 on 2017 stated that all workers including contractors are not allowed to hunt, to raise, and killed all RTE species. To provide protection against those RTE species, management unit has made the hunting ban signboard, patrolling, rehabilitation of riparian as habitat and report to relevant agencies (Nature Conservation Agency). Company also conduct regular inspection for HCV/RTE species protection, last inspection was done on January 2019, indicates there is no wild hunting and no wild animal traps presence on HCV areas.

Based on field visit on riparian Palapian river block 93 E KTK 1 Estate and riparian Paloge block 94 B KTK 2 estate known that the HCV area has been managed well and in accordance with the management plan. CH was able to shows monthly monitoring of fauna and monitoring/maintenance of marking HCV poles which conducted monthly. It was reported that there were no conflict between human and wildlife.

Evidence for workforce educations related to RTE species are available and verified by auditors team, for examples on February 2018 for KTK-1 workers. Base on field visit in Housing complex KTK-1, KTK 2 and KTK-3 estates found there is no RTE / wild species reared by workers, and resident has mention RTE species in operational area.

5.2.4

The Company has established HCV management plan 2018 to 2018, and implemented it well. Regularly inspection (monthly basis) record shown company has been monitored illegal fishing, hunting, species presence, and other illegal activities. All of records for monthly patrols on each estate are available and verified by auditors. For example patrols

summary results for January 2019 found *macaca nemestrana*, *amyda cartilaginea* and *varanus salvator*, meanwhile wild species trap is not presence. The result of monitoring also reported to government institution every six month listed on UKL/UPL report semester 2th 2018. As the results of monitoring output, company has plan feed back into the management plan 2019 for examples enhance socialization for all workers related to RTE species every semester.

5.2.5

Results of the verification documents, field visits and interviews with villagers obtained information that there is no areas of HCV-related and affect to the local community. Therefore, there is no HCV area that is directly adjacent to the local community rights

Status: Comply

5.3

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

5.3.1

The company provides document identification of waste and pollution sources (Mill and Estate) in 2018. The document covers the source of the waste, the name of the waste, the type of waste, the classification and storage area. For example housing produces a type of solid waste such as plastic, food waste and paper / leaf that belongs to the classification of nonhazardous waste, then the storage place in the trash can or landfill. Other examples such as workshops produce solid and liquid waste types such as used oil, used batteries, second-hand filters included in the hazardous waste classification, then their storage at hazardous waste temporary warehouse.

5.3.2

Hazardous waste generated from operational activities such as Mill and Estate likes used filters, used oil, cotton waste fabric scrap, battery scrap, pesticides used containers, used lamp, etc. are stored in the Hazardous Waste Temporary Storage licensed. Company represents Agreement letter Hazardous Waste management PT Sekarbumi Alamlestari and PT Primanru Jaya, number 01/PMJP-MOU/VIII/2016 August 6, 2018 valid 1 years.

Tapung Kanan POM

The company has showed a temporary storage permit hazardous waste for mill from Environmental Agency of Kampar with decree number 660/BLH-WAS/LB3/2017/27 dated on 3 January 2017 valid for 5 years. There are minutes of hazardous waste dated on 22 December 2018 with vehicle number B 9402 QT with details:

- Used Rags or former cloth dust are 12 kg (manifest number BC 0046032).
- Used filter are 37.5 kg (manifest number BC 0046034).
- Used oils are 770 liters (manifest number BC 0046036).
- Used battery are 770 liters (manifest number BC 0046035).

Tapung Kanan Estate

The company has showed temporary storage permit hazardous waste for estate from Environmental Agency of Kampar with decree number 660/DLH-PPK/ILB3/2017/13 dated on 12 May 2017 valid for 5 years. There are minutes of hazardous waste dated on 22 December 2018 with vehicle number B 9402 QT with details:

- Container contaminated are 469 kg (manifest number BC 0046029).
- Used filters are 175 kg (manifest number BC 0046030).
- Used oils are 770 liters (manifest number BC 0046031).

Record management Hazardous Waste, included in reporting management hazardous waste quarter period October to December 2018 addressed to environment agency. The Training And socialization to spraying workers, about ex pesticide container disposal. All discarded containers of chemicals generated by Estate and Mill, placed in hazardous waste warehouse.

5.3.3

- Solid Waste

Empty bunch sent to the estate to be applied as mulch to palm oil, shell & fiber are used for boiler as fossil fuel substitution. Base on field visits in the boiler station any a fiber and shell is used as fuel. Remaining fiber shell and placed so did not result in pollution and potential fire.

- Domestic Waste
Based on field visit and interview with residents in the housing, domestic waste are transported every one week and its sent into landfill is located in Block 94B KTK 1 Estate and Block 94 A KTK 2 Estate.
- POME
POME is managed using the WWTP and flowed into Land application then used as an organic fertilizer for oil palm plantations, accordance licensing office district Number 503/DPM-PTSP.PEL/LA/2017/02, date October 15, 2017 valid 5 years.
- Base on processing operations in Mill also produce waste in the form of air emissions from the boiler chimney activity, and generators, as well as the noise emanating from the operational turbines, generators, polishing drum rotation, nut creeker. The shape management by measuring the air quality and noise on a regular basis, such testing semester 2th 2018 date December 5, 2018. The results emission testing generator for parameter NO₂, SO₂, CO, particulate, opacity, and flow rate in accordance with the quality standards accordance with environmental decision Number 13 year 2009.

Based on field visits in housing area, mill and estate, known that waste is not burned. There has been a board ban on burning in the area. Implementation of waste has been accordance with waste management plan.

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

5.4.1
The Company already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example use of shells 8,651 ton and 17,302 ton fiber period October 2017 to September 2018, which produces 1,291,313.54 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 42.35 kwh / ton CPO. Result Direct fossil fuel used is 1.90 kWh/ ton CPO.

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

5.5.1 and 5.5.2
PT Sekarbumi Alamlestari have a burn ban policy approved by Director of the KLK Group, dated on 01 August 2013 which states the certificate holder is committed to the policy of banning burning with obey national regulation and guidelines ASEAN Policy on zero burning. In the implementation PT Sekarbumi Alamlestari has been ensures that employees and contractors understand about this policy. Beside that there is SOP Clearing with number 31, In the SOP describes and governs the opening stage and land clearing without burning.

Based on interview and field visit during audit activities, the company didn't burning during land clearing and replanting. Replanting was last done in 2015 covering an area of 26 ha. Replanting is done by heavy equipment mechanic and chopping palm oil arranged properly on circles track. Based on field visit in estate area, housing and others that known there are signboards of burning ban warning.

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

5.6.1 and 5.6.2

All waste including emissions and pollutions sources from Mill and estate are identified and recorded on 2018 GHG mitigation document. This document informed e.g: greenhouse gases produced and mitigations plans such as new planting and replanting activities, and renewable fuels used.

Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every months and monitoring periods November 2018 to January 2019 sighted that all of waste water testing parameters is compliant to the standards quality.

Monitoring for emission and pollutants (air emission, air ambient, odor, noise, and vibration) from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. 2nd Semester 2018 testing result indicates all parameters related to emission are still comply with standard quality. Such as, company conducts noise level testing according to decision of environment minister number 48 year 1996.

5.6.3

Base on document verification, CH has been done calculations emission with RSPO Palm GHG Calculator Version 3.0.1 with data input correctly. Palm GHG Calculation option applied Full version.

Summary of Net GHG Emissions period January – December 2018 i.e. :

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	-0.25	OER	21.45	FFB Processed	142130
PK	-0.25	KER	5.71	CPO Produced	30490.69

Land Use	ha
OP planted area	5179
OP Planted on peat	0
Conservation (forested)	57

Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land conversion	2930.04	0.57	-	-	-	-	-	-
*CO ₂ emissions from fertilizer	3138.38	0.61	-	-	-	-	-	-
**N ₂ O emissions	4973.72	0.96	-	-	-	-	-	-
Fuel consumption	521.38	0.1	-	-	-	-	-	-
Peat Oxidation	0	0	-	-	-	-	-	-
Sinks								
Crop sequestration	-32260.53	-6.23	-	-	-	-	-	-
Conservation Sequestration	0	0	-	-	-	-	-	-
Total	-	-4	-	-	-	-	-	-

20697.01
Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	11895.38	0.08
Fuel Consumption	402.38	0
Grid Electricity Utilizations	0	0
Credits		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	12297.76	0.09

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0
Divert to anaerobic digestion	100

POME Diverted to Anaerobic Digestion:

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

Emissions from Palm Kernel Crusher

Emissions Source	tCO ₂ e
PK from own mill	0
PK from other sources	0
Fuel consumption	0
Total crusher emissions	0

This mill has no kernel crusher operation.

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

Until surveillance-1.1, there is no change for SIA. Social impact assessment conducted on September 2012. The assessment conducted covering all villages around HGU namely Koto Garo, Koto Aman, Kota Baru, Kota Bangun and Tri Manunggal as well as plantation area of PT SA, by the field observation, interviews, FGD (focus group discussion) and documents review.

Results of social impact assessment presented in social impact assessment report, describing the social issues of positive, negative and potential conflicts from the surrounding villages and plantations. The results of these studies has included all the potential impact factors such as access, the use of rights, economic livelihood, working conditions, culture and religion as well as health and education.

Based on stakeholder consultation with Village Head of Koto Garo and Village Head of Koto Aman social impact assessment report already covers all social impact on surrounding villages.

6.1.2

SIA appendix describes the evidence of participatory activities that have been conducted, i.e register of attendance, photos, maps and a list of participants during the assessment consists of 97 speakers including from all the surrounding villagers and employee representatives. This is consistent with the results of interviews with local people from the village of Koto Garo, Koto Aman when public consultation.

6.1.3

The SIA document has involved the affected parties surrounding the plantation. Companies also established plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through stakeholders consultation with the affected parties on February 2018. There are seven indicators of concern include for examples periodic meetings with stakeholders, identification of stakeholders, the implementation of CSR, environmental management, conditions of employment, understanding of recruitment and implementation. There are CSR program that already implemented on period 2017/2018 such as : Education Improvement Program, Health Empowerment Program to Infrastructure and Building Assistance Program.

6.1.4

The company has carried out periodic reviews every 2 years related to the Social Impact Management and Monitoring Plan owned. The review process is carried out by involving the participation of the parties affected through the questionnaire.

However, based on monitoring results on 2018, it known that:

- Participatory methods that have been carried out do not fully cover all the factors that will have social impacts (both positive and negative) such as the use and access rights, traditional rights or customary rights of indigenous peoples, to the latest issues that develop in around the company's operational area.
- Representation of the sample is not entirely representative of all affected parties (including representatives of women, migrants, scheme smallholder farmers, workers (local, migrant, permanent workers or contract workers) to identify sources of impacts and potential social impacts, and determine recommendations for management and monitoring of social impacts.
- There is not enough evidence that the results of the management and monitoring of social impacts carried out by the company in the previous period have become a benchmark in the identification of the latest social impact monitoring and management.

Monitoring process method not yet involving all the affected parties. Based on that's explanation raised **Non-conformity No.2019.01 with Minor Category**

6.1.5

Document review shown Social impact assessment on 2012 has been included impact of smallholder scheme. Meanwhile until surveillance-1.1, smallholder scheme under PT.SA not yet desire to joined RSPO certifications

Minor 6.1.4	Status: Non-Conformity No.2019.01 in Minor Category
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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 CH has had a SOP of Communication, Provision of Information, and Submission of Complaints (SOP No. 01 date 10 August 2017). The procedure explain the open and transparent method of communication and consultation with stakeholders, thas is the workers, grower, local communities, or other affected parties. This procedure includes guidance in planning, implementing, regarding communication and consultation among internal and external stakeholders. The procedure is also equipped with technical procedures, response communications, and delivery of information to stakeholders, as well as the flow chart that explains in detail the steps the implementation of activities, along with related documents. The determined PIC for communication and consultation is Legal Coordinator based in Pekanbaru Office accompanied by Estate Manager and Assistant Manager.

6.2.3

To ensure procedures have been communicated to all stakeholders, the company has updated stakeholder list. Stakeholder list consists of regency, sub-district and village government, worker unions, gender committee, cooperative, contractors, traditional leaders, etc. Records of communication with stakeholders are in minutes of meeting of regular/incidental meeting, as well as log book of communication.

Based on interview with Sub-District Head of Tapung Hilir, Village Head of Koto Aman and Koto Garo, Local Contractor, Employee Cooperative, Labor Union, Gender Committee, as well as the workers in Mill and Estates, known that the stakeholders have understood the mechanism and PIC of communication and consultation to the company. There are no obstacles in communicating with person in charge. Based on review of documents, it is known that the stakeholders are routinely sent letters of communication or proposal, and has been addressed by management.

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 CH have SOP of Communication, Provision of Information, and Submission of Complaints (SOP No. 01 date 10 August 2017). Complaints can be submitted through the recording on logbook that has been provided, verbally direct to the foreman, through the suggestion box, through gender committees, worker union, hotline and email provided by the CH and through the RSPO website. Grievances included anonymous and whistleblower cases can be submitted through the suggestion box, suggestion boxes checked by GM/director periodically.

Based on interview with Sub-District Head of Tapung Hilir, Village Head of Koto Aman and Koto Garo, Local Contractor, Employee Cooperative, Labor Union, Gender Committee, as well as the workers in Mill and Estates, they understood the grievance and complaint mechanisms and also knew the officer who manages the complaint. They said the mechanism is effective. This was evidenced by the company's follow-up to the complaint. For example complaints that are currently being processed related to land compensation.

6.3.2

Based on field observation, interview with management and stakeholder (Head of Village Koto Garo and Koto Aman) its known if there is a complaint/land dispute in PT Sekarbumi Alamlestari that not yet resolved. The dispute is about demands on land that has not received compensation (acknowledgment of Kota Aman Village Group). The complaint has been recorded in the CH's complaint mechanism. The settlement process has been described on indicator 2.2.4 and its became an opportunity of improvement (Observation) no 1 and will be verify on next assessment.

During the Re Certification audit, there were OFI related to verbal complaints from employees in complaints logbook. Verification on ASA 1.1, based on a logbook document review and interviews with workers at Mill and Estates, it is known that workers have understood and submitted complaints in writing through the logbook.

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 and 6.4.3

The certificate holder has had a procedure for identifying legal, customary or user rights, and for identifying people entitled to compensation in "SOP No 5 about Land Acquisition", who explains the procedure for land acquisition that include identification of land ownership by third parties including communities, custom rights and other land use.

Certificate holder has had the concession since 1994 and there are no land clearing since 2005. From interviews with the local community is also known there are no new land clearing and land acquisition has been completed by the company. Communities of Kota Aman and Kota Garo, Official Staff in Kampar District stated that during 2015 there is no compensation for land clearing.

	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 <p>At the time of assessment, wage determination in the period of 2019 has not been issued by the Governor of Riau, so the CH still refers to the minimum wage of 2018, set by Governor Decree No. Kpts.373/V/2018 dated 15 May 2018. Based on review of payment documents, as well as interview with permanent and temporary workers in Mill and Estates, known that they were already paid in accordance with minimum wage of 2018 , including for the provision of overtime wages.</p>	
6.5.2. <p>Employment law concerning the rights and obligations between the CH and the workers are described in the Collective Labor Agreement (CLA) between Sumatra Plantation Company Cooperation Agency (BKS-PPS) with the Central Board of the Federation of Workers Union of Agricultural and Plantation of Indonesian Workers Union (PP.FSP.PP-SPSI). Collective Labor Agreement has already been registered by Decree of Directorate General of Industrial Relations and Labor Social Security decision Number: Kep 88 / PHIJSK-PKKAD / PKB / VI / 2015 on June 18, 2015 the period of 2015 to 2017. At the time of assessment, the new period of CLA has not been legalized. In the Collective Labor Agreement regulates about the rights and obligations of employees, such as the rights of employees within the association, work hours, overtime, social security, and the rights and other obligations of employees.</p> <p>During the Re Certification audit, there was an OFI related to the provision of work tools and employees to refer to the collective labor agreement. Verification on ASA 1.1, based on interviews with workers and management, work tools are now provided free of charge. As for extra fooding, there are no provisions written in the CLA. However, CH needs to improve socialization related to work rights and obligations for temporary workers, because there are still many who don't understand. OFI.</p>	
6.5.3 <p>Based on field observation and interview with the workers, the CH has been providing well housing facilities, lighting, water, daycare, employee halls, places of worship, educational facilities, school buses, clinics, and employee insurance. If there is damage to the house, the workers report to the office and will be repaired in a relatively short time.</p> <p>During the Re Certification audit, there was an OFI related to ensuring that the number of toilet facilities was adequate in the housing of the KTK 2 Estate Division 3A / 3B. Verification on ASA 1.1, when observing housing of KTK 2 Estate Division 3A / 3B , the CH has provided adequate toilet facilities.</p>	
6.5.4 <p>The CH also made efforts to monitor and improve access for food that is decent, fairly and with reasonable prices indicated by the employees cooperative "Kopkarsa", the cooperative has been providing basic food materials required by the employee. In addition the distance between the locations of the Estate with the market centers (market of Kota Garo Village) in the district only about 4-5 km. The CH has also provided a fixed allowance of employees in the form of distribution of rice supply as much as 15 kg for workers and in proportion for each employee dependents (up to 3 children).</p>	
	Status: Comply
6.6 The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	
6.6.1. <p>The CH have a policy about the Freedom for Association were approved by the Regional Director on October 1, 2011. The policy is written in Indonesian language, stating that the company gives the freedom for workers to associate with legitimate in accordance with the applicable laws. In the KLK Group's sustainability policy, points 3.2.v mentioned that the group and the supplier / contractor must recognize and respect the right of employees to form and join worker unions of</p>	

their choice which are subject to the restrictions set forth in the legislation in the related country. There are also statement in the Collective Labor Agreement that recognizes the existence of worker unions. The Worker Union of PT Sekarbumi Alamlestari has been registered in the Manpower Agency dated February 11, 2019.

6.6.2.

However, based on interviews with the Worker Union and the CH it was found that Worker Union has been not active since the beginning of 2018 until the latest registration to Manpower Agency (February 11, 2019) due to internal factors, so there was still no document meeting between the CH and Worker Union. There is no intervention by CH related this matter. Records of those meetings will be observed during the next assessment. **OFI**.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1.

In SOP of Management and Labor (SOP No. 29 dated 10 August 2017) described the conditions of workers admission, that is the minimum age requirement is 18 years old. Document review of list of workers known that there is no worker under 18 years old in Mill and Estates, and has been verified by field observation on activities in Mill and Estates, as well as by stakeholder consultation.

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.

The CH has policy related opportunity and equal treatment in recruitment (dated 1 October 2011), describes that the CH always fair and provide equal treatment without distinction of race, ethnicity, caste, nationality, religion, gender, sexual orientation and union membership. In the KLK Group's Sustainability Policy, mentioned that the group and suppliers / contractors are required to ensure equal opportunity in the workplace.

6.8.2 and 6.8.3

The process of selection, recruitment and promotion of workers can be demonstrated based on the SOP of Human Resource Management, Recruitment System Policy (No. KLKA / CP-HR / 001 date 18 April 2011) and the Director Letter (No. 67 / SA-Press / IX / 2008 on 16 September 2008).

During the Re Certification audit, there was an OFI related to evaluation and identification of permanent workers throughout operations area. Verification on ASA 1.1, the CH has procedures related to the appointment of permanent worker and shows the implementation of the appointment of temporary worker as permanent worker. Described in indicator 6.8.3

Verification of NCR 2018.01 on indicator 6.8.3

At the time of Re-Certification, based on verification of the document, it is known that there are ± 290 employees of Daily contract workers working at CH. The results of interviews with workers and document verification are known that the daily contract workers has begun to work varyingly from 1998; 2000 - up to 2017, with the number of working days per month less than 20 Working Days. Related to that, there has not yet been enough evidence that CH has given the same opportunities and treatment in the employment opportunity to all Daily contract workers (KHL) based on the expertise, ability, quality and health required for the work.

At the time of ASA 1.1, the CH has assessed the potential of decent temporary worker to be appointed as permanent workers in the aspects of expertise, ability, quality, health, and willingness. On 21 February 2019, 32 temporary worker were appointed to be permanent workers. In addition, in the Management Plan of SIA, aspects of the appointment of temporary workers to permanent workers have been included as an effort to manage social impacts. The CH has also made positive efforts to improve the equality between temporary workers and permanent workers other than those required by regulation, namely by providing annual bonuses to temporary workers. Based on the description, **this**

nonconformity is stated as complied. However, monitoring related to the implementation of the assessment of temporary worker who are eligible to be appointed as permanent worker will be observed during the next assessment. OFI.

Based on list of workers, as well as interview with stakeholders (Sub-District Head of Tapung Hilir, Village Head of Koto Aman and Koto Garo, Local Contractor, Employee Cooperative, Labor Union, Gender Committee, as well as the workers in Mill and Estates) known that there is no discrimination conducted by the CH based on race, caste, religion, gender, union membership, age, etc. The workers come from local or outside regions, religion, ethnicity, or gender. Each worker has the opportunity to work according to ability, and get an assessment for promotions on a regular basis. Job opportunity are submitted openly on the website or submitted to the village officials.

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

The CH has policy related to prevent sexual and other form of harassment and violence, as well as to protect reproductive rights, in the Policy of Sexual Harassment and Violence dated 1 October 2011. That policy describes the CH commitment not to tolerate sexual harassment and violence against women in the workplace. The CH will comply with all legal and regulatory requirements relating to the reproductive rights. Gender Committee will be formed to implement and monitor this policy. The reproductive rights also stated in the SOP of Management and Employees (No. 21 dated 18 December 2012), describes related maternity leave, pregnant and breastfeeding women prohibited to doing work by using chemicals, and menstruation leave.

6.9.3

Grievance mechanisms related these matter described in the SOP of Complaints and Objections (No. 20 dated 1 August 2013), describes that the complaint submission through logbook. Based on review of the logbook, as well as interview with the Gender Committee and the female workers in Mill and Estate, known that there is no case of sexual harassment or violation of reproductive rights.

Status: Comply

6.10

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

6.10.1 & 6.10.2

PT Sekarbumi Alamlestari are receives FFB from Farmer Cooperative Sahabat Lestari with Agreements that made directly without intermediaries/agents. The company and farmer cooperative have an agreement for FFB pricing based on provisions price on the pricing meeting Plantation Agency Province of Riau. Based on that agreement farmer cooperative doesn't have any complaints about FFB price because of FFB price has been set by the government. Based on document review, there's no issues regarding to late payments or payments that are not in accordance with government regulations.

6.10.3 & 6.10.4

The company does not purchase FFB from a third party (except from Farmer Cooperative Sahabat Lestari), but there is an employment agreement for the contractor's work. The Company shows the Letter of Contract Agreement with Contractor, for example Contract No.PH003/SJ/SPB/KTKI/X/2018 relating to an agreement with local contractor about empty bunch application in Tapung Kanan I Estate. The document has been signed by the company and contractor.

Based on interviews with local contractor, it is known that the making of the work agreement is based on mutual agreement and there is never any problem related to payment. Payments are paid based on volume of empty bunch realization on field.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The CSR Work Program has been shown in the CSR Project FY 2018/2019 document, the program consists of: Education Improvement Program, Health Empowerment Program to Infrastructure and Building Assistance Program.

In addition to planning a CSR program, the company has identified the existence and needs of the surrounding community in 2018 by conducting public consultations to villages in the near future and distributing questionnaires to the community to find out their needs and identify existing issues.

Based on interviews with Village of Koto Garo and Koto Aman, it was explained that there has been assistance from companies for village development.

6.11.2

Can be shown a complete list of a farmers, consisting of one cooperative "Koperasi Petani Sahabat Lestari", including information of farmer groups and number of farmers. The company does not recommend to visit and interview farmers who come from Farmers Cooperative Sahabat Lestari because of in the previous assessment the auditor's team was not well received. Based on Previous report, the cooperative not interested in following the RSPO scheme.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1, 6.12.2, and 6.12.3

The CH has Environmental and Social Policy covered policy related prohibits forced or bonded labor or debt bondage and take steps to prevent it. The procedures related to human resources management shows that every worker has a work agreement that describe specific job description. Based on employee list, field observation and interview with workers and Worker Union known that there is no migrant workers, forced labor. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker.

However, the CH needs to re-evaluate the CH's policies that have not been contained in the collective labor agreement, for example related to harvest penalty, even though the harvesters understand that this is part of the reward and punishment policy. **OFI**.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1.

In the KLK Group's Sustainability Policy, mentioned that the CH recognized individual dignity inherent in every person and to support the universal declaration of human rights by the United Nations. Based on interviews with workers known that the CH has socialized the policies on human rights. There were no issues related to violations of workers' human rights.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.1.1, 7.1.2, 7.1.3

There is no development after November 2005. Social and environmental assessment for entire existing operational areas has been developed and able to seen in Criteria 6.1 and 5.1

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		
Management of PT Sekarbumi Alamlestari explained that company has no new planting since November 2005.		
	Status: Comply	
7.3		
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
7.3.1, 7.3.2, 7.3.3, 7.3.4, and 7.3.5		
KTK-1, KTK-2. And KTK-3 estates did not expand and develop plantation areas after November 2005. Based on hectare statement documents, known that the planting is done since 1992 - 2006. Whereas planting on 2005 was conducted in May and planting in 2006 are insert oil palm trees on old crop due to pests attack. Disclosure of Liability of KLK Group to RSPO has been conducted on 31 July 2014 by email. PT Sekarbumi Alamlestari included in the Zero Liability, and not necessary to perform LUCA.		
	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		
Same as previous assessment and also management of PT Sekarbumi Alamlestari explained that company has no new planting since November 2005.		
	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		
Based on planting data known that are some planted area in 2015, but is was replanted area and there are no new land clearing during to Recertification.		
	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 and 7.6.6		
Based on planting data known that are some planted area in 2015, but is was replanted area and there are no new land clearing during ASA 4 to Recertification		
	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 and 7.7.2		
PT Sekarbumi Alamlestari have a burn ban policy approved by Director of the KLK Group, dated on 01 August 2013 which states the certificate holder is committed to the policy of banning burning with obey national regulation and guidelines ASEAN Policy on zero burning. In the implementation ensures that employees and contractors comply with this policy. Beside that there is SOP Clearing with number 31, In the SOP describes and governs the opening stage and land clearing without burning.		
Based on interview and field visit, the company didn't burning during land clearing and replanting. Replanting was last done in 2015 covering an area of 26 ha. Replanting is done by heavy equipment mechanic and chopping palm oil arranged properly on circles track. Based on field visit in estate area, housing and others that known there are signboards of burning		

ban warning.		
	Status: Comply	
7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8.1. and 7.8.2		
Certificate Holder has no expansion and development of plantation area after 2015, so the company does not need to carry out HCS assessments. Existing GHG emission calculations result are able to seen on Indicator 5.6.3.		
	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.		
1. Internal Audit of Sustainability		
The Internal Audit of Sustainability (ISPO/RSPO/ISCC) for Mill and Estates was carried out on 5 - 8 December 2018, where all non conformity has complied by unit management.		
During the Re Certification audit, there was an OFI related to evaluation of compliance with regulations on safety, health, environmental and labor regulations for all contractors working with companies in particular for the activities of an empty fruit bunch application. Verification on ASA 1.1 has been shown to evidences of this effort by including provisions on safety, health, environmental and labor regulations in an addendum of agreement. This has also been verified based on interviews with local contractors.		
2. Environmental Aspects		
The company has implemented commitment to reduce environment impacts on the regular action plan. For example:		
<ul style="list-style-type: none"> - Effluent management and monitoring. WWTP pond management, effluent quality test and report it to Kampar District Environment Agency. - Air quality management and monitoring. Road maintenance, air quality test and report it to Kampar District Environment Agency. - Ground water management and monitoring. Testing ground water quality and report it to Kampar District Environment Agency. - Hazardous waste management. Storing hazardous waste at the permitted hazardous waste, managing and monitoring hazardous waste (conducted by Kampar District Environment Agency). 		
3. Aspects of best management practices		
One of the efforts to improve the management practices, the company has made improvements by:		
<ul style="list-style-type: none"> • re-mapping related to governance area by remote sensing method through aerial photography with drone so it is expected to obtain actual or near accurate management area such as planting area, numbers of tree, etc. The process is now running starting from the end of 2017. • The company has not used paraquat since 2016. • The company developed the owl population by making the box that contained in almost every block. This is in order to eliminate the use of chemicals for the control of pests and diseases of oil palm plants. 		
For fatality accidents that occur April 2018, it has been explained in indicator 4.7.2, and the accident insurance has been paid. In the next audit activity, it will be re-confirmed regarding the overall evaluation related to the implementation of OHS throughout the operating units to avoid the occurrence of workplace accidents. fatality in the scope of other work. OFI number 10.		
4. Management review		
the management review meeting was held last on 15 December. With the discussion material on the results of Audit (Internal and External); feedback from customers / buyers; process performance and Product nonconformity; follow-		

up actions from management review; changes that may affect system management, recommendations and improvements

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>Scope of certifications are PT Sekarbumi Alamlestari, Tapung Kanan POM and its supply base (Tapung Kanan 1; Tapung Kanan 2 and Tapung Kanan 3). All CPO Certified products are from own estate that already RSPO Certified. Tapung Kanan POM didn't buy CPO from others sources.</p> <p>Status: Comply</p>
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>Tapung Kanan POM has been registered and met the requirement for reporting supply chain through RSPO IT Platform</p> <p>Status: Comply</p>
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>Tapung Kanan POM has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below: Member name : Sekarbumi Palm Oil Mill Member ID: RSPO_PO1000000638 Category : Oil Mill License Status: Expires 23 April 2019 Sub License ID : CB25906</p> <p>Status: Comply</p>
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Based on documents verifications and field observation its known if there is no Processing aids in Tapung Kanan POM</p> <p>Status: Comply</p>
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>Tapung Kanan Palm Oil Mill is certified palm oil mill which implement Mass balance using Module E-CPO Mill for its supply chain models, its due to Mill receive and processed FFB form non certified area (KKPA)</p> <p>Status: Comply</p>
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> <p>Tapung Kanan Palm Oil Mill is certified palm oil mill which implement Mass balance using Module E-CPO Mill for its supply chain models, its due to Mill receive and processed FFB form non certified area (KKPA)</p>

	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>The company has had the Supply Chain Procedure (SOP No 32 dated 10 August 2017) who described:</p> <ol style="list-style-type: none"> 1. Definition The Supply Chain model of Mass Balance is when the facility receives and processes FFB certified and is not certified together. 2. FFB reception at security posts and weigh stations <ul style="list-style-type: none"> - FFB from internal suppliers are certified by RSPO - FFB from external suppliers are not certified RSPO - Details of the supplier and the scales results are input into the computer. 3. Documentation CPO / PK Certified <ul style="list-style-type: none"> - Daily Fresh fruit Bunch receipt record from internal and external suppliers - daily production records from CPO / PK classified as CPO / PK Certified - CPO / PK Certified delivery note - Annual Summary - All records are kept for a minimum period of 10 years 4. Responsibility <ul style="list-style-type: none"> - Managers are responsible for ensuring the application and compliance of these SOPs in their respective areas - monitoring product balances within palm trace - marketing departments are responsible for issuing sales contracts, arranging shipment and making claims on product conformity and issuing invoice of payment - Internal audits of sustainability are conducted to control the non-compliance that may occur in the application of SOPs and from certified management systems established by Palm Oil Mill on an annual basis. Each violation recorded will be displayed as a warning to be followed up. Internal audit and management review is conducted 1 X 1 Year <p>Based on field visit on Tapung Kanan POM, obtained information that PIC for SSCS implementation (for examples weight bridge operators, security, and "Kepala tata usaha") that training and refreshment (awareness) of supply chain management system were carried out annually. FFB from certified and uncertified areas were received on weight bridge with 40 mt capacity. The company can separate RSPO certified and non-certified products. Every FFB from non-certified area will be classified as a non-Certified product. Result interview with weighbridge operator can be demonstrated related FFB received form certified area (marked with stamps) and non-certified area.</p>
	Status: Comply
5.3.2	The site shall have a written procedure to conduct annual internal audit
	In the procedure of SSCS (SOP 32) mentioned if Internal audit and management review conducted annually once a year by internal sustainability team. The last internal audit conducted on 05 – 07 December 2018 where based on these activities there is one nonconformance about managements review. The non conformity has been follow up by the company
	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

Tapung Kanan Palm Oil Mill do not buy any RSPO certified products (CSPO and CSPK) from outsource or traders. Certified product (PK) of Tapung Kanan Mill were sold to Mandau Kernel Crushing Plant - PT Adei Plantations & Industry. All data such as name, address, date of transaction, date of issued claim, transport documentation were match without any non-compliance.

For certification Period March 2018 – 08 March 2019 its known if there is no CPO product sold as RSPO Scheme as physically but there is 19,100 MT as a credit allocation with volume sold 18270 MT. For PK there is amount 8200 MT sold as CSPK products. The company can show the sample for shipping announcement, i.e.: Shipping announcement on 15 January 2018 with product CSPK, program Mass Balance, volume 150 MT, and Buyer reference number ADEK/02392-P/PK-MB.

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 procedure of Supply Chain mentioned if FFB from internal suppliers are certified by RSPO and FFB from external suppliers are not certified RSPO

Based on field visit on Tapung Kanan POM, obtained information that PIC for SSCS implementation (for examples weight bridge operators, security, and "Kepala tata usaha") that training and refreshment (awareness) of supply chain management system were carried out annually. FFB from certified and uncertified areas were received on weight bridge with 40 mt capacity. The company can separate RSPO certified and non-certified products. Every FFB from non-certified area will be classified as a non-Certified product. Result interview with weighbridge operator can be demonstrated related FFB received form certified area (marked with stamps) and non-certified area

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.

Interview with management and documents verifications obtained information there is no outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities).

The company didn't uses contractor for transportation of Palm Kernel from Tapung Kanan POM to Mandau KCP. Based on work agreement transportation is under responsibilities of buyers.

Status: Comply

5.5.2

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

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

Interview with management and documents verifications obtained information there is no outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities).

The company didn't uses contractor for transportation of Palm Kernel from Tapung Kanan POM to Mandau KCP. Based on work agreement transportation is under responsibilities of buyers.

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.	
Interview with management and documents verifications obtained information there is no outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities).	
The company didn't uses contractor for transportation of Palm Kernel from Tapung Kanan POM to Mandau KCP. Based on work agreement transportation is under responsibilities of buyers.	
	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	
Interview with management and documents verifications obtained information there is no outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities).	
The company didn't uses contractor for transportation of Palm Kernel from Tapung Kanan POM to Mandau KCP. Based on work agreement transportation is under responsibilities of buyers.	
	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	
Documentation for the Sustainable Crude Palm Oil (Sustainable CPO), consist of: daily record of the FFB acceptance, daily record of CPO production, which classified as the CSPO, CPO (RSPO/ISCC) sale record, stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation.	
Documentation for the Sustainable Palm Kernel (Sustainable PK), consist of: FFB dispatch record, which further will be counted the daily production of the Sustainable PK, daily production record of the PK, which classified as the Sustainable PK, monthly recapitulation of the Sustainable PK's sale, stock record, which has been reconciliation with the FFB acceptance record, monthly sale production and annual recapitulation.	
Documents verifications its known if there is of Certified Palm Kernel sold to each buyer period of March 2018 – February 2019 with buyer are Mandau Kernel Crushing Plant - PT Adei Plantations & Industry (Kompleks Pertokoan Taman Anggrek Blok B2-B5 Jalan Tuanku Tambusai, Pekanbaru 28291 Riau, Sumatera Indonesia). Mandau Kernel Crushing Plant has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below:	
<ul style="list-style-type: none"> o Member name : Mandau Kernel Crushing Plant o Member ID: RSPO_PO100001465 o Category : Refinery 	
Documents verifications and field observation in Tapung Kanan POM its known the CSPK that delivered to Mandau Kernel Crushing Plant are from positive stock. For example Shipping announcement on 15 January 2018 with product CSPK, program Mass Balance, volume 150 MT, Buyer reference number ADEK/02392-P/PK-MB. Related with that the company can show the documents of	
<ul style="list-style-type: none"> - Local Contract between PT Sekarbumi Alamlestari and Mandau Kernel Crushing Plant - PT Adei Plantations & Industry on 21 December 2018 about selling of CSPK with volume 150 MT (contract no - Delivery order No 0104/SA-S/PK/18 dated 28 December 2018 with volume 150 MT from PT Sekarbumi Alamlestari to Mandau Kernel Crushing Plant with submission in Loco PT Sekarbumi Alamlestari - CSPK shipping from 11 January 19 until 15 January 2019 who described volume of shipping, type of car and remaining volume. 	
	Status: Comply
5.7	Registration of transactions

5.7.1

Supply chain actors who:

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

- CPO

There is no sales of certified CPO period of 24 April 2017– 31 January 2018, CPO sales of Tapung Kanan POM claimed by ISCC. It also confirmed by auditor through Tapung Kanan transaction report on RSPO traceability system(e-trace).

- PK

Documents verifications its known if there is of Certified Palm Kernel sold to each buyer period of 24 April 2017– 31 January 2018 with buyers Mandau Kernel Crushing Plant - PT Adei Plantations & Industry (Kompleks Pertokoan Taman Anggrek Blok B2-B5 Jalan Tuanku Tambusai, Pekanbaru 28291 Riau, Sumatera Indonesia). Mandau Kernel Crushing Plant has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below:

- Member name : Mandau Kernel Crushing Plant
- Member ID: RSPO_PO1000001465
- Category : Refinery

Based on documents verifications and verifications in Palm trace website its known if all trading of CSPK has been registered in IT Platform

Status: Comply

5.7.2

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

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

Documentation for the Sustainable Crude Palm Oil (Sustainable CPO), consist of: daily record of the FFB acceptance, daily record of CPO production, which classified as the CSPO, CPO (RSPO/ISCC) sale record, stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation.

Documentation for the Sustainable Palm Kernel (Sustainable PK), consist of: FFB dispatch record, which further will be counted the daily production of the Sustainable PK, daily production record of the PK, which classified as the Sustainable PK, monthly recapitulation of the Sustainable PK's sale, stock record, which has been reconciliation with the FFB acceptance record, monthly sale production and annual recapitulation.

For certification Period March 2018 – 08 March 2019 its known if there is no CPO product sold as RSPO Scheme as physically but there is 19,100 MT as a credit allocation with sold as a credit are 18,270 MT. For PK there is amount 8200 MT sold as CSPK products. The company can show the sample for shipping announcement, i.e.: Shipping announcement on 15 January 2018 with product CSPK, program Mass Balance, volume 150 MT, and Buyer reference number ADEK/02392-P/PK-MB. Information about CSPO and CSPK selling presented in the table below:

- Credit allocation for RSPO

Dated	Product	Program	Transaction Type	Transaction Volume (MT)
19 June 2018	CSPO	Mass Balance	Credit allocation	1,000
28 June 2018	CSPO	Mass Balance	Credit allocation	3,500
06 September 2018	CSPO	Mass Balance	Credit allocation	6,000
26 September 2018	CSPO	Mass Balance	Credit allocation	2,300
28 December 2018	CSPO	Mass Balance	Credit allocation	6,300
Total				19,100

- CSPO Sales as Credit

Dated	Order Number	Number of Credit (MT)	Buyer
20 June 2018	3595	1,000	Agro Supply A/S
29 June 2018	3708	1,000	ARYZTA AG
29 June 2018	3708	300	Beiersdorf AG
29 June 2018	3709	1,800	Dupont Nutrition Biosciences ApS
06 September 2018	4273	5,570	Shell International Eastern Trading Company
26 September 2018	4378	2,300	Shell International Eastern Trading Company
28 December 2018	5148	6,300	Shell International Eastern Trading Company
Total		18,270	

Every transaction of selling certified product, this mill is using RSPO Palm Trace including Shipping Announcement, Trace, Remove and Confirm. Person in charge for RSPO Palm Trace access were located on Head Office Marketing Division. The company can show the removing from palm trace as follows:

Dated	Product	Program	Stock Transaction Type	Transaction Volume (MT)
07 March 2019	CSPO	Mass Balance	Remove From Certified Stock	3750
20 April 2019	CSPO	Mass Balance	Remove From Certified Stock	750
17 April 2018	CSPO	Mass Balance	Remove From Certified Stock	20.959.96
Total				21,073.99

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

Based documents review and interview with the managements representative its known if the training plan on RSPO SCC requirements conducted annually minimum once a year. The training program scheduled on April 2019

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

Documents verifications and interview with managements its known if the company has been conducted SCC training on 15 March 2018 and 19 April 2018 with the numbers of participants are 6 persons, with the trainers from sustainability departments

Based on field visit on Tapung Kanan POM, obtained information that PIC for SSCS implementation (for examples weight bridge operators, security, and "Kepala tata usaha") that training and refreshment (awareness) of supply chain management system were carried out annually. FFB from certified and uncertified areas were received on weight bridge with 40 mt capacity. The company can separate RSPO certified and non-certified products. Every FFB from non-certified area will be classified as a non-Certified product. Result interview with weighbridge operator can be demonstrated related FFB received form certified area (marked with stamps) and non-certified area.

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

Tapung Kanan Palm Oil Mill has maintain accurate, complete and up-to-date for the FFB receives, process and CPO & PK production from its supply bases.

The record keeping saves in "Mass Balance Report of Tapung Kanan Mill for example periods 2018". Within this record, the certificate holders maintain the FFB's sources based on monthly bases.

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Mar-18	10,034.21	8,507.00	18,541.21
Apr-18	9,637.29	8,838.00	18,475.29
May-18	10,465.82	9,228.00	19,693.82
Jun-18	7,542.33	9,003.00	16,545.33
Jul-18	11,889.78	9,724.00	21,613.78
Aug-18	10,090.99	10,776.00	20,866.99
Sep-18	11,430.74	11,084.00	22,514.74
Oct-18	12,076.91	11,139.00	23,215.91
Nov-18	10,668.06	10,865.00	21,533.06
Dec-18	10,046.94	10,805.00	20,851.94
Jan-19	11,592.81	1,604.17	13,196.98
Feb-19	9,568.47	1,546.14	11,114.61
Total	125,044.35	103,119.31	228,163.66

Furthermore, Tapung Kanan Mill has record and balance of all RSPO CSPO and CSPK, non-certified products produced, as well as its dispatch on a monthly and three monthly basis, presented in the Table bellows:

CPO production and Dispatch for Tapung Kanan Mill

Months	CPO Produced (KG)			CPO Sales (Kg)			
	CSPO - Certified	Non Certified	Total CPO	RSPO (as a credit)	ISCC	USEPA	Non CPO
Mar-18	2,209,664	333,482	2,543,146		1,750,000		
Apr-18	2,031,813	319,524	2,351,337	1,010,000	750,000	-	2,639,870
May-18	2,240,049	344,954	2,585,003	-		-	2,617,260
Jun-18	1,638,018	302,577	1,940,595	4,100,000		-	1,250,000
Jul-18	2,561,245	477,295	3,038,540	-		-	3,320,780
Aug-18	2,166,590	492,061	2,658,651				2,929,220
Sep-18	2,486,416	453,860	2,940,276	7,870,000			2,427,730
Oct-18	2,539,996	393,275	2,933,271	-		-	2,874,020
Nov-18	2,154,574	305,529	2,460,103				2,210,650
Dec-18	2,098,873	282,257	2,381,130	6,300,000	311,710	-	2,211,330
Jan-19	2,331,195	324,517	2,655,712	-	1,314,910	-	1,302,310
Feb-19	2,011,286	322,388	2,333,674		2,105,120	-	23,960
Total	24,260,055	4,018,237	28,278,292	18,270,000	6,231,740		23,807,130

PK production and Dispatch for Tapung Kanan Mil

Months	PK Production (Kg)			PK Sale (Kg)	PK Balance (Kg)
	CSPK	Non CSPK	Total	CSPK	CSPK
Balance					2,990,917
Mar-18	559,232	84,461	643,693	1,519,000	1,471,917
Apr-18	570,554	89,688	660,242	881,000	1,161,471
May-18	708,637	108,983	817,620	720,700	1,149,408
Jun-18	458,202	84,010	542,212	477,120	1,130,490
Jul-18	670,155	125,374	795,529	845,250	955,395
Aug-18	569,571	129,061	698,632	658,360	866,607
Sep-18	677,929	123,515	801,444	1,191,430	353,106
Oct-18	668,914	103,366	772,280	757,140	264,880
Nov-18	587,081	83,332	670,413	440,120	411,841
Dec-18	509,136	68,928	578,064	409,880	511,098
Jan-19	638,842	88,750	727,592	300,000	849,939
Feb-19	549,883	88,350	638,233	850,000	549,822
Mar-19	128,508	21,868	150,376	200,000	478,330
Total	6,737,413	1,115,224	7,852,637	9,250,000	

CSPK Sold bigger than produce due to Stock balance in end of February 2018 are 2990,917 MT.

	Status: Comply
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
	Based on SOP SCC (SOP No 32) mentioned if Retention times for all records and reports shall be a minimum 10 (ten) years.
	Document verification, the management unit can show all recording data for two years ago. Such as: contract document, FFB Consignment, CPO and PK Ticket, etc.
	Status: Comply
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.
	Has been set the estimated certified products that will be produced by Tapung Kanan POM, for one year license period are: <ul style="list-style-type: none"> - FFB → 132,872 MT - CPO → 28,235 MT - PK → 7,640 MT
	Status: Comply
5.10	Conversion factors
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
	Based on interview with managements there no conversion rate that applied by PT Sekarbumi Alamlestari. All certified output based on OER that's produced cross reference with FFB Process
	Status: Comply
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.
	Based on interview with managements there no conversion rate that applied by PT Sekarbumi Alamlestari. All certified output based on OER that's produced cross reference with FFB Process
	Status: Comply
5.11	Claims
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.
	Based on field observations there is no claims regarding the use of or support of RSPO certified oil palm products
	Status: Comply
5.12	Complaints
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.
	procedures for collecting and resolving stakeholder complaints.refer to SOP No 1 procedure of complaints / grievances submission) revision dated August 10 August 2017. Complaints can be submitted through the recording on logbook that has been provided, verbally direct to the foreman, through the suggestion box, through gender committees, union labor, hotline

and email provided by the company and through the RSPO website. Grievances included anonymous and whistleblower cases can be submitted through the suggestion box, suggestion boxes checked by GM/director periodically.	
	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	
In the Procedures of SCCS (SOP 32; SC MB) mentioned if management's reviews conducted annually a year. The last managements review conducted on 15 December 2018. With discussion material regarding the results of Audit (Internal and External); Feedback from buyers / customers; Process performance and Product nonconformity; preventive and corrective actions; follow-up actions from management review; changes that could affect the management system, and improvement recommendations	
	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 last managements review conducted on 15 December 2018. With discussion material regarding the results of Audit (Internal and External); Feedback from buyers / customers; Process performance and Product nonconformity; preventive and corrective actions; follow-up actions from management review; changes that could affect the management system, and improvement recommendations	
	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. 	
The output from the management review conducted by PT Sekarbumi alamlestari on 15 December are: <ol style="list-style-type: none"> 1. Improvement of the effectiveness of the management system and its processes. Based on management's reviews its known if all procedure and managements system still relevant and effective to implement. 2. Resources needs included Method; Man; Material; Money and Machine 	
	Status: Comply

3.2.2 (Module D) CPO Mills – Identity Preserved Requirements

Clause	Requirement
E.1	Definition
E.1.1	
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.	
Supply FFB to Tapung Kanan POM comes from their own estates (certified) and KKPA (non-certified), so that until ASA-4 Tapung Kanan POM continues to apply the requirements of SCCS Model E (MB).	
	Status: Comply
E.2	Explanation
E.2.1	
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.	
Has been set the estimated certified products that will be produced by Tapung Kanan POM, for one year license period are:	
<ul style="list-style-type: none">- FFB → 132,872 MT- CPO → 28,235 MT- PK → 7,640 MT	
	Status: Comply
E.2.2	
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	
Tapung Kanan POM has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below:	
Member name : Sekarbumi Palm Oil Mill	
Member ID: RSPO_PO1000000638	
Category : Oil Mill	
License Status: Expires 24 April 2018	
Sub License ID : CB25906	
For certified Period March 2018 – 08 March 2019 its known if there is no CPO product sold as RSPO Scheme as physically but there is 19,100 MT as a credit allocation with sold. For PK there is amount 8200 sold as CSPK products.	
<ul style="list-style-type: none">- Credit allocation for RSPO	

26 September 2018	CSPO	Mass Balance	Credit allocation	2,300
28 December 2018	CSPO	Mass Balance	Credit allocation	6,300
Total				19,100

- CSPO Sales as Credit

Dated	Order Number	Number of Credit (MT)	Buyer
20 June 2018	3595	1,000	Agro Supply A/S
29 June 2018	3708	1,000	ARYZTA AG
29 June 2018	3708	300	Beiersdorf AG
29 June 2018	3709	1,800	Dupont Nutrition Biosciences ApS
06 September 2018	4273	5,570	Shell International Eastern Trading Company
26 September 2018	4378	2,300	Shell International Eastern Trading Company
28 December 2018	5148	6,300	Shell International Eastern Trading Company
Total		18,270	

• Certified Palm Kernel sold to each buyer

Months	CSPK (Kg)	Stock (Kg)
Mar-18	1,519,000	1,471,917
Apr-18	881,000	1,161,471
May-18	720,700	1,149,408
Jun-18	477,120	1,130,490
Jul-18	845,250	955,395
Aug-18	658,360	866,607
Sep-18	1,191,430	353,106
Oct-18	757,140	264,880
Nov-18	440,120	411,841
Dec-18	409,880	511,098
Jan-19	300,000	849,939
Feb-19	850,000	549,822
Mar-19	200,000	478,330
Total	9,250,000	

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.

The company has had the Supply Chain Procedure (SOP No 32 dated 10 August 2017) who described:

1. Definition
The Supply Chain model of Mass Balance is when the facility receives and processes FFB certified and is not certified together.
2. FFB reception at security posts and weigh stations
 - FFB from internal suppliers are certified by RSPO
 - FFB from external suppliers are not certified RSPO
 - Details of the supplier and the scales results are input into the computer.
3. Documentation CPO / PK Certified
 - Daily Fresh fruit Bunch receipt record from internal and external suppliers
 - daily production records from CPO / PK classified as CPO / PK Certified
 - CPO / PK Certified delivery note
 - Annual Summary
 - All records are kept for a minimum period of 10 years
4. Responsibility
 - Managers are responsible for ensuring the application and compliance of these SOPs in their respective areas - monitoring product balances within palm trace
 - marketing departments are responsible for issuing sales contracts, arranging shipment and making claims on product conformity and issuing invoice of payment
 - Internal audits of sustainability are conducted to control the non-compliance that may occur in the application of SOPs and from certified management systems established by Palm Oil Mill on an annual basis. Each violation recorded will be displayed as a warning to be followed up. Internal audit and management review is conducted 1 X 1 Year

Based on field visit on Tapung Kanan POM, obtained information that PIC for SSCS implementation (for examples weight bridge operators, security, and "Kepala tata usaha") that training and refreshment (awareness) of supply chain management system were carried out annually. FFB from certified and uncertified areas were received on weight bridge with 40 mt capacity. The company can separate RSPO certified and non-certified products. Every FFB from non-certified area will be classified as a non-Certified product. Result interview with weighbridge operator can be demonstrated related FFB received from certified area (marked with stamps) and non-certified are

Status: Comply

E.3.2

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

No changes to the current procedures of Supply Chain. Tapung Kanan POM still apply the model of Mass Balance in its processing, due to there still supply from the uncertified source namely KKPA of Sahabat Lestari. The company has had the Supply Chain Procedure (SOP No 32 dated 10 August 2017) who described:

1. Definition
The Supply Chain model of Mass Balance is when the facility receives and processes FFB certified and is not certified together.
2. FFB reception at security posts and weigh stations
 - FFB from internal suppliers are certified by RSPO
 - FFB from external suppliers are not certified RSPO

- Details of the supplier and the scales results are input into the computer.

3. Documentation CPO / PK Certified

- Daily Fresh fruit Bunch receipt record from internal and external suppliers
- daily production records from CPO / PK classified as CPO / PK Certified
- CPO / PK Certified delivery note
- Annual Summary
- All records are kept for a minimum period of 10 years

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

Tapung Kanan Palm Oil Mill has provide an update of monthly summary of RSPO FFB certified and non-certified from its supply base and external sources, with recapitulation presented as follows:

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Mar-18	10,034.21	8,507.00	18,541.21
Apr-18	9,637.29	8,838.00	18,475.29
May-18	10,465.82	9,228.00	19,693.82
Jun-18	7,542.33	9,003.00	16,545.33
Jul-18	11,889.78	9,724.00	21,613.78
Aug-18	10,090.99	10,776.00	20,866.99
Sep-18	11,430.74	11,084.00	22,514.74
Oct-18	12,076.91	11,139.00	23,215.91
Nov-18	10,668.06	10,865.00	21,533.06
Dec-18	10,046.94	10,805.00	20,851.94
Jan-19	11,592.81	1,604.17	13,196.98
Feb-19	9,568.47	1,546.14	11,114.61
Total	125,044.35	103,119.31	228,163.66

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

In the procedure of SCC (SOP No 32) mentioned if there is over-production, the Manager must notify the CB. Based on documents verifications its known if there is no over productions. Its presented as table below

Projection (24 April 2018 – 23 April 2019)		Actual production (March 2018- February 2018)	
FFB	125,094	FFB	125,044.35
CSPO	30,869	CSPO	24,260,055
CSPK	10,365	CSPK	6,737,413

	Status: Comply						
E.5	Record keeping						
E.5.1							
a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.							
b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.							
c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)							
Tapung Kanan Mill has record and balance of all RSPO CSPO and CSPK, non-certified products produced, as well as its dispatch on a monthly and three monthly basis, presented in the Table bellows:							
CPO production and Dispatch for Tapung Kanan Mill							
Months	CPO Produced (Kg)			CPO Sales (Kg)			
	CSPO - Certified	Non Certified	Total CPO	RSPO (as a credit)	ISCC	USEPA	Non CPO
Mar-18	2,209,664	333,482	2,543,146		1,750,000		
Apr-18	2,031,813	319,524	2,351,337	1,010,000	750,000	-	2,639,870
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Jul-18	2,561,245	477,295	3,038,540	-		-	3,320,780
Aug-18	2,166,590	492,061	2,658,651				2,929,220
Sep-18	2,486,416	453,860	2,940,276	7,870,000			2,427,730
Oct-18	2,539,996	393,275	2,933,271	-		-	2,874,020
Nov-18	2,154,574	305,529	2,460,103				2,210,650
Dec-18	2,098,873	282,257	2,381,130	6,300,000	311,710	-	2,211,330
Jan-19	2,331,195	324,517	2,655,712	-	1,314,910	-	1,302,310
Feb-19	2,011,286	322,388	2,333,674		2,105,120	-	23,960
Total	24,260,055	4,018,237	28,278,292	18,270,000	6,231,740		23,807,130
PK production and Dispatch for Tapung Kanan Mil							
Months	PK Production (Kg)			PK Sale (Kg)	PK Balance (Kg)		
	CSPK	Non CSPK	Total	CSPK	CSPK		
Balance					2,990,917		
Mar-18	559,232	84,461	643,693	1,519,000	1,471,917		
Apr-18	570,554	89,688	660,242	881,000	1,161,471		

May-18	708,637	108,983	817,620	720,700	1,149,408
Jun-18	458,202	84,010	542,212	477,120	1,130,490
Jul-18	670,155	125,374	795,529	845,250	955,395
Aug-18	569,571	129,061	698,632	658,360	866,607
Sep-18	677,929	123,515	801,444	1,191,430	353,106
Oct-18	668,914	103,366	772,280	757,140	264,880
Nov-18	587,081	83,332	670,413	440,120	411,841
Dec-18	509,136	68,928	578,064	409,880	511,098
Jan-19	638,842	88,750	727,592	300,000	849,939
Feb-19	549,883	88,350	638,233	850,000	549,822
Mar-19	128,508	21,868	150,376	200,000	478,330
Total	6,737,413	1,115,224	7,852,637	9,250,000	

Based on the Table above, it could be concluded that delivery of RSPO certified product (CSPO and CSPK) has only derived from a positive stock.

Status: Comply

3.3. Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA 1.1	PT SA do not use logo	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA 1.1	PT SA do not use logo	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA 1.1	PT SA do not use logo	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA 1.1	PT SA do not use logo	√
	Status: Comply	

3.4. Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Kuala Lumpur Kepong Bhd 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.

Kuala Lumpur Kepong Bhd Time Bound Plan is explained in point 1.10. Kuala Lumpur Kepong Bhd has informed the Time Bound Plan progress, MUTU has considered that Kuala Lumpur Kepong Bhd is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Kuala Lumpur Kepong Bhd on 2016.

MUTU has verified partial certification for un-certified unit's subsidiary of Kuala Lumpur Kepong Bhd based on their Time Bound Plan. There are five (5) uncertified mills and twentyone (21) uncertified estates of Kuala Lumpur Kepong Bhd. 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

2.2 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?	Positive assurance statement provided, which does not include the new mill found in the revised time bound plan..
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. 	The company has conducted HCV assessment in January – February 2012 for all subsidiaries where the assessment report confirms that there was no replacement of primary forest or containing HCV. The new mills and newly acquired land are still under consultant preliminary report.
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	No new planting reported for existing units. However, the newly acquired lands will adhere to the NPP procedures when it is ready.
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.	SIA conducted reported that there are land conflicts at some of the uncertified units and the company is handling through FPIC and grievance procedures.
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	None noted. No stakeholder comments or complaints received
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.	None noted. No stakeholder comments or complaints received

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 Re-Certification Assessment

NCRNo.	: 2018.01	Issued by	: Dwi Haryati
Date Issued	: 08 February 2018	Time Limit	: ASA 1.1
NC Grade	: Minor	Date of Closing	: 14 March 2019
Standard Ref. & Requirement	6.8.3 Records of evidence that equal opportunity and treatment for work shall be available.		
Non-Conformance Description& Evidence observed : Based on verification of the document, it is known that there are ± 290 employees of Daily contract workers working at PT Sekarbumi Alamlestari. The results of interviews with workers and document verification are known that the Daily contract workers has begun to work varyingly from 1998; 2000 - up to 2017, with the number of working days per month less than 20 Working Days. Related to that, there has not yet been enough evidence that PT Sekarbumi Alamlestari has given the same opportunities and treatment in the employment opportunity to all Daily contract workers (KHL) based on the expertise, ability, quality and health required for the work.			
Root Cause Analysis: <ul style="list-style-type: none"> - In the beginning it was a CSR effort of the company with a labor intensive system, namely absorbing as many workers as possible from the surrounding community to be able to work in the company. - Some employees are unwilling to be appointed as permanent worker for personal reasons. - There are concerns that if all temporary worker are appointed as permanent worker, then employment opportunities (in terms of the number of workers) from the local community will be limited. 			
Corrective Action: Identify temporary worker who have the potential to be promoted to permanent worker through expertise, ability, quality, health and will, which are needed in the job.			
Preventive Action: Ensure that all temporary workers get the same rights as permanent workers, such as wages in accordance with the provisions, provision of employment and health insurance facilities, pension guarantees, holiday allowance and bonuses.			
Assessor Evaluation and Conclusion: Verification on 14 March 2019 The CH has assessed the potential of decent temporary worker to be appointed as permanent workers in the aspects of expertise, ability, quality, health, and willingness. On 21 February 2019, 32 temporary worker were appointed to be permanent workers. In addition, in the Management Plan of SIA, aspects of the appointment of temporary workers to permanent workers have been included as an effort to manage social impacts. The CH has also made positive efforts to improve the equality between temporary workers and permanent workers other than those required by regulation, namely by providing annual bonuses to temporary workers. Based on the description, this nonconformity is stated as complied.			
Verified by	: Arif Faisal Simatupang		

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1.1 Assessment

NCR No.	:	2019.01.	Issued by	:	Moh Arif Yusni
Date Issued	:	14 March 2019	Time Limit	:	ASA 1.2
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	6.1.4 The documented plan for management and monitoring of social impacts is reviewed at least once every two years. If needed, the plan should be improved. There must be evidence that the review process involves the participation of all affected parties			
Evidence Observed: The company has carried out periodic reviews every 2 years related to the Social Impact Management and Monitoring Plan owned. The review process is carried out by involving the participation of the parties affected through the questionnaire. However, based on monitoring results on 2018, it known that: <ul style="list-style-type: none"> • Participatory methods that have been carried out do not fully cover all the factors that will have social impacts (both positive and negative) such as the use and access rights, traditional rights or customary rights of indigenous peoples, to the latest issues that develop in around the company's operational area. • Representation of the sample is not entirely representative of all affected parties (including representatives of women, migrants, scheme smallholder farmers, workers (local, migrant, permanent workers or contract workers) to identify sources of impacts and potential social impacts, and determine recommendations for management and monitoring of social impacts. • There is not enough evidence that the results of the management and monitoring of social impacts carried out by the company in the previous period have become a benchmark in the identification of the latest social impact monitoring and management. 					
Non-conformance Description: Monitoring process method not yet involving all the affected parties.					
Root Cause Analysis:					
Corrective Action:					
Preventive Action:					
Assessor Evaluation and Conclusion:					
Verified by	:				

3.5.3 Opportunity for Improvement

No	Ref. Std.	Description
1	2.2.4 / 6.3.2	Settlement of land dispute in operation area of PT Sekarbumi Alamlestari
2	4.7.1	Warning signs information related to Occupational Health and Safety
3	4.7.3	Ensure availability of PPE stok in the unit.
4	4.7.5	First Aid Kit location evaluation
5	4.7.6	Monitoring for health facilities and insurance for contractor workers
6	6.5.2	Socialization related to work relationship which inform about worker rights and obligations.
7	6.6.2	Doing routine meeting with the new worker union officials post vacuum
8	6.8.3	Monitoring related to the implementation of the assessment of temporary worker who are eligible to be appointed as permanent worker.
9	6.12	Re-evaluate about company policies which not suitable with collective labor agreement. (e.g about harvesting penalty)
10	8.1.1	Fully evaluation related to OHS implementation to all operating units in order to avoid fatal accidents.

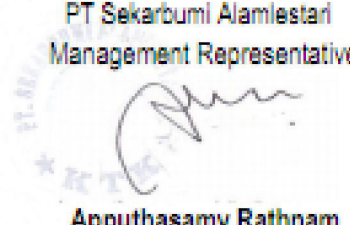

4.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1		Commitment for implemantation of RSPO P & C.
2		Good cooperation from the company and related staff during the audit.
3		Had achieved ISPO & ISCC certification
4		Yearly Bonuses for Daily workers

3.6 Summary of Arising Issues from Public, and Auditor Response

Public Issues (Institution/ NGO/Community)	Auditor Responses
Local Contractor <ul style="list-style-type: none"> Cooperation has been carried out since 2013. There is a clear and signed contract on the stamp of Rp. 6,000. Contractors are given the opportunity to study the terms and contents of the agreement before signing. Each party holds 1 stamped agreement file. • Current payments according to the agreement 	<p>The company has collaborated with several local contractors and purchases of goods and items from several shops around the plantation area.</p>
PT Sekarbumi Alamlestari Employee Cooperation <ul style="list-style-type: none"> The company has supported cooperatives by providing a place / building. The cooperative's real activities are the provision of basic necessities for the needs of employees and savings and loans. Currently the cooperative has 910 members. Membership fee of Rp 50,000 / person. Cooperatives have conducted annual budget meeting for 2017. For annual budget meeting in 2018 they are still in the plan. 	<p>Based on document review and interview of workers, the company has provided freedom for workers to form cooperatives.</p>
Village of Kota Garo, Sub District of Tapung Hilir, District of Kampar, Province of Riau (Head of village and as previous land owner) <ul style="list-style-type: none"> Village of Kota Garo existed before the company establish palm plantation in the area There is no indigenous people in Kota Garo Village Land acquisition has been carried out since 1991 involving the regional government. The majority of villagers are Malay tribe and there are some tribal immigrants like tribe of Java, batak, nias etc. Management social that conducted by the company is very weak, The village community hopes that this will be improved by receiving FFB from the community, structured community economic development, etc. There are several land dispute issues between villagers and companies The company has employed the villagers on the company's operational activities 	<ul style="list-style-type: none"> Verified based on document review, communication its became non conformity on indicator 6.1.4 Preparation of CSR programme has been based on communication with the community through questionnaire, (see C6.11) It has been clear, already have legal documents on land (C2.2) It has been clear, the land dispute on behalf of Dolok Pasaribu has been completed
Gender Committee PT Sekarbumi Alamlestari The employees have learned about the company's policies regarding the prevention of violence and maintaining decency which are assisted through program socialization activities by the Gender Committee. Until now there are no issues related to sexual harassment or violations of women's reproductive rights.	<p>There are no issues related to gender discrimination, or violations of decency. Has been describes in Criteria 5.3.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Worker Union of PT Sekarbumi Alamlestari</p> <p>Since beginning of 2018 until the latest worker union submission report to Manpower Agency (11 February 2019), there is a non active of union due to internal factors. So that there is no documentation of the meeting between the company and worker union in that period until the audit.</p> <p>The new worker union has sent a letter to company regarding the bipartite meeting to socialize the new worker union management. However, the company sent a reply letter that for now it has not been able to accommodate meetings related to the busyness of the ISPO/RSPO Audit.</p>	<p>There are no labor or OHS issues.</p> <p>This has been verified and documentation related to the letter from worker union and the response from CH has been demonstrated. CH said it would hold a bipartite meeting after the ISPO/RSPO Audit. This will be verified again during the next audit.</p>
<p>Koto Aman Village Village head</p> <ul style="list-style-type: none"> Land acquisition has been carried out since 1991 involving the regional government. The head villagers mentioned if they need information they will submit a letter to the company. According to them, the company always responds each letter submitted. There is a land dispute in PT Sekarbumi Alamlestari that not yet resolved. The dispute is about Demands on land that has not received compensation (Acknowledgment of Kota Aman Village Group), related to the dispute had been conducted several meetings involving local government. 	<p>This has been verified by auditor and became nonconformity on indactor 6.1.4.</p> <p>Related conflict its has been verified on indicator 2.2.3, 2.2.4 and 2.2.5</p>
<p>Tapung Hilir Sub-district office (Head of Tapung Hilir Subdistrict)</p> <ul style="list-style-type: none"> There is a land dispute in the Tapung Kanan Estate operational area, mediation efforts has been carried out at the provincial level. Land conflict by villager of Seikijang Village. Land compensation was carried out in 1992 with Sei Kijang Villager. Develop CRS program period 2018-2019, the S Tapung Hilir Sub-district has involved namely "musreimbang". No land fire on 1 year ago. 	<p>Related conflict its has been verified on indicator 2.2.3, 2.2.4 and 2.2.5.</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>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>PT Sekarbumi Alamlestari Management Representative</p> <p><u>Apputhasamy Rathnam</u> 15 April 2019</p> </div> <div style="text-align: center;">  <p>Mutuagung Lestari Lead Auditor</p> <p><u>Moh Arif Yusni</u> 15 April 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	Sub-district office	Kampar Regency, Riau Province	-	Interview	March 11 2019	✓	
2	Local Contractor	Kampar District, Riau Province	-	Interview	March 14, 2019	✓	
3	Gender Committee of PT Sekarbumi Alamlestari	PT Sekarbumi Alamlestari	-	Interview	March 13, 2019	✓	
4	Labor Union of PT Sekarbumi Alamlestari	PT Sekarbumi Alamlestari	-	Interview	March 13, 2019	✓	
5	Worker Cooperative of PT Sekarbumi Alamlestari	PT Sekarbumi Alamlestari	-	Interview	March 13, 2019	✓	
6	Village Head of Koto Aman	Kampar Regency, Riau Province	-	Interview	March 12 2018	✓	
7	Village Head of Koto Garo, and previous land owner	Kampar Regency, Riau Province	-	Interview	March 12 2018	✓	
8	Sawit Watch	Jakarta	info@sawitwatch.or.id	Questionnaire via email	March 05 2018		✓
9	WALHI	Jakarta	info@walhi.or.id	Questionnaire via email	March 05 2018		✓
10	WWF	Jakarta	supporter-service@wwf.or.id	Questionnaire via email	March 05 2018		✓
11	AMAN	Pekanbaru	rumahaman@cbn.net.id	Questionnaire via email	March 05 2018		✓
12	Forest Peoples Programme	Jakarta	info@forestpeoples.org	Questionnaire via email	March 05 2018		✓
13	Tapung Kanan POM - Security and weighbridge : 2 worker - Loading ramp : 3 worker - Process station (sterilizer, press, boiler, kernel) : 4 worker - Boiler : 2 worker - Engine room :1 worker - WTP Operator : 1 Operator - WWTP Operator : 1 Operator - workshop: 5 workers - storage : 2 workers	PT Sekarbumi Alamlestari	-	Interview	11 March 2019	✓	

14	KTK 1 Estate - HGU Pole monitoring: 2 worker - LA Operator : 1 Worker - Upkeep Worker : 3 Workers - Spraying team : 4 Workers - Housing 2A, Daycare officer : 2 worker. - workshop: 2 workers - storage : 2 workers	PT Sekarbumi Alamlestari	-	Interview	13 March 2019	✓	
15	KTK 2 Estate - HGU Pole monitoring: 2 worker - Manuring : 8 Workers - Spraying Team : 9 Workers - Housing 3A and 3B Daycare officer : 2 worker.	PT Sekarbumi Alamlestari	-	Interview	12 March 2019	✓	
16	KTK 3 Estate - HGU Pole monitoring: 2 worker - Harvesting : 2 Workers - FFB Transportation : 3 Workers. - Housing 4B Daycare officer : 2 worker.	PT Sekarbumi Alamlestari	-	Interview	12 March 2019	✓	

Appendix 2. Assessment Program

DATE		10 – 15 March 2019	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Sunday, 10 March 2019			
13.00 – 14.50	13.00 – 14.50	JAKARTA → Pekanbaru	All Auditor
14.50 – 17.00	14.50 – 17.00	Pekanbaru → PT. Sekarbumi Alamlestari	
Monday, 11 March 2019			
08.00 – 08.30	08.00 – 08.30	Opening meeting <ul style="list-style-type: none">Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)	All Auditor
08.30 – 12.00	08.30 – 12.00	Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier Stakeholders consultation to Sub district of Tapung Hilir Field observation to Tapung Kanan POM : <ul style="list-style-type: none">Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)Implementation of Employment Procedure and Mechanism Aspect	<ul style="list-style-type: none">BSH / AFSRPJMAYMAY
12.00 – 14.00	12.00 – 14.00	Break	
14.00– 17.00	14.00– 17.00	Documents Review <ul style="list-style-type: none">Review of previous (Initial assessment) findingsVerification of Basic Information Mill and EstateConfirmation of Time Bound PlanReview of Partial CertificationVerification of stakeholder consultation result and field visit.Document review and completing audit checklist.	All Auditor
Tuesday, 12 March 2019			
08.00 – 12.00	08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations and previous land owner	<ul style="list-style-type: none">MAY

DATE		10 – 15 March 2019	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 – 12.00	08.00 – 12.00	Field Observation to KEBUN TAPUNG KANAN 1 Aspect to be verified : <ul style="list-style-type: none"> - Implementation of Legal Aspect (Land Ownership, Legal Boundaries); - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Implementation of Occupational Health & Safety Aspect - Implementation of Employment Procedure and Mechanism Aspect - Observation of Workers Facilities (Housing, School, Worship Place). 	BSH/ AFS/ RPJ
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> • Verification of stakeholder consultation result and field visit. • Document review and completing audit checklist. 	All Auditor
Wednesday, 13 March 2019			
08.00 – 12.00	08.00 – 12.00	Field Observation to KEBUN TAPUNG KANAN 2 Aspect to be verified : <ul style="list-style-type: none"> - Implementation of Legal Aspect (Land Ownership, Legal Boundaries); - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Implementation of Occupational Health & Safety Aspect - Implementation of Employment Procedure and Mechanism Aspect - Observation of Workers Facilities (Housing, School, Worship Place). 	All Auditor
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> • Verification of stakeholder consultation result and field visit. • Document review and completing audit checklist. 	All Auditor
Thursday, 14 March 2019			
08.00 – 11.00		Field Observation to KEBUN TAPUNG KANAN 3 Aspect to be verified : <ul style="list-style-type: none"> - Implementation of Legal Aspect (Land Ownership, Legal Boundaries); - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Implementation of Occupational Health & Safety Aspect - Implementation of Employment Procedure and Mechanism Aspect - Observation of Workers Facilities (Housing, School, Worship Place). 	All Auditor

DATE		10 – 15 March 2019	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
11.00 – 14.00	11.00 – 14.00	Break	
14.00 – 16.00	14.00 – 16.00	<ul style="list-style-type: none">• Verification of stakeholder consultation result and field visit.• Document review and completing audit checklist.	All Auditor
16.00 – 18.00	16.00 – 18.00	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
19.00 – 20.00	19.00 – 20.00	Closing Meeting: <ul style="list-style-type: none">• Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timeline of CAR's, Conclusion)/• Comments, Responses and Questions	
Friday, 15 March 2019			
07.00 – 10.00	07.00 – 10.00	PT Sekarbumi Alamlestari – Pekanbaru	All Auditor
11.00 – 00.00	11.00 – 00.00	Pekanbaru - Jakarta	