

***Roundtable on Sustainable Palm Oil Certification
RSPO***

【✓】 Re-Certification

Name of Management : Sungai Merah Mill – PT Sumber Indah Perkasa, subsidiary of Golden Organisation
 Agri Resources Ltd
 Plantation Name : PT Sumber Indah Perkasa – Sungai Merah Estate and KKPA Gedung Aji Baru
 Location : Village of Sidomukti, Sub-Regency of Gedung Aji Baru, Regency of Tulang Bawang, Province of Lampung, Indonesia
 Certificate Code : MUTU-RSPO/131
 Date of Initial Registration : 2 May 2014
 Date of Certificate Issue : 28 May 2019 Date of License Issue : 28 May 2019
 Date of Certificate Expiry : 1 May 2024 Date of License Expiry : 1 May 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	8, 9, 10, 12, 15 April 2019	Leonada (Lead Auditor Witnessing) Steve Mualim (Lead Auditor Witnessed), Moh. Amarullah, Hasiholan Sihombing, Asystasya Aishah Silalahi	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	28 May 2019

TABLE OF CONTENT
FIGURE

Figure 1. Location Map of PT Sumber Indah Perkasa	2
Figure 2. Operational Map of Sungai Merah Estate	3
Figure 2. Operational Map of KKPA Gedung Aji Baru	4

Abbreviations Used	5
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1.0 SCOPE of the CERTIFICATION ASSESSMENT

1.1 Assessment Standard Used	7
1.2 Organisation Information	7
1.3 Type of Assessment	7
1.4 Location of Mill and Plantations	8
1.5 Description of Area Statement	8
1.6 Planting Year and Cycles	8
1.7 Description of Mill and Supply Base	9
1.8 Estimate Tonnage of Certified Product	9
1.9 Other Certifications	10
1.10 Time-Bound Plan	10

2.0 ASSESSMENT PROCESS

2.1 Assessment Team	18
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	18
2.3 Stakeholder Consultation and Stakeholders Contacted	21
2.4 Determining Next Assessment	21

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification	22
3.2 Summary of Assessment Report of Supply Chain Requirement	51
3.3 Conformity Checklist of Certificate and Logo Use	60
3.4 Summary of RSPO Partial Certification	61
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	64
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	70

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Signing of Assessment Findings	75
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APPENDICES

1. List of Stakeholders Contacted in the RSPO Certification Process	76
2. Assessment Program	77

Figure 1. Location Map of PT Sumber Indah Perkasa

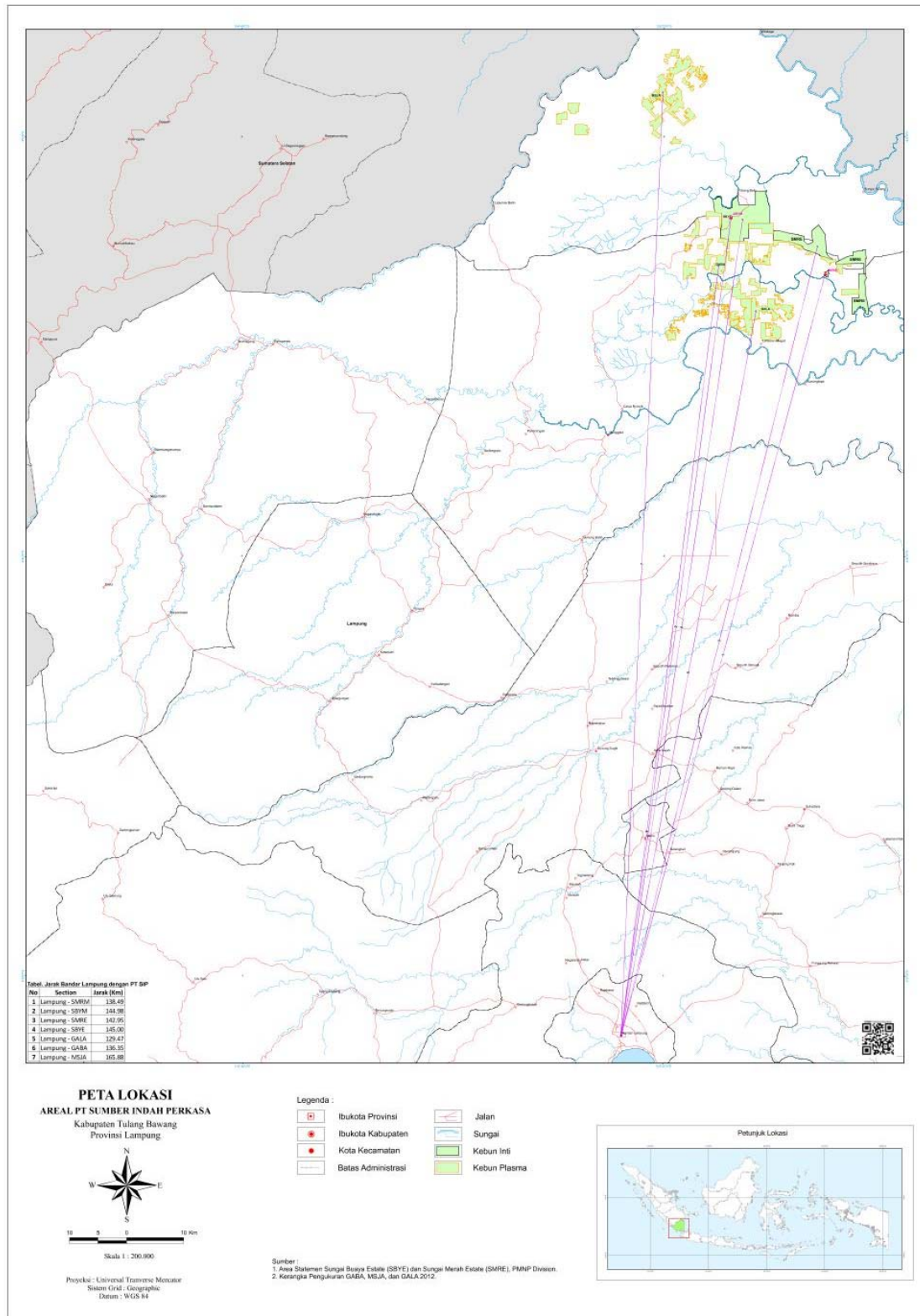


Figure 2. Operational Map of Sungai Merah Estate

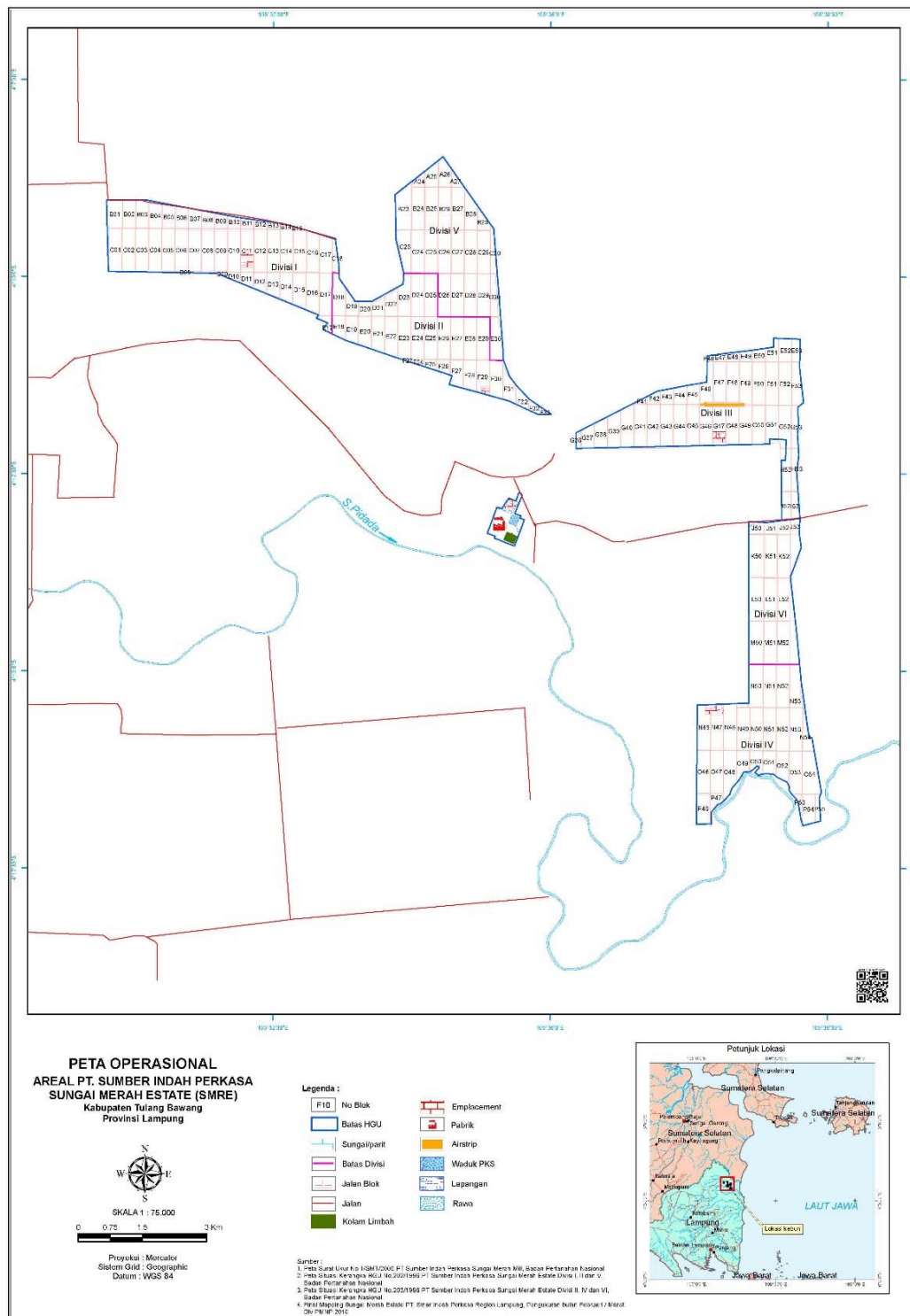
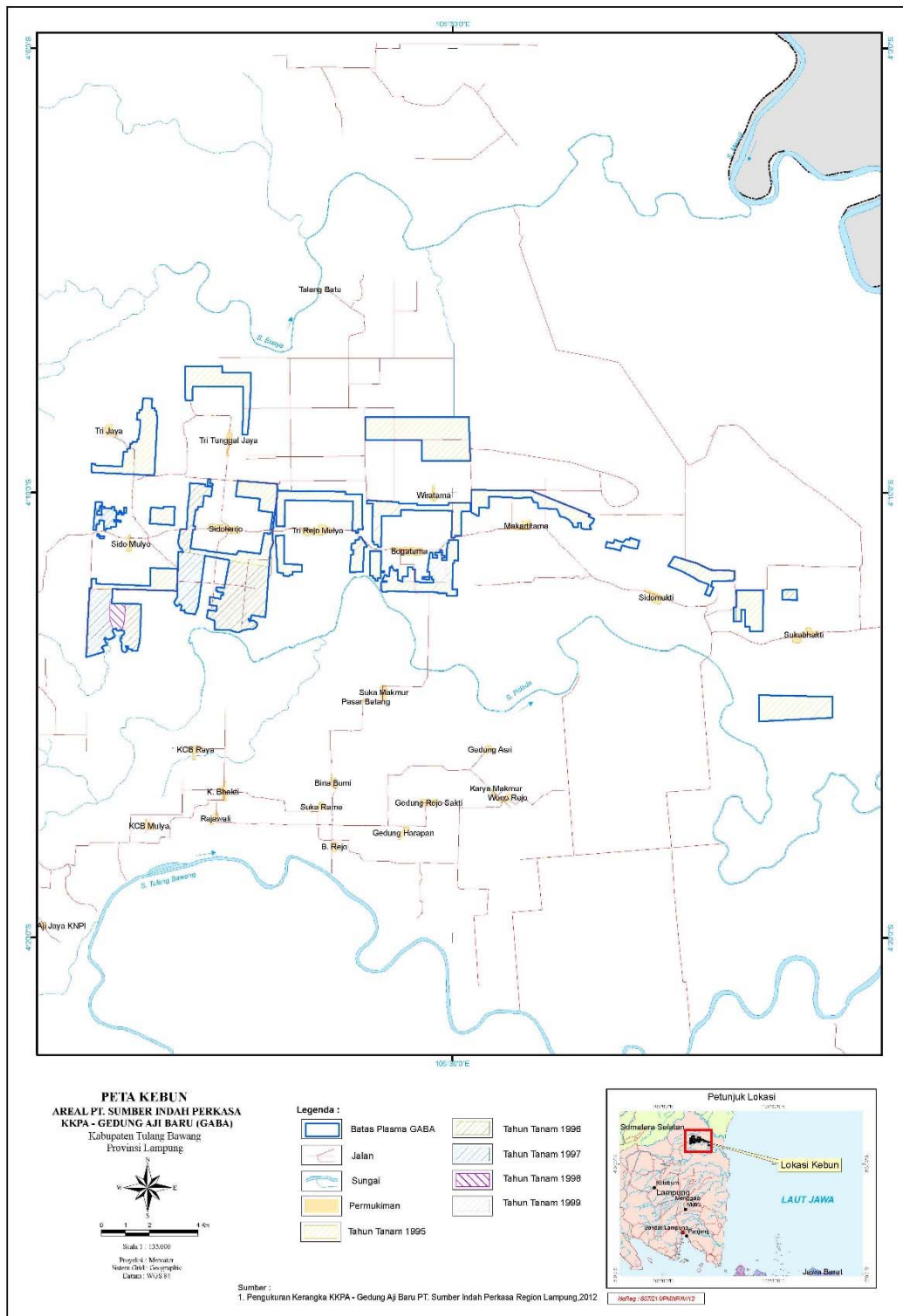


Figure 3. Operational Map of KKPA Gedung Aji Baru



Abbreviations Used

ASA	: Annual Surveillance Audit
BPJS	: <i>Badan Penyelenggara Jaminan Sosial</i> / Social Security Agency
CB	: Certification Body
CSR	: Corporate Social Responsibility
CPO	: Crude Palm Oil
CSPK	: Certified Sustainable Palm Kernel
CSPO	: Certified Sustainable Palm Oil
EFB	: Empty Fruit Bunch
FFB	: Fresh Fruit Bunch
FR	: Frequency Rate
GABA	: Gedung Aji Baru
GALA	: Gedung Aji Lama Plasma (<i>KKPA</i>)
GSEP	: GAR, Social, and Environment Policy
HCV	: High Conservation Value
HGU	: <i>Hak Guna Usaha</i> (Land Title)
HGB	: <i>Hak Guna Bangunan</i> (Land Title)
IDR	: Indonesian Rupiah
IP	: Identity Preserved
IPM	: Integrated Pest Management
ISCC	: International Sustainability and Carbon Certification
ISPO	: Indonesian Sustainable Palm Oil
KER	: Kernel Extraction Rate
KKPA	: <i>Koperasi Kredit Primer Anggota</i> (cooperative)
KSB	: Kernel Silo Bin
LSU	: Leaf Sampling Unit
MSDS	: Material Safety Data Sheet
NPWP	: <i>Nomor Pokok Wajib Pajak</i> (tax ID number)
OER	: Oil Extraction Rate
OHS	: Occupational Health and Safety
P2K3	: <i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> OHS Committee
PBB	: <i>Pajak Bumi dan Bangunan</i> (property tax)
PK	: Palm Kernel
PKB	: <i>Perjanjian Kerja Bersama</i> (collective labour bargaining)
PMNP	: Plantation Monitoring and Planning
POM	: Palm Oil Mill
PP	: <i>Peraturan Perusahaan</i> (Company Regulation)
PPE	: Personal Protective Equipment
PT SIP	: PT Sumber Indah Perkasa
RSPO	: Roundtable on Sustainable Palm Oil
SMRE	: Sungai Merah Estate
SMRM	: Sungai Merah Mill
SHM	: <i>Sertifikat Hak Milik</i> Land title
SMAN	: <i>Sekolah Menengah Atas Negeri</i> (Public Senior high school)
SMARTRI	: Sinar Mas Agro Resources and Technology Research Institute
SMD	: Senior Managing Director
SMK	: <i>Sekolah Menengah Kejuruan</i> (Vocational High School)
SOP	: Standard Operating Procedure
SPO	: Sustainable Palm Oil
SR	: Severity Rate
SSU	: Soil Sampling Unit

WTP	: Water Treatment Plant
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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 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016)RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module E for CPO Mill)RSPO Certification System for Principles and Criteria, June 2017 (Endorsed by the RSPO Board of Governors on 14th of June 2017)	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Sungai Merah Mill – PT Sumber Indah Perkasa, subsidiary of Golden Agri Resources, Ltd.	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Organisation address and site address	RSPO registered company: 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 Liaison Office: Sinar Mas Land Plaza, Tower II, 30 th Floor Jl. M.H. Thamrin No. 51, Jakarta 10350, Indonesia.	
1.2.4	Telephone	(+62-21) 5033 8899	
1.2.5	Fax	(+62-21) 5038 9999	
1.2.6	E-mail	ismu-zulfikar@sinarmas-agri.com	
1.2.7	Web page address	www.goldenagri.com.sg	
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Department)	
1.2.9	Registered as RSPO member	1– 0096 – 11 – 000 – 00; 31 March 2011	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Sungai Merah Mill and its supply base, i.e. Sungai Merah Estate and KKPA Gedung Aji Baru.	
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
	Sungai Merah Mill (SMRM)	Village of Sidomukti, Sub-Regency of Gedung Aji Baru, Regency of Tulang Bawang, Province of Lampung, Indonesia	Latitude
			Longitude
			S 4° 13' 06"
			E 105° 35' 20"

1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Sungai Merah Estate (SMRE)	Village of Sidang Gunung Tiga, Sub-Regency of Rawajitu Utara, Regency of Mesuji, Province of Lampung, Indonesia.	S 4°12' 01"	E 105°38' 05"
	KKPA Gedung Aji Baru (GABA) – 5925 SH	Village of Sidoharjo, Sub-regency of Penawartama, Regency of Tulang Bawang, Province of Lampung, Indonesia.	S 4°09' 46"	E 105°26' 24"
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State (HGU SMRE + HGB SMRM)		4,046.01	Ha
	• Community (SHM GABA)		4,505.75	Ha
1.5.2	Area Statement			
	•	Own Estate (Ha)	Smallholder (Ha)	Total (Ha)
	• Total area	4,046.01	4,505.75	8,551.76
	• Mature area	3,375.11	4,505.75	7,880.86
	• Immature area	569.61	-	569.61
	• Mill + Emplishment	21.00	-	21.34
	• Infrastructure	79.95	-	79.95
	<i>*Note: there is HCV area for about 27.48 ha, situated within GABA planted area. However as observed, the HCV area is properly managed by GABA management.</i>			
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Sungai Merah Estate	KKPA Gedung Aji Baru	Total
	1991	503.03	-	503.03
	1992	513.19	-	513.19
	1993	886.22	-	886.22
	1994	608.85	-	608.85
	1995	-	3,115.25	3,115.25
	1996	452.91	605.00	1,057.91
	1997	-	377.00	377.00
	1998	-	71.00	71.00
	1999	-	337.50	337.50
	2000	266.41	-	266.41
	2001	19.95	-	19.95
	2004	124.55	-	124.55
	Total Mature	3,375.11	4,505.75	7,880.86

	2018	569.61	-	569.61			
	Total Immature	569.61	-	569.61			
	TOTAL	3,944.72	4,505.75	8,540.47			
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 (%)
	Sungai Merah Mill	60	353,110.40	71,144.45	20.15	17,424.81	4.93
	<i>*Production data source from April 2018 – March 2019</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Sungai Merah Estate	4,046.01	3,944.72	65,911.74	19.53	65,911.74	100
	Gedung Aji Baru KKPA	4,505.75	4,505.75	121,908.30	27.06	121,908.30	100
	TOTAL	8,551.76	8,540.47	187,820.04	23.83	187,820.04	100
	<i>*Production data source from April 2018 – March 2019</i>						
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)		
	Gedung Aji Lama KKPA (RSPO Certified)	PT SIP subsidiary	-	5,002.00	74,623.15		
	PT Prima Alumga	-	-	-	90,667.21		
	TOTAL				165,290.36		
	<i>*Production data source from April 2018 – March 2019</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (MT)	
	FFB Processed			228,750		262,443.19	
	CPO Production			43,146.31		54,302.49	
	Palm Kernel (PK) Production			10,756.81		13,269.49	
	<i>*Actual volume is bigger than projected volume because the previous CB is terminate so cannot extent the volume</i>						
1.8.2	Product selling						
	Type of selling product			Actual selling product for last year (May 2018- 12 April 2019) (MT)			
	CSPO sold as RSPO certified product			1,796.47			
	CSPK sold as RSPO certified product			10,623.91			

	CSPO sold under other scheme		41,349.84					
	CSPK sold under other scheme		-					
	CSPO sold as conventional		-					
	CSPK sold as conventional		-					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Sungai Merah Estate (SMRE)		4,046.01	3,944.72	68,345	17.32		
	KKPA Gedung Aji Baru (GABA) – 5925 SH		4,505.75	4,505.75	123,496	27.41		
	TOTAL		8,551.76	8,540.47	191,841	22.46		
	<i>*Projected FFB production for 2 May 2019 to 1 May 2020</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Sungai Merah	60	191,841	40,267	21.00	9,976	5.20	MB
	<i>*Projected CSPO and CSPK production for 2 May 2019 to 1 May 2020</i>							
1.9	Other Certifications							
	ISCC			Certificate No EU-ISCC-Cert-ID218-20180074 periods 15 July 2018 - 14 July 2019 by INTERTEK				
	ISPO			Certificate No ISPO 00010 periods 1 September 2014 - 1 September 2019 by SUCOFINDO				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time bound						
	Pangkalan Panji (PT Sawit Mas Sejahteras)	2013	Sawit Mas Estate	2013	South Sumatera	Certified		
	Bumi Sawit Mill (PT Bumi Sawit Permai)	2013	Bumi Sawit Estate	2013	South Sumatera	Certified		
	Muara Kandis Mill (PT Djuanda Sawit Lestari)	2013	Muara Tawas Estate	2013	South Sumatera	Certified		
			Muara Kandis Estate	2013	South Sumatera	Certified		
			Muara Kandis Estate (HGU on progress – 574.58 Ha)	2020	South Sumatera	-		
			Smallholder (KKPA	2020	South Sumatera	-		

			Pandawa)			
	Sungai Rungau Mill (PT Sumber Indah Perkasa)	2013	Sungai Rungau Estate	2013	Central Kalimantan	Certified
			Sungai Seruyan Estate	2013	Central Kalimantan	Certified
			Terawan Estate	2013	Central Kalimantan	Certified
			Tangar Estate	2013	Central Kalimantan	Certified
			Bukit Tiga Estate	2013	Central Kalimantan	Certified
	Bukit Perak Mill (PT Bumi Permai Lestari)	2013	Bukit Perak Estate	2013	Bangka Belitung	Certified
			Bukit Permata Estate	2013	Bangka Belitung	Certified
	Tanjung Kembiri Mill (PT Forestalestari Dwikarya)	2013	Tanjung Kembiri Estate	2013	Belitung	Certified
			Tanjung Rusa Estate	2013	Belitung	Certified
			Tanjung Rusa KKPA	2019	Belitung	-
	Sungai Buaya Mill (PT Sumber Indah Perkasa)	2014	Sungai Buaya Estate	2014	Lampung	Certified
			Gedung Aji Lama KKPA	2014	Lampung	Certified
			Mesuji KKPA	2014	Lampung	Certified
			Sungai Buaya estate - HGU on process (73.71 ha)	2020	Lampung	-
			Sungai Buaya estate - HGU on process (26.18 ha)	2020	Lampung	-
	Sungai Merah Mill (PT Sumber Indah Perkasa)	2014	Sungai Merah Estate	2014	Lampung	Certified
			Gedung Aji Baru KKPA	2014	Lampung	Certified
			Sungai Merah estate - HGU on process (241.54 ha)	2020	Lampung	-
	Kasuari Mill (PT Sinar Kencana Inti Perkasa)	2018	Cendrawasih Estate	2020	Papua	ST-1 January 2015
			Nuri Estate	2020	Papua	
			Rajawali Estate	2020	Papua	
			Mambuk Estate (PT Sumber Indah Perkasa)	2020	Papua	
	Pekawai Mill (PT Agrolestari Mandiri)	2018	Kayung Estate	2020	West Kalimantan	ST-1 September 2014
			Pekawai Estate	2020	West Kalimantan	
			Sungai Kelik Estate	2020	West Kalimantan	
			Nanga Tayap Estate	2020	West Kalimantan	
			Smallholder (Kayung Plasma)	2020	West Kalimantan	
	Kenanga Mill (PT Kencana)	2014	Kencana Estate	2015	West Kalimantan	Certified
			Cendana Estate	2015	West Kalimantan	Certified

	Graha Permai)					
			Kenanga Estate (PT Cahaya Nusa Gemilang)	2020	West Kalimantan	-
			Delima Estate (PT Kencana Graha Permai)	2020	West Kalimantan	-
			Gaharu Estate (PT Bangun Nusa Mandiri)	2020	West Kalimantan	-
			Smallholder (Gaharu Plasma)	2020	West Kalimantan	-
			Smallholder (Kencana Plasma)	2020	West Kalimantan	-
			Smallholder (Kenanga Plasma)	2020	West Kalimantan	-
	Perdana Mill (PT Binasawit Abadi Pratama)	2020	Perdana Estate	2020	Central Kalimantan	ST-1 Feb 2015
			Lenggana Estate	2020	Central Kalimantan	
			Semandau Estate	2020	Central Kalimantan	
			Muara Dua Estate	2020	Central Kalimantan	
	Kuayan Mill (PT Agrokarya Prima Lestari)	2020	Mentaya Estate	2020	Central Kalimantan	ST-1 Oct 2014
			Kuayan Estate	2020	Central Kalimantan	
			Bukit Santuhai Estate	2020	Central Kalimantan	
			Tajur Beras Estate	2020	Central Kalimantan	
			Serantau Estate	2020	Central Kalimantan	
			Sungai Sambon Estate	2020	Central Kalimantan	
			Smallholder (Sungai Sambon Plasma)	2020	Central Kalimantan	
			Sapiri Estate (PT Buana Adhitama)	2020	Central Kalimantan	
			Bukit Dua Estate (PT Buana Adhitama)	2020	Central Kalimantan	
			Bukit Tunggal Estate (PT Buana Adhitama)	2020	Central Kalimantan	
	Belian Mill (PT Paramitra Internusa Pratama)	2018	Belian Estate	2020	West Kalimantan	ST-1 Oct 2015
			Tengkawang Estate	2020	West Kalimantan	
			Kenari Estate (PT Bangun Nusa Mandiri)	2020	West Kalimantan	
			KerANJI Estate (PT Bangun Nusa Mandiri)	2020	West Kalimantan	
			Muara Tawang Estate (PT Kartika Prima Cipta)	2020	West Kalimantan	
			Kapuas Hulu Estate (PT Persada Graha Mandiri)	2020	West Kalimantan	
			Sungai Beran Estate (PT Persada Graha Mandiri)	2020	West Kalimantan	
			Smallholder (Belian	2020	West Kalimantan	-

		KKPA)			
		Smallholder (Tengkawang KKPA)	2020	West Kalimantan	-
		Smallholder (Kenari Plasma)	2019	West Kalimantan	-
		Smallholders (Kapuas Hulu KKPA)	2020	West Kalimantan	-
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2020	West Kalimantan	-
Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa)	2019	Sungai Kupang Estate	2020	South Kalimantan	ST-2 May 2015
		Sungai Kupang KKPA	2020	South Kalimantan	ST-2 May 2015
Sungai Kikim Mill (PT Sawit Mas Sejahtera)	2019	Sungai Kikim Estate	2020	South Sumatera	Gap analysis Dec 2018
		Sungai Pangi Estate	2020	South Sumatera	
		Sungai Musi Estate	2020	South Sumatera	
		Sungai Saling Estate	2020	South Sumatera	
		Sungai Enim Estate (PT Bumi Sawit Permai)	2020	South Sumatera	
		Sungai Lematang Estate (PT Bumi Sawit Permai)	2020	South Sumatera	
Tangar Mill (PT Mitra Karya Agroindo)	2020	Sulin Estate	2020	Central Kalimantan	ST-1 Oct 2015
		Nahiyang Estate	2020	Central Kalimantan	
		Katayang Estate	2020	Central Kalimantan	
		Sungai Nusa Estate	2020	Central Kalimantan	
		Kajui Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	
		Manuhing Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	
		Sungai Ayawan Estate (PT Aditunggal Mahajaya)	2020	Central Kalimantan	
Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa)	2019	Sungai Magalau Estate	2020	South Kalimantan	-
Jalemo Mill* PT Agro Lestari Sentosa	2020	Balasang Estate	2020	Central Kalimantan	-
		Jalemo Estate	2020	Central Kalimantan	-
Sako Mill* (PT Adi Tunggal Mahajaya)	2020	Sulin Plasma	2020	Central Kalimantan	-
		Sapiri Plasma	2020	Central Kalimantan	-
		Sako Plasma	2020	Central Kalimantan	-
	2011	Padang Halaban Estate	2011	North Sumatera	Certified

	Padang Halaban Mill (PT SMART Tbk)		Penantian Estate	2011	North Sumatera	Certified
			Adipati Estate	2011	North Sumatera	Certified
			Kanopan Ulu Estate	2011	North Sumatera	Certified
	Batu Ampar Mill (PT SMART Tbk)	2012	Batu Ampar Estate	2012	South Kalimantan	Certified
			Batu Mulia Estate	2012	South Kalimantan	Certified
			Sungai Panci Estate	2012	South Kalimantan	Certified
			Sungai Panci KKPA	2012	South Kalimantan	Certified
	Tanah Laut Mill (PT SMART Tbk)	2012	Tanah Laut Estate	2012	South Kalimantan	Certified
			Kinta Pura Estate	2012	South Kalimantan	Certified
	Langga Payung Mill (PT Tapian Nadenggan)	2012	Langga Payung Estate	2012	North Sumatera	Certified
			Paya Baung Estate	2012	North Sumatera	Certified
			Normark Estate	2012	North Sumatera	Certified
	Hanau Mill (PT Tapian Nadenggan)	2012	Hanau Estate	2012	Central Kalimantan	Certified
			Tasik Mas Estate	2012	Central Kalimantan	Certified
			Tanjung Paring Estate	2012	Central Kalimantan	Certified
			Langadang Estate	2012	Central Kalimantan	Certified
			Medang Sari (PT Satya Kisma Usaha)	2020	Central Kalimantan	-
	Semilar (PT Tapian Nadenggan)	2013	Semilar	2013	Central Kalimantan	Certified
			Sei Rindu	2013	Central Kalimantan	Certified
			Mandang	2013	Central Kalimantan	Certified
			Puri	2013	Central Kalimantan	Certified
	Jak Luay Mill (PT Tapian Nadenggan)	2015	Pantun Mas Estate	2015	East Kalimantan	Certified
			Pantun Mas KKPA	2020	East Kalimantan	-
			Jak Luay Estate	2015	East Kalimantan	Certified
			Jak Luay KKPA	2020	East Kalimantan	-
			Long Buluh Estate	2015	East Kalimantan	Certified
			Bukit Subur Estate	2015	East Kalimantan	Certified
			Bukit Subur KKPA	2020	East Kalimantan	-
	Leidong West Mill (PT MP Leidong West Indonesia)	2014	Leidong West Utara Estate	2014	Bangka Belitung	Certified
			Leidong West Selatan Estate	2014	Bangka Belitung	Certified
	Muara Wahau Mill (PT Kresna Duta Agroindo)	2014	Muara Wahau Estate	2014	East Kalimantan	Certified
			Gunung Kombeng	2014	East Kalimantan	Certified
	Gunung Kombeng Mill	2019	Gunung Kombeng KKPA	2020	East Kalimantan	-

(PT Kresna Duta Agroindo)						
Rantau Panjang (PT Kresna Duta Agroindo)	2020	Rantau Panjang Estate	2020	East Kalimantan	-	
		Rantau Panjang KKPA	2020	East Kalimantan	-	
Jelatang Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified	
		Tiga Serumpun estate	2020	Jambi	-	
		Bukit Bungkul KKPA	2020	Jambi	-	
		Kubang Ujo Plasma	2020	Jambi	-	
Pelakar Mill (PT Kresna Duta Agroindo)	2019	Pelakar Estate	2020	Jambi	ST-1	
		Tiga Serumpun KKPA	2020	Jambi	-	
		Batang Merangin Estate	2020	Jambi	ST-1	
		Batang Tembesi Estate	2020	Jambi	ST-1	
Langling Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified	
		Batang Gading Estate	2020	Jambi	-	
		Batang Gading KKPA (PT Satya Kisma Usaha)	2020	Jambi	-	
Sungai Bengkal Mill (PT Satya Kisma Usaha)	2015	Sungai Bengkal Estate	2015	Jambi	Certified	
		Sungai Bengkal KKPA	2015	Jambi	Certified	
		Muara Kilis Estate	2015	Jambi	Certified	
		Muara Kilis KKPA	2020	Jambi	-	
Bukit Kapur Mill (PT SMART Tbk)	2020	Bukit Kapur Estate	2020	South Kalimantan	ST-1	
		Sungai Cantung Estate	2020	South Kalimantan	ST-1	
Samsam Mill (PT Ivomas Tunggal)	2009	Samsam Estate	2009	Siak-Riau	Certified	
		Samsam Estate (HGU on progress – 29.09 Ha)	2020	Siak-Riau	-	
		Kandista Estate	2009	Siak-Riau	Certified	
		Kandista Estate (HGU on progress – 158.46 Ha)	2020	Siak-Riau	-	
		Palapa Estate	2009	Siak-Riau	Certified	
Libo Mill (PT Ivomas Tunggal)	2009	Libo Estate	2009	Siak-Riau	Certified	
		Nenggala Estate	2009	Siak-Riau	Certified	
		Nenggala Estate (HGU on progress 419.9 Ha)	2020	Siak-Riau	-	
		Sei Rokan Estate	2009	Siak-Riau	Certified	
		Sei Rokan Estate (HGU on progress – 102.7 Ha)	2020	Siak-Riau	-	

	Ujung Tanjung (PT Ivomas Tunggal)	2009	Ujung Tanjung Estate	2009	Siak-Riau	Certified
			Ujung Tanjung Estate (HGU on progress – 557.3 Ha)	2020	Siak-Riau	-
	Naga Sakti Mill (PT Buana Wiralestari Mas)	2010	Naga Mas Estate	2010	Kampar-Riau	Certified
			Naga Mas Estate (HGU on process – 253.39 Ha)	2020	Kampar-Riau	-
			Naga Sakti Estate	2010	Kampar-Riau	Certified
			Naga Sakti Estate (HGU on process – 59.79 Ha)	2020	Kampar-Riau	-
			Rama Bakti Estate	2010	Kampar-Riau	Certified
	Kijang Mill (PT Buana Wiralestari Mas)	2010	Kijang Mas Estate	2010	Kampar-Riau	Certified
			Kijang Mas Estate (HGU on process – 56.07 Ha)	2020	Kampar-Riau	-
			Kijang Kencana Plasma	2010	Kampar-Riau	Certified
	Ramarama Mill (PT Ramajaya Pramukti)	2010	Ramarama Estate	2010	Kampar-Riau	Certified
			Ramarama Estate (HGU on process – 318.76 Ha)	2020	Kampar-Riau	-
			Amartajaya Plasma	2010	Kampar-Riau	Certified
	Indra Sakti Mill (PT Meganusa Inti Sawit)	2011	Indra Lestari Estate	2011	Indragiri-Riau	Certified
			Indra Sakti Estate	2011	Indragiri-Riau	Certified
			Indragiri Plasma	2011	Indragiri-Riau	Certified
			Indrasakti Plasma	2011	Indragiri-Riau	Certified
	Bumipalma Mill (PT Bumipalma Lestari Persada)	2012	Bumi Lestari Estate	2012	Indragiri-Riau	Certified
			Bumi Palma Estate	2012	Indragiri-Riau	Certified
			Bumi Sentosa Estate	2012	Indragiri-Riau	Certified
	Sawita Mill (PT Sawitakarya Manunggal)	2018	Sawita Estate	2020	South Kalimantan	ST-1 April 2015
			Pamukan Estate	2020	South Kalimantan	
			Sawita KKPA	2020	South Kalimantan	
*)under construction						
There are revision of time bound plan, the justification from top management is:						
1. Pelakar Mill is still process on disclosure & liability by RSPO, while Bukit Kapur Mill doesn't have land use title (HGU), the HGU is still on process.						
2. Land use titles for Rantau Panjang Mill and its supply base are still on process						
3. Several associate smallholders (plasma) which refuses to follow the RSPO certification, but the management unit is still communicating with the plasma for the implementation of RSPO certification.						
4. Sawita Mill had conducted pre assessment RSPO on 2015 and Another entire Management Unit under PT Ivo Mas Tunggal has been RSPO certified.						
5. Sawita mill and sawita estate are still in process of HCV RaCP related to land clearing after November 2005 without preceeded HCV identifications.						

	<p>6. Rantau Panjang Mill and Estate Unit (Rantau Panjang Estate & Rantau Panjang KKPA) are still in the process of HCV Remediation and Compensation Plan (RaCP) related to land clearing above November 2005 without HCV Identifications. In accordance to RSPO requirements, if RaCP proposal not yet approved by RSPO Secretariat. Thus certification target will be postponed by year of 2020.</p> <p>7. Kilis KKPA as FFB Supplier to Sungai Bengkal Mill are still in the process of HCV Remediation and Compensation Plan (RaCP) related to land clearing above November 2005 without HCV Identifications. In accordance to RSPO requirements, if RaCP proposal not yet approved by RSPO Secretariat. Thus certification target will be postponed by year of 2019</p> <p>8. PT Kresna Duta Agro (Pelakar Estate, Batang Merangin Estate and Batang Tembesi Estate) was stage -1 audit in 2017. There are problem related to zero liability report to RSPO, was no response by RSPO secretariat. The main assessment postpone to 2019.</p> <p>9. When the stage -1 conducted on May 2015, there are boundary stones issues in PT Sinar Kencana Inti Perkasa (South Kalimantan). Reconstruction of boundary stones will be finished end of this year, the certification target postpone to 2019.</p> <p>Time bound plan revision</p> <ul style="list-style-type: none"> • There is revision of time bound plan on 1 October 2017 for HGU on process in PT Ivomas Tunggal (Samsam Estate 29.09 Ha, Kandista Estate 158.46 Ha, Nenggala Estate 419.9 Ha, Sei Rokan Estate 102.7 Ha, Ujung Tanjung Estate 557.3 Ha); PT Rama Jaya Pramukti (Ramarama Estate: 318.76 Ha); PT Buana Wira Lestari (Naga Sakti Estate 59.79 Ha; Naga Mas Estate 253.39 ha and Kijang Estate 56.07 ha). For this area is planned for audit on 2020 because waiting for HGU. • Revision on March 22, 2019 regarding HGU on process on PT Sumber Indah Perkasa, Sungai Buaya Mill & Sungai Merah Mill, Lampung province. Covered an areas for Sungai Merah estate (241.54 ha) and Sungai Buaya estate (73.71 ha & 26.18 ha). GAR has planned this HGU on process area to be certified on 2020.
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard
	Sungai Buaya Mill receive FFB from own estate and scheme smallholder. All supply base has been RSPO Certified.

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
RC	<p>1. Steve Mualim (Lead Auditor Witnessed). Indonesia citizen. Master of Environmental and Natural Resources Management. Has experience as an environmental management consultant in 2012 and sustainable palm oil assurance auditor since 2013. Has attended several trainings i.e.: supply chain, palm oil GHG emission, HCV management, ISPO lead auditor, RSPO lead auditor, labor and human rights issues, ISO 19011, ISO 9001:2008, etc. Has conducting several audit for RSPO, ISPO and MSPO scheme with expertise on best management practices, conservation and environmental management. Fluent in Bahasa and Chinese Mandarin. In this audit He conducted an assessment on Legal, land dispute and social aspect.</p> <p>2. Leonada (Lead Auditor Witnessing). Bachelor of agriculture for plant breeding and seed technology programme study, department of agronomy, faculty of agriculture in Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and sustainability in private company of Indonesian oil palm plantations and is currently working on independent certification bodies as auditor. Training have been followed are: training of Indonesian sustainable palm oil (ISPO) lead auditor, training of RSPO lead auditor, RSPO SCCS training, SA 8000, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, lead auditor ISO 9001; 2008, ISO 14001; 2005, training of management development program agronomy, training of analysis base solution for operation, training of integrated pest management (IPM), use of limited pesticides training, training management of waste pesticides and fertilizers, training mediation and conflict resolution, RSPO social and worker welfare training, general safety specialist training, health and safety management system (SMK3) auditor.</p> <p>3. Mohamad Amarullah (Auditor). Indonesian Citizen. Master of Wood Science and Technology and Bachelor of Forestry, majoring in Forest Product Technology. Has experience as an Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has attended several trainings such as lead auditor of ISPO, RSPO, ISO 17021, ISO 17065, ISO 9001, ISO 19001, SA 8000 Awareness, ISO 14001, HCV, SCCS, etc. Has conducting several RSPO, ISPO and MSPO audit scheme as an auditor and lead auditor with expertise on best management practices for estate and mill (BMP), environment, conservation, safety, legal, social and supply chain aspects. Fluent in Bahasa, Malay and English. At the time of audit, has verify aspect of transparency, environmental management and HCV aspects</p> <p>4. Hasiholan Sihombing (Auditor). Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&C Lead Auditor Course by Checkmark, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. He has experienced in various audit activities related to the certification system of sustainable palm oil plantation since 2016. During this audit, he assigned to verify best management practices, long term plan, and OHS aspects.</p> <p>5. Asystasya Aishah Silalahi (Auditor). Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, SCCS, and several in house training related to environmental, BMP, SA 8000, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verify Worker Welfare aspects and SCCS.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
RC	<p>Number of auditors : 4 auditor</p> <p>Number of days for RC at site: 5 days</p> <p>Number of working days for RC at site : 20 working days</p>
2.2.2	Assessment Process
RC	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the

	<p>PT Sumber Indah Perkasa to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and 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).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results RC delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.1).</p> <p>Improvement of findings from surveillance assessment findings were observed by auditors at this RC assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of RC.</p> <p>The assessment program please find Appendix 2.</p>
2.2.3	Locations of Assessment
RC	<p><u>Sungai Merah Mill (SMRM) – Wednesday, 10 April 2019</u></p> <ul style="list-style-type: none"> • Laboratorium. Observation and interview with 1 Laborant (Analyst) on his understanding towards technical, manpower, OSH, environment (hazardous waste management) aspect, as well as facilities provided by the company. • Workshop. Observation and interview with 1 Staff which also a first aider on his understanding towards technical, manpower, OSH, environment aspect, as well as facilities provided by the company. It was informed there are two Certified Welders in SMRM. • Chemical Store; Chemical Store and CaCO₃ Store. Observation and interview with 1 Store Keeper about his understanding towards technical, manpower, OSH, environment aspect, as well as facilities provided by the company. • Lubricant Store and NaCl Store. Observation and interview with 1 Store Keeper about his understanding towards technical, manpower, OSH, environment aspect, as well as facilities provided by the company. • Hazardous Waste Store. Observation of Store condition pursuance towards permit and applicable regulaitons related to environment aspect. • Effluent Treatment Plant. Observation of Effluent process, pumping machine and outlet system, as well as interview with 1 Operator on his understanding towards technical, manpower, OSH, environment aspect, as well as facilities provided by the company. • Loading Ramp (2 workers). Observation and interview with sortation personnel related to personnel understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria. • Sterilizer Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Press Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Boiler Station (2 workers). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Power House Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Kernel Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.

- Hydrant No. 06. Simulate the facility of emergency

Sungai Merah Estate (SMRE) – Wednesday, 10 April 2019

- Division 4 Block P46. Observation to legal boundary (BPN) Pole No. 26, situated in adjacent with Rice Field of Batuampar Village. Coordinate marked is S 04° 16' 56.14" and E 105° 37' 50.57" (Garmin GPSmap 62s).
- Division 2 Block F33. Observation to BPN Pole No. 11, situated in adjacent with PT Prima Alumga and KKPA Gedung Aji Baru of Sidomukti Village. Coordinate marked is S 04° 11' 44.33" and E 105° 35' 59.50" (Garmin GPSmap 62s).
- Division 7 Block J31 (planted in 2005). Observation to BPN Pole No. 13, situated in adjacent with Rice Field of Bandar Adi Jaya Village. Coordinate marked is S 04° 13' 54.53" and E 105° 35' 32.80" (Garmin GPSmap 62s). Decree of land Title (HGU) on this area has already released but HGU Certificate issuance was still ongoing
- Block S44 Division 3 (5 Pesticide Applicator). Observation and interview with the spraying workers related type of pesticides use according to the procedure, PPE, safe working practice, and also worker welfare.
- Block H52 Division 6 (3 harvester and 3 picker). Observation and interview with harvester related fruit ripeness, safe working practices and also worker welfare.
- Block H53 Division 6 (Barn Owl Nest Observation). To check nest condition.
- Block H53 Division 6 (Steep slope area and erosion pole). Field observations on steep slope area and management strategy for plantings on that area.
- Block D30 Division 5 (Peat Area). Observation peat area, water management, water level monitoring, piezometer monitoring and subsidence pole conditions and staff interviews on monitoring techniques.
- Agrochemical storage. Observation about storage condition, chemical stock, MSDS, and interview with worker about PPE, worker welfare, and OHS implementation
- Fertilizer storage. Observation about storage condition and interview with worker about PPE, worker welfare, and OHS implementation
- Fuel tank. Observation about tank condition, secondary containment, emergency equipment.
- Hazardous waste storage. Observation about storage condition, kind of hazardous waste, OHS implementation.
- Workshop. Observation about workshop condition, emergency equipment, and interview with worker about worker welfare, waste management, OHS implementation, and complaint mechanism.
- Working tool storage. Observation about storage condition, shower room for spraying worker, rack for PPE.
- Crèche. Interview with worker about worker welfare (working hour, basic wage), understanding about gender committee, reproductive rights, and facility for worker.
- Housing complex. Observation about housing complex and waste management
- Generator room. Interview with generator operator about worker welfare, social and health insurance, PPE

Gedung Aji Baru KKPA (13 April 2019):

- Block E06 Division 6 Sidomulyo (4 Pesticide Applicator). Observation and interview with the spraying workers related type of pesticides use according to the procedure, PPE, safe working practice, and also worker welfare.
- Block B09 Division 5 Sidoarjo (6 harvester and 5 picker). Observation and interview with harvester related fruit ripeness, safe working practices and also worker welfare.
- Block B09 Division 5 Sidoarjo (Barn Owl Nest Observation). To check nest condition.
- Block A78 Division 5 Sidoarjo (Manual Weeding – 4 workers). Observation and interview with the workers related to the procedure, PPE, safe working practice, and also worker welfare.
- Block C07 Division 6 Sidomulyo (HCV area). Field observation on HCV area related to management and monitoring HCV area.

Stakeholders visited :

- Sungai Sidang, Talang Batu, Tanjung Sari Village
- Statutory bodies in Tulang Bawang and Mesuji Regency
- Internal stakeholder (worker union, gender committee, worker cooperative)

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
RC	<p>Consultation of stakeholders for PT Sumber Indah Perkasa held by:</p> <ol style="list-style-type: none"> 1. Public announcement at web www.rspo.org and Mutuagung website on 20 February 2019. 2. Public consultation with government agencies of Mesuji and Tulang Bawang Regency conducted by visit and interview on 8 April 2019. 3. Public consultation by interview with locals of the surround village (Sungai Sidang, Talang Batu, Tanjung Sari Village) on 10, 11 and 12 April 2019. 4. Consultation meeting and interview with Internal Stakeholder (worker union, gender committee and local contractor) on 9 April 2019. 5. Consultation with NGO (Sawit Watch, WWF, Walhi and AMAN) via email on 29 March 2019. <p>Numbers of input from stakeholders were clarified by PT Sumber Indah Perkasa.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-1.1) will be determined eight to twelve months after date of certificate (April 2020).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Sungai Merah POM – PT Sumber Indah Perkasa operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were no Nonconformities were assigned against Major Compliance Indicator raised; no nonconformity were assigned against Minor Compliance Indicators raised; and no nonconformance against supply chain requirement for CPO mill raised and one (1) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Sungai Merah POM – PT Sumber Indah Perkasa 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); 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 for CPO Mill); and RSPO Certification System for Principles and Criteria, June 2017 (Endorsed by the RSPO Board of Governors on 14th of June 2017).

Therefore Auditor of MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is *Issued*

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>Each unit has list of stakeholders which updated by Sustainability Palm Oil (SPO) Officer annually and approved by Unit Manager. Detail of stakeholder on each unit is presented on checklist. For exsmple, list of Sungai Merah Mill (SMRM) Stakeholder dated 02 January 2019 is consist of 3 community elders, 9 government representatives, 1 labour union representative and 1 gender committee representative. Furthermore, list of Sungai Merah Estate (SMRE) stakeholder dated 12 February 2019 is consist of 1 community elder, 12 government representatives, 1 suppliers (contractors), 2 labour union representatives and 1 gender committee representative.</p> <p>Procedure of information response is presented in document No. SOP/SOP/SMART/LH-01 dated 01 July 2010, while procedure of communication and consultation is presented in document No. SOP/SMART/UMUM/SADV/II/004 dated 01 July 2014. Socialization of procedure has conducted directly to all stakeholder on July 2014. Procedure mentioned that all information requested shall be responded less than one month and managed by SPO Officer which supported by Head of Administration (KTU) on each unit. Among information which could be accessed as approved by SPO Officer and Unit Manager on 23 January 2019 are list of employees, NPWP, PBB, government retribution, environment document (AMDAL), Company Acta, High Conservation Value (HCV), Social Identification, community building and CSR program, Land Title (HGU), OSH Committee (P2K3) report, RSPO Audit report, Human Right Policies, several procedures, complaint and grievance records and environment matters (RKL/RPL), etc. Based on interview with Manpower and Transmigration Agency, Environment Agency Agriculture Agency and National Land Agency of Tulang Bawang Regency, it was known that the company is considered transparent and cooperative in providing related informations and several compulsory periodic reports.</p>	
1.1.2	<p>SPO Officer has responsibility to identify and planning the necessary information and thus be communicated and response plan to stakeholders, included archives filling. Response to incoming information request is not later than three weeks after date of receipt. Response or information delivery shall be with receipt evidence. Furthermore, procedure of document control towards time of storage period is presented in document No. SOP/SPO/SMART/LH-02 dated 01 July 2010 which</p>	

mentioned that filling towards information request and its responses will be kept by SPO Secretariat for about five (5) years. Exclusively for information related with social aspect, Regional Controller (RC) or Production Controller (PC) has appointed a Social Officer through Decree of PC/RC No. 010/TM- LAMPUNG/VIII/2018 dated 01 August 2018 for SMRM; No. 04/SK-RCLAMPUNG/I/2019 dated 02 January 2019 for SMRE; and No. 12/SK-RCLAMPUNG/X/2017 dated 02 October 2017 for GABA.

Information request is recorded on Incoming and outgoing communication logbook for period 2018/2019. Based on review of this document in all units which informed number and date of incoming request letter and number and dated of outgoing response letter, it could be concluded that all information requested from stakeholders were response less than one month. Furthermore, unit management has monitor and records several compulsory periodic report to government institutions, for example as follows:

- Quarter 4 P2K3 report and P2K3 structure approval of SBYE to Manpower Agency are shows through Letter P2K3/SMK3-SMRE/I/2019/04 dated 28 January 2019 and No. 0330/SPO-mt/I/2019 dated 31 January 2019, respectively.
- Fire monitoring report of PT SIP to Agriculture Agency shows through report No. 01/D&L-PT.SIP/I/2019 dated 15 January 2019.
- Quarter 4 period 2018 report of RKL/RPL of GABA to Environment Agency is shows through Letter No. 028/PD-SMRM/RKL-RPL/I/2019 dated 04 February 2019.
- Land application report of SMRM Semester 2 period 2018 to Environment Agency is shows through Letter No. 036/PD-SMRM-LA/I/2019 dated 04 february 2019.

Based on interview with Manpower and Transmigration Agency, Environment Agency Agriculture Agency and National Land Agency of Tulang Bawang Regency, it was known that the company has deliver compulsory periodic report on-time.

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

Procedure No. F/SMART/UMUM/SADV/004/005 (Rev 0.0) dated 01 July 2014 mentioned that several informations that could be accessed by external stakeholders are: forest conservation policy (FCP), social and community engagement policy (SCEP), free prior informed and consent (FPIC), social conflict resolution procedure, grievance management procedure, consultation and communication procedure, smallholder development procedure, company social responsibility (CSR) procedure, stakeholder engagement procedure, high conservation value (HCV) identification report, social impact assessment (SIA) report and high carbon stock (HCS) report. Apart from those documents, stakeholder need approval from related top management before released to public. Based on interview with related agencies in Mesuji Regency and documents review, it could be concluded that the company has socialized information that publicly available to related stakeholders. The company is able to shows several evidence of applicable Indonesian regulation pursuance, for example, in term of legal aspect, the company has a suitable land title and business permit which were in accordance with actual condition. This matter is further detailed explained in Indicator 2.2.1. Furthermore, in term of environment aspect, the company has an environment document (AMDAL), as well as its management and monitoring plan (RKL/RPL) report. Furthermore, several requirement such as land application permit, hazardous waste store, zero burning implementation, etc. has also comply with applicable regulations. Moreover, in term of manpower aspect, the company has implementing minimum wages for period 2019, covering off all employees by BPJS Manpower and BPJS Health scheme, supporting labour union, committee gender, etc.

Status: Comply

1.3

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

1.3.1

Company code of conduct towards business ethic is presented in document of "*Kebijakan Sosial dan Lingkungan*" or Social and Environment Policy issued by Head of Upstream, Executive Director and Chief Finance Officer, Chief Executive Officer (CEO) Downstream and Commercial, managing Director of Sustainability and Strategic Stakeholder Engagement on 08 September 2015. In unit level, the policy has also presented in Business Ethic Policy dated 02 January 2015. Latest

socialization on this matters to all workers, surrounding communities, contractors and other stakeholders has conducted by unit management for example on 23 March 2019 for SMRM, 21 February for SMRE and 24 January 2019 for GABA. Attendance Form of socialization is available. Socialization has also conducted through signboard which installed on strategic area (Office Division, Emplacement and Estate Fields).

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 & 2.1.2

Company has list of updated applicable Indonesian laws/regulations, international laws or conventions which adopted as reference for oil palm estate and processing process activities, and its classified based on several aspects such as land permit, OHS, Environmental, HCV, labor and manpower, social, and etc. Based on document review, it consist of about 254 items of laws and or regulations were related. There were additional regulations on February 2019 such as follows :

- Regulation of the Minister of Environment, PermenLH no 5/2018 regarding competency certification for waste water treatment plant PIC
- Regulation of the Minister of Environment, PermenLH no 5/2018 regarding competency certification for waste water treatment plant PIC

In term of environment aspect, the company shows several applicable regulations pursuance, for example delivery of several compulsory report to Environment Agency has been carried out on-time, such as for semester RKL/RPL, quarter Land Application Report and quarter Hazardous Waste Report. Furthermore, in term of conservation aspect, the company has deliver flora and fauna identification report to Conservation and Natural Resources Board (BKSDA) of Lampung Province on 31 January 2018 and to Forestry Agency of Lampung Province on 27 March 2018.

Legal aspects

PT Sumber Indah Perkasa shown compliance related law and regulations in permit, license, and plantations aspects for examples by :

- Having Land rights i.e of Land Use Title, location permit and plantation business permit for the activities of oil palm plantation and palm oil mills accordance Plantation Act No 39 year 2014 and Regulation No. 5 on 1960 regarding "Dasar Pokok Agraria" (refer to criteria 2.2)
- Gedung Aji Baru KKPA, are managed under KUD Krida Sejahtera and PT SIP. Regarding this KUD Krida Sejahtera already has "Akta Pendirian koperasi KUD Krida Sejahtera" and "Surat Izin Usaha Perdagangan"
- Regular report regarding land usage to National Land Agency in accordance with Agrarian Ministry Regulation No 7/2017.
- Furthermore, Based on information from management, surrounding local communities (Sungai Sidang, Talang Batu and Trirejomulyo), as well as review on PT Sumber Indah Perkasa hectare statement it could be concluded that there is no expansion and new planting conducted by company since ASA-4.

2.1.3 & 2.1.4

Mechanism to law register updating and implementation has been established and listed on procedures "*Pemenuhan peraturan & persyaratan lainnya*" (SOP/SMART/UMUM/SADV/II/002). This procedures has describes information of laws and regulations, identification of requirement, updating mechanism, updating PIC, and etc.

SPO officer has responsibility for updating law register and evaluate company compliance regarding the applicable laws/regulations. The last evaluation/internal audit for regulation compliance were conducted on February 2019 by SPO officer, and history for all law register changes from 2018-2019 were available on each unit.

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

Sungai Merah Mill and its supply base (GABA) has the land rights i.e Land Use Title (HGU & HGB) and for an area of **4046.01 ha** hectares which consist of 3 certificate :

- HGU certificate No 37, dated November 26 1996, valid until December 31 2027 for area of 2088.13 ha
- HGU certificate No 38, dated November 26 1996, valid until December 31 2027, for area of 1899.68 ha
- HGB certificate No 62, dated March 25 2000, valid until September 24 2029, for area of 58.20 ha

And company also have land title (SHM) for an area of 4483 ha for GABA. Meanwhile there is about \pm 38 ha previous certified area covered GABA that still have not SHM / land title, regarding this company has shown progress of completion to related agency. Company also has recapitulation of SHM for GABA KKPA, and copy of each SHM were available.

There is different about 15.30 ha between total plasma area SHM existing / SHM on progress on GABA and total plasma certified area on basic info i.e 4521 ha vs 4505.75 ha, this because plasma area (15.30 ha) on GABA were streaked and included on National electricity grid line.

For this RE-cert assessment, the scope of certification only 8551.76 ha because there is an area has not HGU yet on SMRE. The progress of land tanure was field inspection by BPN on October 2018 and based on inspection is known that proposed area were not included in forest area. The progress of land tanure for area that not has HGU has been included on partial certification.

Interview with communities and government agencies shown that PT SIP did not conduct any expansion of operation area since last assessment ASA-4.

2.2.2

Company has boundary stone monitoring and management procedures listed on procedures SOP/SMART/CERS-EHSD/SADV/II/004, 1 July 2014. Sungai Merah estate unit shown list and map of boundary stones from National Land Agency. Based on the data, there are 65 boundary stones in Sungai Merah estate. Management unit have conducted monitoring of boundary stones once month. The monitoring results for 2019 shown that all boundary stones in certification scope are well and maintained condition.

Field visit in Sungai Merah estate shown that Boundary pole No 26 and pole No 11 are well-maintained and the boundary stones position are in accordance with coordinates.

2.2.3; 2.2.4, 2.2.5 & 2.2.6

The consultation results with communities (Sungai Sidang, Talang Batu, and Trirejomulyo) found there is no land dispute / conflict between the company and communities until now. This is also in line with the results of interviews with surrounding communities and related agencies during a public consultation, which stated that there were no land conflicts in the company's HGU.

Field visit and document review of external compalints logbook also show that there was no dispute / land conflict in operation area of PT SIP. The company has develop procedure for conflict resolution SOP/SMART/SENS-CSR/SADV/II/002 which mentioned that if dispute occur, conflict resolution must involve the stakeholders.besides that GAR as parent of PT Sumber Indah Perkasa has also develop GAR Social and Evironmental policy on 2015, which stated that We categorically reject the use of violence in any dispute by any parties. Based on interview with Sungai Sidang, Talang Batu, and Trirejomulyo stakeholders also acquired information that company were not hiring any private military contractors to intervene or intimidates local community right if any dispute are occurs.

Status: Comply

2.3

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

2.3.1, 2.3.2, 2.3.3, 2.3.4

Sungai Merah estate and GABA KKPA do not conduct any new development or any expansions since ASA-4. FPIC process for operational areas development were listed on procedures "*Penerapan PADIATAPA*" SOP/SMART/SENS-CSR/SADV/II/003 on 2014. This procedures explained FPIC process applied during the development of oil palm plantations and / or factories on new permits and existing permit.

Interview with previous land owner on Sungai Sidang and Talang Batu villages acquired information that on development for operational areas PT Sumber Indah Perkasa do not diminish any local traditional right / legal right, and compensation

was done based on mutual agreement.

The last land compensation were conducted on 1990 and since that moment company do not conduct any new expansion. Records of land compensation evidence were verified by the auditor and company has the recapitulation of the results of the inventory of community land, a statement of release of land rights, and a receipt for compensation.

Status: Comply

PRINCIPLE #3 Commitment to long-term economic and financial viability
3.1

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

3.1.1

The company has documents on the long-term plan contained in the PT Sumber Indah Perkasa Feasibility Analysis period 2019-2023 that explain about business plan and operational management which includes: area statement, quality of planting materials, projections for production, CPO, PK, Revenue CPO and PK, cost estates, mill costs, purchase of plasma FFB, profit and loss, and net profit and loss.

Annual planning also evaluated at the end of year and compared with realization. It annual planning can be adjusted based on field condition, financial condition or another reason. The management plan already consider planting material and flooding issue based on drainability assessment.

3.1.2

The company has a replanting plan for PT SIP for the period 2019 to 2036 which was approved by Regional Controller Lampung on 4 September 2018, described in the following table:

Year	SMRE	GABA
	Ha	Ha
2019	612.75	-
2020	1,097.63	-
2021	654.29	1,734.25
2022	572.65	1,134.50
2023	-	789.00
2024	-	848.00
2025	-	-
2026	-	-
2027	410.91	-
2036	244.78	-

There is yearly review about replanting realization and implementation. Sungai Merah Estate has shown documentation of the implementation of replanting activities that began in 2018, covering an area of 569.61 Ha.

Status: Comply

PRINCIPLE #4 Use of appropriate best practices by growers and millers
4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

PT Sumber Indah Perkasa has documents of SOP Technical of Oil Palm Cultivation starting from land clearing up to harvesting, approved by SMD Ops and entered into force on 12 June 2012. The SOP documents among others about planning of new area planting, replanting plans, nurseries, land clearing, planting, replanting, pest and disease control, weed control, fertilization, maintenance of immature plant, preparation ahead of harvest, harvesting, loading and transportation of FFB. The Oil Mill has SOPs covering all mill operations such as FFB Grading, Sterilization Station, Press Station, Threshing Station, Oil Room, Kernel Plant, Laboratory, CPO & PK Despatch, Engine Room, Boiler Room, Electrical, Workshop as well as Raw and Boiler Water Treatment Plant. That SOP's is available on audit site (Estate and Mill office) and written in a language that is easily understandable for workers (written in Bahasa).

Interviews were conducted to harvesters, pesticides applicators, and manuring workers in SMRE and GABA and also

operators in SMRM. Based on the results of interviews can be concluded that the workers understand the duties and responsibilities of their work in accordance with the applicable SOP.

The entire procedure both of plantation and mill has been included of safe working instruction, other than those described in the HIRAC document.

4.1.2 and 4.1.3

The company has a procedure associated with operational internal audit in the SOP No. SOP-ISCC/IMT/OIA. The SOP approved by VPA and VPM, entered into force on 1 July 2011. Ensuring consistency of procedures implementation, the suitability and effectiveness of the procedure, suitability with regulatory updates and best practices, the companies routinely conduct internal audit activities both agronomic and processing. It is held by the Department of Operational Internal Audit (OIA) every semester. The records of internal audit on second semester of 2018 has been documented. Non compliance records of internal audit has been corrected and verified by management. Internal audit also check and monitoring the performance of contractor related to compliance to company procedure. There is no revision of SOP at the recertification assessment. In each SOP, there is page of document control that record the revision if any.

Each unit has documented the operations of the estate and mill production such as daily reports, supervisor workbooks, etc. The field visit at the mill shows that the unit has been documenting the daily activities in a daily production report that documented by using computerized systems.

4.1.4.

The company has FFB purchase from other sources on the software program (SMAWEB) dated 31 May 2016. This procedure explains about determination of FFB suppliers, FFB received and grading, payment, reporting and monitoring. The purchase of FFB is carried out by the purchasing department by referring to the existing procedures. The company has daily, monthly, and yearly records for the amount of FFB received by Sungai Merah Mill.

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 of Manuring (SOP/SMART/MCAR/IX/TA-PPK) to maintain soil fertility. The SOP approved by SMD Ops on 12 June 2012. The company has conducted soil sampling units and leaf sampling units (SSU/LSU), manuring activities, POME applications, and ground cover maintenance in accordance to maintain soil fertility.

SMRE and GABA can show documents on the realization of anorganic fertilization and EFB applications for 2018. The auditor conducted an interview with the fertilizer workers at SMRE and GABA. Fertilization is done manually. Workers can also explain the fertilization procedure well, which is in accordance with the dosage determined based on the recommendations.

4.2.2

Sungai Merah Estate and Gedung Aji Baru Plasma shown the plan and the realization of fertilization for period January to December 2018. Based on document review and interview with the staff, the realization of fertilization in both estates reach 100% completed according to the program.

4.2.3

The company has routinely monitored the changes on the nutrient status based on the regular soil sampling unit (SSU) and leaf sampling unit (LSU) analysis to determine fertilizers recommendation. The sampling spot has been determined in each division and block routinely by SMART Research Institute (SMARTRI) and it's supported by well-trained census officer in each estate. SSU is conducted every 5 year for trees with age of 3, 8, 18 and 23, meanwhile LSU is conducted annually. The last LSU result was issued on April 2018 and the last SSU result was issued on December 2018. Visual observations performed every year at the time of leaf analysis activities. Visual observation is a consideration in determining the fertilizer recommendations, deficiency of nutrients and analyze the potential of disease which is likely to become endemic of a particular disease.

Result of soil and leaf analysis published recommendation on fertilizer doses to produce an optimal production of palm fruit. Principles of fertilization are giving treatment on the ground to produce the nutrients required by palm and generating optimal results.

4.2.4

The company has a strategy of recycling nutrients, such as the use of the frond (pruning), application of effluent and EFB Mulching. It shows a recording of the EFB applications realization in 2018 on SMRE. Overall, the company has made efforts to maintain and improve soil fertility. Visually, there is no symptom of nutrient deficiency at the blocks that have been visited. The company also use of the palm residue after replanting.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1 and 4.3.6

The company has a soil suitability map report issued by Plantation Monitoring and Planning Division which included a description of the soil types, topography, soil texture, drainage condition, land suitability level, and the limiting factor. The map is available on a 1: 70,000 scale. Soil types in SMRE such as typic haplohemist, endoaquults, hapludults, dystrodepts, udipsomments, plinthudults, and endoaquepts. This type has a texture of peat soil, sandy and sandy clay with land suitability values in the S2 and S3 classes. The limiting factors are soil texture, drainage, topography, and water availability. To overcome those limitation factors, several strategies has been conducted, such as providing extra organic fertilizer (empty fruit bunch) at a dose of 40 tons/ha, soil compaction, hole in hole planting and water management through installation and maintenance of field drain system with 1:16, 1:8, 1:4 or 1:2 patterns (depend on field conditions), as well as water level, water table and peat subsidence monitoring. Furthermore, in order to enhance soil fertility level, application of fertilizer towards leaf and soil analysis has also conducted by SMARTRI Agronomist.

4.3.2

Based on semi-detail survey report conducted by PMNP, the slope levels range between 0–40%. The slope levels between 21–40% is found 127.10 Ha in SMRE. Planting strategy for areal with slope levels 21–40% was U-shape frond stacking methods, conserving of fern (*Nephrolepis bisserata*) to keeping the soil moisture, and EFB application to enrich organic material contents in soil and reducing run off risk in rainy season. The company had a guidance related to plant in slope area as follows SOP New Planting Planning (No. Doc. LAMP//TA-PPA/02 - Classification of Tilt and Terraces Requirements), Working Instruction for Individual Terrace (SOP/SMART/MCAR//TA-PPA) and Working Instruction for Contour Terrace (IK/SMART/MCAR//TA-PPA/03). Field observations in block H52 SMRE and block B09 GABA shows that the company has realized the U-shape frond stacking methods and conserving of fern (*Nephrolepis bisserata*) to keeping the soil moisture.

4.3.3

The company shows a road maintenance program for the 2018 and 2019 period. SMRE and GABA have classified roads based on their conditions (good, medium and heavy). From these data the company made priority programs in road improvement. For example, the realization of road improvements SMRE has reached 199,533 meters on 2018 and GABA has reached 289,145 meters.

Based on field observations throughout the audit activities, it was concluded that the road conditions on SMRE and GABA were in good condition and could be passed.

4.3.4

Procedure on peat management has presented in SOP of planning on new planting area and SOP of new land clearing. Both procedures mentioned that in order to minimize peat subsidence and peat over drain, water level management on 50-70 cm, water table monitoring through piezometer, peat subsidence poles monitoring, watergate installation and drains or canals desilting were compulsory to be conducted. According to document reviews, it could be concluded that the company procedures has adopt RSPO manual on BMPs for existing oil palm cultivation on peat 2013. Moreover, Indonesian regulations related to peat management such as Indonesia Forest Moratorium 2011, Presidential Decree No. 32/1990 and Minister of Agriculture Decree No. 14/2009 were also adopted.

SMRE has subsidence monitoring poles of 72 compliance points. The company shows the results of monitoring subsidence poles from January 2018 to March 2019. Monitoring of subsidence poles is done every 1 month. From the results of the monitoring, various results were obtained. For example, in block D30 SMRE from January 2018 to March 2019 there is a land surface decrease of 0.5 cm. In general, the results of monitoring subsidence poles concluded that there was no significant land subsidence. This is because water conditions are well maintained.

SMRE can show water level and piezometer monitoring documents from January 2018 to March 2019. The average water table is maintained in 40 cm below ground surface. Monitoring of water table is carried out every 1 week. At the time of visit in block D30 SMRE, water table measured were about 30 cm below ground surface. Moreover, soft grasses has looks maintained to retain soil moisture on the field.

4.3.5

The company has demonstrated the assessment of the drainability assessment of oil palm plantations of PT Sumber Indah Perkasa. Based on the results of the study conducted can be concluded several points, namely:

- The drainability assessment activity at PT SIP is done by approaching condition analysis of peat characteristic and drainage/hydrological condition with study area boundary of HGU SIP Area
- The drainability assessment in PT SIP is done by approaching rainfall data analysis, distribution and channel dimension, river network, ground water level and zonation of water governance. For water management zonation in PT SIP is divided into 33 zones. Available zonation maps of water governance and flow direction of PT SIP.
- Projected future peatland drainage conditions related to the viability of oil palm plantation activities in PT SIP are conducted with an analysis Drainage Limit Time (DLT) approach each zonation. In total there are 17 ZTA in which there is a peatland area. Referring to the results of the analysis, all ZTA can be replanted because it has a DLT value > 40 years (two crop cycle threshold).

The main drainage problems that occur in PT SIP are the water supply (water supply), the loss of water (water loss) and overcapacity or flood. Water resources management and drainage problem solutions are carried out by (1) operational water management and (2) drainage problem solution (through channel maintenance and infrastructure development for water management).

Status: Comply

4.4

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

4.4.1

Program of identified water sources within PT SIP Sungai Merah Unit is presented in AMDAL document, i.e. preventing leaking and infiltration of effluent in effluent plant and land application area, periodic monitoring on water quality toward parameters required by applicable regulations. For example, result of water quality monitoring for 2nd Semester in 2018 which conducted by Environment Laboratory of PT KehatiLab Indonesia, is presented as follows:

- **Ground Water Quality:** There are 11 parameters tested in 5 monitoring wells which refers to Minister of Health Regulation (*Permenkes*) No. 32 in 2017. For example, value of BOD are less than 8.00 mg/l with pH ranged from 6.94 to 8.00.
- **Water Quality of Pidada River for SMRE and Pidada River for Plasma Area.** There are 5 physic paramters, 30 chemical parameters and 2 microbiology parameters tested in Tapa or Buaya River and Pidada River on upstream and down stream as refer to Government Regulation (PP) No. 82 in 2001. According to the testing results, it could be concluded that the company activity has not affect the value of parameter, for example BOD in Piiver in SMRE area and Plasma area at the upstream and downstream were less than 3.00 mg/l while COD in both rivers were less than 25.00 mg/l.

Based on information from Environment Agency of Mesuji Regency, as well as Head Village of Trirejomulyo, Talang Batu and Sungai Sidang, it was known that there is no negative issues related to clean water accessibility, in term of quantity supply and quality.

4.4.2

As mentioned in Indicator 4.4.1, it was known that there is 1 river on SMRE and Plasma area namely Pidada River. Water resource management has revers to procedure No. SOP/SMART/BCOS-EHSD/SADV/I/004 dated 01 July 2014. Monitoring of water quality testing is explained in Indicator 4.4.1. Based on field observation overview, it was known that riparian area is satisfactory preserved through marking by red paint around 50 m from water body and installed by several signboard informed prohibition of agrochemical application, hunting, electric fishing and poisoning.

4.4.3

There is effluent Plant (IPAL) in SMRM. The company has implementing land application by palm oil mill effluent (POME) with permit No. 660/299/III.7/TB/XI/2016 dated 07 November 2016, valid for 5 years. Monitoring of effluent outlet is conducted on monthly basis as refers to the Decree of Minister of Health (KepmenLH) No. 29 in 2003. Nine parameters measurement and analysis is conducted by Laboratorium of Environment Agency (LP-833-IDN) in Bandar Lampung. Based on the Table above, it could be concluded that testing results were less than the detection limit indicated (pH 5-9 and BOD <5,000 mg/l). Based on observation to Effluent Plant and land application area in Division 3 Block S43 SMRE, it was found that flowmeter was well functioned and there were no spills to the land. Treated effluent was distributed to the permitted areas. Furthermore, there is no issues from stakeholders related to land application.

4.4.4

PT SIP has permit of water resources usage (mining) for oil palm processing which presented in Decree of Minister of PUPR No. 513/KPTS/M/2017 dated 27 July 2017, valid until for five (5) years. Total volume permitted is 8.9 llt/sec or 23,068.80 m³/month in 24 hours/day. According of water usage records, it was known that water usage in PT SIP is less than permitted volume. SMRM is able to shows water usage for oil palm processing from April 2018 to March 2019. According to the record, it could be concluded that average water used ratio for oil palm processing in 2018/2019 was about 0.97 m³/ton FFB. The figure was still below company budget which projected about 1.00 m³/ton FFB. Furthermore, based on field observation to WTP station in SMRM, it was found that flowmeter for domestic and processing (in Boiler Station) purposes were in good condition. Record of flowmeter is available and shown by Operator during observation.

Status: Comply

4.5

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

4.5.1

The activity budgeted on the program were consist of detection, census and monitoring of pests and diseases attack, biological control such as barn owl nest installation and planting of beneficial plants. According to IPM activity records for January to December 2018 such as program and realization of rat census, leaf eating caterpillar census, and termite census, it could be concluded that all the census results were still under its economic threshold. There is no invasive species attack. This may lead to zero use of pesticides for pests and diseases control. It could be concluded that IPM techniques implemented by biological methods is effective to control pests and diseases, and also to minimize the use of chemicals. Furthermore, according to pesticides used record in 2018, agrochemical uses was only implemented for weeds control purposes. Based on field observation on harvesting, spraying and manuring activities, it was concluded that there were no significant pest attacks. This is in accordance with the result of the census.

The company has a good commitment to improve the use of pest natural predator as part of integrated pest control. One of natural predator development is the reproduction and the construction of barn owl box as a mechanism to control rat. It monitoring barn owl box occupation at least once a month. The monitored parameter are the existing of barn owl in the boxes, left food, and sign of reproduction such as egg or owl. Currently, there are total 310 barn owl boxes in SMRE and inhabited 269 barn owl boxes.

4.5.2

The company has records of the training implementation for workers who are involved in the implementation of integrated pest management, for example, Integrated Pest Management training on 15-16 February 2019 with the number of participants are 64 employees consisting of census operators, supervisors, and field assistants. Based on interview with the workers revealed that the workers understand the method of plant pest and diseases census or detection.

Status: Comply

4.6

Pesticides are used in ways that do not endanger health or the environment
4.6.1

The company has SOP and work instruction on weeds management, the guidance covering about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case. To ensure pesticide used are in accordance with the target, company conducted identification the type of weed found in operational area.

Based on field visit and interviews with 5 pesticide applicators in Division 3 SMRE and 4 pesticide applicators in Division 6 GABA, it was concluded that workers knew about the function of the chemical used and selective when doing the spraying activity, as for example for glyphosate material used to spray the circle and harvesting path only while the weeds in inter row not sprayed. The company used *Isopropil amina glyphosate* and *Metil metsulfuron* which have received permission from the government. Based on document verification and observation to pesticide storage, there is no prohibited chemicals use.

4.6.2

The company has documented records of pesticide toxicity in the document of Monthly Pesticide Toxicity Data. The document is recorded product name, active ingredients, LD₅₀, area treated, amount of active ingredients applied per Ha, and total application. This document is constantly recorded and updated by Estate Sustainability Officer each month.

4.6.3

PT SIP has program to reduce the pesticide usage by replacing pesticides with biological controls such as using natural predators to control rat and planting the beneficial plant. Based on document review and field observation, several IPM program with biological approach that has been implemented such as rat control by *Tyto alba* and leaf eater caterpillar by planting beneficial plant such as *Turnera subulata* and *Casia cobanensis*. Moreover, it has also conducted early detection routinely listed in the monthly report of early warning system. There is no prophylactic use. In 2018, the company does not use pesticide for pest control at all.

4.6.4

On the August 2015, President Director of SMART Tbk issued a memorandum not to use paraquat in 2016. Regarding to Pesticides that are categorized as WHO Class 1A or 1B, there is Social and Environment Policy that stated minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances. Based on document verification and field visit to pesticide storage, there is no paraquat and WHO Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions application from January 2018 until March 2019.

4.6.5; 4.6.7 and 4.6.9

The results of field observation in warehouse and interview with pesticide applicator in Division 3 SMRE and Division 6 GABA, it is known that the employees have been given regular 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. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse.

The pesticide applicator also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as respirator mask, gloves, safety shoes, apron and googles. In addition, employees are also informed about the steps of secure work in each roll call in the morning before work. Meanwhile, the spraying workers interviewed also claimed that after spraying they will be washing up and drying up the PPE and spraying tools (sprayer tank, jerry, etc), and taking shower/changing clothes in special place near pesticide store of the division office. Therefore, based on field observation to mixing area in SMRE and GABA, that known there are storage for keeping all PPE's and spraying tools after use.

Pesticide operators bring their food to the field. The method to minimize the risk of negative impact is to provide a special storage area in the spray truck that is separated from the chemicals and provide clean water to clean hands before eating their food. The location of the place to eat is also set far from the area being sprayed.

4.6.6

Procedure of agrochemical management included used pesticide containers is presented in document No. SOP/SMART/LEMS/EHSD/SADV/II/006 dated 01 July 2014 and document No. SOP/SMART/MCAR/VIII/TA-PGM dated 01 July 2014. Procedure mentioned that Head of Chemical Store Keeper should arrange placement and expiry of chemicals stored. Empty used container then to be delivered to Hazardous Material Store or turning back to agrochemicals supplier. Furthermore, procedure of hazardous waste management is presented in procedure No. SOP/SMART/LEMS-EHSD/SADV/II/002 dated 01 July 2014, which covers hazardous waste inventarization, Store permit, program of hazardous waste management, implementation, evaluation, recording and administration. Moreover, specific used pesticide container management is also arranged on work instruction No. IK/SMART/LEMS-EHSD/SADV/002/001 dated 01 July 2014, which mentioned that all used containers shall be three times rinsed and recorded as hazardous waste or to be reused. Used rinsed water kept on the receptacle.

Record of used agrochemical containers delivery from Estate to Hazardous Waste Store, record of delivery to licensed collector PT Primanru, as well as its manifest is available and presented in RKL/RPL report. For example, delivery of 547 kg contaminated used agrochemicals containers to PT Primanru is presented in Manifest No. BC 006988 dated 15 February 2019 by vehicle No. B 9311 QT. Furthermore, based on observation to agrochemicals (pesticide) Storage in SMRE and MSJA, it was found that all pesticides has placed properly by store it into limited access room, placed has arranged separately, has a correct risk identification symbols, FIFO method, material flows record (balance sheet) and suit MSDS were available, proper and monitored PPE, first aid box and fire extinguisher were provided. Furthermore, based on observation to Hazardous Waste Store, it could be concluded that hazardous wastes had stored in the permitted Place. Balance of hazardous waste record and manifest were available during the audit. Hazardous waste were next to be sent to licensed collector, namely PT Primanru Jaya. Furthermore, store condition were equipped with MSDS, eyewash, shower, alarm, first aid kit, PPE, fire extinguisher and oil trap. Moreover, based on observation to housing complex in SMRE housing area, it was known that there were no used pesticides container for household purposes such as garbage basket and plant pot.

4.6.8

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

4.6.10

Procedure of agrochemical wastes management is presented in document No. SOP/SMART/LEMS/EHSD/SADV/II/006 and document No. SOP/SMART/MCAR/VIII/TA-PGM dated 01 July 2014. Procedure mentioned that Head of Chemical Store Keeper should arrange placement and expiry of chemicals stored. Empty used container then to be delivered to Hazardous Material Store or turning back to agrochemicals supplier. Furthermore, procedure of hazardous waste management is presented in procedure No. SOP/SMART/LEMS-EHSD/SADV/II/002 dated 01 July 2014, which covers hazardous waste inventarization, Store permit, program of hazardous waste management, implementation, evaluation, recording and administration. Moreover, specific used pesticide container management is also arranged on work instruction No. IK/SMART/LEMS-EHSD/SADV/002/001 dated 01 July 2014, which mentioned that all used containers shall be three times rinsed and recorded as hazardous waste or to be reused. Used rinsed water kept on the receptacle, and then used for pesticide mixing. Training or refreshment on pesticide waste management (solid and liquid) and MSDS has conducted regularly through muster morning and socialization for example in 30 January 2019 and 10 November 2018, respectively.

Solid waste from pesticide were placed on the Permitted Hazardous Waste Store (TPS LB3), as follows:

- Permit of TPS-LB3 for SBYE, GABA, SMRM and GALA is presented in Decree of Environment Agency Head No. 660/190.a/V.TB/V/2017 dated 29 May 2017, valid for five years (2022).
- Permit of TPS-LB3 for SBYM, MSJA and SMRE is presented in Decree of Environment Agency Head No. 660/02/LBBB/IV.14/MSJ/2017 dated 14 December 2017, valid for five years (2022).

Based on observation to Pesticide Store in Housing area of SMRE and GABA, it was known that the company has provide special mixing area and catchment of used contaminated/rinsed water to be reused on the next mixing.

4.6.11

PT SIP has list of pesticide operator based on latest data of March 2019 as many as 68 workers in SMRE and 55 workers in GABA. Medical examination (cholinesterase) has been conducted on 4-5 December 2018 to all pesticide workers in SMRE and 6-7 December 2018 to all pesticide workers in GABA. The result of medical examination is informed to the workers and all pesticide operators are in a healthy condition (normal result). And also, based on interview with the workers, it is known that they are never get experience of occupational injury which caused by chemical such as irritation.

4.6.12

The company has a policy that prohibit pregnant and breast-feeding personnel working with chemical material. Based on interview with spraying personnel, it is known that there was neither pregnant nor breast-feeding female personnel who work with pesticide. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or breast-feeding.

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 were written in Bahasa. The policy has been legalized and updated on 1 November 2013 by President Director of PT SMART. This policy is designed to control hazards in every activity that is in the working environment to prevent accidents and occupational diseases. Management have work program of occupational health safety every year. The policy and work program regarding occupational health safety are in accordance with Government Regulation (*Peraturan Pemerintah*) No. 50 of 2012. 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 estate workers (harvester and pesticides applicator) and mill workers (boiler operator, engine room operator, kernel operator, etc). 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.

4.7.2

The company shown the document of hazard identification, risk assessment and risk control which issued on January 2019. It will be reviewed if any occupational accident happen. The document describes the description/activity, potential hazards, risk assessment and risk control. Based on site observation at workshop in SMRM and agrochemical warehouse in SMRE and GABA, 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 routine socialization about OHS, providing PPE, and OHS signboard are available in workplace.

4.7.3

Based on documents verification and interviews, it is known that all operators at SMRE, GABA and SMRM already have lisense such as boiler operators, lift carrier operators, welders and electrical technician. The management unit has had the training plan for workers exposed to high noise levels such as training of procedure, socialization of HIRAC and safety briefing before work.

Based on field visits and interviews with workers, the company has provided PPE to workers. PPE provided adequate and appropriate based on the results of identification of sources of hazard and risk control. PPE for type of glove, ear plug, ear muff, helmet, apron, googles and safety shoes can be replaced immediately if damaged. This is evidenced by shown the recording of PPE distribution documents to the workers and the workers recognition from interviews also confirmed it. Based on field visit and interview with contractor workers (FFB loader), they used PPE such as helmet and boot. The PPE is in accordance with hazard identification and risk analysis determined by the company.

4.7.4

The company already has persons that responsible for the OHS program within the organizational structure of Committee of Occupational Health and Safety (*P2K3*) established in each management unit. The organization routinely conducts

monthly meetings on OHS issues in the workplace. The documentation of the meeting were recorded and stored well. Based on interviews to workers who are members of the *P2K3* organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident report, fire simulation, checking of emergency response equipment, OHS sign board, cleanliness of work area, etc.

4.7.5

The company provides procedures for accidents and emergencies in the SOP handling accidents and occupational diseases (SOP/SMART/HESS-EHSD-10) and SOP Preparedness and Emergency Response (SOP/SMART/GENERAL/SADV/II/005). The procedures cover the main potential causes of emergencies such as fires, chemical spills. The procedures also explained that records of all accidents shall be kept and periodically reviewed. Simulation was performed to know the preparedness of emergency response equipment in the POM. The simulation was performed on hydrants located in the mill and the result of the experiment was concluded that the hydrant tool is ready for use.

SMRE, GABA and SMRM has already licensed first aid officers and there was first aid internal training conducted on 14 March 2019 which was attended by 60 participants in SMRE; on 2 March 2019 which was attended by 90 participants in GABA; and on 4 March 2019 which was attended by 16 participants in SMRM. Based on field visits and interviews, it was found that all the supervisor in each of activities were equipped with first aid kit and had been trained on the use of first aid boxes and the supervisor explained the usefulness of each first aid kit.

4.7.6

The company has provide medical care for worker including contract and permanent worker. Medical care is covered by worker and health insurance (*BPJS*). The payment for BPJS is conducted every month according to the available rule. Besides, the company also provide medical facilities for workers if work accident is occurred. Work accident will be reported to the *BPJS* Agency and claim for it will be done if the medical process has been completed. Based on interview with worker in estate and mill, it is known that both worker and their family is have been registered in health insurance (*BPJS Kesehatan*). There are some contractors in certification unit. Based on interview with contractor representative, it is known that the accident insurance for contractor's workers is covered by the head of contractor itself.

Based on verification of work accident data documents in the SMRE, it was found that there was one work accident that resulted in permanent disability on 27 March 2018 in Division 4 block N48 SMRE. Related to that, because the employee was registered in the social security agency (*BPJS*) of employment (accident insurance), the employee gets a cost claim for anatomical disability. To the auditor, the company can show documentation of submitting a claim for compensation for the anatomical defect.

4.7.7

The company has calculated the Lost Time Accident every month for monitoring the recording of occupational accidents. It shown the Lost Time Accident calculation per March 2019. This document informs the number of worker, number of working days, the number of non-effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year. Calculation of SR and FR is reviewed regularly and will be evaluated at monthly meeting of OHS Committee.

Status: Comply

4.8

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

4.8.1

Company has training plan related to RSPO principle and criteria for each unit period of 2019. Training plan is subjected to all worker. For example:

Gedung Aji Baru:

- Refreshment training of First Aid on May 2019
- Emergency response simulation on May 2019
- HCV socialization will be conducted on January 2019

Sungai Merah Mill

- Socialization of risk analysis on February 2019
- Refreshment of ISCC, ISPO, and RSPO on April 2019

Gedung Aji Lama

- First aid refreshment on March 2019
 - Socialization of ISCC and RSPO on march
- Sungai Merah Estate
- Environment training on August 2019
 - Hazardous waste management training on March 2019

Based on interview with worker in estate and mill, it is known that they have received training from SPO officer or supervisor or assistant about work procedure, implementation of OHS, waste management. Company conduct socialization about OHS, environment management, RSPO, and HCV to Contractor, for example on 1 February 2019 attended by 14 contractor worker.

4.8.2

Company has record of training implementation of each worker. For example training of SSU, LSU, and IPM conducted on 16 February 2019 in SMRE, socialization of MSDS, work instruction, hazardous waste management in GABA on 15 February 2019, and so on.

Based on interview with worker in mill and estate and contractor, it is known that company has provide training or socialization to workers and contractor. Workers understand about the material of training. Training record for workers and contractor is kept in form of minutes of meeting and list of attendees of the participants, such as Socialization about GSEP, RSPO, HCV, OHS and environment management on 1 February 2019 attended by 14 contractor.

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

At the time of Re-Certification audit, there is no additional or new operational area and/or substitution of company activities. Thus, there is no revision or addendum of environment document. PT Sumber Indah Perkasa has Environment Impact Assessment (AMDAL) report in February 2008, which covers of Sungai Buaya and Sungai Merah Area in Tulang Bawang Regency, for oil palm plantation for about 9,254.00 ha and two (2) Mill units with processing capacity for each Mill were 60 ton FFB/hour. The report is carried out by CV Kolvingkas from Bandar Lampung and has agreed by the Head of AMDAL Commission of Lampung Province through Decree No. 16/KOMDAL/II.04/IV/2008 dated 14 April 2008. Based on hectare statement analysis, it could be concluded that area covers in AMDAL is bigger that actual PT SIP Inti operational area (9,160.40 ha). Meanwhile, matrix of Environment Management Plan (RKL) and Environment Monitoring Plan (RPL) has consist several impacts towards air quality, noise, soil and ground water quality, loss of soil fertility and surface run-off, biodiversity of flora and fauna, works opportunity and health community level. Furthermore, KKPA has "Dokumen Evaluasi Lingkungan Hidup" (DELH) or Environment Evaluation Document which carried out by PT Indoconsultant Cipta Prestatama and has agreed by Environment Agency of Lampung Province through Decree No. 12/II.04/2011 dated 26 September 2011. Scope of DELH is oil palm plantation for plasma (smallholder KKPA) covers 14,883.825 ha and air strip. Based on hectare statement analysis, it could be concluded that area covers in DELH is bigger that actual PT SIP Plasma operational area (14,702.01 ha). Meanwhile, matrix of RKL/RPL has consist of several impacts towards physics-chemicals components (air quality, surface water quality, and soil quality); socio economic and culture components (community perception, works opportunity, creating job opportunity, society income and PAD or local government income); public health component (sanitation quality); and security and orderliness society component (work accident).

5.1.2

The company has conducting environment management plan, for example as presented in document of RKL/RPL PT SIP Sungai Merah Unit dated 28 January 2019. Based on document review, it was known that program of environment management is in accordance with matrix mentioned in AMDAL report which consist of several environment management impacts towards air quality, noise, soil and ground water quality, loss of soil fertility and surface run-off, biodiversity of flora

and fauna, works opportunity and health community level. Evaluation stated that environment management and monitoring has conducted effectively and periodically reported to Environment Agency. All parameters analyzed were suits applicable regulation. Several threats are limitation of number of accredited laboratory in Lampung and distance of sampling area to Laboratory may cause deviation in results. Furthermore, RKL/RPL program and evaluation for Plasma is presented in document of DELH Report, for example DELH Semester II 2018 dated 29 January 2019. Based on document review, it was known that program of environment management is in accordance with matrix mentioned in DELH report which consist of several environment management impacts towards physics-chemicals components (air quality, surface water quality, and soil quality); socio economic and culture components (community perception, works opportunity, creating job opportunity, society income and PAD or local government income); public health component (sanitation quality); and security and orderliness society component (work accident). All parameters analyzed were suits applicable regulation. Several threats are limitation of number of accredited laboratory in Lampung and distance of sampling area to Laboratory may cause deviation in results. RKL/RPL report has delivered to Environment Agency of Tulang Bawang Regency and Lampung Province through Letter No. 026/PD-SMRM/RKL-RPL/II/2019 dated 31 January 2019 and No. 027/PD-SMRM/RKL-RPL/I/2019 dated 28 January 2019, respectively. Meanwhile DELH has delivered to Environment Agency on 04 February 2019. Furthermore, electronic receipt of "Sistem Informasi Pelaporan Elektronik Lingkungan Hidup" or SIMPEL from Ministry of Environment and Forestry for period 10-01-2018 to 31-12-2018 is available (company ID 1471).

5.1.3

Based on RKL/RPL and DELH report review, it was known that all parameter tested and evaluate were in accordance with applicable regulations. Two-yearly Evaluation on RKL/RPL id presented in document of environment management and monitoring plan of *Perkebunan Sinarmas* (PSM) 2 Region Lampung, which approved by Environment Health Safety Department (EHSD) Staff , SPO Region and Regional Controller on 29 March 2019. Evaluation has covers area of study, description of activities, impact approximation, frequency management and monitoring and location of monitoring. Scope of evaluation has covers SBYM, SBYE, SMRM, SMRE, MSJA, GABA and GALA. Result of evaluation mentioned that current environment management and monitoring implementation are still relevant and not necessary to be revised.

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

HCV assessment of PT SIP is carried out by Environment Department Staff of PT SMART from 08 June 2010 to 10 November 2011, with report finalisation in December 2011. There is four Assessors which all were RSPO-Approval HCV Assessor, lead by ALS Licensed Assessor No. ALS140217NM). Peer review of report is conducted by Resit Sözer, an independent consultant in December 2010, while public consultation had been carried out in 10 November 2011, attended by 51 stakeholders. Based on report study it was informed that HCV area is summarized as follows:

- There is HCV area for about 27.48 ha where located on riparian of Putuk River (17.42 ha) and riparian of Camp River (10.60 ha) GABA.
- There are no RTE species (IUCN) within PT SIP operational areas.
- Informative HCV Map of each estate are available in various scales.

5.2.2

As explained in Indicator 5.2.1, it was known that there is no RTE species within estate and KKPA operational areas. However, there is HCV management program which presented in the annual HCV management plan. For example, HCV management plan for period 2019 in SMRE was issued by HCV Officer and approved Estate Manager on 02 April 2019. Among the program are quarter monitoring of premier and secondary fauna, socialization on HCV to employees through morning muster and surrounding communities, weekly monitoring patrol, installation and maintenance of HCV attribute in several locations, such as poster of protected fauna and warning of UU No. 05 in 1990 Article 21 Point 2. Several implementation of HCV management is presented as follows:

- Signboard of protected fauna and UU No. 05/1990 installation and/or maintenance in SMRE, GABA and GALA totalling for about 4, 4 and 18 pcs., respectively.
- Fauna monitoring in all PT SIP units which consist of 2 species of amphibian, 61 species of aves, 4 species of mamals

and 1 species of reptilia.

- Update List of fauna revision status from Government Regulation (PP) No. 7 in 1999 to Minister of Forestry and Environment Regulation (PermenKLHK) No. 106 in 2018.
- Monitoring of soil erosion, degradation, sedimentation rate and debit rate, as well as its evaluation is available and presented in HCV management and monitoring report, dated March 2018.

Based on field overview to SMRE and GABA operational areas, it was found signboard of HCV area, protected fauna and prohibition warning of hunting, electric fishing, etc., were installed properly.

5.2.3

The company has policy of HCV (included RTE species) which presented in document No. SOP/NP/Smart/IV/LH001 and Policy of RTE Wildlife, issued by President Director of PT SMART, Tbk on 25 June 2012. In order to deliver HCV knowledge to all employees and surrounding communities, unit management has conducting signboard installation and socialization. For example, HCV socialization in SMRE employees has conducted in 02-05 March 2019 in all Division, attended by all employees. Furthermore, socialization to surrounding communities has been conducted on 14 August 2018. Moreover, HCV socialization in GABA employees has conducted in 02 January 2019, while for communities and smallholder members has been conducted on 23 July 2018. Based on interview with representative of Sungai Sidang Village and Tritunggal Mulyo Village, as well as workers representatives in SMRM, GABA and GALA, it was known that estate management has conducting HCV management socialization, included information towards protected fauna within estate operational areas. Hunting, trading, collecting, violating and killing those protected animals is strongly prohibited and may cause serious penalty. Estate workers also mentioned prohibition of agrochemical application in riparian zone and other water sources as parts of HCV management. Moreover, based on observation to employees housing complex, it was known that there are no occupants who keeps protected fauna.

5.2.4

The company has conducting HCV monitoring annually, for example as shown in HCV Monitoring and Management Report dated March 2018. Several evaluation mentioned in report are: to compile HCV socialization progress, maintenance and update of HCV signboard and poster as refers to PermenKLHK No. 106 in 2018 and to conduct intensive monitoring to HCV 6 (cemetery area). Furthermore, for improvement and input from stakeholder purposes, unit management has also deliver executive summary of HCV identification report to several institutions, which presented in several Letters, for example flora and fauna identification report has been delivered to Conservation and Natural Resources Board (BKSDA) of Lampung Province and to Forestry Agency of Lampung Province on 31 January 2018 and 27 March 2018, respectively. Based on document review and field observation, it was known that HCV management plan is considered effective to preserve HCV existence.

5.2.5

According to HCV identification report and hectare statement map review, as well as interview with surrounding communities and Agricultural Agency of Tulang Bawang Regency, it was known that there is no overlapped of HCV areas with local customary rights. Cemetery area inside planted area in GABA is properly maintained and separated by rail fence. There are several agreements with village representative about HCV management inside operational areas, for example, agreement of protected fauna as refers to UU No. 05 in 1990, between SMRE manager with Head of Batu Ampar Village and Head of Sida Gunung Tiga Village, signed on 04 March 2016. Furthermore, there is agreement with Head of Dwi Mulyo Village and Head of Sidodadi Village about cemetery management in Division 6 Block D04 and Division 5 Block B20 GABA, signed in 11 November 2014. Based on observation to cemetery area in Division 6 Block C7 Sidomulyo GABA, it was known that cemetery is properly maintained and marked by fence.

Status: Comply	
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5.3

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

5.3.1

List of hazardous waste identification from estates activities is presented in Identification and Evaluation of Environment Aspect Form No. F/SMART/LEMS-EHSD/SADV/001/001 dated 14 January 2019. The list has covers identification of wastes from several activities, i.e.: nursery, replanting, field upkeep in immature and mature area, harvesting, workshop, Store, Clinic, Housing and Mess, Landfill, new building development and contractor works. For example, activity of

pesticide application produced used pesticide containers which could contaminate soil as mentioned to UU No. 18 in 2008. Document control for this matter is presented in document No. SOP/SMART/LEMS-EHSD/SADV/II/002 which mentioned that the company provide Hazardous Waste Store (TPS LB3) for used containers placement which formerly triple rinsed washed and marked. Furthermore, list of hazardous waste identification from mill activities is presented in Identification and Environment Form No. F/SMART/LEMS-EHSD/SADV/001/001 dated 16 January 2019. The list has covers identification of wastes from several activities, i.e. Weigh bridge, grading, loading ramp, sterilizer, threshing, pressing, clarification, nut and kernel, engine room, boiler, demint plant, dispatch palm kernel, dispatch CPO, water treatment plant, Stores, workshop, waste management (included effluent plant), Hazardous Waste Store, housing area, office and contractor works. For example, activity of engine cleaning on pressing device may cause contamination on water as refers to PermenLH No. 05 in 2014. Document control on this matter is presented in document No. SOP/SMART/LEMS-EHSD/SADV/II/002 which mentioned that contaminated water shall be runs to effluent pond (IPAL). Based on waste source identification list review, it could be concluded that identification, review and management of waste is considered very comprehensive.

5.3.2

Procedure of hazardous waste management is presented in procedure No. SOP/SMART/LEMS-EHSD/SADV/II/002 dated 01 July 2014, which covers hazardous waste inventORIZATION, Store permit, program of hazardous waste management, implementation, evaluation, recording and administration. Specific used pesticide container management is also arranged on work instruction No. IK/SMART/LEMS-EHSD/SADV/002/001 dated 01 July 2014, which mentioned that all used containers shall be three times rinsed and recorded as hazardous waste or to be reused. Used rinsed water kept on the receptacle. Furthermore, procedure of agrochemical management included used pesticide containers is presented in document No. SOP/SMART/LEMS/EHSD/SADV/II/006 and document No. SOP/SMART/MCAR/VIII/TA-PGM dated 01 July 2014. Procedure mentioned that Head of Chemical Store Keeper should arrange placement and expiry of chemicals stored. Empty used container then to be delivered to Hazardous Material Store or turning back to agrochemicals supplier. All hazardous wastes were placed in the Permitted Hazardous Waste Store (TPS LB3), as follows:

- Permit of TPS-LB3 for SBYE, GABA, SMRM and GALA is presented in Decree of Environment Agency Head No. 660/190.a/V.9/TB/V/2017 dated 29 May 2017, valid for five years (2022).
- Permit of TPS-LB3 for SBYM, MSJA and SMRE is presented in Decree of Environment Agency Head No. 660/02/LBBB/IV.14/MSJ/2017 dated 14 December 2017, valid for five years (2022).

For example, record of hazardous waste delivery on SBYM to licensed hazardous waste collector PT Primanru in 15 February 2019 through vehicle No. B 9311 QT is presented in the following Table:

Type of Waste	Volume	No. Manifest
Used lubricant	2,452.00 lt	0046982
Used accu	253.00 kg	0046986
Used filter oil	204.00 kg	0046985
Used fibric (contaminate)	28.50 kg	0046983
Used TL lamp	7.30 kg	0046984
Used catridge	1.30 kg	0046987
Used battery	0.30 kg	0047088

Based on observation to Hazardous Waste Store in SMRE it could be concluded that hazardous wastes had stored in the permitted Place. Balance of hazardous waste record and manifest were available during the audit. Hazardous waste were next to be sent to licensed collector, namely PT Primanru Jaya. Furthermore, store condition were equipped with MSDS, eyewash, shower, alarm, first aid kit, PPE, fire extinguisher and oil trap. Moreover, based on observation to housing complex in SMRE housing area, it was known that there were no used pesticides container for household purposes such as garbage basket and plant pot.

5.3.3

Management plan towards waste and hazardous waste management is presented in document Form No. F/SMART/LEMS-EHSD/SADV/001/001 dated 14 January 2019. For example in estate activity, pesticide application has produced used pesticide containers which could contaminate soil as mentioned to UU No. 18 in 2008. Document control for this matter is presented in document No. SOP/SMART/LEMS-EHSD/SADV/II/002 which mentioned that the company

provide Hazardous Waste Store (TPS LB3) for used containers placement which formerly triple rinsed washed and marked. Furthermore in mill activity, activity of engine cleaning on pressing device may cause contamination on water as refers to PermenLH No. 05 in 2014. Document control on this matter is presented in document No. SOP/SMART/LEMS-EHSD/SADV/II/002 which mentioned that contaminated water shall be runs to effluent pond (IPAL). Several strategy on waste utilization is presented as follows:

- Application of by-products for soil fertility improvement purposes, such as land application by palm oil mill effluent (POME), mulching of empty fruit bunches (EFB) for additional nutrient supply and retaining soil moisture.
- Utilily of by-product such as fibre and kernel shell for energy sources in Boiler.
- To keep hazardous waste materials on the permitted Store and passed it to the permitted Collector (PT Primanru Jaya).
- Reuse of used pesticide containers for pesticide mixing and transportation to the field.

To manage household (domestic) waste in landfill as refers to applicable regulation and procedure No. SOP/SMART/LEMS-EHSD/SADV/1/002.

Status: Comply

5.4

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

5.4.1

Mill management has reused fiber and kernel shell as alternative of energy sources, replacing fossil fuels. Potential energy 1 kg of kernel shell and 1 kg of fiber in SMRM are 4,105 kCal and 2,637 kCal, respectively. Furthermore, energy needs for processing and non-processing were 975 kW and 70 kW, respectively. Estimation of 1 litre of Diesel could produce 3.50 kW or 9,063 kCal. Recapitulation efficiency during period January to December 2018 is available. According to the monitoring record, it could be concluded that within one year, mill management has calculated that efficiency of by-products usage as energy source could reduce production cost for about IDR 11,878,359,489 per year or 193.32 litre/ton CPO. Mill management mentioned that there is no plan of biogas plant development.

Status: Comply

5.5

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

5.5.1 and 5.5.2

Procedure of land preparation through zero burning is presented in document No. SMA/MCAR/05/05-07 and No. 071/SMD OPS/IX/2007 dated 04 September 2007 and also presented in Environmental and Social Policy of Golden Agri Resources (GAR) Point 1.4, issued by President Director in 08 September 2015. Socialization of zero burning policy has conducted through fire drill training, socialization, muster morning, installation of prohibition on burning activities. Based on information from representative of Agriculture Agency and Environment Agency of Tulang Bawang Regency, as well as from Sungai Sidang Village and Tritunggal Mulyo Village, it was known that there is no burning activities in SMRE and GABA, especially during replanting activities in 2017/18 which conducted at SMRE for about 569.61 ha. Thus, estate management do not conducting zero burning method for land preparation and for pest management during replanting.

Status: Comply

5.6

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

5.6.1

Identification of greenhouse gasses (GHG) emission is presented in procedure of GHG mitigation No. SOP/SMART/CERS-EHSD/SADV/II/005 dated 01 July 2014. GHG sources from plantation and processing activities is summarized as follows:

- Plantation: manuring, pesticide application, fossil fuel consumption and land preparation.
- Processing: energy production, fossil fuel consumption, chemicals consumption (NaOH, Fosfat, EDTA, Sulfit, Alum, H₂SO₄ and CaCO₃), land application (POME).
- GHG being produced are CO₂, NO₂ dan CH₄.
- Monitoring on gas emission, particle and effluent were presented on quarter environment management and monitoring plan (RKL/RPL) report. This report was available on site. For example, monitoring of Boiler emission in SMRM Semester 2 period 2018 for parameter particulate and opacity were bellow 300 mg/m³ and bellow 30 %, as required by Minister of Health (PermenLH) Regulation No. 07 in 2007.

- The CH has calculate GHG emission by PalmGHG Calculator Version 4.0 online in RSPO website, and has been checked by Auditor.

5.6.2

The company has identified sources of GHG which further explained in Indicator 5.6.1. Management plan and monitoring of GHG mitigation procedure was presented in document No. SOP/SMART/CERS-EHSD/SADV/II/005 dated 01 July 2014. Among GHG mitigation plan which agreed by SPO Officer, PC and RC lampung in 12 January 2019, which already implemented is presented as follows:

- Efficiency of fuel consumption and measures efficiency of by-products (kernel shell and fibre) usage as renewable energy sources in Boiler. For example, monitoring of efficiency is described in Indicator 5.4.1
- Fertilizer application as recommended by Agronomist, which considering an optimum dosage, time and place of application. Soil fertility improvement due to land application and EFB mulching shall be monitored. Record of by-product usage were available onsite, and conformed throguh filed visit to Division 3 Block S43 SMRE.
- Pesticide consumption as refers to integrated pest management principle and adoption of biological method for pest population control. Pesticides used shall be recognized by Pesticide Comission. Detail on this matter is describes in Criteria 4.6.
- Efficiency of electric consumption. For example, monitoring of electricity efficiency is described in Indicator 5.4.1.

5.6.3

The company has calculate GHG emission for period January to December 2018 through RSPO PalmGHG Calculator Version 4.0 (online) – Full Version, with summary as follows:

Summary Emission

Product	tCO ₂ e/t Product
CPO	-0.05
PK	-0.05
PKO	0.00
PKE	0.00

Description

Description	Unit	Value
Oil palm planted on mineral soil	ha	12,068.83
Oil palm planted on peat	ha	1,403.69
Total oil palm planted area	ha	13,472.52
Conservation area (Forested)	ha	0.00
Conservation area (Non-Forested)	ha	27.48
FFB Production per hectarage	t/ha	13.42
OER	%	20.58
KER	%	5.05

Mill Emission and Credit

Description	tCO ₂	tCO ₂ /t FFB
Emission Sources		
POME	65,857	0.20
Fuel Consumption	258.69	0.00
Grid Electricity Utilisation	0.00	0.00
Credits		

Export of Excess Electricity to Housing and Grid	0.00	0.00
Sale of PKS	0.00	0.00
Sale of EFB	0.00	0.00
Total	66,116.46	0.20

Estate/Plantation Field Emission and Sinks

Description	Own			Group		
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB
Emission Source						
Land Conversion	55,360.58	16.40	0.61	0.00	0.00	0.00
CO ₂ Emission from Fertiliser	8,528.08	2.61	0.10	0.00	0.00	0.00
N ₂ O Emission from Peat	10,507.69	2.68	0.16	0.00	0.00	0.00
N ₂ O Emission from Fertiliser	7,391.22	2.27	0.08	0.00	0.00	0.00
Fuel Consumption	3,730.92	1.06	0.05	0.00	0.00	0.00
Peat Oxidation	76,641.48	19.53	1.18	0.00	0.00	0.00
Sinks						
Crop Sequestration	-90,205.84	-25.66	-1.07	0.00	0.00	0.00
Sequestration in Conservation Area	0.00	0.00	0.00	0.00	0.00	0.00
Total	-4,687.35	-0.64	1.11	0.00	0.00	0.00

Description	3 rd Party			Total
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	
Emission Source				
Land Conversion	0.00	0.00	0.00	55,377.59
CO ₂ Emission from Fertiliser	0.00	0.00	0.00	8,530.79
N ₂ O Emission from Peat	0.00	0.00	0.00	10,510.53
N ₂ O Emission from Fertiliser	0.00	0.00	0.00	7,393.57
Fuel Consumption	0.00	0.00	0.00	3,732.03
Peat Oxidation	0.00	0.00	0.00	76,662.19
Sinks				
Crop Sequestration	0.00	0.00	0.00	-90,232.57
Sequestration in Conservation Area	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	-4,686.88

Emission From Palm Kernel Crusher

Emission Source	tCO ₂ e
PK from own mill	0.00
PK from other sources	0.00
Fuel Consumption	0.00
Total Crusher Emissions	0.00

The calculation above has been checked by Auditor via <https://ghg.rspo.org>. However, results given is negative. This is different when use PlamGHG calculator Version 3.01, with summary as follows:

Summary of Net GHG Emissions

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO		OER		FFB Processed	
PK		KER		CPO Produced	

Land Use	Ha
OP planted area	13,492.47
OP Planted on peat	1,404.44
Conservation (forested)	0.00
Conservation (non-forested)	27.48

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	83,211.58	8.23	0.00	0.00				
*CO ₂ emissions from fertilizer	8,678.70	0.92	0.00	0.00				
**N ₂ O emissions	19,896.81	1.72	0.00	0.00				
Fuel consumption	1,871.89	0.21	0.00	0.00				
Peat Oxidation	76,682.42	5.68	0.00	0.00				
Sinks								
Crop sequestration	-78,873.55	-7.80	0.00	0.00				
Conservation Sequestration	0.00	0.00	0.00	0.00				
Total	111,467.85	8.97	0.00	0.00				

Note: emission 3rd party is from PT Prima Alungga (PALX)

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	40,296.81	0.12
Fuel consumption	280.53	0
Grid Electricity Utilisation	0	0
Credits		

Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	40,577.34	0.12

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0 %
Divert to anaerobic digestion	100 %

POME Diverted to Anaerobic Digestion:

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

Status: Comply

PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills
6.1

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

6.1.1, 6.1.2, 6.1.5

PT Sumber Indah Perkasa included GABA KKPA has conduct social impact assessment on 2012. The scope of study are impact of plantation and mill operation to workers and community surrounding company areas. These assessment also identified negative and positive impact of plantation and mill operation towards social aspect. Based on document review shown that current SIA and SIA review on 2019 has describing social impact related vulnerable groups (jobless, elderly people, woman), community perception, environment and health, local economy, customary rights and etc.

SIA identifications was also done based on affected parties consultation on November 2011, this matter are amplified by stakeholders e.g Trirejomulyo and Talang Batu community during stakeholder consultation and besides that based on interview with local community shown that major impacts has been identified and managed by company. Meanwhile document review found that the determination of affected parties on SIA are based on EIA document that consists of 11 villages (excludes Sungai Sidang). During stakeholders consultation found that Sungai Sidang can be included as affected parties because Sungai Sidang villagers are one of villages that received land compensation during 1990. Regarding this company are encourage to expand affected parties coverage on SIA / SIA review. OFI

6.1.3 & 6.1.4

Company has established management plan and monitoring plan related for social impact based on the impact identification. This plan has been informed the positive and negative impact including management planning time frame and the person in charge for the activity, such as: potential environment pollution, community perception, and workers facilities. PIC for social management and monitoring are manager in each unit assisted by SPO officer and other related staff.

Review for social management and monitoring plan for PT Sumber Indah Perkasa was develop on March 2019. Major impacts that affect communities from company operations among others are perception regarding CD/CSR, and workers facilities.

Social monitoring plan were implemented by affected parties participatory for examples thorough discussion and interview on March 2019 for talang batu and trirejomulyo villagers. Documentation of social impact monitoring activities (by interview and discussion) are available for each stakeholders. Interview with representative of Trirejomulyo villagers obtained information that affected parties surrounding company are participated when SIA review was conducted.

Based on interview with Tirejomulyo community found there is no significant impact/issues caused by company because company have effectively implemented social management during 2016-2018. Result monitoring for social impact on surrounding PT Sumber Indah Perkasa affected parties periods 2016-2018 shown the main issues that still presence until now is related community perception regarding company CD/CSR programme, regarding this as monitoring output PT SIP has enhanced and regularly develop CD/CSR programme based on community needs and aspiration through direct interview as mentioned in indicator 6.11

Status: Comply

6.2

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

6.2.1

PT Sumber Indah Perkasa has identified and registered all stakeholders related, the latest update to the stakeholder list was carried out on January 2019, that consisting of government agencies, village head, cooperative units, community leaders, labor union and gender committees, local contractors, and etc.

Procedures for communication and consultation has been develop and listed on procedures SOP/SMART/UMUM/SADV/II/004 on 2014, describes guidelines in planning and implementing communication and consultation among stakeholders.

Based on stakeholder consultation to affected parties (local community and government institution, gender committee) found that procedures related communications and consultations has been socialized to stakeholders, and stakeholders has aware the PIC and mechanism regarding communication, for examples if villagers needs request for fund it always need to proposed a proposal.

6.2.2 & 6.2.3

Person in charge that responsible for communicating and consulting with stakeholders has been determined by the company for each unit mill and estate included KKPA by "SK Penunjukan PIC Sosial"

The entire process of communication and consultation by various parties with the company has been recorded, all incoming letters and outgoing response letters are recorded in the form of communication and consultation/ information log-books, direct communication (oral and visit) recorded in the company guest book. Based on document review found there is no incoming letter regarding information request during 2018-2019 from stakeholders and majority record on this logbook are regarding request for fund / help. Based on stakeholder consultation with local community and document review shwon the request for fund/help has been has been responded in timely manner and local stakeholders has direct access for Social PIC that handling matter related communication or consultation.

List of stakeholders has develop by company as mentinoend in indicator 6.2.1 and updated stakeholders on 2019 consists of relevant parties affected by company for examples governement institutions, local contractors, local villagers/community, gender committee and etc.

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 & 6.3.2

PT Sumber Indah Perkasa has develop SOP no.: SOP/SMART/GIMS-SCMD/USDV/II/001, revised on 2017 related complaints and grievance handling. This procedures describes the handling of complaints starting from the stage of receiving complaints from internal and external, Verification and ranking of complaints, preparation of treatment plans, implementation of handling, monitoring of implementation, and documentation to completion through legal channels. Guarantee anonymity of the whistle-blower of the case has been maintained since from first stage. In the SOP it is stated that the settlement of complaints is made no later than 1 month after receipt.

Document review found that this procedures has been distributed through socialization for examples on April 2018 for

related stakeholders. Stakeholders consultation with Talang Batu and Trirejomulyo villagers, and company workers also acquired information that this procedures has been socialized to relevant stakeholders.

Document review and interview with external stakeholders shown During the 2018-2019 there is no any external complaints and there is no any external complaints recorded on company logbook, meanwhile there is some internal complaints from workers regarding housing facilities for examples letter registration on 9 January 2019 on GABA related to electricity troubles on workers housing, related this company has follow up and fixed up this thing on the same day on January 11, 2019

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

Company already has procedures related land compensation SOP/NP/SMART/VII/D&L002 and FPIC procedures for land compensation and local customary right identification listed on procedures SOP/SMART/SENS-CSR/SADV/II/003. Both of this procedures explained that the process of land identification are involving local community including government agencies.

6.4.2 & 6.4.3

The results of document review, field visit and interviews show that company do not perform any new expansion since the last assessment ASA-4. The last Land compensation has been conducted during year 1990. Based on interviews with ex-landowners on Talang Batu village shown that company had negotiated and paid for land compensation fair enough inline with mutual agreement and there was no coercion or intimidation by company.

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

PT SIP located between Tulang Bawang and Mesuji Regencies. Based on interviews with the Tulang Bawang Regency Manpower Office, it was found that PT SIP used the minimum wage decree for Mesuji Regency because the Mesuji Regency minimum wage was higher than the Tulang Bawang minimum wage. The company has a copy of the Decree of the Governor of Lampung No. G / 559 / V.07 / HK / 2018 regarding the determination of the Mesuji Regency minimum wage on November 21, 2018 which explains that minimum wage of Mesuji Regency in 2019 is IDR 2,385,874.

Following up on the decree, the company issued Decree No. 007 / CEOLAMBABEL / HRPSMSUMSELLAMBABEL / 01/2019 regarding the Structure and Scale of Permanent Workers' Wages of PT SIP Lampung in 2019. Based on these documents, the lowest basic wage is IDR 2,386,374

Company showed wage documentation for each unit. The type of worker in CH is all permanent worker (PT) and contract worker. Based on document verification, the basic wage is in accordance with applicable regulation. For example: Boiler Operator Shift 2, basic wage is IDR 2,417,374 and overtime has paid in accordance with the applicable regulation. Based on verification between overtime hour and its payment, it is known that overtime payment has been paid in accordance with regulation. As for harvesters, the wage is paid in accordance with tonnage/day and it is above applicable minimum wage.

Based on interview with the harvester and committee of worker union, there were no complaint about working hours and wages payment. Based on interview with worker in Mill and Estate, there is no complaint about wages. It is in accordance with Governor Decree applicable.

6.5.2

The Company has a Collective Labor Bargaining (PKB) for the period 2018 – 2020 between PT SIP and worker union of PT SIP dated 1 March 2018. The PKB was registered at the Manpower Agency of Lampung Province through decree No.

KEP.188.4/0753/V.07/02/2018, valid from 31 January 2018 – 31 January 2020. Based on interview with some workers in mill and estate, it is known that they understand about PKB (collective labour bargaining).

However, documents that explain the working conditions for KKPA employees are listed in the Krida Sejahtera Cooperative Company Regulation (PP). The PP has been ratified by the Manpower and Transmigration Regency of Lampung Province through Decree No. KEP-188.4 / 1229 / V.07 / 02/2018 dated April 5 2018. PP is effective from March 29, 2018 - March 29, 2020.

Company has contract worker and showed the work agreement, for example No PKWT No 055/SIP-SMRE/PKWT/III/2019 for upkeep worker. The agreement explain about salary, leaves policy, code of conduct, duty and responsibility, work hour, health and medical insurance. Work agreement is written in Indonesian Language and workers are understood the substance of the letter. Based on interview with worker in estate and mill, they all know the change of type of worker (from SKU to PT). Based on interview with harvester, they understand about mechanism deduction if they did not harvest in accordance with harvesting criteria.

6.5.3 & 6.5.4

Based on field observation in housing complex in Sungai Merah Estate, Gedung Aji Baru KKPA, and Gedung Aji Lama, it is known that CH has been providing housing facilities, lighting and water, places of worship, school buses, clinics and educational facilities (kindergarten, elementary). Based on interview with the residents, it is known that there is no complaint related to housing facilities. The facilities provided by the company is adequate. And also it is known that one house is occupied by one family and the condition of housing is still in good shape. Adequate food supply can be accessed by the worker from nearest market in surrounding village and kiosk in housing complex. Personnel can get the staple food with reasonable price.

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

The policy related to form and join worker union is circle letter No 094/CEO2-SE/12/2010 on December 14th, 2010 which states that the company gives the right to associate to all workers and stated in collective labour bargaining too. The policy is written in Bahasa Indonesia. Based on interview with representative of worker union, it is informed that company is giving freedom for worker to express their opinion. And also, company did not give any intervention related to worker union activity. There is no conflict of interest between labour union and company. Worker union has registered to Manpower Agency of Mesuji Regency.

6.6.2

Worker union conducted internal meeting periodically or where there is an issue with company. There are meeting documentation, such as minutes of meeting on 1 November 2018 about social insurance membership, worker mutation, PPE and work tools, minimum wage, and so on. The documentation is available in office unit and available for member if they were asking.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

Company has circular letter from HR Director No 002/SE-HRDV/03/09 about the minimum age for worker. Based on the document, the minimum age for new worker recruitment is 18 years old. Based on document review and field observation, there are no workers under 18 years old. Based on public consultation with Manpower Agency of Tulang Bawang Regency and field observation in estate and POM, there is no issue regarding child labor. Based on interview with worker in estate and POM, they know the minimum age to work in the company. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children.

Status: Comply

6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.
6.8.1 & 6.8.2 <p>Company has policy related to nondiscrimination and equal opportunity listed in GSEP which explained that Sinarmas did not discriminate against gender, race or ethnicity, disability, sexual orientation, age, or belief. Based on field observation and interview with spraying female worker, it is known that there is no issue or complain from worker regarding discrimination. Also, information from board of bipartite stated that there is no issue related discrimination. The workers that has been interviewed is came from various social origin, race, and religion.</p> 6.8.3 <p>Company kept the personal file of each worker in estate office. Based on interview with management, the recruitment is conducted through the company requirement. The new recruitment is conducted in accordance with the procedure. It is based on skill, capabilities, and health condition for all workers. Worker promotion, mutation or demotion is done through the employee performance assessment. Company showed documentation of new worker recruitment (year of 2019), such as application letter, copy of identity card, result of medical examination, letter of submission of appointment to permanent worker and work agreement.</p>
<div> <div></div> <div>Status: Comply</div> <div></div> </div>
6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.
6.9.1, 6.9.2, 6.9.3 <p>The company has a circular letter No. 003 / CEO2-SE / 01/2011 dated January 10th, 2011, which explains that the company prevents sexual harassment and how it is handled. Based on interview with female worker in Sungai Merah Estate, it is known that worker understand the policy. It is also known that they understand the mechanism of complaint submission. Also, interview with committee of Gender Committee, it is known that there is no issue or complaint related to sexual harassment on the workplace.</p> <p>Company has formed gender committee for handling the harassment issue around female workers. Complaint can be submitted to board of bipartite cooperation, gender committee, or their foreman. Based on interview with the board of gender committee, the company provides the female worker with menstrual leave, pregnant and nursing leave for about 3 months. Pregnant and nursing female worker is prohibited to work related to chemical. And also, Company give special breast feeding time for female worker, but prohibit the worker from working with chemical material.</p> <p>Based on interview with female worker in estate, company protects reproductive rights of the worker. For example company provide menstrual leave and maternity leave.</p>
<div> <div></div> <div>Status: Comply</div> <div></div> </div>
6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.
6.10.1, 6.10.2, 6.10.3, 6.10.4 <p>Document review shown Sungai merah Mill FFB were supplied by own estates (SMRE), KKPA Gedung Aji Baru (GABA), and third party vendor (PT Prima Alumga).</p> <p>KKPA FFB purchasing FFB purchasing between GABA are based on Working Agreement letter between PT Sumber Indah Perkasa and KUD Krida Sejahtera i.e SPK No 001/SPK/KKPA/XI/1994 adendum No 7. This working FFB pruchasing agreement letter also stated that FFB price for KUD Krida Sejahtera were determined based on Plantation agency fixing prices. Based on document review shown that FFB priced were determined based on Plantation agency prices were Rp 1344.28/kg for periods February 16-30, 2019. Payment slip review also shown that company has paid the KUD Krida Sejahtera in timely manner, for examples FFB payments for this periods was done on March 18 2019 via bank account transfer and are in accordance with FFB receiving data on those periods.</p> <p>Based on interview with GABA lot owner on Trirejomulyo villages also acquired information that payment for FFB pruchasing by company were done based on plantation agency fixing price in timely manner</p> <p>Third party FFB purchasing</p>

Based on contract review for examples "*Perjanjian jual beli TBS kelapa sawit*" No 001/TBS/SIP-PAL/II/2019 between PT SIP and PT Prima Alumga shown this contract are clearly stated that FFB pricing were determined depends on CPO price and FFB market price.

Phone interview with FFB vendors (PALX) acquired information that FFB selling contract to PT SIP are transparently made and agreed by both side (vendors and company), besides that payment agreement for FFB selling has been done for timely manner. Based on document review shown that last FFB priced for PALX (periods 16-28 Feb 2019) appointed by company was Rp 1328 /kg FFB. Payment transfer evidence for PALX FFB purchasing were available, for examples bank transfer slip periods 28 February 2019 and are in accordance with FFB receiving data on those periods.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

Determination of local development programs based on meetings with surrounding village representatives together with monitoring of social impacts which conducted on October 2018 and arrange it in CSR Program of 2019, signed by stakeholder from Sidang Gunung Tiga, Batu Ampar, Panggung Jaya, Pasar Satu, Suka Makmur, Bina Bumi, and Sukarame Head Village.

Some of CSR implementation for 2018, as follows:

- Table and office chair for Subdistrict of Penawar Tama on 13 January 2018
- Clean water assistance

6.11.2

Partnership with smallholder farmer is full managed, all operational activities is carried out by PT SIP. Besides, company also conduct training for smallholder farmers related to agronomy.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

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

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

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

CH has policy on human rights issued in November 10th, 2011. The policy explains that the company respect human rights for all employees. It has been socialized to the workers, for example on 18 April 2018 to 13 local contractor of GALA and on 8 January 2019 to 107 worker of Division 4 SBYE. Based on interview with worker in estate, mill and local contractor, they know and understand about workers' rights. And also, from consultation with internal stakeholder (worker union), it is known that there is no complaint related to human rights violation. If there was a complaint, the complaint can still be resolved by amicable way between employees.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1	A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.	
7.1.1, 7.1.2, 7.1.3	Based on documents review, interview with management, and field visits, shown that company did not expand any operational areas and there is no more land clearing for new development activity since November 2005. Therefore SIA and EIA document are covered on current document, please see and refer to indicator 5.1 and 6.1.	
	Status: Comply	
7.2	Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.	
7.2.1 and 7.2.2	Based on the PT SIP area statement, there was no new planting since previous assessment (ASA-4).	
	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	There is no new planting after November 2005 and 01 January 2010. Reporting of zero liability (disclosure) or submission to RSPO has conducted on 29 August 2014. Furthermore, based on hectare statement review and information from estate management in PT SIP, it was known that planting has been carried out from 1991 in SBYE to 2004 in SMRE. Meanwhile, planting in KKPA areas were conducted in between 1995 to 1999. Thus, this Indicator is not applicable.	
	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	Based on the PT SIP area statement, there was no new planting since previous assessment (ASA-4).	
	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 documents review, interview with management, and field visits, shown that company did not expand any operational areas and there is no more land clearing for new development activity since November 2005. The last land compensation were done since 1990.	
	Status: Comply	
7.6	Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	
7.6.1, 7.6.2, 7.6.3, 7.6.4, 7.6.5, 7.6.6	There is no any expansion or new development since ASA-4 or after November 2005. The last land compensation were done since 1990. Procedures for land compensation and FPIC were able to seen on indicator 2.3 and 6.4.	
	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	Based on the PT SIP area statement, there was no new planting since previous assessment (ASA-4). Current company	

policy and procedures related zero burning activities for land preparation are able to be seen on indicator 5.5		
	Status: Comply	
7.8 New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8.1 and 7.8.2 Company do not conduct any new planting since January 2015. Based on the PT SIP area statement, there was no new planting since previous assessment (ASA-4).		
	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.		
Internal Audit RSPO internal audit for SMRM and its supply base has conducted by five internal auditor from Sustainability Policy and Compliance Division of Sinarmas Agribusiness and Food on 14 to 25 January 2019, issued on February 2019. According to review, it was informed there is 2 points of non-conformity in legal aspect, 12 points in BMP aspect, 25 points in safety and health aspect, 25 points in environment aspect, 2 points in social aspect, 11 points in manpower aspect, 1 point in conservation aspect and 1 point in GHG and supply chain aspect. All findings has been settled up on 01 April 2019 and verified on 05 April 2019.		
Aspects of Best Management Practices: The company has implemented a commitment to continuous improvement, including: <ul style="list-style-type: none"> • Control of rat pests using owl predators (<i>Tyto alba</i>). • Biological leaf caterpillar pests control by planting and maintaining (conservation) beneficial plants, such as <i>Antigonon leptopus</i>, <i>Cassia cobanensis</i>, and <i>Turnera subulata</i>. • Since 2016, PT SIP was no longer using Paraquat. 		
Worker Welfare Aspect - Company did not use temporary daily worker		
	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>Organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products. The entire area, mill and storages are owned by the organisation and all processing from FFB to CPO/PK are done by Sungai Merah Mill. The mill has no outsourced contractors, all PK and CPO transporter are under contract with buyer.</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>Sungai Merah Mill is not buying RSPO certified product from trader or distributor.</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>PT Sumber Indah Perkasa – Sungai Merah Mill has been registered in RSPO IT platform, as describes below:</p> <ul style="list-style-type: none"> - Number of RSPO membership: 1-0096-11-000-00 (Golden Agri Resources) - RSPO IT Platform of Sungai Merah Mill: RSPO_PO1000001343 <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>PT. Sumber Indah Perkasa – Sungai Merah Mil and its parent company is not had a processing aids</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>PT Sumber Indah Perkasa – Sungai Merah Mill applied supply chain model mass balance (Model E).</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>SMRM applied only 1 modes supply chain (Model E Mass Balance). FFB supply to Sungai Merah Mill is from SMRE (Certified and Non Certified), smallholder scheme GABA and Gala (Certified), and PT Prima Alumga (Non Certified).</p> <p>Status: Comply</p>
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.

Company has documented procedure that covered implementation of supply chain, as follows:

- Procedure of Supply Chain Mass Balance Model No.PT.SIP.SMRM/SOP/23 revision 04 on February 14th, 2019.
- SOP *Pengendalian Dokumen dan Rekaman* No SMART/UMUM/SADV/II/001. This procedure explain that Retention time for document is 10 years.
- SOP *Penanganan Keluhan dan Ketidakpuasan* No SOP/SMART/GIMS-SCMD/USDV/II/001. This procedure explain about mechanism of complaint and grievance handling from external and internal stakeholder.
- SOP Internal Audit No SOP/SMART/UMUM/SADV/II/009. This procedure explain about mechanism of internal audit planning, conducting internal audit, until reporting internal audit. Internal audit is conducted at least once a year.
- SOP of *Tinjauan Manajemen* No SOP/SMART/UMUM/SADV/II/010.

Status: Comply

5.3.2

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

SOP Internal Audit No SOP/SMART/UMUM/SADV/II/009. This procedure explain about mechanism of internal audit planning, conducting internal audit, until reporting internal audit. Internal audit is conducted at least once a year. Internal audit for RSPO Supply Chain Certification conducted on January 14th – 25th, 2019. Internal audit has covered all RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.

The latest internal audit of supply chain was conducted on 14 – 25 January 2019. Nonconformities was found on this internal audit has been discussed in Management review on 1 February 2019

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

Sungai Merah Mill does not purchase RSPO certified oil palm products. Sungai Merah Mill is the producer of RSPO certified oil palm products. The mill received FFB as uncertified product from uncertified areas/non HGU of Sungai Merah Estate and PT Prima Alumga and certified FFB from certified area of Sungai Merah Estate, GABA, and GALA. Document of FFB received explain about name, address, date of transaction, date of issued claim, transport documentation.

Status: Comply

5.4.2

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

Sungai Merah Mill does not purchase RSPO certified oil palm products. Sungai Merah Mill is the producer of RSPO certified oil palm products. The mill received FFB as uncertified product from uncertified areas/non HGU of Sungai Merah Estate and PT Prima Alumga and certified FFB from certified area of Sungai Merah Estate, GABA, and GALA. Document of FFB received explain about name, address, date of transaction, date of issued claim, transport documentation.

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.

Sungai Merah Mill do not use contractor for processing of physical handling of RSPO certified oil palm products. Transportation for CPO delivery is become the responsibility of buyer.

Status: Comply

5.5.2

<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ol style="list-style-type: none"> 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 	
<p>Sungai Merah Mill do not use contractor for processing of physical handling of RSPO certified oil palm products. Transportation for CPO delivery is become the responsibility of buyer.</p>	
	Status: Comply
<p>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.</p>	
<p>Sungai Merah Mill do not use contractor for processing of physical handling of RSPO certified oil palm products. Transportation for CPO delivery is become the responsibility of buyer.</p>	
	Status: Comply
<p>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</p>	
<p>Sungai Merah Mill do not use contractor for processing of physical handling of RSPO certified oil palm products. Transportation for CPO delivery is become the responsibility of buyer.</p>	
	Status: Comply
5.6	Sales and goods out
<p>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</p>	
<p>Company showed sales document in form of delivery order, weighbridge card, and delivery note. For example sales document of CSPK on 30 March 2019. The document explain:</p> <ul style="list-style-type: none"> Name and address of seller Name and address of buyer Delivery date Description product, include the applicable supply chain Quantity of product delivered Etc. 	
	Status: Comply
5.7	Registration of transactions
<p>5.7.1 Supply chain actors who:</p> <ul style="list-style-type: none"> are mills, traders, crushers and refineries; and take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable 	
<p>Sungai Buaya Mill has been registered on RSPO IT Platform with details as follows:</p>	
Member Name :	Sungai Buaya Mill – PT Sumber Indah Perkasa
Core Product :	Palm Oil

Account UID : RSPO_AC1000001372 Member ID : RSPO_PO1000001342

During licensed period from 2 May 2018 – 12 April 2018, all CSPK and CSPO transaction has been registered in RSPO 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.

Transaction of CSPK and CSPO sales are reported to RSPO IT Platform.

All conventional and ISCC sales has been removed from palm trace according to their procedure, every 3 months of mass balance period. Company show shipping announcement, for example transaction No TR-9b31191e-bd2d on 19 December 2018. It informs type of SCC model, name of buyer, product detail, and transaction detail

The removal stock conducted on:

11 December 2018

CSPO: 32,004.13 Mt

CSPK: 10,724.06 MT

14 April 2019

CSPO: 38,824.31 MT

Company has been request for extension stock to their old CB on 16 January 2019, however their old CB cannot extent CSPO and CSPK stock. So, the sales for next mass balance period will be removed from palm trace using new stock from new license.

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

Company has training plan for 2019 which include refresh training of supply chain procedure, will be conducted on January 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

Training of RSPO SCCS has conducted on 13 February 2019 attended by 22 participants. Based on interview with weighbridge operator, it is known that he knows and aware the duties and responsibilities about implementation of supply chain.

	Status: Comply
5.9	Record keeping
5.9.1	<p>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</p> <p>Based on procedure of supply chain product, implementation of the procedure is recorded in delivery order, weighbridge card, and delivery note. Retention time of the records shall be maintained at least 10 years minimum. The record of supply chain is updated until the day of audit, for example data of CPO and PK production and selling on 10 April 2019 can be shown.</p>
	Status: Comply
5.9.2	<p>Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock</p> <p>Based on document of SOP <i>Pengendalian Dokumen dan Rekaman</i> No SMART/UMUM/SADV/II/001, the retention times for all records and reports minimum 10 years and document of sales from last 2 years can be found. Based on interview with weighbridge operator, the record of supply chain, such as delivery note from 2017 can be showed to auditor.</p>
	Status: Comply
5.9.3	<p>The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.</p> <p>Sungai Merah Mill has record the volume of FFB received, CPO and PK sales for over a period of 12 month</p>
	Status: Comply
5.10	Conversion factors
5.10.1	<p>Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries</p> <p>Sungai Merah Mill doesn't applied a conversion rate.</p>
	Status: Comply
5.10.2	<p>Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p> <p>Sungai Merah Mill doesn't applied a conversion rate.</p>
	Status: Comply
5.11	Claims
5.11.1	<p>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.</p> <p>Sungai Merah Mill has make claim in accordance with RSPO Rules on Market Communications and Claims. Company did not use logo or trademark on sales document</p>
	Status: Comply
5.12	Complaints
5.12.1	

The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Company has complain procedure written on SOP <i>Penanganan Keluhan dan Ketidakpuasan</i> No SOP/SMART/GIMS-SCMD/USDV/I/001. This procedure explain about mechanism of complaint and grievance handling from external and internal stakeholder.	
	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	
Company has conducted management review on 1 February 2019 and documented on minutes of meeting of coordination meeting of mill, bulking, and transport.	
	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. 	
Management review discuss about result of internal audit, customer feedback, Follow-up actions from management reviews, Recommendations for improvement.	
	Status: Comply
5.13.3	
The output from the management review shall include any decisions and actions related to:	
<ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	
Result of management review has been included the improvement of supply chain implementation. The output of management review, such as implementation of Efact program (program to record FFB production from estate using an application) and the mechanism of Efact program will be added to SCC procedure, always report the extension of CPO and PK to CB, Etc.	
	Status: Comply

3.2.2. Module E – CPO Mills: Mass Balance Requirements

Clause	Requirement																		
E.1	Definition																		
E.1.1																			
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.																			
Sungai Merah Mill received FFB from certified area, namely Sungai Merah Estate, GABA, and GALA and uncertified area, namely uncertified area of Sungai Merah Estate and PT Prima Alumga. The volume of products sold using Mass Balance claim. Therefore, module E (MB) is applied.																			
	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. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.																			
Estimates of CPO and PK produced by Sungai Merah POM obtained from the projection based on actual data of 12 months before audit activities.																			
<table><tr><th>Past Annual Claim Certified Product</th><th>Last Year Projected Certified Volume (2 May 2018 – 1 May 2019) (MT)</th><th>Last Year Actual Certified Volume (April 2018 – March 2019) (MT)</th><th>Projection certified volume (1 year after SMRM certified) (MT)</th></tr><tr><td>• FFB received</td><td>228,750</td><td>262,443.19</td><td>191,841</td></tr><tr><td>• CPO Production</td><td>43,146.31</td><td>54,302.49</td><td>40,267</td></tr><tr><td>• Palm Kernel (PK) Production</td><td>10,756.81</td><td>13,269.49</td><td>9,976</td></tr></table>				Past Annual Claim Certified Product	Last Year Projected Certified Volume (2 May 2018 – 1 May 2019) (MT)	Last Year Actual Certified Volume (April 2018 – March 2019) (MT)	Projection certified volume (1 year after SMRM certified) (MT)	• FFB received	228,750	262,443.19	191,841	• CPO Production	43,146.31	54,302.49	40,267	• Palm Kernel (PK) Production	10,756.81	13,269.49	9,976
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	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).																			
Sungai Merah Mill has been registered on RSPO IT Platform with details as follows:																			
<table><tr><td>Member Name :</td><td>Sungai Merah Mill – PT Sumber Indah Perkasa</td><td>Core Product :</td><td>Palm Oil</td></tr><tr><td>Account UID :</td><td>RSPO_AC1000001373</td><td>Member ID :</td><td>RSPO_PO1000001343</td></tr></table>				Member Name :	Sungai Merah Mill – PT Sumber Indah Perkasa	Core Product :	Palm Oil	Account UID :	RSPO_AC1000001373	Member ID :	RSPO_PO1000001343								
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	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.																																																												
PT Sumber Indah Perkasa – Sungai Merah Mill has SOP of Supply Chain Mass Balance Model No PT.SIP.SMRM/SOP/23 revision 04 on February 14 th , 2019. This procedure explain about the role person for responsibility and authority over implementation of supply chain, as follows security, weighbridge operator, grading supervisor, CPO/PK dispatch operator, laboratorium analyst, assistant, mill unit head, and production head.																																																												
	Status: Comply																																																											
E.3.2																																																												
The site shall have documented procedures for receiving and processing certified and non-certified FFBs																																																												
Company has documented procedure that covered implementation of supply chain, as follows:																																																												
- Procedure of Supply Chain Mass Balance Model No.PT.SIP.SMRM/SOP/23 revision 04 on February 14 th , 2019.																																																												
	Status: Comply																																																											
E.4	Purchasing and goods in																																																											
E.4.1																																																												
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	<table><tr><th rowspan="2">Period</th><th colspan="3">FFB Receive (ton)</th></tr><tr><th>Certified</th><th>Non-Certified</th><th>Total</th></tr><tr><td>April 2018</td><td>8,988.57</td><td>6,942.44</td><td>15,931.01</td></tr><tr><td>May 2018</td><td>16,037.83</td><td>13,006.57</td><td>28,982.73</td></tr><tr><td>June 2018</td><td>16,396.24</td><td>7,678.50</td><td>24,074.74</td></tr><tr><td>July 2018</td><td>24,594.63</td><td>15,763.15</td><td>40,357.78</td></tr><tr><td>August 2018</td><td>26,212.57</td><td>12,237.51</td><td>38,450.08</td></tr><tr><td>Sept 2018</td><td>35,044.74</td><td>7,106.06</td><td>42,150.80</td></tr><tr><td>Oct 2018</td><td>34,482.25</td><td>4,345.75</td><td>38,828.00</td></tr><tr><td>Nov 2018</td><td>31,669.15</td><td>4,674.95</td><td>36,344.10</td></tr><tr><td>Dec 2018</td><td>23,949.60</td><td>4,589.69</td><td>28,539.29</td></tr><tr><td>January 2019</td><td>19,391.65</td><td>4,848.35</td><td>24,240.00</td></tr><tr><td>February 2019</td><td>13,907.55</td><td>2,161.42</td><td>16,068.97</td></tr><tr><td>March 2019</td><td>11,768.41</td><td>492.38</td><td>12,260.79</td></tr><tr><td>Total</td><td>262,443.19</td><td>83,846.77</td><td>346,289.96</td></tr></table>	Period	FFB Receive (ton)			Certified	Non-Certified	Total	April 2018	8,988.57	6,942.44	15,931.01	May 2018	16,037.83	13,006.57	28,982.73	June 2018	16,396.24	7,678.50	24,074.74	July 2018	24,594.63	15,763.15	40,357.78	August 2018	26,212.57	12,237.51	38,450.08	Sept 2018	35,044.74	7,106.06	42,150.80	Oct 2018	34,482.25	4,345.75	38,828.00	Nov 2018	31,669.15	4,674.95	36,344.10	Dec 2018	23,949.60	4,589.69	28,539.29	January 2019	19,391.65	4,848.35	24,240.00	February 2019	13,907.55	2,161.42	16,068.97	March 2019	11,768.41	492.38	12,260.79	Total	262,443.19	83,846.77	346,289.96
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	Status: Comply																																																											
E.4.2																																																												
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.																																																												
Certified product by Sungai Merah Mill																																																												

Past Annual Claim Certified Product	Last Year Projected Certified Volume (2 May 2018 – 1 May 2019) (MT)	Last Year Actual Certified Volume (April 2018 – March 2019) (MT)
• FFB received	228,750	262,443.19
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	Status: Comply
E.5	Record keeping

E.5.1

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

Sungai Merah Mill has documented mass balance record of FFB production and the delivery of CPO and PK. The CPO and PK sales are from positive stock

Period	CPO production (MT)		Total	Cert CPO Dispatch (MT)			Total
	Cert	Non Cert		RSPO	ISCC	Non Cert	
Total	54,302.59	17,527.34	71,829.93	1,796.47	41,349.84	-	43,146.31

Period	PK production (MT)		Total	Cert PK Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non Cert	
April 2018 to March 2019	13,269.49	4,355.12	17,624.61	10,623.91	-	-	10,623.91

	Status: Comply
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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 ✓
RC	PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) do not use RSPO trademark and CB Logo. Trademark license number 1-0096-11-100-00 are available at : https://www.rspo.org/trademark/current-licensees	✓
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or ✓
RC	PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) do not use RSPO trademark and CB Logo. Trademark license number 1-0096-11-100-00 are available at : https://www.rspo.org/trademark/current-licensees	✓
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or ✓
RC	PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) do not use RSPO trademark and CB Logo. Trademark license number 1-0096-11-100-00 are available at : https://www.rspo.org/trademark/current-licensees	✓
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or ✓
RC	PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) do not use RSPO trademark and CB Logo. Trademark license number 1-0096-11-100-00 are available at : https://www.rspo.org/trademark/current-licensees	✓
	Status: Comply	

3.4 Summary of RSPO Partial Certification.

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

Golden Agri Resources, Ltd Time Bound Plan (TBP) is explained in table 1.10. Golden Agri Resources run forty two (42) mills and one hundred thirty six (136) estates (own and smallholders) in Indonesia and has achieved RSPO certified for twenty eight (28) mills and supply base in Indonesia. Golden Agri Resources, Ltd has informed the TBP progress, MUTU has considered that Golden Agri Resources, Ltd is comply with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Golden Agri Resources, Ltd on January, 2019 approved by President Director and MO Sustainability Strategic & Stakeholders Engagement.

MUTU has verified partial certification for un-certified unit's subsidiary of Golden Agri Resources, Ltd based on their Time Bound Plan. There are sixteen (16) uncertified management unit of GAR. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

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

		<ul style="list-style-type: none"> - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) 28 March – 01 April 2016 - PT Agro Lestari Sentosa (Jalemo Mill and supply base), monitoring via SPO Scorecard online - PT Adi Tunggal Mahajaya (Sako Mill) (under construction) - PT Kresna Duta Agroindo (Pelakar Mill and supply base) 24 – 29 October 2016 - PT SMART (Bukit Kapur Mill and supply base) 15 – 19 February 2016 - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) 19 – 23 December 2016 - PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base) 06 – 10 February 2017 - PT Sawitakarya Manunggal (Sawita Mill and supply base)
i.	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: GAR and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 29, 2014 and the company has been sent data evidence of LUCA to RSPO by email dated April 11, 2016. Progress result of review LUCA at follow-up via email RSPO dated October 24, 2016 and RSPO answer related LUCA are still in the review process. On April 30 2018, GAR has sent LUCA revision to RSPO. And the latest response for RSPO was on January 8 2019, stated that LUCA are still on progress review.</p> <p>Auditor Verification: RaCP Process for:</p> <ul style="list-style-type: none"> - PT Agrolestari Mandiri (Pekawai Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) - PT Agro Lestari Sentosa (Jalemo Mill and supply base) - PT Kresna Duta Agroindo (Pelakar Mill and supply base) - PT SMART (Bukit Kapur Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) - PT Satya Kisma Usaha (Sungai Bengkal Mill and supply base)
ii.	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: There is no new planting.</p> <p>Auditor Verification: Based on auditor verification there are some new planting conducted by company, but NPP has been applied these.</p> <ul style="list-style-type: none"> - PT Binawit Abadi Pratama (Perdana Mill and supply base)

		<ul style="list-style-type: none"> - PT Agrokarya Prima Lestari (Kuayan Mill and supply base) - PT Mitra Karya Agroindo (Tangar Mill and supply base) - PT Paramitra Internusa Pratama (Belian Mill and supply base) - PT Agrolestari Mandiri (Pekawai Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) any new planting since January 1st 2010 and NPP has been applied these.
iii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company Group/Holding Statement: There are no land conflicts. The Company has a land conflict resolution mechanism in accordance with the RSPO criteria 6.4; 7.5; and 7.6. This procedure is outlined in the SOP Social Conflict Management (SOP/SMART/SENS-CSR/SADV/II/02). This procedure regulates social conflict settlement agreed. Conflict resolution can be done in a participatory manner and can also be done by a third party (mediator). The company also has procedures to deal with complaints before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/II/003. The company handling complaints appropriately and quickly. GAR has been initiated to become a member of RSPO DSF as a category "out growers".</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no land conflicts for</p> <ul style="list-style-type: none"> - PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base) - PT Mitra Karya Agroindo (Tangar Mill and supply base) - PT Kresna Duta Agroindo (Pelakar Mill and supply base) - PT SMART (Bukit Kapur Mill and supply base) <p>There are any land conflicts but was in the process of completion for</p> <ul style="list-style-type: none"> - PT Agrolestari Mandiri (Pekawai Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) - PT Sawit Mas Sejahtera (Sungai Kikim and supply base) - PT Agro Lestari Sentosa (Jalemo Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) - PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base)

iv.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: There is no issue of labour disputes in uncertified unit. The company also has procedures to deal with complaints workers before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/II/003.</p> <p>Procedures related employee issues is arranged in the form of internal grooves for employees included in the category of internal stakeholders. Media that is used to deliver complaint is a formal letter submitted by unions or incorporated into a suggestion box which is provided in a convenient location.</p> <p>Auditor Verification: There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>
v.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement: Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 and 2.2 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/II/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p>Auditor Verification: Land legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> - PT Paramitra Internusa Pratama (Belian Mill and supply base), still in the process of Committee B and the company has got plantation business permit (IUP) - PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance. - PT Agro Lestari Sentosa (Jalemo Mill and supply base) and PT Adi Tunggal Mahajaya (Sako Mill) doesn't have Land Use Title (HGU). - PT Kresna Duta Agroindo (Pelakar Mill and supply base), there is a difference the concession area between Land Use Title (HGU) and Plantation Business Permit (IUP) and Permits Location. - PT SMART (Bukit Kapur Mill and supply base, doesn't have land use title (HGU), the HGU is still on process. - PT Sawitakarya Manunggal there is an area is still in process for HGU (Committee B meeting). - PT Djuanda Sawit Lestari is an area is still in process for HGU Muara Kandis Estate (574.58 Ha) - PT Ivomas Tunggal there is an area is still in process for HGU Samsam Estate (29.09 Ha),

		<p>Kandista Estate (158.46 Ha), Nenggala Estate (419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha)</p> <ul style="list-style-type: none"> - PT Buana Wiralestari Mas there is an area is still in process for HGU Naga Mas Estate (253.39 Ha), Naga Sakti Estate (59.79 Ha), Kijang Mas Estate (56.07 Ha) - PT Ramajaya Pramukti there is an area is still in process for HGU Rama Rama Estate (318.76 Ha) - PT Sumber Indah Perkasa. there is an area covered 241.54 ha (Sungai Merah estate), 73.71 ha (Sungai Buaya estate), and 26.18 ha (Sungai Buaya estate) are still on HGU process.
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3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.
3.5.1. Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

Category	Clause	Auditor	Description	Dealine	Root cause	Corrective action	Audit team review
Minor	2.1.3	NS	<p>The company not consistent in implementing the mechanism for complying with the regulation for several things as follows :</p> <ul style="list-style-type: none"> The company has not identified and tested the properness of storage tank for chemical or fuel as regulated in PERMENAKER No. 37 Year 2016. Regarding the payment of wages, the company has not ensured that all working partnership have provided a minimum wage as an example of remuneration for kindergarten teachers children that received below the minimum wage for about Rp. 1.130.000, - Not all mill operators has complied with license requirements for example the operators in power house area in Sungai Merah Mill does not has license or has been certified for operating the power plant as 	Next audit	<p>Safety Officer does not understand about any equipment that requires a testing in accordance with Permenaker No.37 of 2016.</p> <p>Safety Officer has not understood about who needs license in accordance with PERMENAKER No. 38 of 2016.</p>	<ul style="list-style-type: none"> SPO Region will give explanation to Safety Officer concerning Permenaker No.37 of 2016 including the permission that need to be done with the follow up action that must be done related to the implementation of the regulation Safety Officer unit do identification of the existence of tank in each unit based on Permenaker No. 37 of 2016. SPO Region/D&L communicate with Manpower Office of Lampung Province regarding fulfillment of Minister of Manpower No. 37 of 2016. Kindergarten is not managed by the company but is managed by a foundation where the 	Closed

			<p><i>regulated in PERMENAKER No.38</i></p> <ul style="list-style-type: none"> <i>Year 2016.</i> 			<p><i>foundation board is the PKK ladies in the corporate.</i></p> <ul style="list-style-type: none"> <i>Wages of Kindergarten Teachers come from student fees plus incentives / assistance from the company.</i> <i>Working hours of Kindergarten teachers only 2 hours ie from 08.00 am sd.d. 10.00 pm so that the wages received are not the same as other workers who work for 7 hours per day. If the kindergarten teacher is paid HK wages then will cause social jealousy and negative impact to all other employees who work for 7 hours per day</i> 	
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3.5.2. Identification of Findings, Corrective Actions and Observations at IA/IA/ASA-1/ASA-2/ASA-3/ASA-4/Re-Certification Assessment

NCR No.	:	-	Issued by	:	-
Date Issued	:	-	Time Limit	:	-
NC Grade	:	-	Date of Closing	:	-
Standard Ref. & Requirement	:	-			
Non-Conformance Description& Evidence observed :					
<u>There is No Non-Conformity during Re-Cert</u>					
Root Cause Analysis:					
-					
Corrective Action:					
-					
Preventive Action:					
Assessor Evaluation and Conclusion:					
-					
Verified by	:	-			

3.5.3. Opportunity for Improvement

No	Ref. Std.	Description
1	6.1.1	Ensure that all affected parties were covered on social impact identifications.

3.5.4. Noteworthy Positive Components

No	Ref. Std.	Description
1		Management commitment in implementing sustainable palm oil development
2		Has received ISPO certificate (certificate number ISPO 00011) for the period of 1 September 2014 – 1 September 2019
3		Has received the ISCC certificate (certificate No EU-ISCC-Cert 218-20180075) for the period of 15 July 2018 until 14 July 2019
4		<i>PROPER BIRU</i> for period 2017-2018

3.6 Summary of Arising Issues from Public and Auditor Verification



Public Issues (Institution / NGO / Community)	Auditor Responses
Worker union of PT SIP <ul style="list-style-type: none"> Worker union has registered to the agency. Collective labour Bargaining has ratified by Manpower Agency Basic wage in accordance with applicable regulation. PPE is provided by PT SIP There is no intervention from PT SIP in selection of worker union leader. 	<p>Auditor has verified the compliance towards criterion 6.5, 6.6., 6.7, 6.8, 6.12</p>
Gender Committee <ul style="list-style-type: none"> There is no complaint about sexual harassment. Gender committee has socialized company's policy, such as reproductive rights for worker. Company gives menstrual and maternity leave in accordance with the available mechanism 	<p>Auditor has verified the compliance towards criterion 6.9</p>
Manpower and Transmigration Agency of Mesuji Regency Monday, 08 April 2019 Interviewee: Head of Agency (<i>Kepala Dinas</i>) Interview Notes: <ul style="list-style-type: none"> PT Sumber Indah Perkasa (PT SIP) – Sungai Buaya Mill has Occupational Health and Safety Committee (P2K3) which authorized by Manpower Agency. Secretary of P2K3 was General-OSH Expert (<i>AK3-Umum</i>) as required by applicable regulation. For the last seven (7) years, the company is considered cooperative and satisfactory to fulfill administrative obligation report, such as Semester report of WLTk and quarter report of P2K3. Furthermore, the company has considered cooperative in terms of providing information which requested by the Agency. There is no serious work accident during 2018 and up to March 2019. Most of the workers were locals from surrounding villages. The company has fulfilled basic rights for their workers such as minimum wages implementation for period 2019 in Mesuji Regency (IDR 2,385,705), premium payment, Government Insurance Scheme (BPJS Manpower and BPJS Health), providing a proper personal protective equipments (PPE's) in accordance with HIRAC analysis, etc. This rights is applicable to all workers. The company is reported still have temporary workers (PKWT) which gradually promoted into permanent workers (PKWTT). Progres on this matter is considered positive. Any new recruitment or promotion workers is immediately reported to the Agency. 	<p>All comments given indicates positive response of company operational activities towards environment management aspect, as mentioned in Criteria 4.7; 6.1; 6.2; 6.5; 6.6; 6.7 6.8 6.9 6.12 and 6.13.</p>

<ul style="list-style-type: none"> • There is no issues on foreign worker, child labor abuse, employee dispute, force labour, discrimination and other negative issues related to manpower aspects. • There is Labor Union (SPSI) in PT SIP, which already authorized by Manpower Agency. • Collective Labor Agreement (PKB) is reported still valid. • The company has license of processing machineries such as Boiler, generator set, electrical installation, etc. Furthermore, licenses for specific Operators has also satisfactory monitored and extended when expired. 	
<p>Environment Agency of Mesuji Regency Monday, 08 April 2019 Interviewee: Division Head of Monitoring (<i>Kabid. Pengawasan</i>)</p> <p>Interview Notes:</p> <ul style="list-style-type: none"> • There is no additional operational area and/or increment of FFB processing capacity (60 ton FFB/hour). Thus, environment document is still remain the same. • PT SIP (Sungai Merah Mill and it supply base) has considered cooperative in term of obligation report delivery on-time, such as quarterly liquid waste report, semester environment management and monitoring plan report (UKL/UPL and RKL/RPL), land application report and quarterly hazardous waste report. Furthermore, company has also considered maintaining a good relationship and satisfactory communication with the Agency. • Permit of hazardous waste warehouse and land application are reported still valid. • Online reporting towards hazardous waste management has already conducted by the company. However, hardcopy document is still delivered to the Agency. • There is no negative issues towards environmental aspect, due to estate and mill operational activities. Regarding this matters, the Agency has carried out regular inspection quarterly and/or every semester to verify company pursuance towards environment aspect as required by applicable regulations. • Estate management is required to make coordination with the Agency for replanting activities which will be conducted in the coming years. 	<p>All comments given indicates positive response of company operational activities towards environment management aspect, as mentioned in Criteria 4.4; 4.6; 5.1; 5.2 and 5.3.</p>
<p>Agriculture Agency of Mesuji Regency Monday, 08 April 2019 Interviewee: Division Head of Plantation (<i>Kabid. Perkebunan</i>)</p> <p>Interview Notes:</p> <ul style="list-style-type: none"> • The company has Plantation Class I which authorized by Agriculture Agency of Lampung Province. • The company has considered cooperative in term of obligation report delivery on-time, such as Semester LKUP, Fire Monitoring Report and Land Use Report. • The company has involved local communities is arranging annual CSR program. • There is no plan for increment of own estate and plasma 	<p>All comments given indicates positive response of company operational activities towards local, national and ratified international laws and regulations aspect, as mentioned in Criteria 2.1; 2.2; 2.3; 4.3 and 5.5.</p>

<p>operational areas.</p> <ul style="list-style-type: none"> • There is no overlapping area with forest and/or customary area. Furthermore, there is no conflict related to land dispute with local peoples. • The company has plasma where the members were comes from surrounding communities (Transmigrant from Lampung and Jawa). • There is no issues or reports from Local and National NGO related to fire incidence in PT SIP – Sungai Merah Mill. Company facilities on fire management has considered satisfactory. • Estate management is required to make coordination with the Agency for replanting activities which will be conducted in the coming years, especially to overcome pest outbreaks which might be happen without proper integrated pest management. 	
<p>Environmental Agency of Tulang Bawang District (8 April 2019)</p> <ul style="list-style-type: none"> • The Company already has Land Application and Temporary Storage for Hazardous and Toxic Waste Permit. • The Company has reported reports of Hazardous and Toxic Waste, Liquid Waste and management and monitoring plan Report regularly. • In general in environmental aspects, the company has complied with applicable regulations. • There is no environmental issue in the area of the company that goes to the environmental agency. 	<p>All comments given indicates positive response of company operational activities towards local, national and ratified international laws and regulations aspect, as mentioned in Criteria 2.1; 2.2; 2.3; 4.3 and 5.5.</p>
<p>Agriculture Agency of Tulang Bawang District – Plantation Division (8 April 2019).</p> <ul style="list-style-type: none"> • The company has done the class estate assessment and got class II, rated last in December 2018. • The Company has a Plantation Business License (IUP). • Report on plantation business activities (LKUP) are routinely reported. • Fire Extinguisher Equipment of company is sufficient and one year behind there is no issue of land fires that occurred in the area of PT SIP. • Communication between the company and the agency is also well established, and if the office requested data, the company quickly responded. 	<p>All comments given indicates positive response of company operational activities towards local, national and ratified international laws and regulations aspect, as mentioned in Criteria 2.1; 2.2; 2.3; 4.3 and 5.5.</p>
<p>Manpower Agency of Tulang Bawang Regency Industrial Relations Division</p> <ul style="list-style-type: none"> • Minimum wage applied in PT SIP is according to Minimum Wage of Mesuji Regency as much as 2,385,874, because it is higher than Tulang Bawang Regency. • Company has worker union and collective labour 	<p>Auditor has verified the compliance towards criterion 6.5, 6.6, 6.7, and 6.8.</p>

<p>bargaining</p> <ul style="list-style-type: none"> Company has registered contract worker <p>There is no issue related to worker about discrimination, human rights violation, or child worker.</p>	
<p>FFB Transport Contractor</p> <ul style="list-style-type: none"> Has been a contractor for FFB transport of Sungai Buaya Estate since 2005. Contractors are required by companies to comply with OHS and PPE procurement by contractors. Payments to contractors are made on time in accordance with the contract. The agreement contains articles such as payment methods, occupation, OHS aspects and employment such as the provision of PPE and registration on accident insurance of contractor workers by the contractor. Communication between the contractor and the company is well established. The company's relationship with the surrounding villages so far is quite good. There are no complaints from contractors. 	<p>There is no negatives issues arised from FFB transport contractors</p> <p>Contractor shown compliance related to OHS aspect, workers welfare, and transparency, and company business code of conduct.</p>
<p>Head of Sungai Sidang Villages and previous land owner (1 person) (PT SIP)</p> <ul style="list-style-type: none"> Now a days Sungai Sidang village are not directly adjacent with PT SIP operational areas, Formerly, before expansion of administrative areas, PT SIP are included on Sungai sidang villages. Therefore land compensation during 1990 was done for this village Relationship between company and surrounding villages are maintained well Job vacancy for Local community worker were delivered to head of villages tranparently Fund relief for CD/CSR are conducted based on company procedures i.e by proposed proposal There is no Land conflict issues until now CD/CSR are conducted based on proposed proposal because PT SIP are not adjacent with sungai sidang villages Land compensation during 1990 were conducted without any coercion or intervention and agreed by both sides 	<p>Compensation for previous land owner are done based on mutual agreement both sides, without any intervention or coercion, and based on FPIC</p> <p>Company are not directly adjacent with local communities in Sungai Sidang villages, but based on land compensation record majority of Sungai Sidang villagers are previous land owner that received land compensation during 1990s. Based on this explanation, PT SIP are encourage to expand social impact coverage for all related affected parties included Sungai sidang v llage (OFI)</p>
<p>Head of Talang Batu villages and previous land owner (3 person)</p> <ul style="list-style-type: none"> Relationship between company and surrounding villages are maintained normally CD/CSR and social impact monitoring are conducted based on involvement of affected parties Job vacancy for Local community worker were delivered to head of villages tranparently There is no Land conflict issues until now 	<ul style="list-style-type: none"> Based on interview with surrounding village representative that known there was no land dispute or environmental issues as written criterion 2.3; 5.1, 6.1 and 6.4. The company has had CSR program and implementation. It refer to criterion 6.11. Compensation for previous land owner are done based on mutual agreement both sides, without any intervention or coercion, and based on FPIC

<ul style="list-style-type: none"> • Company are expected to gives more realization for CD/CSR programme • Land compensation during 1990 were conducted without any coercion or intervention and agreed by both sides • Villager also recognize company representative (PIC) for social matter. 	
<p>Head of Trirejomulyo villages (GABA KKPA)</p> <ul style="list-style-type: none"> • Relationship between company and surrounding villages are maintained well • Job vacancy for Local community worker were delivered to head of villages tranparently • Fund relief for CD/CSR are conducted based on company procedures i.e by proposed proposal • There is no Land conflict issues until now • During 2017-2108, there is no landfire occurence on sungai merah mill and its supply base • Company shown commitment for local community development by Gedung Aji Baru KKPA development • CD/CSR are conducted annuallly based on community needs • Company has socialized policy and procedures related RSPO for examples related tranparency, FFB price, HCV, and CD/CSR 	<ul style="list-style-type: none"> • In accordance with criteria 6.11 <p>Based on interview with surrounding village representative that known there was no land dispute or environmental issues as written criterion 2.3; 5.1, 6.1 and 6.4</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. Sumber Indah Perkasa Management Representative</p>  <p><u>Ismu Zulfikar</u> May 12th, 2019</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Steve Mualim</u> May 12th, 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
	Manpower and Transmigration Agency	Mesuji District	-	Interview by phone	8 April 2019	✓	
	Environment Agency	Mesuji District	-	Interview by phone	8 April 2019	✓	
	Agriculture Agency	Mesuji District	-	Interview by phone	8 April 2019	✓	
	Manpower Agency	Tulang Bawang District	-	Interview	8 April 2019	✓	
	Environment Agency	Tulang Bawang District	-	Interview	8 April 2019	✓	
	Agriculture Agency	Tulang Bawang District	-	Interview	8 April 2019	✓	
	Head of Sungai Sidang Villages and previous land owner (1 person)	Mesuji District	-	Interview	10 April 2019	✓	
	Head of Talang Batu villages and previous land owner (3 person)	Mesuji District	-	Interview	11 April 2019	✓	
	Head of Tanjung Sari villages	Mesuji District	-	Interview	12 April 2019	✓	
	Local Contractor (FFB Transport)	PT SIP	-	Interview	9 April 2019	✓	
	Gender Committee	PT SIP	-	Interview	9 April 2019	✓	
	Worker Union	PT SIP	-	Interview	9 April 2019	✓	
	SMRE - Spraying: 12 workers - Harvesting: 9 workers	Sungai Buaya Estate	-	Visit and Interview	10 April 2019	✓	
	SMRM - Security: 2 Security - Loading ramp: 2 workers - Sterilizer station: 1 worker - Press station: 1 worker - Boiler station: 2 worker - Power house: 1 worker - Kernel station: 1 worker	Sungai Buaya Mill	-	Visit and Interview	10 April 2019	✓	
	GABA - Spraying: 4 workers - Harvesting: 8 workers - Manuring: 2 workers	Mesuji Plasma	-	Visit and Interview	12 April 2019	✓	
	Sawit watch	Bogor, Indonesia	info@sawitwatch.or.id	Email	29 March 2019		✓
	WWF	Jakarta, Indonesia	wwf-indonesia@wwf.or.id	Email	29 March 2019		✓
	WALHI	Jakarta, Indonesia	informasi@walhi.or.id	Email	29 March 2019		✓
	AMAN	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	29 March 2019		✓

Appendix 2. Assessment Program

DATE	April 08 - 16, 2019	
ACTUAL TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday (Senin), April 8 2019		
07.00 - 08.00	JAKARTA → LAMPUNG	All Auditor
08.30 - 12.00	Lampung → Tulang Bawang Regency	<ul style="list-style-type: none"> • HSS / AAS • STM / LEO / AMR
08.30 - 14.00	Lampung → Mesuji Regency	
14.00 - 17.00	Stakeholder Consultation on Tulang Bawang Regency <ul style="list-style-type: none"> • Stakhholder Consultation to related agencies in Tulang Bawang Regency 	• HSS / AAS
14.00 - 17.00	Stakeholder Consultation on Mesuji Regency <ul style="list-style-type: none"> • Stakhholder Consultation to related agencies in Mesuji Regency 	• STM / LEO / AMR
17.00 - 20.00	Tulang Bawang Regency and Mesuji Regency → Mess	All Auditor
Tuesday (Selasa) , April 9 2019		
08.00 - 09.00	Opening Meeting (Brief introduction, Audit scope confirmation, Standards use, Audit objectives, Audit sampling, Audit Agenda Explanation, Transparency and Confidentiality Clarification)	ALL TEAM
09.00 - 12.00	Stakeholder Consultation <ul style="list-style-type: none"> • Interview with Gender Committee, Worker's Union, Worker's Cooperative, Local Contractor (for Mill and Estate), Third Party Supplier, and etc 	• AAS / HSS
09.00 - 12.00	Document Review : <ul style="list-style-type: none"> • Previous land owner sampling • Review of Previous Visit Non-conformance • Collect Basic Information (Mill & Estate) • Clarification of time bound plan • Review of Partial Certification 	• LEO / STM / AMR
12.00 - 14.00	Break	
Wednesday (Rabu), April 10 2019		
08.00 - 12.00	Field Observation to Sungai Merah Estate <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Fertilizer, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect. • Legal Operational boundaries, and Conservation/HCV, and waste management (landfill and land applications) • Worker welfare & facilities (housing complex, health, clean water, etc), (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities 	<ul style="list-style-type: none"> • HSS • AMR • ASS
08.00 - 12.00	• Stakeholders consultation to nearest village, local communities and previous land owner	• LEO / STM
12.00 - 14.00	Break	

DATE	April 08 - 16, 2019	
ACTUAL TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
14.00 - 17.00	Field observation to Sungai Merah Mill : <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) Environment management (fire drill simulation, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, WTP, WWTP) OHS (process), Employment procedures, workers welfare & facilities (status, payment, gender, housing, clean water, & etc) Stakeholder consultation to labour union (SPSI), Gender Committee, local contractor, CPO and PK transporter 	<ul style="list-style-type: none"> AAS AMR HSS LEO / STM
Friday (Jumat), April 12 2019		
08.00 -12.00	Field observation to Gedung Aji Baru KKPA : <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Fertilizer, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect. Legal Operational boundaries, and Conservation/HCV, and waste management (landfill and land applications) Worker welfare & facilities (housing complex, health, clean water, etc), (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities) 	<ul style="list-style-type: none"> ASS STM STM
08.00 - 12.00	Stakeholders consultation to nearest village, local communities and previous land owner for Gedung Aji Lama & Gedung Aji Baru KKPA	LEO
12.00 - 14.00	Break	ALL TEAM
14.00 - 17.00	Clarification of Field Observation & Completing of Check List.	ALL TEAM
Sunday (Minggu), April 14 2019		
	Checklist completion & Reporting	ALL TEAM
Monday (Senin), April 15 2019		
08.00 - 12.00	Document review, Clarification of Field Observation , Completing of Check List.	ALL TEAM
12.00 - 14.00	Break	ALL TEAM
15.00 - 16.00	Internal discussion by auditor team preparing for Closing Meeting	ALL TEAM
16.00 - 17.30	Closing Meeting	ALL TEAM
Tuesday (Selasa), April 16 2019		
04.00 - 12.00	Travelling from sites to Lampung	ALL TEAM
14.30 - 16.00	Lampung → Jakarta	ALL TEAM