

Roundtable on Sustainable Palm Oil Certification
R S P O

[✓] Initial Certification

Name of Management Organisation : Pelakar Mill, PT Kresna Duta Agroindo subsidiary of Golden Agri Resources Ltd.
Plantation Name : PT Kresna Duta Agroindo: Batang Merangin Estate and Pelakar Estate
Location : Tanjung Village, Bathin VIII Sub-District, Sarolangun District, Jambi Province, Indonesia
Certificate Code : **MUTU-RSPO/141**
Date of Certificate Issue : 23 January 2020 Date of License Issue : 23 January 2020
Date of Certificate Expiry : 22 January 2025 Date of License Expiry : 22 January 2021

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
IC	21 to 24 October 2019	Leonada (Lead Auditor), Hasiholan Sihombing, Bayu Yogatama, Asystasya Aishah Silalahi	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
IC	23 January 2020

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Figure 1. Location Map of PT Kresna Duta Agroindo

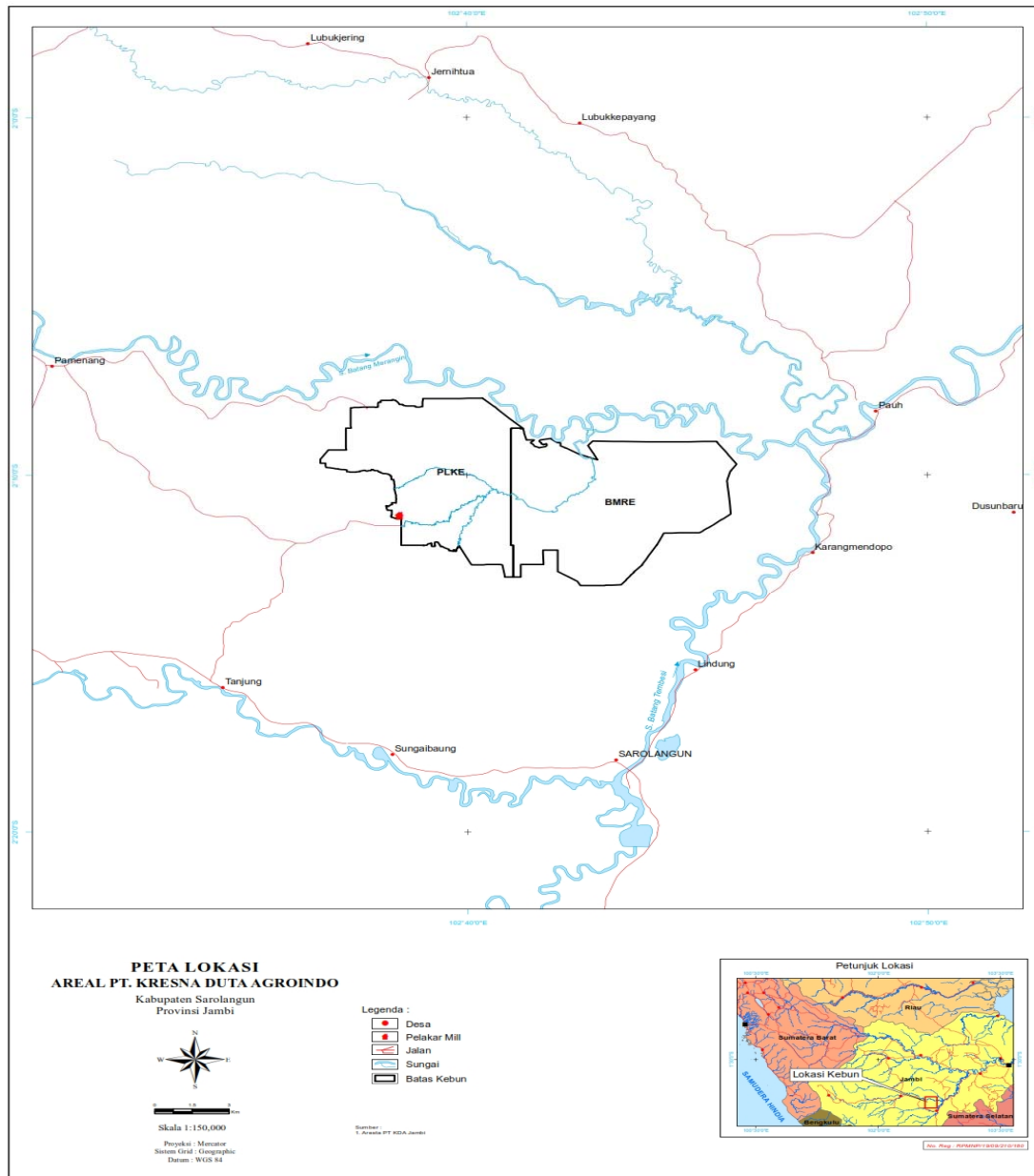
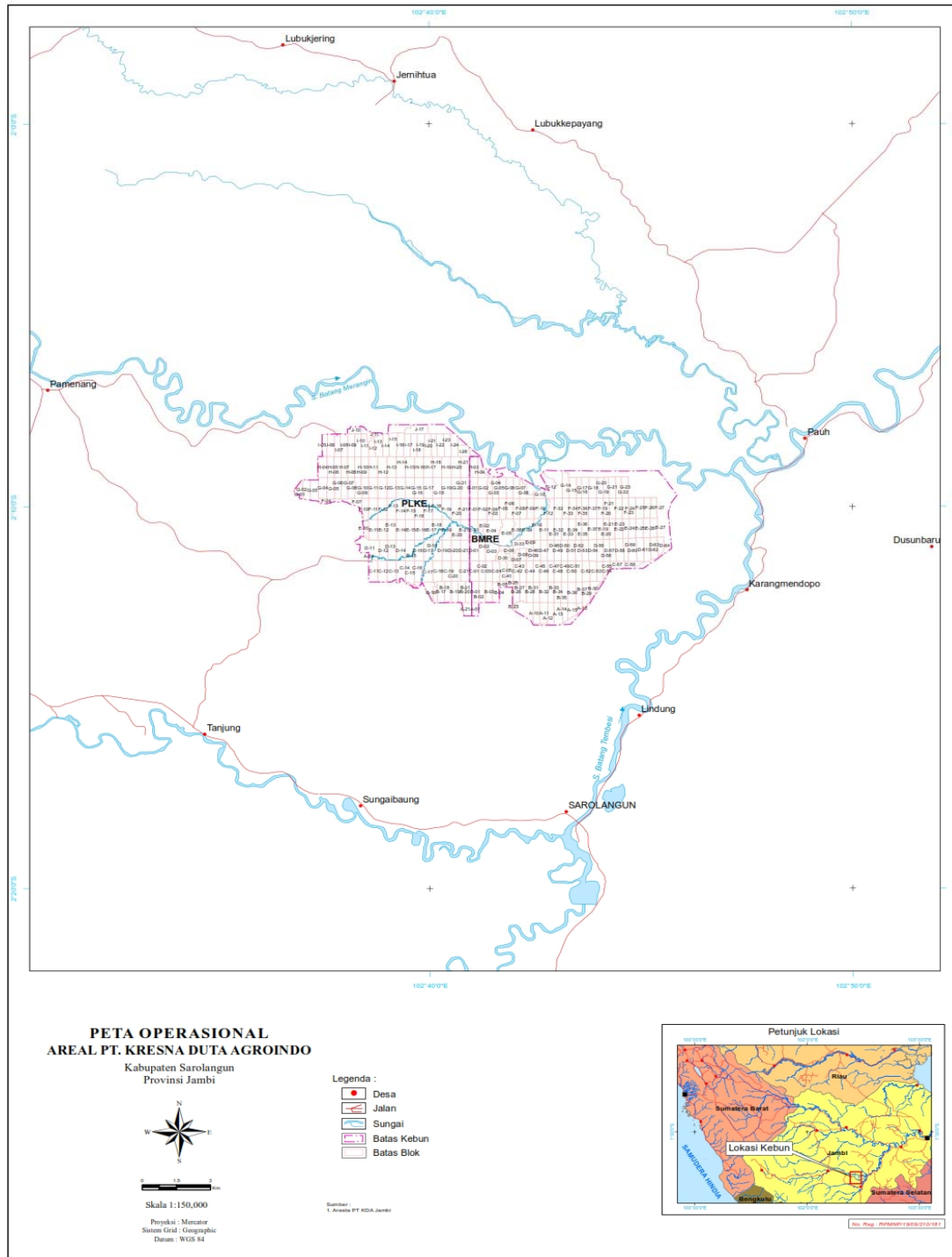


Figure 2. Operational Map of PT Kresna Duta Agroindo



Abbreviations Used

ASA	:	Annually Surveillance Assessment
BKS PPS	:	<i>Badan Kerja Sama Perusahaan Perkebunan Sumatera</i>
BMRE	:	Batang Merangin Estate
BOD	:	Biochemical Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> / Social Security Agency
BWS	:	<i>Balai Wilayah Sungai</i>
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
DPLH	:	<i>Dokumen Pengelolaan Lingkungan Hidup</i>
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunch
FPIC	:	Free Prior Informed Consent
FR	:	Frequency Rate
GAR	:	Golden Agri Resources
GHG	:	Greenhouse Gasses
GSEP	:	GAR, Social, and Environmental Policy
HCV	:	High Conservation Value
HGB	:	<i>Hak Guna Bangunan</i> (Building Use Title)
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
IPM	:	Integrated Pest Management
KDA	:	Kresna Duta Agroindo
KER	:	Kernel Extraction Rate
KT	:	<i>Kelompok Tani</i> / Farmer Group
KUD	:	<i>Koperasi Unit Desa</i> / Village Cooperative Unit
LSU	:	Leaf Sampling Unit
LUC	:	Land Use Change
MSDS	:	Material Safety Data Sheet
NRI	:	No replanting (no-go) indicator
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> / OHS Committee
PermenLH	:	<i>Peraturan Menteri Lingkungan Hidup</i> / Minister of the Environment Regulation
PIC	:	Person In Charge
PK	:	Palm Kernel
PKB	:	<i>Perjanjian Kerja Bersama</i> (Collective Labour Agreement)
PLKE	:	Pelakar Estate
PLKM	:	Pelakar POM
PMNP	:	Plantation Monitoring and Planning
PM-PTSP	:	<i>Penanaman Modal-Perizinan Terpadu Satu Pintu</i>
POM	:	Palm Oil Mill
PPE	:	Personal Protective Equipment
RGB	:	Red Green Blue
RSPO	:	Roundtable on Sustainable Palm Oil
RKL-RPL	:	<i>Rencana Kelola Lingkungan – Rencana Pantau Lingkungan</i>
RTE	:	Rare, Threatened and Endangered
SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment

SMARTRI	:	Sinar Mas Agro Resources and Technology Research Institute
SMD	:	Senior Managing Director
SOP	:	Standard Operating Procedure
SPO	:	Sustainable Palm Oil
SR	:	Severity Rate
SSU	:	Soil Sampling Unit
UKL-UPL	:	<i>Upaya Kelola Lingkungan – Upaya Pemantauan Lingkungan</i>
POME	:	Palam Oil Mill Effluent
WTP	:	Water treatment plant
WWTP	:	Waste Water treatment plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none">Indonesian National Interpretation of RSPO P&C 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO BoG 30th September 2016.RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill)RSPO Certification System for Principles and Criteria, 14 June 2017	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Pelakar Mill - PT Kresna Duta Agroindo, subsidiary of Golden Agri Resources Ltd	
1.2.2	Contact person	Yahya Mustakim	
1.2.3	Organisation address and site address	RSPO registered company: 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 Liaison Office: Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Gondangdia Menteng Jakarta Pusat, DKI Jakarta 10350, Indonesia	
1.2.4	Telephone	(+62-21) 5033 8899	
1.2.5	Fax	(+62-21) 5038 9999	
1.2.6	E-mail	yahya.mustakim@sinarmas-agri.com	
1.2.7	Web page address	www.goldenagri.com.sg	
1.2.8	Management Representative who completed the application for certification	Yahya Mustakim (Head of Sustainability Department)	
1.2.9	Registered as RSPO member	1- 0096 – 11 – 000 – 00; 30 January 2005	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply bases: Pelakar Mill, Pelakar Estate, Batang Merangin Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Pelakar Mill	Tanjung Village, Bathin VIII Sub-District, Sarolangun District, Jambi Province, Indonesia	S 02° 11' 07"E 102° 38' 32"

1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Pelakar Estate	Tanjung Village, Bathin VIII Sub-District, Sarolangun District, Jambi Province, Indonesia	S 02° 11' 10"	E 102° 38' 47"
Batang Estate	Merangin	Kasang Melintang Village, Pauh Sub-District, Sarolangun District, Jambi Province, Indonesia	S 02° 11' 49"	E 102° 41' 35"
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State		9,632.37 Ha	
	• Community		- Ha	
1.5.2	Area Statement			
	• Total area		9,632.37 Ha	
	• Mature area		7,696.47 Ha	
	• Immature area		117.17 Ha	
	• Road		253.70 Ha	
	• Mill		9.97 Ha	
	• Building		83.76 Ha	
	• HCV (Rivers)		75.97 Ha	
	• Reserve (Enclave, low land)		1,250.35 Ha	
	• Trenches, swamps		99.72 Ha	
	• Nursery		45.26 Ha	
<i>*Total HCV area in PT KDA is 455.30 Ha, consisting of 196.79 Ha in the PLKE and 258.51 in BMRE. From total 196.79 Ha HCV in PLKE, an area of 117.10 is located in planted area, road and enclave area. From total of 258.51 Ha HCV in BMRE, an area of 202.23 is located in planted area, road and enclave area.</i>				
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Pelakar Estate	Batang Merangin Estate	Total
	1990	488.68	-	488.68
	1991	693.27	-	693.27
	1992	488.65	124.97	613.62
	1994	865.18	192.94	1,058.12
	1995	371.93	-	371.93
	1996	733.91	-	733.91
	1997	184.38	140.62	325.00
	1998	-	296.18	296.18
	1999	-	202.93	202.93
	2000	90.17	905.78	995.95

	2001	-	102.71	102.71			
	2005	-	75.06	75.06			
	2006	-	943.13	943.13			
	2012	-	758.37	758.37			
	2016	37.61	-	37.61			
	Mature Area	3,953.78	3,742.69	7,696.47			
	2017	-	65.87	65.87			
	2018	-	51.30	51.30			
	Immature Area	-	117.17	117.17			
	TOTAL	3,953.78	3,859.86	7,813.64			
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		1 st 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 (%)
	Pelakar Mill	60	259,132.25	49,963.06	19.28	13,228.68	5.10
					<i>*Production data source from October 2018 to September 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)	%
	Pelakar Estate	4,405.90	3,953.78	73,461.98	18.58	73,461.98	100
	Batang Merangin Estate	5,226.47	3,859.86	61,458.59	16.42	61,458.59	100
	TOTAL	9,632.37	7,813.64	134,920.57	17.53	134,920.57	100
					<i>*Production data source from October 2018 to September 2019</i>		
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Tiga Serumpun Plasma / non-certified	PT KDA (Associated smallholder)	1,021	1,945.71	14,601.41		
	KUD Karya Mulya / non-certified	Independent Outgrowers	-	-	25,289.81		
	KUD Segar Tani / non-certified	Independent Outgrowers	-	-	26,989.13		
	KT Tunas Baru / non-certified	Independent Outgrowers	-	-	35,559.66		
	KT Karmen / non-certified	Independent Outgrowers	-	-	1,179.56		
Tanah Abang Village / non-	Independent Outgrowers	-	-	576.52			

	certified							
	PT Perkebunan Nusantara Estate / non-certified	Independent Outgrowers	-	-	11,064.40			
	Cahaya Mitra Sawit / non-certified	Independent Outgrowers	-	-	1,874.90			
	Darwis / non-certified	Independent Outgrowers	-	-	4,580.75			
	Sawit Mandiri Cooperative/ non-certified	Independent Outgrowers	-	-	1,566.25			
	Usin / non-certified	Independent Outgrowers	-	-	762.47			
	PT Bahana Karya Semesta / non-certified	Independent Outgrowers	-	-	140.38			
	PT Primatama Kreasi Mas / non-certified	Independent Outgrowers	-	-	26.44			
	TOTAL				124,211.68			
	*Source Production Data on October 2018 to September 2019							
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 (mm yy to mm yy) (MT)			
	FFB Processed		-		-			
	CPO Production		-		-			
	Palm Kernel (PK) Production		-		-			
	*Will be completed at ASA-1							
1.8.2	Product selling							
	Type of selling product		Actual selling product for for last year (mm yy to mm yy) (MT)					
	CSPO sold as RSPO certified product		-					
	CSPK sold as RSPO certified product		-					
	CSPO sold under other scheme		-					
	CSPK sold under other scheme		-					
	CSPO sold as conventional		-					
	CSPK sold as conventional		-					
	*Will be completed at ASA-1							
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)			
	Pelakar Estate	4,405.90	3,953.78	75,000	18.97			
	Batang Merangin Estate	5,226.47	3,859.86	65,000	17.37			
	TOTAL	9,632.37	7,813.64	140,000	18.19			
	*Projected FFB production for 23 January 2020 to 22 January 2021							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	CPO Extraction (%)	Palm Kernel Out put (tonnes)	Palm Kernel Extraction (%)	Supply Chain Module
	Pelakar POM	60	140,000	28,000	20	7,700	5.5	MB

<i>*Projected FFB production for 23 January 2020 to 22 January 2021</i>						
1.9	Other Certifications					
	ISCC			EU-ISCC-CertDE104-36691905 valid until 22 December 2020 by GUT Cert		
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 – 402.41 Ha)	2020	South Sumatera	-
			Muara Tawas Estate (HGU on progress – 73.78 Ha)	2020	South Sumatera	-
			Smallholder (KKPA Pandawa)	2020	South Sumatera	-
	Sungai Rungau Mill (PT Sumber Indah Perkasa)	2013	Sungai Rungau Estate	2013	Central Kalimantan	Certified
			Sungai Seruyan Estate	2013	Central Kalimantan	Certified
			Terawan Estate	2013	Central Kalimantan	Certified
			Tangar Estate	2013	Central Kalimantan	Certified
			Bukit Tiga Estate	2013	Central Kalimantan	Certified
	Bukit Perak EMIII (PT Bumi Permai Lestari)	2013	Bukit Perak Estate	2013	Bangka Belitung	Certified
			Bukit Permata Estate	2013	Bangka Belitung	Certified
	Tanjung Kembiri Mill (PT Forestalestari Dwikarya)	2013	Tanjung Kembiri Estate	2013	Belitung	Certified
			Tanjung Rusa Estate	2013	Belitung	Certified
			Tanjung Rusa Estate (HGU on process 48.81 Ha)	2020		
			Tanjung Rusa KKPA	2020	Belitung	-
	Sungai Buaya Mill (PT Sumber Indah Perkasa)	2014	Sungai Buaya Estate	2014	Lampung	Certified
			Smallholder (KKPA Gedung Aji Lama)	2014	Lampung	Certified

		Smallholder (KKPA Mesuji)	2014	Lampung	Certified
Sungai Merah Mill (PT Sumber Indah Perkasa)	2014	Sungai Merah Estate	2014	Lampung	Certified
		Smallholder (KKPA Gedung Aji Baru)	2014	Lampung	Certified
Kasuari Mill (PT Sinar Kencana Inti Perkasa)	2020	Cendrawasih Estate	2020	Papua	ST-1
		Nuri Estate	2020	Papua	ST-1
		Rajawali Estate	2020	Papua	ST-1
		Mambruk Estate (PT Sumber Indah Perkasa)	2020	Papua	ST-1
Pekawai Mill (PT Agrolestari Mandiri)	2020	Kayung Estate	2020	West Kalimantan	ST-1
		Pekawai Estate	2020	West Kalimantan	ST-1
		Sungai Kelik Estate	2020	West Kalimantan	ST-1
		Nanga Tayap Estate	2020	West Kalimantan	ST-1
		Smallholder (Kayung Plasma)	2020	West Kalimantan	ST-1
Kenanga Mill (PT Kencana Graha Permai)	2014	Kencana Estate	2015	West Kalimantan	Certified
		Cendana Estate	2015	West Kalimantan	Certified
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2018	West Kalimantan	Certified
		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
		Lenggana Estate	2020	Central Kalimantan	ST-1
		Semandau Estate	2020	Central Kalimantan	ST-1
		Muara Dua Estate	2020	Central Kalimantan	ST-1
Kuayan Mill (PT Agrokarya Prima Lestari)	2020	Mentaya Estate	2020	Central Kalimantan	ST-1
		Kuayan Estate	2020	Central Kalimantan	ST-1
		Bukit Santuhai Estate	2020	Central Kalimantan	ST-1

		Tajur Beras Estate	2020	Central Kalimantan	ST-1
		Seranau Estate	2020	Central Kalimantan	ST-1
		Sungai Sambon Estate	2020	Central Kalimantan	ST-1
		Smallholder (Sungai Sambon Plasma)	2020	Central Kalimantan	-
		Sapiri Estate (PT Buana Adhitama)	2020	Central Kalimantan	ST-1
		Bukit Dua Estate (PT Buana Adhitama)	2020	Central Kalimantan	-
		Bukit Tunggal Estate (PT Buana Adhitama)	2020	Central Kalimantan	-
	2020	Belian Estate	2020	West Kalimantan	ST-1
		Tengkawang Estate	2020	West Kalimantan	ST-1
		Kenari Estate (PT Bangun Nusa Mandiri)	2020	West Kalimantan	ST-1
		KerANJI Estate (PT Bangun Nusa Mandiri)	2020	West Kalimantan	ST-1
		Muara Tawang Estate (PT Kartika Prima Cipta)	2020	West Kalimantan	ST-1
		Kapuas Hulu Estate (PT Persada Graha Mandiri)	2020	West Kalimantan	ST-1
		Sungai Beran Estate (PT Persada Graha Mandiri)	2020	West Kalimantan	ST-1
		Smallholder (Belian KKPA)	2020	West Kalimantan	-
		Smallholder (Kenari Plasma)	2020	West Kalimantan	-
		Smallholders (Kapuas Hulu KKPA)	2020	West Kalimantan	-
	2020	Sungai Kupang Estate	2020	South Kalimantan	IC
		Sungai Kupang KKPA	2020	South Kalimantan	-
		Senakin Estate	2020	South Kalimantan	-
	2020	Sungai Kikim Estate	2020	South Sumatera	-
		Sungai Pangi Estate	2020	South Sumatera	-
		Sungai Musi Estate	2020	South Sumatera	-
		Sungai Saling Estate	2020	South Sumatera	-
		Sungai Enim Estate (PT Bumi Sawit	2020	South Sumatera	-

			Permai)			
			Sungai Lematang Estate (PT Bumi Sawit Permai)	2020	South Sumatera	-
Tangar Mill (PT Mitra Karya Agroindo)	2020	Sulin Estate	2020	Central Kalimantan	-	
		Nahiyang Estate	2020	Central Kalimantan	-	
		Katayang Estate	2020	Central Kalimantan	-	
		Sungai Nusa Estate	2020	Central Kalimantan	-	
		Kajui Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	-	
		Manuhing Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	-	
		Sungai Ayawan Estate (PT Aditunggal Mahajaya)	2020	Central Kalimantan	-	
Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa)	2020	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	-	
Padang Halaban Mill (PT SMART Tbk)	2011	Padang Halaban Estate	2011	North Sumatera	Certified	
		Penantian Estate	2011	North Sumatera	Certified	
		Adipati Estate	2011	North Sumatera	Certified	
		Kanopan Ulu Estate	2011	North Sumatera	Certified	
Batu Ampar Mill (PT SMART Tbk)	2012	Batu Ampar Estate	2012	South Kalimantan	Certified	
		Batu Mulia Estate	2012	South Kalimantan	Certified	
		Sungai Panci Estate	2012	South Kalimantan	Certified	
		Sungai Panci KKPA	2012	South Kalimantan	Certified	
Tanah Laut Mill (PT SMART Tbk)	2012	Tanah Laut Estate	2012	South Kalimantan	Certified	
		Kinta Pura Estate	2012	South Kalimantan	Certified	
Langga Payung Mill (PT Tapian Nadenggan)	2012	Langga Payung Estate	2012	North Sumatera	Certified	
		Paya Baung Estate	2012	North Sumatera	Certified	
		Normark Estate	2012	North Sumatera	Certified	

	Hanau Mill (PT Tampilan 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 Tampilan Nadenggan)	2013	Semilar	2013	Central Kalimantan	Certified
			Sei Rindu	2013	Central Kalimantan	Certified
			Mandang	2013	Central Kalimantan	Certified
			Puri	2013	Central Kalimantan	Certified
	Jak Luay Mill	2015	Pantun Mas Estate	2015	East Kalimantan	Certified
			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 (PT Kresna Duta Agroindo)	2020	Gunung Kombeng KKPA	2020	East Kalimantan	-
	Rantau Panjang (PT Kresna Duta Agroindo)	2020	Rantau Panjang Estate	2020	East Kalimantan	-
			Rantau Panjang KKPA	2020	East Kalimantan	-
	Jelatang Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
			Tiga Serumpun KKPA	2020	Jambi	-
	Pelakar Mill (PT Kresna Duta Agroindo)	2020	Pelakar Estate	2020	Jambi	IC
			Tiga Serumpun KKPA	2020	Jambi	-
			Batang Merangin Estate	2020	Jambi	IC
	Langling Mill	2014	Bangko Estate	2014	Jambi	Certified
			Bangko Plasma	2019	Jambi	-

(PT Kresna Duta Agroindo)		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	2010	Kijang Mas Estate	2010	Kampar-Riau	Certified
		Kijang Mas Estate	2020	Kampar-Riau	-

(PT Buana Wiralestari Mas)		(HGU on process – 56.07 Ha)			
		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
		Bumi Palma Estate (HGU on process – 39.21 Ha)	2020	Indragiri-Riau	-
Sawita Mill (PT Sawitakarya Manunggal)	2020	Sawita Estate	2020	South Kalimantan	ST-1
		Pamukan Estate	2020	South Kalimantan	ST-1
		Sawita KKPA	2020	South Kalimantan	ST-1
<p>There is revision of time bound plan, the justification from top management is:</p> <ol style="list-style-type: none">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 process3. 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.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 2020.7. 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 20198. 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 postpones to 2019.					
<p>Time bound plan revision</p> <p>There is revision of time bound plan on 19 July 2019 made by head of sustainability department 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); PT. Forestalestari Dwikarya (Tanjung</p>					

	<p>Rusa Estate 48.81 Ha); PT. Djuanda Sawit Lestari (Muara Kandis Estate 402.41 Ha & Muara Tawas Estate (73.78 Ha). For this area is planned for audit on 2020 because waiting for HGU.</p> <p>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</p>
1.10.2	<p>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</p> <p>PT. Kresna Duta Agroindo – Pelakar Mill has a smallholder (Tiga Serumpun Plasma) based on agreement No. 05/KOP/TS/I/2001 dated 12 January 2001 with total area 2,177.59 Ha consist of planted 1,945.71 Ha and infrastructure 231.88 Ha. The Plasma is a fully managed by the company or directly manage land that has become part of the Golden Agri Resources certification unit with a timebound plan in 2020.</p>

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
IC	<p>1. Leonada (Lead Auditor). 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. In this audit He conducted an assessment on transparency, legal, land dispute</p> <p>2. 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, OHS aspects.</p> <p>3. 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. 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 Social, Worker Welfare aspects & SCCS.</p> <p>4. Bayu Yogatama (Auditor). Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, SA 8000, RSPO Lead Training, IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During this audit, he verify Environmental Aspect, HCV, and Green House Gases.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
IC	<p>Number of auditors : 4 auditor</p> <p>Number of days for IC at site : 4 days</p> <p>Number of working days for IC at site : 16 Working days</p>
2.2.2	Assessment Process
IC	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Kresna Duta Agroindo 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>From morning until afternoon at first day, the team traveled from Jakarta to Lubuk Linggau by plane and travel to site by car. After arriving on site, continued held an opening meeting. The opening and closing meeting were held in Pelakar Mill Office attended by the Regional Controller, Production Controller, Unit Head, Estate Manager, Mill Manager, Assistants, and other related personnel. During audit activity, auditors always accompanied by management</p>

representative and the documents are presented well

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

Some opportunities for improvement of the results **IC** 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**). All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **IC**.

The assessment program please find Appendix 2

2.2.3	Locations of Assessment
IC	<p>Number of units in this certification activity is two (2) estates, which supply the raw material (FFB) to one (1) palm oil mill. The auditor team used the $(0.8\sqrt{y}) \times (z)$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. (y) is the number of estate and (z) multiplier defined by the risk assessment. The consideration for risk assessment is geographic locations, distance of estate, complexity of labour, landscape setting, presence of HCV, number of communities/conflicts, legality etc. Based on this formula, the auditor team determined that the sampling locations are one palm oil mill (Pelakar POM) and two estate (Pelakar Estate and Batang Merangin Estate).</p> <p>Batang Merangin Estate:</p> <ul style="list-style-type: none"> • Block F03 Division 1 (9 Pesticide Applicator). Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare. • Block E01/F01 Division 4 (4 harvester and 3 picker). Observation and interview with harvester related fruit ripeness, safe working practices and also worker welfare. • Block C03 Division 4 (Barn Owl Nest Observation). To check Barn Owl Nest condition and management of integrated pest control systems conducted by the company. • Block C03 Division 4 (Peat Area). Observation peat area, water management, water level monitoring, piezometer monitoring and subsidence pole conditions and staff interviews on monitoring techniques. • Block D63 Division 3 (Immature area – Year Plant 2018). Observation immature area of year plant 2018 and immature area management carried out by the company. • HGU poles No. BPN02 block G12, No. BPN03 block G12 and No. BPN 04 block G12. Observation on boundaries poles, coordinates, maintenance, and demarcation. • HCV Pelakar Riparian block E01 and F10. Observation of HCV management • Enclave area block G12. Observation of condition and boundaries of enclave areas. • Workshop. Interview with 1 welder worker about worker welfare, understanding of job description, implementation of OHS, complaint mechanism, hazardous waste management, and observation about workshop. • Hazardous waste storage. Observation about storage condition, hazardous waste stock, OHS facilities, and interview with storage keeper about worker welfare, understanding of job description, implementation of OHS, complaint mechanism. • Generator set room. Interview with operator about worker welfare, understanding of job description, implementation of OHS, complaint mechanism. • Agrochemical storage. Interview with storage keeper about worker welfare, understanding of job description, implementation of OHS, complaint mechanism and observation about storage condition and agrochemical stock. • Fertilizer storage. Interview with storage keeper about worker welfare, understanding of job description, implementation of OHS, complaint mechanism and observation about storage condition and fertilizer stock. • Fuel tank. Interview with storage keeper about worker welfare, understanding of job description, implementation of OHS, complaint mechanism and observation about tank condition. • Crèche of Pondok 3. Interview with worker about worker welfare, understanding of job description, implementation of OHS, complaint mechanism.

- **Housing complex of Pondok 1.** Observation about facilities provided by company and domestic waste management.
- **Landfill block F04, division 1.** Observation of landfill conditions, distance from community locations, domestic waste management, and environment management.
- **Clinic.** Observation about clinic condition, clinic facility, and interview with doctor about service in clinic and documentation of work accident in company.
- **Agrochemical mixing place.** Observation about agrochemical mixing area condition, PPE, Water Trap, hazardous material and hazardous waste management.

Pelakar Estate:

- **Block G10 Division 4 (13 Pesticide Applicator).** Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare.
- **Block G18 Division 6 (2 harvester and 1 picker).** Observation and interview with harvester related fruit ripeness, safe working practices and also worker welfare.
- **Block G18 Division 6 (Loading FFB process).** Interview with foreman of FFB about loading FFB prosedure, administration, FFB sortation in platform, safety and health and worker welfare.
- **Block G19 Division 6 (Barn Owl Nest Observation).** To check Barn Owl Nest condition and management of integrated pest control systems conducted by the company.
- **Block H11 Division 4 (Peat Area).** Observation peat area, water management, water level monitoring, piezometer monitoring and subsidence pole conditions and staff interviews on monitoring techniques.
- **Block H21 Division 6 (Immature area – Year Plant 2016).** Observation immature area of year plant 2016 and immature area management carried out by the company.
- **Block C17/18 Division 1 (Nursery – 4 workers).** Observation area of nursery and interview with workers related procedure, safe working practices and also worker welfare.
- **HGU Poles No. BPN57 block B17, No. BPN58 block B16 and No. BPN59 block B16.** Observation on boundaries poles, coordinates, maintenance, and demarcation.
- **HCV Merangin riparian block C17.** Observation of HCV management
- **General Store.** Observation and interview related material handling and OHS (1 worker).
- **Pesticide storage.** Observation about storage condition, fertilizer stock, and interview with storage worker about OSH implementation, worker welfare, understanding of job description, training, worker union, employee cooperative, and complaint mechanism.
- **Fertilizer storage.** Observation about storage condition, fertilizer stock, and interview with storage worker about OSH implementation, worker welfare, understanding of job description, training, worker union, employee cooperative, and complaint mechanism.
- **Polyclinic** observations and interviews with health workers related to health services.
- **Workshop.** Observation about workshop condition, waste management, and interview with workers about OSH implementation, worker welfare, understanding of job description, training, worker union, employee cooperative, and complaint mechanism.
- **Hazardous waste storage.** Observation about storage condition, kind of hazardous waste stored, OSH facility, and interview with personnel about OSH implementation, worker welfare, understanding of job description, training, worker union, employee cooperative, and complaint mechanism.
- **Housing complex.** Observation about housing condition and interview with residents about other facilities provided by certification holder.
- **Daycare** Interview with worker about OSH implementation, company facility, worker welfare, worker union, employee cooperative, and complaint mechanism.
- **Water Source** observation of water management and distribution in housing.
- **LA Block C14 Division 1** Observation about flatbed condition and interview with operator about OSH implementation, worker welfare, understanding of job description, training, worker union, employee cooperative, and complaint mechanism
- **Landfill Block C20 Division 1** Observation of landfill conditions, distance from community locations, domestic waste management, and environment management.
- **PPE Storage.** Observation about storage condition and PPE kept in the storage.

Pelakar POM:

- **Security Post (2 security).** Observation and interview with security related personnel understanding over the applicable SOP, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.
- **Loading Ramp (6 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.
- **Hoisting Crane 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 (1 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.
- **Engine Room 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.
- **Weighbridge.** Observation and interview the personnel in charge related to FFB acceptance mechanism, work time, data entry and the consistence of SCCS implementation.
- **Administration Staff Room.** SCCS Verification (verification of procedure, sample of FFB Delivery Note, FFB Weight Ticket, training recorded, etc) and SCCS training record.
- **Water treatment plant.** Interview with operator about worker welfare, OHS implementation, complaint mechanism, and understanding of task and responsibility.
- **Workshop.** Observation about workshop condition and interview with workshop head about worker welfare, OHS implementation, complaint mechanism, waste management, and understanding of task and responsibility.
- **Hazardous waste storage.** Observation about storage condition, hazardous waste stock, OHS facilities, and interview with storage keeper about worker welfare, understanding of job description, implementation of OHS, complaint mechanism.
- **Hydrant simulation.** Hydrant no. 1 beside boiler station.
- **WWTP.** Field observations and interview related ban entry to WWTP, run off, testing of effluent. Officers equipped with PPE and Recording of effluent debit effluent.
- **Biogas Plant** observation of wastewater management and renewable energy manufacturing processes (1 operator)

Interview with Stakeholder

- **Environmental Agency.** Interview about environment issues.
- **Manpower and transmigration agency.** Interview about employment and worker issues.
- **Plantation and Forestry Agency.** Interview about operational of plantation issues
- **Surrounding communities and previous land owner of Pangkal Bulian Village & Kasang Melintang Village.** Interview about land issues, social, and environmental aspect.
- **Smallholder Cooperative & independent supplier.** Interview about agreement and social aspect.
- **Local Contractor (PT. Satrindo Jaya Agropalma, CV Dila Pratama).** Interview about worker, OHS, and social aspect.
- **Labor union, gender committee, worker cooperative.** Interview about employment and worker issue.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
IC	<p>Consultation of stakeholders for PT Kresna Duta Agroindo held by:</p> <ol style="list-style-type: none"> 1. Public announcement at RSPO website and MUTU website on 11 September 2019 2. Public consultation by phone with government agencies in Sarolangun District (Plantation agency, Land Office, Environment Agency, and Manpower agency) on 22 October 2019. 3. Public consultation by interview with locals of the nearby village (Pangkal Bulian and Kasang Melintang Village), Cooperative and local contractor on 22 October 2019. 4. Consultation meeting and interview with Internal Stakeholder (labour union, worker cooperative and gender committee) on 23 October 2019. 5. Consultation with NGO (Sawit Watch, WALHI, Jikalahari and WWF) via email on 16 October 2019. <p>Numbers of input from stakeholders were clarified by PT Kresna Duta Agroindo.</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-1) will be determined eight (8) month to twelve (12) month after date of annual license

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Pelakar POM – PT Kresna Duta Agroindo operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were two (2) Nonconformities were assigned against Major Compliance Indicator and four (4) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (document record/photographic/etc...). Those corrective action(s) taken that consist of two (2) Major non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Pelakar Mill – PT Kresna Duta Agroindo complied with the requirements of Indonesian National Interpretation of RSPO P&C 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO BoG 30th September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Rev. June 2017 (Module E for CPO Mill).

Therefore, 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>Company has the latest of list of information that can be accessed by stakeholders listed in <i>SOP Komunikasi dan Konsultasi</i> (SOP/SMART/UMUM/SADV/004/003), such as number of worker, tax payment, environment document, HCV, SIA, and OHS report, company's policies, RSPO audit report, complaint document, and so on. Frequency of updating information is at least once a year of if there're any changes from stakeholder. Based on interview with statutory bodies of Sarolangun Regency, it is known that they aware the type of document that can be accessed publicly and how to access those documents. The document can be accessed directly from the unit if they ask. Also, it is known that they understand how to communicate and consult with PT Kresna Duta Agroindo.</p> <p>Company also reported mandatory report to related agencies, for example:</p> <ul style="list-style-type: none"> - Employee Report of Pelakar Mill and Estate period of 2018 to Manpower Agency of Jambi Province on 10, 13, and 15 April 2019. - Production and Development Plantation Report Period of 1st semester of 2019 to Plantation Agency of Sarolangun Regency on 3 September 2019. 	
1.1.2	<p>Mechanism for consultation is listed in Consultation and Communication Procedure (SOP-SMART-UMUM-SADP-I-004) dated July 1st, 2016. The procedure explain that all the information request will be responded by Certification holder not more than 3 weeks after the incoming letter. The person in charge for communication and consultation is manager and unit head. All information request has documented, for example: Record of information request documented in form of "<i>Monitoring komunikasi dan konsultasi</i>". Based on the document, information request is such of assisting request. For</p>	

example, letter from Tanjung Village on 1 August 2019 about lending request of heavy vehicle and has been responded by company.

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

Company has list of documents that can be accessed publicly that listed in List of Information for Stakeholder (F/SMART/UMUM/SADV/004/003) for period of 2019. The documents that can be accessed by public, such as:

- Number of workers
- Document of tax payment
- Environment document
- HCV, SIA, social, and OHS report
- Company's policies
- RSPO audit report

These documents are available in estate and mill office. Company also has monitoring and management report, such as OHS implementation report, report of environmental management and monitoring plan, land use report, and plantation activities report. These documents also can be accessed by public through the mechanism which has determined by the PT Kresna Duta Agroindo. Based on interview with representative of smallholder, they are aware about debt of smallholder payment. Smallholder can access the detail of deduction of debt if requested.

Status: Comply

1.3

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

1.3.1

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

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

This policy is available in Indonesian Language. Based on interview with worker in estate and mill, it is known that they understand about the ethical conduct of the company. And also, based on interview with local contractor, company has socialized this policy whenever there is renewal work agreement and then delivered to each contractor worker.

Ethical conduct for smallholder is referring to company's policy (GSEP). This policy has been socialized to contractor and based on interview with contractor, they are understood about this policy.

Status: Company

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1

The company has list of regulations of 2019 that includes local regulations and national regulation updated annually. List of laws/regulations listed has covers several aspects such as land permit and legality, manpower, occupational health and safety, best management practices and environment. The company has shown the evidence of legal requirements compliance such as plantation business permit for total area 10,181 Ha which are:

- No. 960/Menhutbun-VII/2000 dated 8 August 2000 from Forestry and Plantation Minister for an area of 8,359 Ha
- No. 2 dated 1 June 2009 from Sarolangun District Head for an area of 1,822 Ha and 60 ton mill capacity

The other compliances of regulations are regarding to environment aspects are EIA management and monitoring in routinely, hazardous waste storage license approved by local government. Compliances of workers and OHS regulations are provided the minimum wage, company safety & occupational health, transporting and forklift operator.

Based on interview with stakeholders such as government agencies and other stakeholders such as workers union and surrounding communities it is known that the company has comply the related regulations for example: has plantation business permit, land use right, no workers under age of 18, land application permit, hazardous waste storage permit, there is no environment issues such as that there are no violations of regulations related to the environment and there is no environmental pollution.

2.1.2, 2.1.3, 2.1.4

Procedure of legal requirement which presented in document SOP/SMART/UMUM/SADV/II/002, dated 1 July 2014 mentioned that sustainability officer has responsibility to arranged and monitored legal related laws and/or regulation. The procedure mentioned that in order to monitor and update of laws and/or regulations, the sustainability officer required to actively check and make coordination with Government Agencies or Institutions. Internal audit of regulations compliance is conducted annually as example on 10 January 2019. The internal audits have shown the Certification holder's compliance of legal requirements according to the list of regulations 2019.

Status: Comply

2.2

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

2.2.1

PT Kresna Duta Agroindo has managed totaling area for about 9,632.37 Ha as scope of certification. The corporate area originates from conversion forest area that has been release through Forestry Minister Decree No. No. 634/Kpts-II/1991 dated 4 September 1991, No. 319/Kpts-II/1996 dated 26 June 1996 and No. 249/Kpts-II/1999 dated 27 April 1999 for total areas of 11,365 Ha. There is several community's land that the land acquisitioned from community's area by providing compensation that finished in 2002. The company get the land use title for total 9,632.37 Ha, which are:

1. HGU decree from head of national land agency No. 26/HGU/BPN/96 dated 29 July 1996 for 2,715 Ha, with certificate of HGU No. 1 dated 8 October 1996 valid for 35 years
2. HGU decree from head of national land agency No. 71/HGU/BPN/98 dated 5 October 1998 for 5,022 Ha, with certificate of HGU No. 2 dated 24 November 1998 valid for 35 years
3. HGU decree from head of national land agency of Jambi province No. 40-540.1-06-2007 dated 26 September 2007 for 86.4 Ha, with certificate of HGU No. 1 dated 31 January 2008 valid for 35 years
4. HGU decree from head of national land agency No. 32/HGU/BPN RI/2010 dated 1 June 2010 for 1,799 Ha, with certificate of HGU No. 2 dated 23 August 2010 valid for 35 years
5. HGB decree from head of land agency of Jambi province No. 10/HGB/BPN.15/2019 dated 31 July 2019 for 9.97 Ha, with HGB certificate No. 01 dated 6 August 2019 valid to 31 July 2039.

2.2.2

Procedure of legal boundary poles monitoring and maintenance is presented in document No. SOP/SMART/CERS-EHSD/SADV/II/004 dated 1 July 2014. Procedure mentioned that maintenance was carried out by foreman with supervision of Assistant Manager. Estate management were able to shows location of boundary poles map as well as its coordinate points. Boundary poles monitoring record in August 2019 informed that 40 poles in Pelakar Estate and 58 poles in Batang Merangin Estate were in good condition and satisfactory maintained.

Based on field observation to Poles No. BPN02 block G12, No. BPN03 block G12 and No. BPN04 block G12 (Batang Merangin Estate), No. BPN57 block B17, No. BPN58 block B16 and No. BPN59 block B16 (Pelakar Estate), it could be concluded that estate management has monitored their boundary legal poles, clearly demarcated and visibly maintained. Verification using GPS indicates that the pole coordinate is in accordance with the provisions of the land title and confirmed that there has been no planting beyond the legal demarcated boundary areas of the plantation. Meanwhile, based on field observation in poles No. BPN03 block G12 Batang Merangin Estate found that the boundaries between company's area and community's area are not isolated and the company has a program for this boundary. This matter become opportunity

for improvement to progress the isolating boundaries marking (OFI).

2.2.3, 2.2.4, 2.2.5, 2.2.6

The company has established the mechanism for conflict resolution and land dispute in the procedure No. SOP/SMART/SENS-CSR/SADV/I/002 dated July 2014. Based on interview with communities and field observations, there were no significant land disputes and no indication of contractually army or paramilitaries using in plantation area of PT. Kresna Duta Agroindo. However, it was reported by estate management that within the HGU there is still land that belong to the community who are not willing to be compensated ($\pm 1,181.62$ Ha). This area has been mapped and the company not take over by force on the land. The community has understood that their land is in the HGU, but does not willing to release the land to the company. Based on field observation in enclave area (block G12) and interview with the communities are known that there is no significant dispute or any disturbance from the company to that areas. The results of compensation documents verification, interview with communities and previous landowners are known that there are no issues regarding to FPIC process. The compensation process is done directed to the land owner and not diminish the legal/customary right, landowners are given the freedom to release their land without coercion.

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

The company has FPIC procedure SOP/SMART/SENS-CSCR/SADV/002 and SOP/SPO/SMART/ LH-04 regarding to social conflict management and land conflict resolution. The company has no new land acquisition and the entire compensation process was completed in 2002. The results of compensation documents verification, interview with communities and previous landowners are known that there are no indigenous rights or customary rights and there is no issues regarding to FPIC process. The compensation process is done directed to the land owner and not diminish the legal/customary right, landowners are given the freedom to release their land without coercion.

In the HGU area of the company there is still land that belong to the community who are not willing to be compensated ($\pm 1,181.62$ Ha). This area has been mapped and the company not take over by force on the land. The community has understood that their land is in the HGU, but does not willing to release the land to the company. Based on field observation in enclave area (block G12) and interview with the communities are known that there is no significant dispute or any disturbance from the company to that areas.

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 Kresna Duta Agroindo Feasibility Analysis period 2019 - 2024 that explain about business plan and operational management which includes: area statement, plan for management of scheme smallholders and long term viability plan such as drainability assessments and subsidence issues, projections for production, CPO, PK, Revenue CPO and PK, cost estates, mill costs, 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. Based on information from representative management (estate manager), the long-term plan has been planned well with top management (company directors) and sufficient or feasible as a management plan for achieving the long term economic and financial.

3.1.2

The company has a replanting plan until 2024. The following are outlined BMRE and PLKE replanting plans:

Year	BMRE (ha)	PLKE (ha)
2020	-	1,418.92
2021	-	1,340.11

2022	754.71	-
2023	-	-
2024	-	-

The company has periodic reviews conducted monthly. The results of the review contain, among others, the progress of replanting and reporting to the Regional Controller and Director.

Status: Comply	
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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 Kresna Duta Agroindo 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 Dispatch, 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 BMRE, PLKE and also operators in PLKM. 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 and first semester of 2019 has been documented. Noncompliance records of internal audit has been corrected and verified by management. 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. Also, there is an internal audit from the company called Operational Internal Audit (OIA) to check and monitoring the performance of contractor related to compliance to company procedure.

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 the RSPO Supply Chain Procedure (SOP/SMART/CERS-EHSD/SADV/I/003) approved on 01 July 2014 which regulates the acceptance of the FFB of third parties, which regulate the acceptance of certified and uncertified FFB. Pelakar Mill has recorded the origins of all third-party sourced FFB. The result of filed visit, document review and interview with the management, known that there are FFB's sourced from third party. The detail can be seen at basic information of this report.

Status: Comply	
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4.2
Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

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.

BMRE and PLKE can show documents on the realization of an organic fertilization for 2018 and first semester of 2019. The auditor conducted an interview with the fertilizer workers at BMRE and PLKE. Fertilization is done manually by sowing and by plane. Workers can also explain the fertilization procedure well, which is in accordance with the dosage determined based on the recommendations.

4.2.2 and 4.2.4

The company shows the results of fertilizer recommendations in 2019. The types of fertilizers used by the Estates are Urea, Muriate of Potash, Diamonium Phosphate, Rock Phosphate, Triple Super Phosphate, *Kaptan (Kapur Pertanian)*, Dolomite, Granular Kieserite, Borate, CUSO_4 , ZNSO_4 and Kieserite Powder. The results of examination of fertilization activities documents for the period until August 2019 in each estate were in accordance with the recommended dosage. Fertilization activity records are recorded and recorded properly by the company which explains the type of fertilizer, number of workers, work performance, and dosage used, for example:

- BMRE for Urea has a program in 2019 totaling 1,129.80 tons and as of August 2019 it has been realized as many as 222.20 tons and for Muriate Of Potash has a program in 2019 totaling 1,544.65 tons and as of August 2019 it has been realized as many as 759, 80 tons.
- PLKE for Urea has a program in 2019 totaling 619.40 tons and as of August 2019 it has been realized as many as 411.32 tons and for Muriate Of Potash has a program in 2019 totaling 1,219.60 tons and as of August 2019 it has been realized as many as 638.32 tons.

From the verification results of the fertilization realization, it was concluded that the fertilization realization was appropriate based on the fertilizer recommendations that were set and targeted to be completed in accordance with the existing recommendations.

Apart from an organic fertilizer mentioned above, by-product of bunch ash has also been applied in BMRE and PLKE with dosage about 4.00 to 5.50 kg/palm, and have been applied in BMRE of 288.63 tons and in PLKE of 479.60 tons (until August 2019).

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 analysis (LSU) to determine fertilizers recommendation. The sampling spot has been determined in each division and block routinely by SMART Research Institute (SMARTRI) and it is 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 March – May 2019 and the last SSU result was issued on July 2019. 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.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1, 4.3.2 and 4.3.6

The company has carried out land mapping based on land suitability classes conducted by the Plantation Monitoring and Planning Division. Based on the mapping results, it is known that the map has the rules of cartography and geographical references. The following is an explanation of the map:

- BMRE: Consists of histic humaquepts, typic haplosaprists, typic endoaquepts, aquic hapludults, typic endoaquults,

and typic dystrodepts. Mapped area is 5,226.46 Ha and has been mapped in a land map unit of PT KDA area with a scale of 1: 50,000 (Reg No.: RPMNP / 19/08/214/021). There are types of soil classified as peat and minerals with land slopes between 0-9% and no areas with steep slopes.

- PLKE: Consists of histic humaquepts, typic haplosaprists, aquic hapludults, and typic endoaquults. Mapped area is 4,405.91 Ha and has been mapped in a land map unit of PT KDA area with a scale of 1: 60,000 (Reg No.: RPMNP / 19/08/214/020). There are types of soil classified as peat and minerals with a slope of land between 0-16% and there are no areas with steep slopes.

Overall, it could be concluded that soil suitability has classified as marginal for oil palm cultivation with limitation factor on the presence of peat soil which may lead to soil low fertility and poor drainage properties. To overcome those limitation factors, several strategic has been conducted, such as 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.

4.3.3

The company shows a road maintenance program for the 2018 and 2019 period. BMRE and PLKE 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 in PLKE has reached 12,805 m³ until August 2019 and in BMRE has reached 13,400 m³ until August 2019. Based on field observations throughout the audit activities, it was concluded that the road conditions on BMRE and PLKE 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.

PT KDA has subsidence monitoring poles of 62 compliance points with details:

- PLKE: there are 32 compliance points.
- BMRE: there are 30 compliance points.

The company shows the results of monitoring subsidence poles from January 2018 to August 2019. Monitoring of subsidence poles is done every 1 month. From the results of the monitoring, various results were obtained. For example, in block G06 BMRE from January 2018 to August 2019 there is a land subsidence of 0.08 cm. In general, the results of monitoring subsidence poles concluded that there was no significant land subsidence. This is because water conditions are very well maintained and the company also has good water management.

BMRE and PLKE can show water level and piezometer monitoring documents from January to September 2019. The average water table is maintained in 29-47 cm below ground surface. Monitoring of water table is carried out every 1 week. At the time of visit in block E19 BMRE, water table measured were about 47 cm below ground surface and in block H11 PLKE, water table measured were about 70 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 Kresna Duta Agroindo. The reference assessment used is referring to the Drainage Limit Assessment Method for Palm Plantation Oil - Tier 2 (Drainability Assessment Procedure, March 2019). Based on the results of the study conducted, it can be concluded several points, namely:

- Drainability assessment activities at PT KDA (BMRE and PLKE) were carried out with an analysis approach to peat

<p>characteristic conditions and drainage / hydrological conditions with the study area.</p> <ul style="list-style-type: none"> Projection of the sustainability of oil palm plantations on peatlands in the future related to the drainage conditions is carried out using the Drainage Limit Time (DLT) analysis approach in each unit of the study area that has peatlands. The lowest NRI value in PT KDA is 73 years, while the highest NRI value is 1,272 years. 		
Status: Comply		
4.4		
Practices maintain the quality and availability of surface and ground water.		
4.4.1		
<p>The company has a water management plan that take account of the efficiency of use and renewability of sources can be seen in the 2018 water management plan and HCV management plan. Water management implementation has described in EIA report Semester 1 of 2019. The Plan had described the objectives such as water sources including catchment pond, rainfall records, water requirement, current, water quality and contingency plan.</p> <p>According to environment monitoring analysis, it was informed that the company activity has not given negative affect. Moreover, water consumption in housing complex from Mill (WTP) and consumption water from reverse osmosis testing shows that all parameters are accordance with Jambi Governor Regulation No 20 of 2007 and Minister of Health Regulation No. 32 of 2017.</p> <p>The company has conducted the testing of surface water quality once every 6 months, based on the results of testing of semester 1 of 2019 known there is no test results that exceed the quality standard Government Regulation No. 82/ 2001 Class II.</p>		
4.4.2		
<p>The company has procedures related to the identification of sources and water quality (SOP/ SMART/BCOS-EHSD/ SADV/II/002). These procedure concerning to protect and manage the riparian zone. The company has identified rivers and wetlands inside plantation area. Analysis of HCV containing distribution maps of the river in the area of PT KDA. Based on the identification documents of High Conservation Value (HCV) no that rivers that flow in the operational area of PT KDA is Semak river, pelakar river, and nyuruk river.</p> <p>All identified buffer zone has been designated as HCV and protected areas. Field observations in operational area of Pelakar Estate blok E01 & F01 (Pelakar river) and blok C17 Batang Merangin Estate (Merangin river) showed evidence of surface water protection measures and including riparian such as:</p> <ul style="list-style-type: none"> - Determination of river buffer zone with a distance of 50 meters left-right of small river demarcation of the border is done with the installation of boundary markers. - No chemicals application (fertilizers and herbicides) in the buffer zone area. - Signboard of river buffer zone protection. Prohibiting the use of chemicals in the river buffer zone. - Planting riparian with Guatemala, bamboo and trembesi to prevent landslide and erosion. 		
4.4.3		
<p>The company has license for land application from Head of PM-PTSP Sarolangun Regency Number: 180 07 08 116 191118 503 103 which has a validity period of 2 years from 19 November 2018 signed by the Head of Sarolangun Regency PM-PTSP Service. Monitoring of BOD has carried out every month regularly and reported to Environment Agency every three month. Evaluation and water sampling in WWTP outlet were carried out by accredited laboratory. Based laboratory testing, it could be concluded that testing results from January to September 2019 were accordance with PermenLH No. 28/2003 and the license. Based on observation to WWTP, it was found that flow meter was well functioned and there were no spills to the land. Furthermore, the certification unit also has had land application permit and there is no issues from stakeholders related to land application.</p>		
4.4.4		
<p>Water usage monitoring was done periodically and recorded, for example on September 2019 FFB processed 20,611 mt, process water usage 19,581 m³, and water usage efficiency was 0.95 m³/mt FFB processed. Standards of water usage for FFB process recorded on 2019 budget projected 1.462 m³/mt FFB processed. Observations on Pelakar mill water treatment plant found monitoring for raw and process water usage was done by officer periodically, and flowmeters at</p>		

inlet/outlet serves normally. Procedure for Mill water usage and monitoring are provided and has been listed on procedures IK Water Treatment (IK /SMART/MCMD/ I/TM-PKS/19 dated 06 December 2013).

The company is currently in the process of obtaining a permit for water use, this is indicated by a checklist of requests for technical recommendations for the use and exploitation of water resources. This was done on September 6, 2019. By the Sumatra BWS Research Team VI. From the results of checking still needed a number of documents that need to be completed. The company shows the document proof of payment of the water use levy in September 2019 to the Jambi Provincial Regional Finance Agency which was paid on October 10, 2019.

Status: Comply

4.5

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

4.5.1

The company has a Procedure of Control Pest and Disease (SOP/SMART/MCAR/VII/TA-TNM, 12 June 2012). In the procedure explained about the types of pests and diseases, the detection period (1 or 2 months), threshold control of pests and diseases, methods for sampling at the time of detection or the census, as well as the control recommendations. In this procedure was explained that the pest detection activities are conducted every one or two months

Also available Procedures of Detection and census of Pests and Diseases for Palm Oil which aimed to ensure the pest and disease control program can be performed regularly and sustainable. In the procedure explained the description of activities, namely Detection of Pests and Diseases; Census of Pests and Diseases, planting the beneficial plants, reporting and documentation. IPM programs are conducted by the company, among others Pest Detection Program carried out periodically every two months and in case of attack symptom is held every month and beneficial plant maintenance activities performed every month.

Based on the census summary document of rat pests, horn beetles and leaf eating caterpillar for the period January 2019 to September 2019, it was found that the attack rate was still below the threshold for PLKE, but there were leaf eating caterpillar attacks above the threshold in BMRE. The company has conducted stages of monitoring of the symptoms of the leaf eating caterpillar attack. The Estate conducts an early warning system / early detection and there are symptoms of an attack above the threshold, a detailed census is conducted. After that, if results are found above the threshold, chemical control will be carried out. Then, it is observed after controlling to see the effectiveness of the control. For example, in the Division 5 BMRE block B37 (area of 27.09 Ha) on 15 March 2019 a census was carried out with the results of 11 caterpillars / frond. Then chemical control is carried out by trunk injection using Asefat with dose of 15 gr per stem on 31 March 2019. Then an evaluation census is carried out after 45 days on 15 May 2019 with the results of 4 caterpillars / stem. These results indicate it is below the threshold and chemical control is stopped. The company only control pests with chemicals after the census results show results above the threshold.

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. The company monitoring barn owl box occupation at least once a month. The monitored parameter is the existing of barn owl in the boxes, left food, and sign of reproduction such as egg or owl. Currently, there are total 138 barn owl boxes in BMRE and 180 barn owl boxes in PLKE. Based on field observation on harvesting, spraying and manuring activities, it was concluded that there were no significant rat attacks. This is in accordance with the result of the census.

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 11 February 2019 with the number of participants are 13 employees consisting of census operators, supervisors, and field assistants. Based on interview with the worker revealed that the worker understands 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 visits and interviews with 9 pesticide applicators in block F03 BMRE and 13 pesticide applicators in block G10 PLKE, 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 KDA 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 *Antigonon leptopus*. Moreover, it has also conducted early detection routinely listed in the monthly report of early warning system. There is no prophylactic use, it is shown that any pest control using pesticide is based on census result.

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 2019 until September 2019.

4.6.6 and 4.6.10

The company has documents relating to pesticide storage in SOP/SPO/SMART/LH-18 on hazardous waste management and SOP / SPO / SMART / LH-09 on handling of pesticide packaging. The Company shows evidence that any container of ex-pesticide has been stored and not used for other purposes such as monitoring the exit container of ex-pesticide in 2019. In the document described the number of container of pesticides coming out of the central warehouse and the entry (after application of the spaciousness) to the schedule waste

The result of field observation in BMRE and PLKE there is no indication of the use of agrochemical ex-packing for other purposes. Chemical material (pesticide) are kept in pesticide storage and kept separately with other material. Pesticide storage is in accordance with recognized best practices. Pesticides is kept in a room separately with other material with adequate ventilation. Based on field observation to Pelakar Estate and Batang Merangin Estate, did not sighted ex pesticide container is used for other purpose. Used pesticide container is kept in temporary hazardous waste storage in each estate and then sent to licensed hazardous waste carriers. The last shipment of used pesticide packaging to licensed carriers was carried out on October 17, 2019. with the following details:

Based on document review and field visit on chemical storage shown that during 2018-2019, company use several types of pesticides such as (Erkafuron, Roll up, and BM Promax) PKLE and BMRE agrochemicals containers are disposed based on MSDS i.e cleanly washed on pesticides optimization storehouse. All evidence for ex agrochemical disposal for examples "Official Report of Consignment Note of Pesticide Waste Container" (*Berita acara pengiriman bekas kemasan pestisida*) to related supplier are available and verified by auditor. The company were implemented proper ways for waste disposal based on procedure SOP/SMART/LEMS-EHSD/SADV/002/001). Based on MSDS, ex pesticides containers from (Erkafuron, Roll up, and BM Promax) are not categorized as hazardous waste after 3x washing in pesticides mixing & optimization store. All ex pesticides waste is store in optimization store and if necessary re used again for the same purposes.

PLKE

- Used oil as much as 0.14 tons with manifest BC0052195
- Used filters as much as 0.012 tons with manifest BC0052196
- Used rags as much as 0.0025 tons with manifest BC0052199
- Contaminated packaging as much as 0.025 tons with manifest BC0052200
- Medical waste as much as 0.004 tons with manifest BC0052201

BMRE

- Contaminated packaging as much as 16 kg with manifest BC0052129
- Medical waste as much as 4 kg with manifest BC0052130
- Used filters as much as 26 kg with manifest BC0052127
- Used TL lamps as many as 11 pcs with manifest BC0052131
- Used cloth as much as 8 kg with manifest BC0052128
- Used oil as much as 184 ltr with manifest BC0052126

Field visit and interview with optimization store PIC acquired information that company has implemented proper ways regarding pesticides waste management based on procedures/MSDS.

4.6.5, 4.6.7 and 4.6.9

The results of field observation in warehouse and interview with pesticide applicator in PLKE and BMRE, 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 is also informed about the steps of secure work in each roll call in the morning before work. Meanwhile, the pesticide applicator 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 BMRE and PLKE, that known there are storage for keeping all PPE's and spraying tools after use.

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.

4.6.11

PT KDA has list of pesticide operator based on latest data of September 2019 as many as 44 workers in PLKE and 94 workers in BMRE. Medical examination (cholinesterase) has been conducted on 20-26 June 2019 to all pesticide's workers. 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 prohibits 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	
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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. 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 PLKM and agrochemical warehouse in PLKE and BMRE, 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 BMRE, PLKE and PLKM 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 the results of auditor verification found the following evidence:

- The company has a PPE Management Procedure (No: SOP / SMART / HESS-EHSD / SADV / I / 010, dated July 1, 2014) which explains that the type of PPE for each job is determined in accordance with HIRAC results. Then the type of PPE for spray work in accordance with the results of the HIRAC is rubber gloves, cloth masks, aprons, face shield + head gear and spray clothes.
- Based on field observations and interviews with spray workers in block F03 Division 1 BMRE, it is known that 6 out of 9 workers do not use respiratory protective equipment (cloth masks) and 9 workers do not use face shields when doing spray work.
- A record of the socialization of PPE was shown to spray workers on July 16, 2019.
- A record of the inspection of indiscipline use of PPE is shown every week.
- A recording of the PPE handover (spray clothes, face shield, rubber gloves and boots) was shown to 9 spray workers division 4 on 29 July 2019.
- A record of monitoring the PPE condition was carried out on 9 September 2019.

Based on that evidence, it was concluded that the company had not been effective in ensuring that PPE was used by workers in the field. This becomes **Non-conformity No. 2019.01 with the MAJOR category.**

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.

BMRE, PLKE and PLKM has already licensed first aid officers and there was first aid internal training conducted on 9-10 May 2019 which was attended by 34 participants. 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

Company has provided 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 Certification holder 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 having 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

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 September 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.

Major 4.7.3	Status: Non-conformity No. 2019.01 with the MAJOR category.
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4.8

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

4.8.1

Company has training program for workers for period of 2019 for operational training, including training for worker exposed to high noise level in mill and training for smallholders. The aspect in the training program are such as environment, labor best management practice aspect, and others. Training for contractor is including in training program for worker and adjusted with the work of contractor. Some of training program, namely:

- Awareness of RSPO, ISPO, OHS, and ISCC.
- Socialization of GSEP
- Socialization of chemical handling, hazardous material, and hazardous waste.
- Etc.

Based on interview with worker in estate and mill, they have received some training related to their work, such as work procedure training, emergency response, and first aid training. Then, it is known that company also give training regarding RSPO to smallholder's farmers. The training has been documented into minutes of meeting, list of attendees, and photo activity. PT Kresna Duta Agroindo also has conducted training regarding awareness of RSPO P & C to the workers.

4.8.2

PT Kresna Duta Agroindo has showed the documentation of training or socialization whether it is internal or external training in form of minutes of meeting, list of attendees, and photo activity. Company also kept training record for each worker. Based on interview with local contractor, it is known that company has provided contractor worker with training such as about OHS or company policy. For example:

- Socialization of Communication on 27 July 2019 attended by 78 workers of Pelakar Mill.
- Training of energy efficiency on 22 July 2019 attended by 62 workers of Pelakar Mill
- Socialization of OHS and PPE on 28 February 2019 attended by 3 participants from contractor worker
- Socialization of OHS, human rights, and GSEP on 8 July 2019 attended by 7 contractor workers of Pelakar Estate

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

The company has environmental documents and an Environmental Permit covering all management areas and every activity in PT KDA. The environmental documents and environmental permits consist of several documents such as:

- UKL-UPL in 1995 with a coverage area of 9000 Ha in Tanjung Village for the plantation area and Palm Oil Mill with a capacity of 60 tons / hour authorized by the Ministry of Agriculture, Agribusiness Agency with approval number 722 / BA.5 / XI / 1995.
- Document of Environmental Management Efforts and Environmental Monitoring Efforts (UKI-UPL) activities to utilize Mill waste as a power plant with a capacity of 1.02 MW (SK No.660 / 538 / BLHD / 2010 by the Sorolangun Regional Environment Agency) November 2010.
- DPLH activities for Expansion of Oil Palm Plantations, Other Supporting Infrastructure Facilities and Sei Pelakar Runway Covering an Area of 1799 Ha and Batang Merangin Runway Covering an Area of 3.98 Ha. with an environmental permit based on the decision of the Regent of Sarolangun Number 433 / BLHD / 2015 on 20 October 2015.
- DPLH for plantation expansion and utilization of palm oil waste (Biogas, Land Applications and composting) and other infrastructure facilities Langling Village, Tanjung Lamin and Merangin Waste Intersection (Land Area 333.35 Ha), Tanah Land Abang (Land Area 86.4 Ha) Bangko Pamenang Barat and Pamenang Districts, Merangin Regency. Along with the environmental permit based on the Decree of the Head of the Investment Board and Integrated Licensing Service Number: 59 / BPM-PPT / 2015.

This EIA are including consultation with relevant stakeholders to identify impacts, conducted on 1994, 2010 and 2015. Environmental impact assessment explained all activities for preconstruction, construction, operation, and post operation for example (road construction, drain construction, housing and facilities, waste water treatment plant, IPM, replanting, etc. Total Study Area Environmental documents and environmental permits are: 11,222.73 Ha.

5.1.2

The company has conducted environmental management based on documents of Environmental Management Plan/Environmental Monitoring Plan. Report implementation for environmental monitoring and management plan has been reported to Environmental Agency of Sarolangun Regent regularly. As for the types of parameters that are managed are:

- Erosion and Soil Quality
- Water Quality (Surface water and Groundwater)
- Aquatic Biota
- Ambient air quality and noise
- Vegetation and Wildlife Habitat
- Environment sanitation
- Social Unrest, Job Opportunities and Community Income.
- Community Attitudes and Perceptions.
- Safety and Emergency Response
- Criminality

The implementation of environmental monitoring and management plan documented and reported every 6 months to related agency, such as the reporting for 1st Semester of 2019 was on 26 September 2019 to Environmental Agency of Sarolangun Regency and to Environmental Agency of JambiProvince. The monitoring report is made based on matrix identification in environmental document. The report made is in accordance with KepmenLH No. 45 of 2005 concerning guidelines for writing RKL-RPL.

5.1.3

Implementation of environmental monitoring was described in RKL-RPL implementation report. Based on the RKL-RPL implementation report of semester 1st Semester of 2019 known there isn't negative impact caused by company. The result of mill effluent quality testing that conducted periodically has been accordance with the standard qualities set by the government. Based on interview with Environmental Agency of Sarolangun District show that company has been submit the RKL-RPL implementation report every six month and there isn't negative impact caused by the company.

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 and 5.2.2

HCV assessment has been conducted on 2013 by RSPO approve assessor, using HCV identification guidelines in Indonesia 2008, and public consultations during HCV assessment was done on Mei 2012. Identification results indicates the presence of HCV 1.1, 4.1 (catchment areas) and 6, with a total of 455.3 Ha. This HCV identifications also found Rare, Threatened or Endangered (RTE) species according IUCN- Redlist such as Simpai (*Presbytis melalophos*) and Beruang Madu (*Helarctos malayanus*). All of indicates HCV areas was mapped by 1:35000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape.

Based on the document review, it is known that the company has carried out HCV management in accordance with its HCV management plan, such as:

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

The company has steps for managing HCV that aim to maintain or increase the value of HCV carried out by HCV officers such as:

- Warning board maintenance every 3 months
- Maintenance of HCV area markers every 3 months
- HCV socialization every 6 months
- Animal monitoring and patrol is protected every 1 month.
- Plant erosion-retaining plants once every 6 months.

Some examples of the monitoring carried out are:

HCV patrol reports on 7 and 14 October 2019 conducted by security in areas E1, E2, E7, E8, E10, E11, F11, G11 with safe controlled results, the company can show documentation of monitoring that is done routinely every week once, Patrol Results during 2019 revealed that the HCV area in BMRE was safe and controlled.

- The company can show the monitoring document of wildlife monitoring which is carried out once a month from January to October 2019, for example the results of monitoring in October 2019 found 3 species of animals including Long-tailed monkeys, king prawn kingfish, and Buffalo egret.
- Vertiver Grass treatment which is carried out every 3 months, the results of monitoring on 3 October 2019
- HCV poster maintenance was last carried out on August 26, 2019 with activities to clean up the poster's condition. The posters installed so far are 3 pcs.

- Boundary Pal treatment was carried out on 3 October 2019 from the results of monitoring of the boundary pal found 22 Stakes in well maintained condition.

Based on the results of a visit to the Semap HCV area and the Pelakar river block F10 and interviews with management it is known that the Pelakar river border in the F10 block is a flood-prone area, the results of observations are known to mark the spray limit as far as 50 meters. However, based on interviews and visualizations from observations, it is found that when floods occur, overflows of water sometimes exceed 500 meters. The company has the opportunity to ensure management of HCV (spray boundary) areas, especially for areas prone to flooding. (OFI)

5.2.3

Disciplinary action to the employee who catch, hurt and/or collecting RTE species has been explained on document of GAR Social and Environmental Policy dated on 8 September 2015. Training and socialization on RTE species and sanction programmed and conducted routinely, for examples:

- Training on 10 May 2019 attended by 30 participants from Lindung Village
- Training on 2 October 2019 attended by 50 participants from PLKM.
- Training on 16 July 2019 attended by 20 participants from PLKE.

Other than that, socialization on RTE species to the workers also conducted in time of muster morning including socialization of sanction. It also has been verified during interview with the workers in field and emplacement.

Based on interview with sprayers at PLKE and BMRE it was state that the company has conducting socialization on HCV area and protected fauna within estates operational areas which also informed by signboard. Moreover, there were found no protected fauna on offices and employees housing areas in both in estate and mill.

5.2.4 and 5.2.5

The company has reviewed the implementation of HCV management effectiveness in 2018 and has become an input into HCV management program in 2019, such as but not limited to:

- Renew the chemical boundary signs and socialize it to spraying team.
- Improve the quality of HCV management and monitoring activities in accordance with existing recommendations and SOPs.
- Increase the capacity of HCV officers
- Perform routine maintenance
- Perform signboard repairs.

Based on document review and field observation, company has realized the HCV management plan such as:

BMRE

- HCV patrol reports on 7 and 14 October 2019 conducted by security in areas E1, E2, E7, E8, E9, E10, F11, G11, G12 with safe controlled results, the company can show documentation of monitoring that is done routinely every week once, Patrol Results during 2019 revealed that the HCV area in BMRE was safe and controlled.
- The company can show the monitoring document of wildlife monitoring which is carried out once a month from January to October 2019, for example the results of monitoring in October 2019 found 3 species of animals including Long-tailed monkeys, king prawn kingfish, and Buffalo egret.
- Vertiver Grass treatment which is carried out every 3 months, the results of monitoring on 3 October 2019
- HCV poster maintenance was last carried out on August 26, 2019 with activities to clean up the poster's condition. The posters installed so far are 3 pcs.
- Boundary Pal treatment was carried out on 3 October 2019 from the results of monitoring of the boundary pal found 22 Stakes in well maintained condition.
- Maintenance of warning limits

PLKE

- HCV patrol report on 19 October 2019, 21 September 28 September, 5 October and 12 October.
- Monitoring of HCV Poster conducted on October 5, 2019.

- Monitoring of HCV boundaries carried out on October 5, 2019

Based on the document review, it is known that the company's HCV area does not overlap with community interests.

Status: Comply

5.3

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

5.3.1, 5.3.2 and 5.3.3

The company has identified the sources of waste and pollution which explains the source / activity and types of waste / pollution generated (Hazardous Waste / Nonhazardous or GHG emissions), 2019. Waste and pollutant sources are also state in waste management procedure ref no. SOP/SMART/LEMS-EHSD/SADV//002 dated on 2 July 2014 as follow:

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

The company shows an extension of the permit for temporary storage of hazardous and toxic waste issued by the Department of Investment and Integrated Services of Sarolangun Regency with no: (190 09 08 116 200519 503 103) based on a recommendation letter to extend the permit for temporary storage of hazardous and toxic waste from Environmental Agency number: 660/10 / LB3.DLH / 05/2019 which is valid for 5 years since May 20, 2019.

Based on field observation on storage and interview with worker in rinse house, it is known that all waste including chemicals and their containers have been disposed in accordance procedure about the Management of Toxic and Hazardous Wastes and Non-hazardous waste whereabouts hazardous waste was saving on licensed place, labelling, had monitoring report, organized by category, first aid equipment, symbols and label, the rooms were enclosed and protected.

To prove that the company's waste has been transported by the licensed carrier/transporter, the company shows the document of the cooperation agreement between PT KDA and PT Primanru Jaya no 018/CCSD/SPK-Pengelolaan LB3/KDA-PJ/VI/2018 dated 2 April 2018 and valid until 1 April 2020.

The company also showed the document about hazardous waste transport. The document shows that hazardous waste was transported by PT Primanru Jaya from PT. KDA Temporary Hazardous Storage on 17 October 2019 with details:

PLKE

- Used oil as much as 0.14 tons with manifest BC0052195
- Used filters as much as 0.012 tons with manifest BC0052196
- Used rags as much as 0.0025 tons with manifest BC0052199
- Contaminated packaging as much as 0.025 tons with manifest BC0052200
- Medical waste as much as 0.004 tons with manifest BC0052201

BMRE

- Contaminated packaging as much as 16 kg with manifest BC0052129
- Medical waste as much as 4 kg with manifest BC0052130
- Used filters as much as 26 kg with manifest BC0052127
- Used TL lamps as many as 11 pcs with manifest BC0052131
- Used cloth as much as 8 kg with manifest BC0052128
- Used oil as much as 184 ltr with manifest BC0052126

PLKM

- Used oil as much as 2.35 tons with manifest BC0047141

- Used Accu as much as 0.195 tons with manifest BC0052109
- TL lamps as much as 0.009 tons with manifest BC0047145
- Used filters as much as 0.08 tons with manifest BC0047142
- Contaminated packaging 0.196 tons with manifest BC0047144
- Used Majun as much as 0.12 tons with manifest BC0047143
- Packaging of 0.002 tons of ink with manifest BC0052110

The company also has sent hazardous waste management report to Environment office of Sarolangun District regularly (every quarterly). 2nd and 3th quarterly 2019 hazardous waste management report has reported to Environment office of Sarolangun District dated on 30 July 2019 and 14 October 2019. Evaluation on waste management are conducted annually using form F/SMART/LEMS-EHSD/SADV/002/007.

Based on field visits in the residential area, plantation area, warehouse, housing and mill area it is known that the waste is disposed accordance with the procedures of management waste. Waste is not burned. There is a ban board for burning and light fires. The company has managed the POME generated by Pelakar Mill on WWTP ponds, then utilize on land application according regent's decree issued November 19, 2018 valid for 2 years. The company also has testing POME quality every month, accordance Minister Decree environmental agency number 28/2003.

Based on field visit to landfill area in block C20 Division 1 Pelakar Estate known that area is located far from water sources (river buffer zone, spring water) and workers housing area.

Based on the results of field visits in warehouses, public facilities areas, changes in Pelakar Estate, Batang Merangin Estate and Pelakar Mill, it was found 1 employee who stored used pesticide packaging in the Merangin estate housing estate, explained by the relevant person concerned that the used pesticide packaging was purchased from outside company. In addition, the person concerned knows that the use of pesticide packaging is prohibited by management. In this regard the company is demanded to increase the effectiveness of socialization to employees related to the management of LB3 in the area of the company (OFI).

Status: Comply

5.4

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

5.4.1

The company has consistently implemented efficiency of fossil fuel efforts through renewable energy usage by using shell and fiber. It efforts has documented and monitored well. For example, in monitored renewable energy usage and efficiency analysis document recorded as follows:

- Daily monitoring of the use of solid waste for boiler fuel.
- Daily monitoring on fossil fuels use in each unit.

A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy was in place and monitored as stated in GHG mitigation procedure no. SOP/SMART/CERS-EHSD/SADV/I/005 Rev 0.0 dated on 1 July 2014. Result of improving efficiency are pictured in energy use efficiency such as Total FFBs processed up to September 2019 were 172,967 tonnes. The use of 21,616 tons shells and 9,940 tons shells with the calculation of 3,589,140 kWh turbine electricity. Solar savings by using shells and fibers at 1,025,469 ltr. As for the efficiency of kWh / ton FFB of 20.75 kWh / ton FFB while the efficiency of using diesel is 5.93 ltr / tonFFB.

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

The company has a zero-burning policy. The policy documented in Land Clearing Procedure (SOP/SMART/MCAR/IV/TA-PLB) approved June, 12th 2012. The company does not conduct burning in land clearing. Based on field visit and interview with village representative known that this year, company did not do replanting.

Status: Comply

5.6

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

5.6.1

The company has GHG mitigation procedure No. SOP/SMART/CERS-EHSD/SADV/II/005 Rev 0.0 dated on 1 July 2014. Identification of GHG sources has been done, as follows:

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

The management unit has identified the sources of pollution and emissions in the mill and estate as stated in F/SMART/UMUM/SADV/001/001 Rev 0 dated on 31 January 2018.

5.6.2

The Company periodically every semester has been testing the sources of emissions and pollutants, as indicated by the test results 2nd semester 2018 & 1st semester 2019 with test results that are below the threshold. Based on field interviews obtained information that smallholders have a fertilization work plan based on recommendations from the company, spraying activity schedule and the use of to reduce the use of rat poison. In addition, smallholder also has a wash facility for spraying equipment. For areas with high noise, the company has installed high noise warning signs.

5.6.3

The company also has conducted GHG emission calculations period 2018 use of Calculator Palm GHG version 3.0.1. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 3.0.1) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied "Apply November 2005 Cut off for LUC"

Summary of Net GHG Emissions

Emission per product	tCO ₂ e/tProduct
CPO	7.09
PK	7.09

Production	t/yr
FFB processed	273136.100
CPO produced	53435.123
PK produced	14021.832

Extraction	%
OER	19.56
KER	5.13

Land use	Ha
Planted area	9426.630
Planted on peat	6566.622
Conservation Area	465.41

Summary of field emission and Sinks

Description	Own crop		Group		3 rd party	
Emissions	tCO ₂ e	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/tFFB
Sources						
Land conversion	70722.56	0.51	12969.54	0.83	0	0

CO2 emissions from fertilizer	46893.15	0.34	6.53	0	0	0
NO2 emissions	41473.71	0.3	8444.22	0.54	0	0
Fuel consumption	679.78	0	28.92	0	0	0
Peat oxidation	259723.47	1.88	61571.39	3.96	0	0
Sinks						
Crop sequestration	-52764.22	-0.38	-11291	-0.73	0	0
Sequestration in Conservation area	0	0	0	0	0	0
Total	366728.45	2.65	71729.6	4.61	14599	0

Summary Oil Mill Emissions and Credits

Remarks	tCO2e	tCO2e/t FFB
Emissions sources		
POME	24864.31	0.09
Fuel consumption	441.98	0
Grid electricity	0	0
Credits		
Export of grid electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	25306.29	0.09

Palm Oil Mill Effluent (POME) Treatment

Divert to compost (%)	0
Divert to anaerobic digestion (%)	100

POME Divert to Anaerobic Digestion

Divert to anaerobic pond (%)	18.75
Divert to methane capture (flaring) (%)	0
Divert to methane capture (electricity generation) (%)	81.25

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

The Company has document of Social Impact Assessment. The assessment process and the reporting were done by Environment Department of PT SMART Tbk 2013. The scope of study consists of the own plantation of PT KDA and Pelakar Mill. Report of Social Impact Assessment was explained of negative and positive impact of plantation and mill operation to social aspect and the recommendation for negative impact reduction and increasing of positive impact. There was showed also the minutes meeting of consultation process with community surround. The evidence was consisting of

Attendant List of village member on Focus Group Discussion as phase of data gathering for Social Impact Assessment Report.

Based on stakeholder consultation in village adjacent of plantation area (Pangkal Bulian and Kasang Melintang) that knows the operation of plantation and mill was impact to open for road access among village and access for the community member to working on the company and the several aid has been given by the company (village road maintenance, aid for the village office renovation, etc). By the stakeholder consultation and document verification that knows there was no social impact which not identified, all the impact has been describe in document of Social Impact Assessment year of 2018 and also there was no significant issue related to negative impact of plantation and mill operation.

6.1.2

The Social Impact Assessment has been done with involve of related party, consist of community surround, head of village and informal leader (customary leader). There was showed documentation of assessment process on 2013, consist of Attendant List of data gathering, minutes of meeting and photograph in village surround.

6.1.3 and 6.1.4

The company has documented plans for managing and monitoring the social impacts of oil palm plantations and mills for the period 2018 - 2019 for the scope of Pelakar Mill, Pelakar Estate and Batang Merangin Estate. Some negative impacts that arise and plan to be managed include:

- Dust arising from FFB trucks
- Factory smoke
- Communication intensity and approach to the village head
- CSR Optimization
- concerns of Casual workers
- Waste management in employee housing.

An example of the results of social monitoring is known that the results of testing related to air quality are in accordance with applicable regulations, while the impact that arises related to air quality complaints due to lack of public understanding, so one of the activities carried out by the company is to conduct socialization so that the public understands air quality related. While for dust caused by FFB and CPO transport vehicles, the company is still conducting socialization to drivers related to safe driving, watering the road, and road repairs.

In the management and monitoring plan made, implementation schedules, locations and PICs have been included for each stage of work. The company has reviewed the social management and monitoring plan once every 2 years, the last review was conducted in October 2018, for the management and monitoring plan documents that have been carried out from 2016-2018.

6.1.5

In social impact assessment 2013, and last review in 2018, the company has engaged Tiga Serumpun KKPA with representatives from each KKPA as supplier plantation for Pelakar Mill which became the scope of certification activities.

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

Mechanism for consultation is listed in Consultation and Communication Procedure (SOP-SMART-UMUM-SADP-I-004) dated July 1st, 2016. The procedure explain that all the information request will be responded by Certification holder not more than 3 weeks after the incoming letter. And also, the responsible party to accept and response the consultation. Procedure is available in Bahasa Indonesia.

Based on interview with Statutory Bodies in Sarolangun Regency and representative of Pangkal Bulian and Kasang Melintang Village, it is known that they understand how to communicate and consult with PT Kresna Duta Agroindo. They also know the PIC for communication and consultation.

6.2.2, 6.2.3

The PIC for consultation and communication with the community is manager and unit head of each unit. The PIC is assigned to accommodate the implementation of social impact analysis, responsible for top management for communication and consultation with stakeholders Officers

List of stakeholders is made by SPO officer. The latest list of stakeholders is available for year of 2019, consist of statutory bodies, local communities, worker organization, FFB supplier, local contractor. The information request from stakeholders is about assistance proposal and mandatory reporting information. All information request has documented, for example: Record of information request documented in form of "*Monitoring komunikasi dan konsultasi*". Based on the document, information request is such of assisting request. For example, letter from Tanjung Village on 1 August 2019 about lending request of heavy vehicle and has been responded by company.

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

Company has a mechanism of complaint and grievance handling in Handling of Complaint and Grievance Procedure (SOP/SMART/SIGS-CSR/SADV/II/003) which explain handling of complaint and grievance from internal and external stakeholder. The procedure is made involve the consideration from various parties. Company also will protect the identity of complainant. Based on interview with worker in estate and mill, it is known that workers understand how to deliver their complaint if any. Based on interview with representative of Pangkal Bulian and Kasang Melintang Village, it is known that they understand the mechanism to deliver their complaint if any.

6.3.2

There were no external complaints submitted during the period of 2018. Internal complaint from internal is monitored in "*Formulir pencatatan keluhan dan ketidakpuasan*". Based on review of these documents, there is no complaint submit to PT Kresna Duta Agroindo whether from internal or external stakeholders for period 2018 – 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, 6.4.2, 6.4.3

The company has compiled a procedure of Land Compensation, document No. SOP/NP/SMART/VII/D & L.002, issued on 1 July 2010. The procedure is covered the process of identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation. The scope of procedure is all activities related to the compensation process for land over the land right cultivated by the company, the purpose is to ensure the area of plantation free from others right. The company has no new land acquisition and the entire compensation process was completed in 2002. The results of compensation documents verification, interview with communities and previous landowners is known that compensation process is done directed to the land owner and landowners are given the freedom to release their land without coercion. The process of FPIC is done by setting the Team, preparing work plan, preliminary study, FPIC agreement, meeting with the community/affected parties and recording.

In the HGU area of the company there is still land that belong to the community who are not willing to be compensated ($\pm 1,181.62$ Ha). This area has been mapped and the company not take over by force on the land. The community has understood that their land is in the HGU, but does not willing to release the land to the company. Based on in enclave area (block G12) and interview with the communities are known that there is no significant dispute or any disturbance from the company to that areas.

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

Company has a copy of Jambi Governor Decree No. 1103/KEP.GUB/DISNAKERS-3.3/2018 about Minimum Wage of Jambi Province for 2019. The sectoral minimum wage for Jambi Province is Rp 2.423.889,16/month. Company issued decree No. 066/CEOJAMBI/HRPSM SUMJAM/04/2019 on January 2019 which explain about daily wages for daily worker, as much as Rp 96.956 per day. As for permanent daily worker, company issued decree No. 065/CEOJAMBI/HRPSM SUMJAM/04/2019 on January 2019 which explain about structure and scale of wages of permanent worker.

There is a nonconformity in this indicator (**Non-conformity No. 2019. 02**), which details below.

1. Daily Wages

Based on document review, auditor found evidence as follows.

- Based on report of attendance list of BMRE worker and report of foreman worksheet of PLKE, it is known that free daily labor was work with average hour is 5 – 7 hours perday. For example, worker with employee ID number B1033 and A0201 worked with average hour is 5 – 6 hours perday and worker with employee ID number C0194, C0193, and C1098 worked for about 0.72 work day.
- Decree No. 066/CEO JAMBI/HR PSM SUMJAM/04/2019 about wages for free daily labor for periode of 2019 at PT KDA – Jambi Region, explain that wages for free daily labor is Rp 96.956 per day.
- Work agreement between PT KDA, Pelakar Estate with free daily labor No. 100/PLKE/PKHL/IV/2019 explain that wages for worker is as much as Rp 97,480 per day.
- Example of payslip of worker periode of September 2019 with employee ID number C0194, received wages as much as Rp 1,403,712 for 21 work days (Rp 66,844 per day) and worker with employee ID number A0201, received wages as much as Rp 929,413 for 13 work days (Rp 71,494 per day). Those wages is below minimum wage for Jambi Province periode of 2019.

2. Wages based on work volume

Based on document review, auditor found evidence as follows.

- Circular letter No. SE 05/03/VPA/2019 about FFB harvest and loose fruit premium pay system of Sinarmas Plantation of Jambi – Region Jambi 1 which explain that payment for daily worker based on work volume is paid according to volume of loose fruit, for example harvesting criteria 8 – 12 is paid Rp 415/kg.
- Example of worker payslip periode of July, August, September 2019 with employee number B1019, received average wages per month is Rp 1,062,261 (Rp 53,113.08 per day) and still below minimum wage of Jambi Province 2019 (Rp 2.423.889,16 per month and Rp 96,956 per hari).

Based on explanation above, it can be concluded that:

1. Company could not show that daily wages based on time base is paid as daily, weekly or monthly, in accordance with Governnet Regulation No 78/2015.
2. Company could not show that average wages for loose fruit picker in accordance with applicable minimum wage (Governnet Regulation No 78/2015).

6.5.2

The company has a Collective Labor Bargaining for the period of 2015 - 2017 which has been registered with the relevant agencies based on SK Dirjen PHI - JSK No. Kep. 88 / PHIJSK-PKKAD / PKB / VI / 2015 dated 18 June 2015. The company also has a PKB with BKS PPS for the period 2018 - 2020. The PKB is currently in the process of ratification by the Manpower Office which is indicated through a letter of application for registration of PKB No. 56 / BKS-PPS / 2018 dated 7 July 2018.

Worker type in PT KDA is daily and monthly permanent worker, and free daily labor. Based on interview with management unit, there is no changes of worker type yet.

6.5.3 & 6.5.4

Based on field observation in housing complex in Pelakar Estate and Batang Merangin Estate, it is known that company 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 Certification holder 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 monthly market whenever payday and from worker cooperative. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with reasonable price.

Major 6.5.1	Status: Nonconformity No. 2019. 02 with Major Category
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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 218/CEO1-SE/11/2010 which states that the company gives the right to associate to all workers. 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. Worker union has registered to Manpower Agency of Sarolangun Regency with registration number 004/F.SPPP/SPSI/PLKM/K/F/IV/2016 on 16 May 2016 for Mill and No. 02/SPBM-TTS/Nakertrans/2017 on 6 April 2017 for Estate worker union.

Based on interviews with representative from worker union, it is known that the company did not intervene in the activities carried out by the union. Likewise, the election of worker union officials is carried out based on consultation with all worker union members.

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 9 July 2019 discuss about OHS and attended by 7 participants. The documentation is available in office unit and available for member if they were asking.

Status: Comply

6.7
Children are not employed or exploited.

6.7.1

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 Sarolangun 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 Certification holder. Based on field observation in estate, auditors did not sight 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

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. Based on interview with workers, it is known that they are aware about nondiscrimination policy.

6.8.3

The company kept the personal file of each worker in estate office. Based on interview with management, the recruitment is conducted through the Certification holder 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. Certification holder 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.

Status: Comply	
6.9	
There is no harassment or abuse in the work place, and reproductive rights are protected.	
6.9.1, 6.9.2, 6.9.3	
<p>Policy about prevention of harassment or abuse in work place is listed on GSEP (GAR, Social, and Environmental Policy). Based on interview with female worker in Pelakar and Batang Merangin Estate, it is known that they understand the policy. It is also known that they understand the mechanism of complaint submission. Also, interview with committee of Gender Committee and review of “<i>Formulir pencatatan keluhan dan ketidakpuasan</i>”, 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, 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, PT KDA give special breast-feeding time for female worker, but prohibit the worker from working with chemical material.</p>	
Status: Comply	
6.10	
Growers and mills deal fairly and transparently with smallholders and other local businesses.	
6.10.1 & 6.10.2	
<p>Company show “FFB Price Document” from Plantation Agency of Jambi Province for period of 17 – 23 July 2019. Price fixing is based on CPO and Kernel prices and also adjusted for age of the plant. Based on formulas for Planters (independent smallholder/ scheme smallholder), FFB price is IDR 1,258.10/Kg for 21 years old of palm oil. The document FFB price has been known by scheme smallholder farmers by online or through mill management. Based on interview with representative of smallholder cooperative, FFB price is in accordance with price from Plantation Agency of Jambi Province.</p>	
6.10.3 & 6.10.4	
<p>Company has an agreement contract with smallholder cooperative and independent supplier, for example agreement with KUD Karya Mulya No. KUJK/KUD-SGTX/06/19/001 dated 1 June 2019 and valid until 31 May 2020. Each contract document, signed by both parties as evidence that a work agreement has been agreed. Contract agreement documents are kept by both parties, which will be used as legal references.</p> <p>Based on interviews with smallholder cooperative and FFB supplier, payments are made on time. Company has made a payment to independent supplier for example, to Segar Tani Cooperative for period of September 2019 through transfer bank. The payment is in accordance with FFB produce. There are no complaints related to late payments.</p>	
Status: Comply	
6.11	
Growers and millers contribute to local sustainable development wherever appropriate.	
6.11.1	
<p>Determination of local development programs based on proposal from surrounding Village. Certification holder has implemented some of CSR program for 2019 and contribute to local development, for example:</p> <ul style="list-style-type: none"> • Religion aspect. Consumption for <i>tadarus</i> activity in surrounding mosque. • Education aspect. Note book assistance for <i>madrasah</i>. • Infrastructure aspect. Fund assistance for digging trenches in Empang Benao Village • Social aspect. Cooking oil bazar, health education. • Partnership with local local contractor for operational activity, such as FFB transport, infrastructure, FFB purchase, Etc. 	
6.11.2	
<p>The company has a 2018 budget plan document that outlines financing for plasma (full manage), some of which are: the wage costs for the human resources managing plasma, and the costs for upkeep activity (spraying, manuring, etc.) contained in the plantation budget document.</p>	

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 Certification holder'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 sight any harvester accompanied by their wife or children. Based on interview bipartite cooperation member, there is no issue related to force labor.	
Based on interview with the harvester and committee of worker union, there were no complaint about working hours. The payment is based on tonnage. If they did not get the tonnage after working hours is out, they will be paid by daily payment.	
Status: Comply	
6.13	
Growers and millers respect human rights	
6.13.1	
The company has policy on human rights listed on GSEP. The policy explains that the Certification holder respect human rights for all employees. 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 and 7.1.3	
Land clearing of PT KDA (Pelakar Estate and Batang Merangin Estate) were carried out from before 1990 and most recently were carried out in 2001 covering an area of 102.71 ha. After that there was no development of new plantation areas within the scope of PT KDA. Therefore, there was no new planting or expansion after November 2005.	
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 documents review, interview and field visits, it is known that the company did not expand the operational area and there is no more land clearing activity after 2005.	
Status: Comply	
7.3	
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	
7.3.1, 7.3.2, 7.3.3, 7.3.4 and 7.3.5	
Land clearing of PT. KDA (Pelakar Estate and Batang Merangin Estate) were carried out from before 1990 and most recently were carried out in 2001 covering an area of 102.71 ha. After that there was no development of new plantation areas within the scope of PT KDA. Therefore, there was no new planting or expansion after November 2005.	
There was no new land clearing after 2005, the company showed a land cover imagery map of the end of 2005 and early 2006 with a scale of 1:75000 sourced from ETM Landsat 5 Image Map 5,4,3 (RGB), based on the land cover image map	

it is known that at the end of 2005, the entire area of PT KDA had been planted with Palm Oil, as for the basic info for the 2006 plant area of 943.13 hectares in BMRE was replanting.

Based on communication with the RSPO until the audit was conducted, the RSPO was still waiting for the company's Shapefile documents to ensure there was no new opening after 2005. Therefore, the company was required to settle zero liability disclosure with RSPO. (OFI)

	Status: Comply	
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7.4	Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.
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7.4.1 and 7.4.2	Based on documents review, interview and field visits, it is known that the company did not expand the operational area and there is no more land clearing activity after 2005.
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	Status: Comply	
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	Status: Comply	
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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.
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7.5.1	Based on documents review, interview and field visits, it is known that the company is not expand the operational area and there is no more land clearing activity after 2005.
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	Status: Comply	
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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.
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7.6.1, 7.6.2, 7.6.3, 7.6.4, 7.6.5, 7.6.6	Based on documents review, interview and field visits, it is known that the company is not expand the operational area and there is no more land clearing activity after 2005.
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	Status: Comply	
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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.
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7.7.1 and 7.7.2	Land clearing of PT. KDA (Pelakar Estate and Batang Merangin Estate) were carried out from before 1990 and most recently were carried out in 2001 covering an area of 102.71 ha. After that there was no development of new plantation areas within the scope of PT KDA. Therefore, there was no new planting or expansion after November 2005.
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	Status: Comply	
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7.8	New plantation developments are designed to minimise net greenhouse gas emissions.
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7.8.1 and 7.8.2	Land clearing of PT. KDA (Pelakar Estate and Batang Merangin Estate) were carried out from before 1990 and most recently were carried out in 2001 covering an area of 102.71 ha. After that there was no development of new plantation areas within the scope of PT KDA. Therefore, there was no new planting or expansion after November 2005.
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	Status: Comply	
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PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
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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.
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8.1.1	The company has implemented the RSPO Internal Audit on 26 February 2019 and management review conduct annually at 8 March 2019. All aspect regularly reviewing and evaluation to ensure effectiveness for improvements such in best
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management practices aspect which in pest monitoring and evaluation known that biological control can managed the pest population. In social aspect known that CSR program and participatory SIA can effectively manage the social impacts etc. The others improvement that implemented will describe below.

The company has made efforts to improve sustainable businesses, among others, proven by getting the results of the Plantations class assessment as follows:

- Sarolangun Regent Decree No. 395 / DTPHP / 2018 dated December 4, 2018 with class II results (Good)
- Jambi Governor Decree No. 860 / Kep.Gub / Disbun-3.1 / 2019 dated 29 July 2019 with class 1 results for the Batang Merangin Estate and Pelakar Estate.

Continual improvements and improvements the company has made include:

- There has been a plasma collaboration between the company and KUD Tiga Serumpun
- Already have a joint purchase of fruit from the community
- There is a use of local contractors for the economic empowerment of local communities.
- The company has conducted a Biogas Plant for POM liquid waste management.

The company has implemented a commitment to continuous improvement in aspects of Best Management Practices, including:

- Control of rat pests using owl predators (*Tyto alba*).
- Biological leaf caterpillar pests' control by planting and maintaining (conservation) beneficial plants, such as *Antigonon leptosus*, *Cassia cobanensis*, and *Turnera subulata*.
- Since 2016, PT KDA was no longer using Paraquat.

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>The organization take legal ownership and physically handles RSPO certified sustainable oil palm products. The entire area, mill and storages are owned by the organization and all processing from FFB to CPO/PK are done by Pelakar Mill. The mill also has outsourced contractors of CPO transporter.</p>
	Status: Comply
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>The site does not buy the products from any RSPO licensed traders. CSPO and CSPK are produced from certified FFBs processed that supplied from its own estates.</p>
	Status:
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>The parent company are member of RSPO (Golden Agri Resources Ltd):</p> <ul style="list-style-type: none"> - Number of RSPO membership: 1-0096-11-000-00 dated 31 March 2004 - RSPO IT Platform of Pelakar Mill: RSPO_PO1000004089
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Parent company or site has no processing aids</p>
	Status: NA
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>The organization will be applied mass balance supply chain model when certified.</p>
	Status: Comply
5.2.2	<p>The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p> <p>The organization will be applied mass balance supply chain model only</p>
	Status: Comply

5.3	Documented procedures
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.
	Pelakar Mill has the documents of supply chain procedures for Mass Balance models with document No. PT KDA-MWHM/SOP/34, issued on 23 March 2018. The procedures established and covering all elements of the supply chain model requirements, records and reports of compliance with supply chain requirements including responsibilities of each key personnel involved, definition, the FFB reception process, weighing, checking quality, processing, monitoring refined products, mass balance calculations, delivery of the product. The procedure is according to RSPO SCCS 21 November 2014, revised 14 June 2017. Based on field observation at Weighbridge station and interview with sampled person in the Mill, the operator has knowledge the procedure of SCCS.
	Status: Comply
5.3.2	The site shall have a written procedure to conduct annual internal audit
	The Procedure to conduct annual internal audit are describe in SOP for internal audit No. SOP/SMART/UMUM/SADV/I/009 issued on 1 July 2014 covering all audit for sustainable palm oil including SCCS. In the SOP mentioned that internal audit are done annually. Internal audit of SCCS conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. The last internal audit is conduct at 26 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
	Pelakar Mill has no purchased CSPO or CSPK. The mill received and processed FFB from own estates (Pelakar Estate and Batang Merangin Estate), the mill also received FFB that not included in current certification.
	Status: Comply
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents
	Pelakar Mill has no purchased CSPO or CSPK. However The SOP of handling non-conforming oil palm products of FFB received (certified or non-certified) describe in supply chain procedures for Mass Balance models with document No. SOP/SMART/CERS-EHSD/SADV/I/003 dated 1 July 2014, revised 2018. Non-conforming of oil palm product has described as a false in FFB received notes (certified or non certified) and regarding of FFB received records. To handling on this non-conforming are to corrected the record base on FFB source (certified or non certified areas) and monitored by mass balance record documents.
	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.
	All processing of FFB to CPO/PK are done by Pelakar Mill and the mill has outsourced contractors of CPO transporter. The transporters will ensure the compliance to the requirements of the RSPO Supply Chain Certification Standard show in contractor control form (Formulir/Smart/MCAR/XVI/TA-PKT/03 issued 26 March 2012 revised 1 February 2019).
	Status: Comply

5.5.2

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

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

The company has legal ownership of CPO and PK products which in the transport of CPO are given to third parties under the agreement No. 003/KDA/PLKM/01/2017-CPO dated 2 January 2017 for CPO transport with PT. Satrindo Jaya Agropalma. The site will control system on contractor control form (Formulir/Smart/MCAR/XVI/TA-PKT/03 issued 26 March 2012 revised 1 February 2019). The fulfillment of RSPO SCCS and ensure that certification bodies have access to the outsourcing contractor stated in statement letter signed by contractors dated on 12 March 2019.

Status: Comply

5.5.3

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

The site has recorded the names and contact details of contractor used for RSPO certified oil palm products transport, which is PT. Satrindo Jaya Agropalma address Jakarta

Status: Comply

5.5.4

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

A contractor used (names and contact details) has been informed to the CB, which is PT. Satrindo Jaya Agropalma address Jakarta.

Status: Comply

5.6

Sales and goods out

5.6.1

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

This matter will be verify further at ASA-1 after the mill has certified

Status: Comply

5.7

Registration of transactions

5.7.1

Supply chain actors who:

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

This matter will be verify further at ASA-1 after the mill has certified

Status: Comply

5.7.2

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

<ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	
This matter will be verify further at ASA-1 after the mill has certified	
	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	
SCCS training are planned annually, for example in 2019 conducted on 4-5 March 2019 for SCCS persons in charge.	
	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	
The company has provided training at 4-5 March 2019 for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements, such as: dispatch operators, weighbridge operators, etc. Based on field observation at Weighbridge station and interview with sampled person in the Mill, the operator has knowledge the procedure of SCCS.	
	Status: Comply
5.9	Record keeping
5.9.1	
The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements	
This matter will be verify further at ASA-1 after the mill has certified	
	Status: Comply
5.9.2	
Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock	
The retention times for all records and reports are keep in minimum 10 years According to the SOP no. SOP/SMART/UMUM/SADV/I/001.	
This matter will be verify further at ASA-1 after the mill has certified	
	Status: Comply
5.9.3	
The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a	

period of twelve (12) months.	
The estimate volume of palm oil products are describe in this Stage-2 report (Basic Info 1.8.3). The record of the volume purchased (input) and claimed (output) will be verify further at ASA-1 after the mill has certified	
	Status: Comply
5.10	Conversion factors
5.10.1	
Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries	
The site doesn't apply a conversion rate.	
	Status: NA
5.10.2	
Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
The site doesn't apply a conversion rate.	
	Status: Comply
5.11	Claims
5.11.1	
The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
This matter will be verify further at ASA-1 after the mill has certified	
	Status: Comply
5.12	Complaints
5.12.1	
The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Procedures for stakeholders complaints established in the document no. SOP/SMART/SIGS-CSRD/SADV/I/003, issued on 1 July 2014.	
The complaint related to the implementation of SCCS will be verify further at ASA-1 after the mill has certified	
	Status: Comply
5.13	Management review
5.13.1	
The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
The company has management review conduct annually as example at 8 March 2019.	
	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. 	

<ul style="list-style-type: none"> • Changes that could affect the management system. • Recommendations for improvement. 	
The content of management review related to SCCS are the result of internal audit, customer feedback, preventive and corrective actions, follow up actions and 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. 	
The Management review are including the decision and actions related to Improvement of the effectiveness of the management system and its processes and Resource needs.	
	Status: Comply

3.2.2. Module E – CPO Mills: Mass Balance Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>The site will apply supply chain model Mass Balance due to it will received FFB from uncertified sources.</p>
	Status: Comply
E.2	Explanation
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>The estimate volume of palm oil products is describe in this Stage-2 report (Basic Info 1.8.3). The record of actual tonnage produced will be verify further at ASA-1 after the mill has certified</p>
	Status: Comply
E.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <ul style="list-style-type: none"> • RSPO IT Platform member registration number: RSPO_ PO1000001765 • Certified CPO and PK sold to each buyer will be verify further at ASA-1 after the mill has certified
	Status: Comply
E.3	Documented procedures
E.3.1	<p>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:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. <p>Pelakar Mill has the documents of supply chain procedures for Mass Balance models with document No. PT KDA-MWHM/SOP/34, issued on 23 March 2018. The procedures established and covering all elements of the supply chain model requirements, records and reports of compliance with supply chain requirements including responsibilities of each key personnel involved, definition, the FFB reception process, weighing, checking quality, processing, monitoring refined products, mass balance calculations, delivery of the product. The procedure is according to RSPO SCCS 21 November 2014, revised 14 June 2017. Based on field observation at Weighbridge station and interview with sampled person in the Mill, the operator has knowledge the procedure of SCCS.</p>

	Status: Comply
E.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.
<p>The mill has procedure of Supply Chain RSPO Products - Mass Balance Model (No. PT KDA-MWHM/SOP/34, issued on 23 March 2018) explaining that:</p> <ul style="list-style-type: none"> - The source or supplier of FFB received by the mill can be classified into certified or non certified - All FFB suppliers has recorded /recapitulated/and maintained its current status. - Suppliers of certified FFB as a sustainable raw material that can be identified or given information that differentiates it from non-certified suppliers. <p>Based on field observation at Weighbridge station and interview with sampled person in the Mill, the operator has knowledge the procedure of SCCS.</p>	
	Status:
E.4	Purchasing and goods in
E.4.1	The site shall verify and document the volumes of certified and non-certified FFBs received.
<p>The record of certified and non-certified FFB received will be verify further at ASA-1 after the mill has certified.</p>	
	Status: Comply
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.
<p>This matter will be verify further at ASA-1 after the mill has certified.</p>	
	Status: Comply
E.5	Record keeping
E.5.1	a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.
b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	
c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)	
<p>The record of mass balance will be verify further at ASA-1 after the mill has certified.</p>	
	Status: Comply

3.3 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
IC	PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) Trademark License Number RSPO-1-0096-11-100-00	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
IC	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use. PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) Trademark License Number RSPO-1-0096-11-100-00	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
IC	Implementation of Certificate and Logo is not used on product. PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) Trademark License Number RSPO-1-0096-11-100-00	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
IC	PT SMART Tbk (Parent Company: Golden Agri Resources Ltd) Trademark License Number RSPO-1-0096-11-100-00. Controlling of Certificate and Logo, including withdrawing inappropriate logo.	√
	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 eighteen (18) mills and fifty four (54) estates in Indonesia and has been RSPO certified for nine (9) 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 19 July 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 eleven (11) uncertified management unit of GAR. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>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), April 2019. - PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), 05 October 2018 - PT Agrolestari Mandiri (Pekawai Mill and supply base), November 2018 - PT Binasawit Abadi Pratama (Perdana Mill and supply base), November 2018 - PT Agrokarya Prima Lestari (Kuayan Mill and supply base), August 2018. - PT Mitra Karya Agroindo (Tangar Mill and supply base), March 2018. - PT Paramitra Internusa Pratama (Belian Mill and supply base), September 2019 - PT Sawit Mas Sejahtera (Sungai Kikim and supply base), December 2018 - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) January 2019

		<ul style="list-style-type: none"> - PT Agro Lestari Sentosa (Jalemo Mill and supply base), April 2018 - PT Adi Tunggal Mahajaya (Sako Mill), March 2018 - PT SMART (Bukit Kapur Mill and supply base), January 2019 - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base), December 2018 - PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base, March 2019 - PT Sawitakarya Manunggal (Sawita Mill and supply base). September 2018
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 to answer RSPO is still in the review process.</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 SMART (Bukit Kapur Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang 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 Binasawit Abadi Pratama (Perdana Mill and supply base) - 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)

		<ul style="list-style-type: none"> - 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/I/02). This procedure regulates social conflict settlement agreed. Conflict resolution can be done in a participatory manner and can also be done by a third party (mediator). The company also has procedures to deal with complaints before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/I/003. The company handling complaints appropriately and quickly. GAR has been initiated to become a member of RSPO DSF as a category "out growers".</p> <p>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 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/I/003.</p> <p>Procedures related employee issues is arranged in the form of internal grooves for employees included in the category of internal stakeholders. Media that is used to deliver complaint is a formal letter submitted by unions</p>

		<p>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/I/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 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), Kandista Estate (158.46 Ha), Nenggala Estate (419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha) - 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)

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 Initial Certification (IC)

NCR No.	: 2019. 01	Issued by	: Hasiholan Sihombing
Date Issued	: 24 October 2019	Time Limit	: 23 October 2019
NC Grade	: Major	Date of Closing	: 23 December 2019
Standard Ref. & Requirement	: 4.7.3 Records of Occupational Safety and Health (K3) training programs (see 4.8) and Personal Protective Equipment (PPE) in accordance with the results of hazard identification and risk analysis must be available for all workers		
Evidence observed (filled by auditor):			
Based on the results of auditor verification found the following evidence:			
<ul style="list-style-type: none">- The company has a PPE Management Procedure (No: SOP / SMART / HESS-EHSD / SADV / I / 010, dated July 1, 2014) which explains that the type of PPE for each job is determined in accordance with HIRAC results. Then the type of PPE for spray work in accordance with the results of the HIRAC is rubber gloves, cloth masks, aprons, face shield + head gear and spray clothes.- Based on field observations and interviews with spray workers in block F03 Division 1 BMRE, it is known that 6 out of 9 workers do not use respiratory protective equipment (cloth masks) and 9 workers do not use face shields when doing spray work.- A record of the socialization of PPE was shown to spray workers on July 16, 2019.- A record of the inspection of indisciplin use of PPE is shown every week.- A recording of the PPE handover (spray clothes, face shield, rubber gloves and boots) was shown to 9 spray workers division 4 on 29 July 2019.- A record of monitoring the PPE condition was carried out on 9 September 2019			
Non-Conformance Description (filled by auditor):			
Based on that evidence, it was concluded that the company had not been effective in ensuring that PPE was used by workers in the field.			
Root Cause Analysis (filled by organization audited):			
The company already has a PPE Management SOP no: SOP / SMART / HESS-EHSD / SADV / I / 010 and ISBPR which regulates the type of PPE that each worker uses for each job. But in the field due to lack of understanding of Spray Overseers and the lack of Discipline inspection of PPE usage by the Division Assistant so that there are still workers who have not used PPE.			
BMRE spray employees also lack awareness in the use of PPE. To increase employee understanding regarding awareness of the use of PPE to do:			
1. Re-socialization related to employees' understanding of the use of PPE on 23 and 28 October 2019			
Proof of document:			
Evidence of re-socialization related to employee understanding of the use of PPE on October 23 and 28 2019			
The indisciplin inspection for PPE usage has been listed in the SOP SMART / HESS-EHSD / SADV / I / 010 listed in the F / SMART / HESS-EHSD / SADV / 010/005 form.			
Document Evidence:			
1. Discipline inspection form on the use of PPE No. F / SMART / HESS-EHSD / SADV / 010/005			

Correction *(filled by organization audited):*

1. Disseminating APD & ISBPR Management SOP to Assistant and Foreman on Oct. 23, 2019
2. Disseminating APD & ISBPR Management SOPs to workers on 28 Oct 2019
3. Warning Letter to BMRE Spray Foreman and Letter of Rebuke to Assistant.

The reprimand letter is in accordance with the SOP SMART / HESS-EHSD / SADV / I / 010 point 2.2.13 mechanism. Granting Sanctions and Awards.

Proof of document:

PPE Management Procedure No. SOP / SMART / HESS-EHSD / SADV / I / 010 point 2.2.13. Granting Sanctions and Awards.

Evaluation of the effectiveness of the indiscipline inspection on the use of PPE is carried out through:

1. The mechanism of P2K3 meetings, which is accompanied by evidence of P2K3 meeting minutes, including discussing the results of inspections of the use of PPE that is already underway.
2. To increase the effectiveness of inspections of indiscipline use of PPE, an inspection will be conducted at the BMRE Unit every 3 days.

Corrective Action *(filled by organization audited):*

1. The manager makes a confirmation letter to the KTU and safety officer (No. 002 / BMRE / X / APD) regarding the use and inspection of the use of PPE
2. Assistant Conducts Inspection of Discipline on PPE usage to the Overseer and Spray Team

The effectiveness of the socialization can be seen from the results of inspections of PPE discipline which have been increased in frequency once a week to 3 days.

To prevent a repeat of the indiscipline of using PPE spray in the certification unit:

1. Information dissemination plan for all spray employees in PLKE and BMRE
2. Proof of the realization in the form of photos, attendance lists and minutes

Document Evidence:

1. Discipline inspection results of the use of PPE per 3 days
2. The socialization program for all spray employees at PLKE and BMRE
3. Proof of realization in the form of photos, attendance lists and minutes

The mechanism for inspecting the indiscipline of using PPE is available in the PPE Management SOP and reinforced by the Manager's Circular.

Evaluation of the effectiveness of the inspection of the indiscipline use of PPE is carried out through the mechanism of P2K3 meetings, which are supplemented with evidence of P2K3 meeting minutes including discussing the results of inspections of PPE usage that are already running. To increase the effectiveness of the indiscipline inspection of PPE usage, an inspection will be conducted at the BMRE Unit every 3 days.

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

Verification is November 10, 2019

The company sends proof of improvements in the form of:

- Circular (No. 002 / BMRE / X / APD) from Batang Merangin Estate Manager to Assistant and Head of Assistant BMRE on October 26, 2019 regarding the use and inspection of the use of personal protective equipment.
- Documentation of re-socialization of PPE use to spray workers and BMRE division 4 spray foremen on October 23, 2019 (there are photos and attendance lists of workers).
- Documentation of the socialization of the use of PPE to all workers in each division of the Batang Merangin Estate on October 28, 2019 (there are photos and attendance lists of workers).
- Warning letter to spray foreman and warning letter to BMRE division 1 assistant from Estate Manager.

However, there are still questions from the auditor regarding the root cause analysis and corrective actions. Non-conformity in this indicator have not yet been closed.

Verification December 23, 2019

The company sends proof of improvements in the form of:

- Minutes of re-socialization regarding the use of PPE to employees and staff of BMRE and PLKE units in October and December 2019.
- Disciplinary inspection forms for the use of PPE for employees and foremen in the BMRE and PLKE units which are conducted every 3 days.
- PPE Management SOP File No. SOPSMARTHESS-EHSDSADVI010
- Warning Letter to BMRE Spray foreman and Letter of Reprimand to BMRE Assistant.
- Minutes of P2K3 PLKE Meeting results September, October and November 2019
- Training plans / programs and training needs of the PLKE and BMRE units for the 2020 period.

Based on the analysis of the root causes and corrective actions as well as the evidence of corrections sent by the company, it is concluded that the Non-Conformity on this indicator has been closed and will be re-observed for the effectiveness of preventive actions at the time of the next assessment.

<i>Verified by</i>	:	Hasiholan Sihombing
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NCR No.	: 2019. 02	Issued by	: Asystasya Aishah Silalahi
Date Issued	: 24 October 2019	Time Limit	: 23 October 2019
NC Grade	: Major	Date of Closing	: 31 December 2019
Standard Ref. & Requirement	: 6.5.1 Wage documentation and work conditions must be available in accordance with applicable labor provisions		
Evidence observed (filled by auditor): 1. Daily Wages Based on document review, auditor found evidence as follows. <ul style="list-style-type: none"> - Based on report of attendance list of BMRE worker and report of foreman worksheet of PLKE, it is known that free daily labor was work with average hour is 5 – 7 hours perday. For example, worker with employee ID number B1033 and A0201 worked with average hour is 5 – 6 hours perday and worker with employee ID number C0194, C0193, and C1098 worked for about 0.72 work day. - Decree No. 066/CEO JAMBI/HR PSM SUMJAM/04/2019 about wages for free daily labor for periode of 2019 at PT KDA – Jambi Region, explain that wages for free daily labor is Rp 96.956 per day. - Work agreement between PT KDA, Pelakar Estate with free daily labor No. 100/PLKE/PKHL/IV/2019 explain that wages for worker is as much as Rp 97,480 per day. - Example of payslip of worker periode of September 2019 with employee ID number C0194, received wages as much as Rp 1,403,712 for 21 work days (Rp 66,844 per day) and worker with employee ID number A0201, received wages as much as Rp 929,413 for 13 work days (Rp 71,494 per day). Those wages is below minimum wage for Jambi Province periode of 2019. 			
Non-Conformance Description (filled by auditor): Company could not show that daily wages based on time base is paid as daily, weekly or monthly, in accordance with Governmet Regulation No 78/2015.			
Root Cause Analysis (filled by organization audited): Some daily workers in PLKE and BMRE work only until 12 hours or less / do not meet 7 hours of work so that they get a daily wage below the minimum daily wage set by the company. Workers come from surrounding villages who only want to work until 12 o'clock for various social reasons such as taking care of the household, private fields and other people's fields, and take care of other work. If they are required to work 7 hours, the workers do not want to, but if the above is done an order (enforcement of regulations), it will cause social unrest.			
Correction (filled by organization audited): The certification unit actually accommodates the daily employee's work regulations that the normative rule is to work 7 hours. In the event that the worker is only willing to work for less than 7 hours, the wages will be in proportion, as agreed in Article 5 paragraph 1 of the Daily Work Agreement. Proof of document: Example of Daily Workers Worker Worksheet No 051 / PLKE / PKHL / X / 2019 article 5 related to "Work Regulations"			
Corrective Action (filled by organization audited): RC will provide direction to the unit operational team to: <ol style="list-style-type: none"> 1. Conduct a clear and complete socialization of the rights and obligations of daily workers to the workers 2. The socialization is documented. 			

Proof of document:

Proof of socialization regarding daily workers' rights and obligations

Assessor Evaluation and Conclusion (filled by auditor):

Verification December 23, 2019

The company has shown some evidence of improvement, such as

1. Circular from Jambi PSM VPA No. 029 / VPA / AGR / 2019 concerning the calculation of the loose fruit set on December 11, 2019 which explains the setting of loose fruit picker basis.
2. Example of a daily work agreement letter No. 051 / PLKE / PKHL / X / 2019 signed on October 1, 2019 which explains that employees will work for 7 hours and if they do not work for 7 hours then the wages are available in proportion to the actual working hours.
3. Material Socialization of the rights and obligations of daily workers at Batang Merangin Estate along with a list of attendance conducted on November 11, 2019, attended by daily workers from divisions 1-6.
4. Material Socialization of the rights and obligations of daily workers at Pelakar Estate along with a list of attendance conducted on November 4, 2019.

However, there are still some additional questions from auditors that still need to be completed by the company. Related to this, the discrepancy can not be fulfilled.

Verification December 31, 2019

The company has shown evidence of additional improvements in the form of:

1. Detailed report on the attendance of 11 daily workers explaining the hours of arrival and return of employees and the effective hours of work for the period October 2019. Based on the report, employees worked for less than 7 hours.
2. The Batang Merangin Estate Foreman Activity Book (BKM) for 3 and 7 October 2019. The document shows that daily worker on 7 October 2019 for manual upkeep activity works for 0.72 HK.
3. Detailed list of daily worker salary for October 2019 Division 1 and 5 Batang Merangin Estate.
4. Record of daily worker work agreement registration to Manpower and Transmigration office of Sarolangun Regency on 22 October 2019
5. Record of loose fruit picking on 26 December 2019 for Division IV of Batang Merangin Estate. Based on the document, 6 from 25 picker has achieved the loose fruit basis.

From the evidence provided, concluded that non conformity No. 2019. 02 has been closed.

Verified by : **Asystasya Aishah Silalahi**

3.5.2. Opportunity for Improvement

No	Ref. Std.	Description
1	2.2.2	Evaluation of monitoring the completeness of HGU stakes and progress of isolating boundaries marking
2	5.2.2	Evaluate HCV management for flood-prone areas
3	5.3.2	The effectiveness of employee outreach related to hazardous waste management
4	7.3.1	Progress of resolving zero liability disclosure with RSPO

3.5.3. Noteworthy Positive Components



No	Ref. Std.	Description
1	-	Company's commitment in implementing sustainability standards for oil palm plantations
2	-	Company's commitment in the implementation of partnership with the community through farmer cooperatives
3	-	Company has obtained ISCC and OHSAS certificate
4	-	Company doesn't use pesticide with paraquat active ingredients
5	-	Company has a biogas plant

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Worker union of Estate and Mill <ul style="list-style-type: none"> • There are free daily worker in estate in nursery and upkeep division. • Workers' wage is in accordance with minimum wage of Jambi Province. There is no complaint about overtime payment. • PPE and social insurance are provided for all workers, including daily worker and contract worker. • There is no complaint about worker discrimination or child worker. • There is no intervention from company against worker union activity. 	<p>Auditor has verified the compliance regarding worker welfare aspect on criteria 6.5, 6.6, 6.7, 6.8, and 6.12.</p>
Gender committee of Estate and Mill <ul style="list-style-type: none"> • Company provided reproductive rights for worker, especially women worker such as menstrual leave, maternal leave, and special time for breastfeeding. • There is no complaint from woman workers about sexual harassment. • Female spraying worker who are pregnant are not allowed to work with chemicals until after breastfeeding. 	<p>Auditor has verified the compliance regarding worker welfare and reproductive rights aspect on criteria 6.8, and 6.9.</p>
Worker cooperative <ul style="list-style-type: none"> • Employee cooperatives engaged in savings and loans • Annual meeting for period of 2018 has conducted in February 2019. • The company fully supports the activities and systems that run in employee cooperatives. 	<p>According to workers the company provides the freedom to form cooperatives</p>
Local contractor of Estate and Mill (PT Satrindo Jaya Agropalma, CV Dila Pratama, and Iis Mirat) <ul style="list-style-type: none"> • Contractor worker already know and understand about company's policy such as OHS and code of conduct. • Payment is made on time. • PPE, social insurance, and work accident insurance is provided by contractor. 	<p>Auditor has verified the compliance regarding agreement with local business.</p>
FFB supplier from smallholder and third party <ul style="list-style-type: none"> • There is a work agreement between supplier or smallholder cooperative and company 	<p>Auditor has verified the compliance related to smallholder on criteria 6.10</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> The selling price of FFB for smallholder cooperatives is based on the FFB price determined by plantation agency, while the selling price of FFB for third parties refers to the price agreed by both parties. Usually following the market price, it can be higher than the plantation agency price or lower than the plantation agency price There is no complaint about FFB payment 	
Environmental Agency of District Sarolangun <ul style="list-style-type: none"> Communication between the company and related agencies is well established The company has routinely sent mandatory reports to Environmental Agency. Land application and hazardous waste permits are still valid. There are no negative problems or issues related to the environment. Environmental Agency already knows about company data that can be accessed by the public. 	<p>Based on the document review, it is known that the company has carried out environmental management in accordance with what is required in the environmental document owned. The results of consultations with the surrounding villages revealed that there were no environmental pollution issues as a result of the company's operations.</p> <p>In accordance with criteria 2.1 and 5.3 there was no issue</p>
Horticultural Food & Plantation Agency of District Sarolangun <ul style="list-style-type: none"> The relationship between the company and the Agency is well established The company already has an IUP (Business Permit) The company has a partnership with KKPA farmers Assessment of the Plantation Class has been carried out, and received a grade 2 grade in 2018 Until now there is no fire information in the company area The company has submitted mandatory reports regularly There are no adat communities around the area of the company management 	<p>Based on the results of the document review, it was found that the company had received an assessment of Plantation classes with a grade of 2.</p>
Manpower Agency of Jambi Province <ul style="list-style-type: none"> The company has complied with administration, all mandatory reports have been sent regularly to the Manpower Office. Until now there is no information related to work accidents. There are no negative problems such as employee discrimination related to workers, child labor, forced labor and others. Trade Unions have been approved by the Manpower Office. The Manpower Office has been involved in staff training activities such as promoting OHS. 	<p>Company has submitted all compulsory reports have been sent regularly.</p> <p>Company shall maintain this aspect especially related worker welfare and OHS.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> The company has licensed operators for machines in Mill such as boiler permits, generator licenses, electricity and others. 	
<p>Head of Village & Community Representation in of Pangkal Bulian Village & Kasang Melintang Village (Included the Previous Land Owner)</p> <ul style="list-style-type: none"> Impacts of plantation operations; road access and job opportunities. Some assistance provided by the company: <ul style="list-style-type: none"> Scholarships for students in the village based on selection. Heavy equipment for road maintenance The company has socialized about protected animals and installed prohibited signs around the plantation area. The ban on burning has been carried out for land clearing activities. There are no problems and conflicts over land ownership between the company and surrounding communities. There are no problems related to complaints from the surrounding community for plantation and mill operations. During the past one year there were no cases of negative impacts on plantation and mill operations (for example, environmental pollution). There have been no cases of land fires since last year. 	<p>Based on verification on related Indicators: Indicator 2.2.3 to 2.26 and 2.3.1 to 2.3.3 does not indicate a conflict between the company and the surrounding community.</p> <p>Indicator 6.3.1 & 6.3.2, there are no significant complaints from the other parties</p> <p>Indicator 6.11.1 & 6.11.2, the company has implemented/provided assistance to the surrounding community and the opportunity to adapt social governance activities based on participatory planning.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	<p>Formal Sign-off of Assessment Findings</p> <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Kresna Duta Agroindo Head of Sustainability Department</p>  <p><u>Yahya Mustakim</u></p> <p>Tuesday, 31 December 2019</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Leonada</u></p> <p>Tuesday, 31 December 2019</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency	Sarolangun Regency	-	Interview by phone	22 October 2019	✓	-
2	Plantation and Forestry Agency	Sarolangun Regency	-	Interview by phone	22 October 2019	✓	-
3	Labour and Transmigration Agency S	Sarolangun Regency	-	Interview by phone	22 October 2019	✓	-
4	National Land Agency	Sarolangun Regency	-	Interview by phone	22 October 2019	-	✓
5	Women Committee of PT Kresna Duta Agroindo	PT KDA	-	Interviews	23 October 2019	✓	-
6	Worker Union of PT Kresna Duta Agroindo	PT KDA	-	Interviews	23 October 2019	✓	-
7	Local Contractor (PT. Satrindo Jaya Agropalma, CV Dila Pratama)	Sarolangun Regency	-	Interviews	23 October 2019	✓	-
8	Pangkal Bulian Village, Kasang Melintang Village. (Community Representatives and Previous landowner)	Sarolangun Regency	-	Visits and Interviews	22 October 2019	✓	-
9	Smallholder cooperative and independent suppliers	Sarolangun Regency	-	Interviews	23 October 2019	✓	-
10	Pelakar POM - Security: 2 Security - Loading ramp: 6 workers - Sterilizer station: 1 worker - Press station: 1 worker - Boiler station: 1 worker - Engine room: 1 worker - Kernel station: 1 worker - WWTP: 1 worker - WTP: 1 operator - Warehouse: 2 workers - Grading: 2 operators - Weighbridge: 1 worker - Workshop: 2 workers - Sortasion: 2 workers	PT KDA	-	Visits and Interviews	22 October 2019	✓	-
11	Pelakar Estate - Spraying: 13 workers - Harvesting: 2 harvesters, 1 picker - 4 workers nursery - 2 worker day-care - 3 operator Land Application - 2 Workshop operators - 1 worker fertilizer warehouse	PT KDA	-	Visits and Interviews	23 October 2019	✓	-
12	Batang Merangin Estate	PT KDA	-	Visits and	22 October	✓	-

	<ul style="list-style-type: none"> - Spraying: 9 workers - Harvesting: 4 harvesters, 1 picker - 1 warehouse worker - 2 Daycare workers - 2 Workshop operators 			Interviews	2019		
13	Sawit watch	Bogor, Indonesia	info@sawitwatch.or.id	Email	16 October 2019	-	✓
14	WWF	Jakarta, Indonesia	wwf-indonesia@wwf.or.id	Email	16 October 2019	-	✓
15	Walhi	Jakarta, Indonesia	informasi@walhi.or.id	Email	16 October 2019	-	✓
16	AMAN	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	16 October 2019	-	✓

Appendix 2. Assessment Program		
DATE	21 to 25 October 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 21 October 2019		
10.00 – 11.10	JAKARTA → Lubuk Linggau	All Auditor
11.10 – 14.00	Lubuk Linggau → PT Kresna Duta Agroindo	
14.00 – 15.00	Opening meeting <ul style="list-style-type: none">Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)	
15.00 – 17.00	Documents Review <ul style="list-style-type: none">Verification of Basic Information Mill and EstateConfirmation of Time Bound PlanReview of Partial CertificationVerification of P n C documents	
Tuesday, 22 October 2019		
08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations, indigenous peoples, local communities and previous land owners. Stakeholders consultation to related agencies Field Observation to Batang Merangin Estate Aspect to be verified : <ul style="list-style-type: none">Implementation of Legal Aspect (Land Ownership, Legal Boundaries, HCV areaImplementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism AspectImplementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).	BYG BYG LEO HSS AAS
12.00 – 14.00	Break	All auditor
14.00 – 17.00	Field observation to Pelakar Mill : <ul style="list-style-type: none">Supply Chain verification (FFB Receiving, Weighbridge),Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect, security post, FFB Sorting, Processing Activity, Despatch CPO)Implementation of Environmental aspect, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond & land application.	LEO HSS AAS/BYG

DATE	21 to 25 October 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Wednesday, 23 October 2019		
08.00 – 12.00	<p>Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier (if any), local NGO (if any)</p> <p>Field Observation to Pelakar Estate Aspect to be verified : - Implementation of Legal Aspect (Land Ownership, Legal Boundaries, HCV area - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect - Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).</p>	<p>AAS</p> <p>LEO</p> <p>HSS</p> <p>BYG</p>
12.00 – 14.00	<p>Break</p>	All Auditor
14.00 – 17.00	<ul style="list-style-type: none">Continue Field Observation and field observation clarificationVerification of documents and completing checklist	All Auditor
Thursday, 24 October 2019		
08.00 – 10.00	<ul style="list-style-type: none">Continue Field Observation and field observation clarificationVerification of documents and completing checklist	All Auditor
10.00 – 12.00	Interim Meeting (closing meeting preparation)	
12.00 – 14.00	Break	
14.00 – 15.00	Interim Meeting (closing meeting preparation)	
15.00 – 17.00	Closing Meeting	
Friday, 25 October 2019		
11.50 – 13.00	Lubuk Linggau → JAKARTA	All Auditor