

**Roundtable on Sustainable Palm Oil Certification**
***RSPO***
**[ ✓ ] Surveillance**

Name of Management : **Sungai Bengkal Palm Oil Mill – PT Satya Kisma Usaha subsidiary of Golden Agri Resources Holdings Ltd**  
 Organisation  
 Plantation Name : **Sungai Bengkal Estate, Muara Kilis Estate and Sungai Bengkal KKPA**  
 Location : **Village of Betung Bedarah, Sub District of Tebo Ilir, District of Tebo, Province of Jambi, Indonesia.**  
 Certificate Code : **MUTU-RSPO/052**  
 Date of Certificate Issue : 28 February 2015      Date of License Issue : 28 May 2019  
 Date of Certificate Expiry : 27 February 2020      Date of License Expiry : 27 February 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
<b>ASA-4</b>	21 to 26 January 2019	Sandra Purba (Lead Auditor), Yudhi Yuniarto Tallutondok, Steve Mualim & Andreas Budi Rahutomo	Ardiansyah	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>ASA-4</b>	<b>02 May 2019</b>

PT Mutuagung Lestari • Raya Bogor Km 33,5 Number 19 • Cimanggis • Depok 16953 • Indonesia  
 Telephone (+62) (21) 8740202 • Fax (+62) (21) 87740745/6 • Email: [agri@mutucertification.com](mailto:agri@mutucertification.com) • [www.mutucertification.com](http://www.mutucertification.com)  
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 on March 12<sup>th</sup>, 2014 with registration number *ASI-ACC-055*

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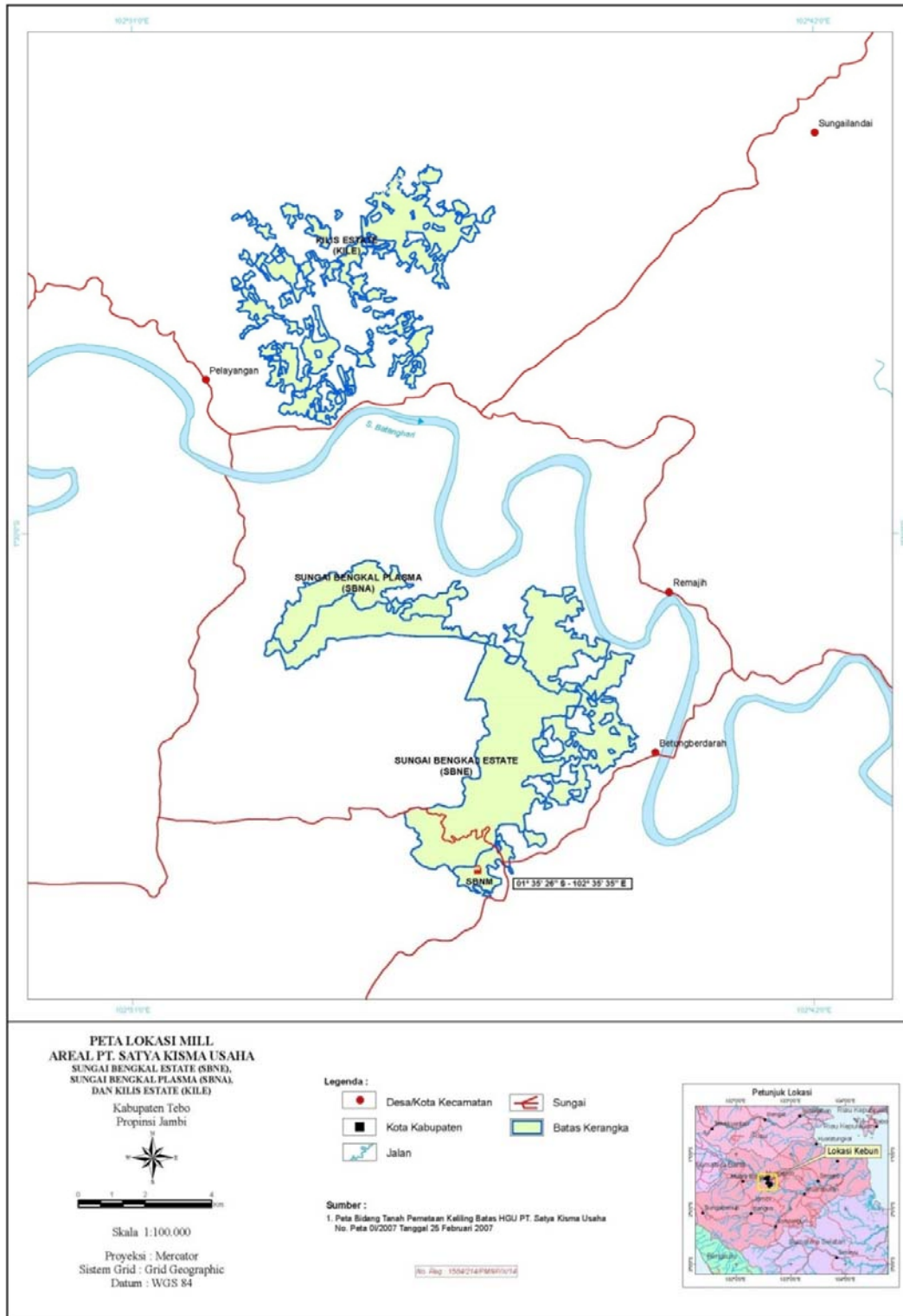
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Figure 1. Location Map of PT Satya Kisma Usaha



Figure 2. Operational Map of PT Satya Kisma Usaha



**Abbreviations Used**

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

RTE	:	Rear, Treat, Endangered
RZBX	:	<i>Rezeki Bersama</i> (FFB Supplier)
SBNA	:	Sungai Bengkal KKPA
SBNE	:	Sungai Bengkal Estate
SBNM	:	Sungai Bengkal Mill
SCCS	:	Supply Chain Certifications System
SCEP	:	Social and Community Engagement Policy
SMARTRI	:	Sinarmas Agribusiness Research and Technology Research Institute
SIA	:	Social Impact Assessment
SKU	:	Satya Kisma Usaha
SOP	:	Standart Operational Procedure
SPO	:	Sustainable Palm Oil
SR	:	Severity Rate
WHO	:	World Health
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"><li>Indonesian National Interpretation Principle and Criteria RSPO 2013 for Indonesia Juli 2016, approved RSPO Governors 30 September 2016.</li><li>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)</li><li>RSPO Certification System for Principles and Criteria, 14 June 2017</li></ul>	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Satya Kisma Usaha subsidiary of Golden Agri Resources Holdings Ltd	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Organisation address and site address	<b>RSPO registered company:</b> 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535  <b>Liaison Office:</b> Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia	
1.2.4	Telephone	+62-21 50338899 ext 1184	
1.2.5	Fax	+62-21 50389999	
1.2.6	E-mail	<a href="mailto:ismu.zulfikar@sinarmas-agri.com">ismu.zulfikar@sinarmas-agri.com</a>	
1.2.7	Web page address	<a href="http://www.goldenagro.com.sg">www.goldenagro.com.sg</a>	
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Department)	
1.2.9	Registered as RSPO member	1-0096-11-000-00, 31 March 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base <ul style="list-style-type: none"><li>Sungai Bengkal Mill, Sungai Bengkal Estate, Muara Kilis Estate and Sungai Bengkal KKPA</li></ul>	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Sungai Bengkal Mill	Village of Betung Bedarah Barat, Sub District of Tebo Ilir, District of Tebo, Province of Jambi, Indonesia	S 1° 35' 26"E 102° 36' 36"
1.4.2	Location of Certification Scope of Supply Base		

	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Sungai Bengkal Estate	Village of Betung Bedarah Barat, Sub District of Tebo Ilir; Village of Rantau Api and Penapalan, Sub District of Tengah Ilir; Village of Sungai Keruh, Sub District of Tebo Tengah; District of Tebo, Province of Jambi, Indonesia	S 1° 34' 16"	E 102° 36' 36"
	Muara Kilis Estate	Village of Muara Kilis, Sub District of Tebo Ilir; Villages of Kandang, Pelayangan and Sungai Keruh, Sub District of Tebo Tengah; District of Tebo, Province of Jambi, Indonesia	S 1° 25' 06"	E 102° 34' 07"
	Sungai Bengkal KKPA (Usaha Bersama Cooperation – 334 Smallholders)	Village of Betung Bedarah Barat, Sub District of Tebo Ilir; Village of Rantau Api and Penapalan, Sub District of Tengah Ilir; Village of Sungai Keruh, Sub District of Tebo Tengah; District of Tebo, Province of Jambi, Indonesia	S 1° 34' 16"	E 102° 36' 36"
<b>1.5</b>	<b>Description of Area Statement</b>			
1.5.1	Tenure			
	• State		3,825.03	Ha
	• Community		1,062.58	Ha
1.5.2	<b>Area Statement</b>			
	• Total area		4887.61	Ha
	• Mature area		4361.06	Ha
	• Immature area		-	Ha
	• Mill/line-site/building		37.93	Ha
	• Infrastructure/ road / drain		267.77	Ha
	• River / swamp		51.28	Ha
	• Air strip		4.83	Ha
	• Others area (enclave area)		97.60	Ha
	• Reverse area		67.14	Ha
	*HCV area are included in the planted area, area of 505.78			
<b>1.6</b>	<b>Planting Year and Cycles</b>			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Sungai Bengkal Estate	Muara Kilis Estate	Sungai Bengkal KKPA
				Total
	YOP 1996	108.95	-	-
	YOP 1997	565.26	-	-
	YOP 1998	618.94	-	-
	YOP 1999	299.55	-	-
	YOP 2006	502.42	-	977.15
				1479.57



	YOP 2007	14.05	-	-	14.05
	YOP 2008	-	140.33	-	140.33
	YOP 2009	-	977.24	-	977.24
	YOP 2010	-	157.17	-	157.17
	<b>TOTAL</b>	<b>2109.17</b>	<b>1274.74</b>	<b>977.15</b>	<b>4361.06</b>
1.6.2	New Planting area after January 2010		- Ha		
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle		
<b>1.7</b>	<b>Description of Mill and Supply Base</b>				
1.7.1	Description of Mill				
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>	<b>Palm Kernel</b>
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	Sungai Bengkal POM	30	117,997.10	25,186.41	21.34
				6,468.83	5.48
	<i>*Production data source from 12 months before assessment (January – December 2018)</i>				
1.7.2	Description of Certification Scope of Supply Base				
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ ha/year)</b>
					<b>Supplied to Mill</b>
					<b>FFB (tonnes/year)</b>
					<b>%</b>
	Sungai Bengkal Estate	2364.49	2,109.17	33,238.80	15.76
	Muara Kilis Estate	1460.54	1,274.74	20,216.65	15.86
	Sungai Bengkal KKPA	1062.58	977.15	16,561.29	16.95
	<b>TOTAL</b>	<b>4887.61</b>	<b>4361.06</b>	<b>70,016.74</b>	<b>16.19</b>
	<i>*Production data source from 12 months before assessment (January – December 2018)</i>				
1.7.3	FFB description from other source				
	<b>Name of sources/Organisation (RSPO certified / non- certified)</b>	<b>Type of Organisation</b>	<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b>
					<b>FFB (tonnes/year)</b>
	Muara Killis KKPA / non- certified	PT Satya Kisma Usaha (Associated smallholder)	418	930.85	14,820.94
	ANSX (Sianipar Group) / non-certified	Independent supplier	-	-	1,141.78
	OSMX (Osman Malau) / non-certified	Independent supplier	-	-	3,007.47
	RZBX ( Rezeki Bersama) / non-certified	Independent supplier	-	-	-
	SKLX (Satu Kosong Lima) / non-certified	Independent supplier	-	-	344.49
	BSNX ( Benture Sinurat ) / non-certified	Independent supplier	-	-	5,375.70
	VATX ( Velindo Aneka Tani ) / non-certified	Independent supplier	-	-	264.76
	NHKX ( Nur hikmah ) / non- certified	Independent supplier	-	-	5,172.00

	BSAX ( Bintang Selatan Agro ) / non-certified	Independent supplier	-	-	8,285.28			
	PAHX (PT. Persada Alam Hijau) / non-certified	Independent out grower	-	-	8,942.64			
	CMMX (Citramulia Manunggal P) / non-certified	Independent supplier	-	-	625.30			
	TOTAL				47,980.36			
*Source Production Data on 12 months before assessment (January – December 2018)								
1.7.4	Product categories		FFB, CPO, PK					
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim last year (tonnes/year)	Actual certified product last year (tonnes/year)					
	• FFB Processed	85,919	70,016.74					
	• CPO Production	19,043	15,425.12					
	• Palm Kernel (PK) Production	5,018	4,114.04					
1.8.2	Product selling							
	Tonnage of selling product	Period of actual selling product last year (MT)						
	• CSPO sold as RSPO certified product	0						
	• CSPK sold as RSPO certified product	0						
	• CSPO sold under other scheme (ISCC)	14,983.45						
	• CSPK sold under other scheme	0						
	• CSPO sold as conventional	13.94						
	• CSPK sold as conventional	4,114.04						
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Sungai Bengkal Estate	2,364.49	2,109.17	35,233	17			
	Muara Kilis Estate	1,460.54	1,274.74	21,430	17			
	Sungai Bengkal KKPA	1,062.58	977.15	17,555	18			
	TOTAL	4,887.61	4,361.06	74,218	17			
*Projected FFB production for 12 months of certificate (28 Feb 2019 – 27 Feb 2020)								
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
	Sungai Bengkal POM	30	74,218	16,351	22	4,361	6	MB
*Projected FFB production for 12 months of certificate (28 Feb 2019 – 27 Feb 2020)								
1.9	Other Certifications							
	ISCC		EU-ISCC-Cert-ID215-23181240 issued by PT MAL, valid from 22-12-2018 to 21-12-2019					

Others

PT SKU has certified ISPO on 2016 MUTU-ISPO/053 19 July 2016  
– 18 July 2021

1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	Mill	Time Bound Plan				
	Pangkalan Panji (PT Sawit Mas Sejahteras)	2013	Sawit Mas Estate	2013	South Sumatera	Certified
	Bumi Sawit Mill (PT Bumi Sawit Permai)	2013	Bumi Sawit Estate	2013	South Sumatera	Certified
	Muara Kandis Mill (PT Djuanda Sawit Lestari)	2013	Muara Tawas Estate	2013	South Sumatera	Certified
			Muara Kandis Estate	2013	South Sumatera	Certified
			Muara Kandis Estate (HGU on progress – 574.58 Ha)	2020	South Sumatera	-
			Smallholder (KKPA Pandawa)	2019	South Sumatera	-
			Smallholder (Pandawa Plasma)	2019	South Sumatera	-
	Sungai Rungau Mill (PT Sumber Indah Perkasa)	2013	Sungai Rungau Estate	2013	Central Kalimantan	Certified
			Sungai Seruyan Estate	2013	Central Kalimantan	Certified
			Terawan Estate	2013	Central Kalimantan	Certified
			Tangar Estate	2013	Central Kalimantan	Certified
			Bukit Tiga Estate	2013	Central Kalimantan	Certified
	Bukit Perak EMill (PT Bumi Permai Lestari)	2013	Bukit Perak Estate	2013	Bangka Belitung	Certified
			Bukit Permata Estate	2013	Bangka Belitung	Certified
	Tanjung Kembiri Mill (PT Forestalestari Dwikarya)	2013	Tanjung Kembiri Estate	2013	Belitung	Certified
			Tanjung Rusa Estate	2013	Belitung	Certified
			Tanjung Rusa KKPA	2019	Belitung	-
	Sungai Buaya Mill (PT Sumber Indah Perkasa)	2014	Sungai Buaya Estate	2014	Lampung	Certified
			Smallholder (KKPA Gedung Aji Lama)	2014	Lampung	Certified
			Smallholder (KKPA Mesuji)	2014	Lampung	Certified
	Sungai Merah Mill (PT Sumber Indah Perkasa)	2014	Sungai Merah Estate	2014	Lampung	Certified
			Smallholder (KKPA Gedung Aji Baru)	2014	Lampung	Certified
	Kasuari Mill (PT Sinar Kencana Inti Perkasa)	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)	2018	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)	2020	West Kalimantan	-
		Delima Estate (PT Kencana Graha Permai)	2020	West Kalimantan	-
		Gaharu Estate (PT Bangun Nusa Mandiri)	2020	West Kalimantan	-
		Smallholder (Gaharu Plasma)	2020	West Kalimantan	-
		Smallholder (Kencana Plasma)	2020	West Kalimantan	-
		Smallholder (Kenanga Plasma)	2020	West Kalimantan	-
Perdana Mill (PT Binawit 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	ST-1
		Bukit Tunggal Estate (PT Buana Adhitama)	2020	Central Kalimantan	ST-1
Belian Mill (PT Paramitra Internusa Pratama)	2018	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	2020	West Kalimantan	ST-1

		(PT Kartika Prima Cipta)			
		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 (Tengkawang KKPA)	2020	West Kalimantan	-
		Smallholder (Kenari Plasma)	2019	West Kalimantan	-
		Smallholders (Kapuas Hulu KKPA)	2020	West Kalimantan	-
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2020	West Kalimantan	-
Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa)	2016	Sungai Kupang Estate	2020	South Kalimantan	Main audit 2015
		Sungai Kupang KKPA	2020	South Kalimantan	
		Senakin Estate	2020	South Kalimantan	-
Sungai Kikim Mill (PT Sawit Mas Sejahtera)	2019	Sungai Kikim Estate	2020	South Sumatera	-
		Sungai Pangsi Estate	2020	South Sumatera	-
		Sungai Musi Estate	2020	South Sumatera	-
		Sungai Saling Estate	2020	South Sumatera	-
		Sungai Enim Estate (PT Bumi Sawit Permai)	2020	South Sumatera	-
		Sungai Lematang Estate (PT Bumi Sawit Permai)	2020	South Sumatera	-
Tangar Mill (PT Mitra Karya Agroindo)	2020	Sulin Estate	2020	Central Kalimantan	-
		Nahiyang Estate	2020	Central Kalimantan	-
		Katayang Estate	2020	Central Kalimantan	-
		Sungai Nusa Estate	2020	Central Kalimantan	-
		Kajui Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	-
		Manuhing Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	-
		Sungai Ayawan Estate (PT Aditunggal Mahajaya)	2020	Central Kalimantan	-
Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa)	2019	Sungai Magalau Estate	2020	South Kalimantan	-
Jalemo Mill* (PT Agro Lestari Sentosa)	2020	Balasang Estate	2020	Central Kalimantan	-
		Jalemo Estate	2020	Central Kalimantan	-
Sako Mill* (PT Adi Tunggal Mahajaya)	2020	Sulin Plasma	2020	Central Kalimantan	-
		Sapiri Plasma	2020	Central Kalimantan	-
		Sako Plasma	2020	Central Kalimantan	-

Padang Halaban Mill (PT SMART Tbk)	2011	Padang Halaban Estate	2011	North Sumatera	Certified
		Penantian Estate	2011	North Sumatera	Certified
		Adipati Estate	2011	North Sumatera	Certified
		Kanopan Ulu Estate	2011	North Sumatera	Certified
Batu Ampar Mill (PT SMART Tbk)	2012	Batu Ampar Estate	2012	South Kalimantan	Certified
		Batu Mulia Estate	2012	South Kalimantan	Certified
		Sungai Panci Estate	2012	South Kalimantan	Certified
		Sungai Panci KKPA	2012	South Kalimantan	Certified
Tanah Laut Mill (PT SMART Tbk)	2012	Tanah Laut Estate	2012	South Kalimantan	Certified
		Kinta Pura Estate	2012	South Kalimantan	Certified
Langga Payung Mill (PT Tapian Nadenggan)	2012	Langga Payung Estate	2012	North Sumatera	Certified
		Paya Baung Estate	2012	North Sumatera	Certified
		Normark Estate	2012	North Sumatera	Certified
Hanau Mill (PT Tapian Nadenggan)	2012	Hanau Estate	2012	Central Kalimantan	Certified
		Tasik Mas Estate	2012	Central Kalimantan	Certified
		Tanjung Paring Estate	2012	Central Kalimantan	Certified
		Langadang Estate	2012	Central Kalimantan	Certified
		Medang Sari (PT Satya Kisma Usaha)	2018	Central Kalimantan	-
Semilar (PT Tapian Nadenggan)	2013	Semilar	2013	Central Kalimantan	Certified
		Sei Rindu	2013	Central Kalimantan	Certified
		Mandang	2013	Central Kalimantan	Certified
		Puri	2013	Central Kalimantan	Certified
Jak Luay Mill (PT Tapian Nadenggan)	2015	Pantun Mas Estate	2015	East Kalimantan	Certified
		Pantun Mas KKPA	2020	East Kalimantan	-
		Jak Luay Estate	2015	East Kalimantan	Certified
		Jak Luay KKPA	2020	East Kalimantan	-
		Long Buluh Estate	2015	East Kalimantan	Certified
		Bukit Subur Estate	2015	East Kalimantan	Certified
		Bukit Subur KKPA	2020	East Kalimantan	-
Leidong West Mill (PT MP Leidong West Indonesia)	2014	Leidong West Utara Estate	2014	Bangka Belitung	Certified
		Leidong West Selatan Estate	2014	Bangka Belitung	Certified
Muara Wahau Mill (PT Kresna Duta Agroindo)	2014	Muara Wahau Estate	2014	East Kalimantan	Certified
		Gunung Kombeng	2014	East Kalimantan	Certified
Gunung Kombeng Mill (PT Kresna Duta Agroindo)	2019	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	-
		Bukit Bungkul KKPA	2020	Jambi	-
		Kubang Ujo Plasma	2020	Jambi	-
		Pamenang Plasma	2020	Jambi	-
Pelakar Mill (PT Kresna Duta Agroindo)	2017	Pelakar Estate	2020	Jambi	ST-1
		Tiga Serumpun KKPA	2020	Jambi	-
		Batang Merangin Estate	2020	Jambi	ST-1
		Batang Tembesi Estate	2020	Jambi	ST-1
		Kubang Ujo Plasma	2020	Jambi	-
Langling Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
		Bangko Plasma	2020	Jambi	-
		Bukit Bungkul KKPA	2020	Jambi	-
		Batang Gading Estate	2020	Jambi	-
		Batang Gading KKPA (PT Satya Kisma Usaha)	2020	Jambi	-
		Pamenang Plasma	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 –	2020	Siak-Riau	-

		557.3 Ha)			
Naga Sakti Mill (PT Buana Wiralestari Mas)	2010	Naga Mas Estate	2010	Kampar-Riau	Certified
		Naga Mas Estate (HGU on process – 253.39 Ha)	2020	Kampar-Riau	-
		Naga Sakti Estate	2010	Kampar-Riau	Certified
		Naga Sakti Estate (HGU on process – 59.79 Ha)	2020	Kampar-Riau	-
		Rama Bakti Estate	2010	Kampar-Riau	Certified
Kijang Mill (PT Buana Wiralestari Mas)	2010	Kijang Mas Estate	2010	Kampar-Riau	Certified
		Kijang Mas Estate (HGU on process – 56.07 Ha)	2020	Kampar-Riau	-
		Kijang Kencana Plasma	2010	Kampar-Riau	Certified
Ramarama Mill (PT Ramajaya Pramukti)	2010	Ramarama Estate	2010	Kampar-Riau	Certified
		Ramarama Estate (HGU on process – 318.76 Ha)	2020	Kampar-Riau	-
		Amartajaya Plasma	2010	Kampar-Riau	Certified
Indra Sakti Mill (PT Meganusa Inti Sawit)	2011	Indra Lestari Estate	2011	Indragiri-Riau	Certified
		Indra Sakti Estate	2011	Indragiri-Riau	Certified
		Indragiri Plasma	2011	Indragiri-Riau	Certified
		Indrasakti Plasma	2011	Indragiri-Riau	Certified
Bumipalma Mill (PT Bumipalma Lestari Persada)	2012	Bumi Lestari Estate	2012	Indragiri-Riau	Certified
		Bumi Palma Estate	2012	Indragiri-Riau	Certified
		Bumi Sentosa Estate	2012	Indragiri-Riau	Certified
Sawita Mill (PT Sawitakarya Manunggal)	2018	Sawita Estate	2018	South Kalimantan	ST-1
		Pamukan Estate	2018	South Kalimantan	ST-1
		Sawita KKPA	2018	South Kalimantan	ST-1
*)under construction					
There are revision of time bound plan, the justification from top management is:					
1. Pelakar Mill and Rantau Panjang 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. 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.					
3. Sawita Mill had conducted pre assessment RSPO on 2015 and another entire Management Unit under PT Ivo Mas Tunggal has been RSPO certified.					
4. 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 year of 2020.					
5. Kilis KKPA as FFB Supplier to Sungai Bengkal Mill are still in the process of HCV Remediation and Compensation Plan (RaCP) related to land clearing above November 2005 without HCV Identifications. In accordance to RSPO requirements, if RaCP proposal not yet approved by RSPO Secretariat. Thus certification target will be postponed year of 2019					

	<p>There is revision of time bound plan on 1 October 2017 for HGU on process in PT Ivomas Tunggal (Samsam Estate 29.09 Ha, Kandista Estate 158.46 Ha, Nenggala Estate 419.9 Ha, Sei Rokan Estate 102.7 Ha, Ujung Tanjung Estate 557.3 Ha); PT Rama Jaya Pramukti (Ramarama Estate: 318.76 Ha); PT Buana Wira Lestari (Naga Sakti Estate 59.79 Ha; Naga Mas Estate 253.39 ha and Kijang Estate 56.07 ha). For this area is planned for audit on 2020 because waiting for HGU.</p>
1.10.2	<p><b>Progress of Associated Smallholders and Out growers for Certifiable Standard</b></p> <p>Sungai Bengkal KKPA (SBNA) has been certified since mill certified. Therefore Muara Kilis KKPA still awaiting for RACP progress.</p> <p>The mill also received FFB from other sources which is divided by 3 independent outgrowers and 8 independent suppliers. According to interview with mill staff, one of outgrower has been RSPO certified. Remain outgrower will verified in the next assessment.</p>

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-4</b>	<p><b>1. Sandra Purba (Lead Auditor).</b> Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG verification and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next, SCCS LAT and SA8000. Involve in many audit activities of similar scheme (ISPO and MSPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. During this audit, she verified legal compliance, social and SCCS.</p> <p><b>2. Yudhi Yuniarto Tallutondok (Auditor).</b> Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Have experience of working over three years since 2013 as plantation operations staff in private palm oil plantation companies in Indonesia. Training have been followed including Auditor of Indonesian Sustainable Palm Oil (ISPO), Lead Auditor of Roundtable on Sustainable Palm Oil (RSPO) P&amp;C, Lead Auditor of ISO 9001:2015, ISO 14001:2015, ISO 22000:2009, ISO 19011:2011, Social Accountability 8000, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness ISO 17021 and ISO 17065. Has participated in audit activities for the ISPO and RSPO scheme since 2017 for agronomy, OHS, labor, social and legality aspects. In this audit activity performs the assessment of Best Management Practices and OHS.</p> <p><b>3. Steve Mualim (Auditor).</b> Indonesia citizen. Master of Environmental and Natural Resources Management. Has experience as Environmental management consultant (2012) and Sustainable palm oil assurance auditor since 2013. Has been attended several trainings e.g. : ISCC in house training, palm oil GHG emission, HCV management, ISPO lead auditor, RSPO lead auditor, labor and human rights issues, ISO 19011, and ISO 9001:2008. Has been conducted several audits for RSPO / ISPO scheme since 2013 for best management practices, conservation, and environmental management. Fluent in Bahasa and Chinese mandarin. At this time of audit, verified aspects of environmental management.</p> <p><b>4. Andreas Budi Rahutomo (Auditor).</b> Indonesian citizen, Bachelor of Forestry, Gadjah Mada University. Have at least 2 years of experience in forestry and climate change issue including REDD+, and over 5 years of experience in sustainability certification of forestry and palm oil operations. Trainings attended are ISPO Auditor, ISO 9001:2015, ISO 19011:2011, RSPO Lead Auditor, IFCC Auditor, FSC FM Auditor, RSPO SCC Auditor, and GRI Sustainability Reporting. During this audit he performs the assessment in best practices management, transparency, waste management, and GHG emission mitigation.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-4</b>	<p>Number of auditors : 4 Auditors</p> <p>Number of days for <b>ASA-4</b> at site: 6 days.</p> <p>Number of working days for <b>ASA-4</b> at site: 24 Working days.</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-4</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Satya Kisma Usaha to the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production of Sustainable Palm Oil 2013 for Indonesia July 2016, approve RSPO Governors September 30, 2016- and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p>

<p>Some opportunities for improvement of the results <b>ASA-4</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase <b>Recertification</b>. Improvement of findings from <b>ASA-3</b> findings were observed by auditors at this <b>ASA-4</b>. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-4</b>. The assessment program please find Appendix 2</p>	
<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>ASA-4</b>	<p><b>Sungai Bengkal POM</b></p> <ol style="list-style-type: none"> <li><b>Waste Water Treatment Plant</b>, observation and interview related to mill effluent treatment and land application.</li> <li><b>Chemical warehouse</b>, observation and interview related to safe chemical handling, MSDS, stock control.</li> <li><b>Generator/power supply</b>, observation and interview related to OHS, fuel and oil spillage handling.</li> <li><b>Fuel and lubricant warehouse</b>, observation and interview related to OHS, spillage handling, and housekeeping.</li> <li><b>Hazardous Waste Storage</b>, observation and interview on OHS, scheduled waste handling, housekeeping, and emergency response.</li> <li><b>Water treatment plant</b>, observation and interview related to water treatment for mill processing and domestic usage.</li> <li><b>Security gate</b>. Observation and interview with security officer regarding to FFB receiving, CPO/PK dispatch and SCCS procedures and it implementation, documentation and record keeping.</li> <li><b>Weighbridge</b>. Observation and interview with weighbridge operator regarding to procedures FFB receiving, CPO/PK dispatch and SCCS procedures and it implementation.</li> <li><b>Loading ramp</b>. Observation and interview with sortation officer regarding to sortation procedures, record keeping and documentation.</li> <li><b>Sterilizer station</b>. Observation and interview related to OHS, health inspection and operator license. The company was provide all PPE's such as: helmet, mask, safety shoes, and glove</li> <li><b>Boiler station</b>. Observation and interview related to OHS, health inspection and operator license. The company was provide all PPE's such as: helmet, mask, safety shoes, and glove.</li> <li><b>EFB incinerator</b>. Observation for industrial waste management (EFB).</li> <li><b>Hydrant 03</b>. Auditor was observe emergency response, all pipe and nozzle on good conditions.</li> <li><b>Engine room</b>. Observation and interviews related to the competence of workers, medical checkup, and implementation OHS</li> </ol> <p><b>Sungai Bengkal Estate/Plasma</b></p> <ol style="list-style-type: none"> <li><b>Circle and path spraying, Block C.05 Division 1</b>, observation and interview related to safe spray work, OHS, labor, and welfare aspect.</li> <li><b>Harvesting, Block F.01 Division 3</b>, observation and interview related to safe harvesting work, OHS, labor, and welfare aspect.</li> <li><b>Owl nest, Block C03 Division 1</b>, observation on nest condition and its monitoring.</li> <li><b>Erosion monitoring plot, Block C.03 Division 1</b>, observation on the measurement of erosion level.</li> <li><b>Boundary Pole No. 08</b>, Observation of availability and maintainability of legal boundary.</li> <li><b>Land application block A.05 Division 1</b>, observation on the practice of POME land application and its monitoring</li> <li><b>Boundary pole No 32, block K05 div 4</b>. Observation for legal operational boundary</li> <li><b>Boundary pole No 33, block K05 div 4</b>. Observation for legal operational boundary</li> <li><b>Boundary pole No 68, block I6 div 6</b>. Observation for legal operational boundary</li> <li><b>Boundary pole No 69, block I7 div 6</b>. Observation for legal operational boundary</li> <li><b>Local cemetery (HCV 6), block B05</b>. Observation for HCV management</li> <li><b>Agrochemical storage of Division 3</b>. Observation and interview related to OSH, worker welfare and waste management</li> <li><b>PPE storage and washing facility of Division 3</b>. Observation related to OSH, worker welfare and waste management</li> <li><b>Workers line-site of Division 3</b>. Observation related to worker facility, housing sanitation, domestic waste management.</li> <li><b>Crèche of Division 3</b>. Observation and interview related to OSH and workers welfare</li> </ol>

30. **Agrochemical central storage.** Observation and interview related to OSH, worker welfare and waste management
31. **Scheduled waste storage.** Observation and interview related to OSH, worker welfare and waste management
32. **Fertilizer storage.** Observation and interview related to OSH, worker welfare and waste management
33. **Workshop.** Observation and interview related to OSH, worker welfare and waste management
34. **Fire-fighter equipment.** Observation and interview related to emergency response mechanism
35. **Fuel tank.** Observation and interview related to OSH, worker welfare and waste management
36. **Clinic.** Observation and interview related to first aid mechanism and workers health service.
37. **Penapalan riparian Block I05, Div 6.** Observation for HCV management
38. **Owl nest, Block I08 Division 1 SBNA,** observation on nest condition and its monitoring
39. **Harvesting, Block I06 Division 1 SBNA,** observation and interview related to safe harvesting work, OHS, labor, and welfare aspect
40. **Erosion stick. Block I06 Division 2 SBNA.** Observation measurement of erosion rate
41. **Road Maintenance. Block J09 Division 2 SBNA.**
42. **Circle and Path spraying, Block J03 Division 2 SBNA,** observation and interview related to safe spray work, OHS, labor, and welfare aspect

#### Muara Kilis Estate

43. **Harvesting,** Block A07 Division 1, observation and interview related to safe harvesting work, OHS, labor, and welfare aspect.
44. **Spot spraying,** Block A08 Division 1, observation and interview related to safe spray work, OHS, labor, and welfare aspect.
45. **Owl nest,** Block A07/08 Division 1, observation on nest condition and its monitoring.
46. **Landfill,** Block A15 Division 1. Observation of domestic waste management.
47. **Boundary pole No.32, 65, 122, 123, and 141.** Observation of availability and maintainability of legal boundary.
48. **Kilis Besar and Selinggur River Riparian,** Block D07, Division II. Observation for conservation areas management
49. **Daycare facilities.** Observation for workers welfare and OHS
50. **Housing division 1.** Observation for workers welfare, facilities, environmental management, and OHS
51. **Chemical store.** Observation for OHS and environmental management
52. **Mixing station and pesticide application equipment store.** Observation of mixing area, waste material management and OHS implementation
53. **Clinic.** Observation for OHS and workers facilities
54. **Workshop.** Observation for OHS and waste management
55. **Central chemical store.** Observation for OHS, environmental management, and waste management
56. **Central fertilizer store.** Observation for OHS, environmental management
57. **Diesel fuel tank.** Observation for OHS.
58. **Toxic and hazardous waste store.** Observation for hazardous waste management
59. **Firefighting facilities store.** Observation and simulation for emergency response team
60. **Power supply facilities (generator sets).** Observation for environmental management

#### Stakeholder Consultation

1. Surrounding communities (Betung Bedarah Barat and Penapalan Village). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society and the impact of corporate activities.
2. Government Institutions of Tebo Districts Environment Agency, Plantation Agency, Land Agency, Forestry Agency and Labor Agency). Interviews related to regulatory compliance, the issue of environmental pollution, and land conflict issue and company contributions to the area.
3. Gender Committee.
4. Sungai Keruh previous land owner.
5. Sungai Keruh community leaders.
6. Workers union.



<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-4</b>	<p>The public consultation with stakeholders to PT Satya Kisma Usaha – Sungai Bengkal Palm Oil Mill is done through:</p> <ul style="list-style-type: none"> <li>• Public announcement at web website MUTU (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) on 20 December 2018.</li> <li>• Public consultation meeting with local stakeholder conducted by visits to (Betung Bedarah Barat Village, and Penapalan Village on 24 January 2019.</li> <li>• Public consultation meeting with gender committee, labour union and employee cooperative on 23 January 2019.</li> <li>• Public consultation with government agency of Tebo District (Environment Agency, Plantation Agency, Land Agency, Forestry Agency and Labor Agency) by interview on 22 January 2019.</li> <li>• Public consultation by email with NGO (Setara, Walhi, WWF) by email on 14 January 2019.</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Satya Kisma Usaha.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit Recertification will be determined eight months after date of certificate.

### 3.0. ASSESSMENT FINDINGS

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

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

During the assessment, there were no outstanding nonconformity againsts minor compliance indicator in previous assessment (ASA-3), one (1) Nonconformity were assigned against Major Compliance Indicator, no nonconformities assigned against Minor Compliance Indicators and six (6) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidence.

MUTUAGUNG LESTARI found that Sungai Bengkal Mill – PT Satya Kisma Usaha subsidiary of Golden Agri Resources Holdings Ltd complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1 and 1.1.2</b>	<p>Consistent with previous audit result, the company still has the document of Stakeholder List PT Satya Kisma Usaha where stakeholders are classified by: government (22 stakeholders), village heads (4 stakeholders), cooperatives (5 stakeholders), worker union (1 stakeholder), and community representatives (6 stakeholders), and gender committee (1 stakeholder), and local contractor (1 stakeholder). Updates on the document will be conducted should there is any structural changes from the stakeholders.</p> <p>Certificate holder has a communication and consultation procedure with the number SOP/SMART/GENERAL/SAD/II/004 and procedures for responding to stakeholders with teh number F/SMART/GENERAL/SADV/004/003. The procedure applies to Sustainability Division in 2014 and approved by the Head of Upstream and Sustainabillity Division Head. Based on document verification procedure with the number F/SMART/GENERAL/SADV/004/003 note that the procedure has covered several things as follows:</p> <ul style="list-style-type: none"> <li>- Number of employees and employee wage list.</li> <li>- Data of tax ID number (NPWP) and land and building tax (PBB).</li> <li>- Payment of local taxes / user charges.</li> <li>- Environmental documents.</li> <li>- Deed of establishment and amendment, area and production data, data of fertilization.</li> <li>- Proof of land title.</li> <li>- HCV identification report.</li> <li>- SIA identification report.</li> <li>- Community empowerment program reports.</li> </ul>	

- Occupational health and safety Committee (P2K3) Report.
- Document of continuous improvement program.
- Document of the RSPO audit report.
- Human rights policy documents.
- Recap of complaints.
- Land compensation procedures / social conflict procedures.

Based on audit verification against Information Response and Request Note, during 2018 (last updated on 5 November 2018) there was no information request yet from the stakeholder..

**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.

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

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

**Status: Comply**

## 1.3

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

### 1.3.1

The company has had a document "Code of Integrity and Ethical Conduct Policy" that signed by Production Controller on November 1<sup>st</sup>, 2015. Through this policy, the company committed to practicing responsible business ethics according to the company's shared values as integrity, positive attitude, commitment, continuous improvement, innovation and loyalty and also sustainable palm oil principle. This policy has been socialized regularly to all level of employee. For example, business ethics socialization on October 3<sup>rd</sup> 2018 at Mill Office, September 19<sup>th</sup> 2018 at SBNE and KILE Office. Based on interview with employee and the villagers concluded that they have known this ethical policy.

The results of interviews with representatives of local contractors (PT Bintang Selatan Agro) revealed that the company had conducted socialization related to the code of integrity and ethical behavior policies to the contractor at the time of signing the contract and all contractor workers had been given directions regarding this matter.

**Status: Comply**

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

## 2.1

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

### 2.1.1 and 2.1.2

#### OHS and Employment

- The company has undertaken prevention and control measures as listed in Safety Act no. 1 of 1970 Article 3, among others by monitoring the implementation of occupational safety and health, conducting accident investigations, hazard risk analysis, medical checkup, machine operation by persons authorized and socialized safe work practices. Based on the results of document review and interviews with factory workers, for example at boiler stations, it is known that boiler operators have licenses to operate boilers in accordance with Minister of Manpower Regulation No. 1 of 1988.
- The Annual Inspection and Testing Report for factory operational heavy equipment and machinery by the Jambi Province Manpower and Transmigration Agency dated January 14, 2019
- The Company has implemented the Jambi Governor Decree No. 1224 / KEP.GUB / DISNAKERS / 2017 dated October 31, 2017 concerning the Establishment of the Jambi Province Minimum Wage in 2018 which stipulates the minimum wage amounting to IDR 2,243,718.56 per month for work hours of seven hours a day and forty hours of work a week.
- Employment Mandatory Report of PT Satya Kisma Usaha – Sungai Bengkal Estate for the year 2018 on November 14, 2018 with registration number 70/Disnakertrans-3.1/WLK/2018. The report was send to the Labor Agency of Jambi Province.
- Employment Mandatory Report of PT Satya Kisma Usaha – Sungai Bengkal Mill for the year 2018 on November 14, 2018 with registration number 71/Disnakertrans-3.1/WLK/2018. The report was send to the Labor Agency of Jambi Province.
- Employment Mandatory Report of PT Satya Kisma Usaha – Muara Kilis Estate for the year 2018 on November 14, 2018 with registration number 72/Disnakertrans-3.1/WLK/2018. The report was send to the Labor Agency of Jambi Province.

#### Best Practices.

- PT SKU has all of its pesticide registered under the 2016 national list of agriculture and forestry pesticide..
- PT SKU does not use any restricted or prohibited pesticide.
- All pesticide users have been trained properly and use PPE while conduct spraying activity.
- Medical surveillance have been conducted twice a year for pesticide operator.

#### Waste Management

- The company has acquired renewal upon hazardous waste storage permit.
- The company has established a cooperation with licensed hazardous waste transporter.
- The company has been handling hazardous, domestic, and palm oil processing waste according to applicable regulations.

#### Legal Aspect

In term of legal and permit regulation compliance, company are able to shown several documents, such as Location Permit, and Land Tenure or Land Use Right (HGU). Furthermore, Based on information from estate management, surrounding local communities (Penapalan, Betung Bedarah barat, and Sungai Keruh villages), as well as review on PT SKU hectare statement it could be concluded that there is no expansion and new planting conducted by company.

In the legal aspect, the company has comply to Agrarian Act number 5 year of 1960 (already has an HGU for area of 1,412.55 Ha, and area of 3,535.53 Ha currently is in the process of evaluating by the committee B. The company already has IUP document for plantation and mill means it has comply to plantation act number 39 year of 2014, and also regularly been submitted the report of land usage to BPN in accordance with Agrarian Ministry Regulation no.: 7 year of 2017 requirement.

### 2.1.3 and 2.1.4

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

SPO officer has responsibility for updating law register and evaluate company compliance regarding the applicable laws/regulations. The last evaluation / internal audit for regulation compliance were conducted on January 2019 by SPO Region, and history for all law register changes from 2017-2019 are available.

**Status: Comply**

## 2.2

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

### 2.2.1

The total area cultivated by PT SKU is 4,887.61 ha consisting of 3,825.03 ha of own area and 1,062.58 ha of smallholders full-managed scheme. For the total area, up to ASA-4 is only an area of 1,412.55 Ha, which already has an land use document, namely:

- HGB Certificate No. 1 of 2005, dated 30 December 2005. Valid until 30-12-2035. Area: 112,500 m2.
- HGB Certificate No.: 2 of 2005, dated 30 December 2005. Valid until 30-12-2035. Area: 43,000 m2.
- HGU Certificate no.: 37 of 2014, dated April 25, 2014. Valid until February 28, 2049. Area: 1,397 Ha.

Land use for an area of 3,535.53 ha is currently still in process, which up to ASA-4 has been demarcated cadastral on all areas requested.

Based on interview with D & L coordinator, the progress of the HGU of these area will be continued with the assessment process of committee B. The company can show supporting documents for the Committee's evaluation, including reference letter of land fire free area, reference letter of spatial conformity, and reference letter of non-forest area and indicative map. The company consider to monitor the HGU issuance progress. **OFI**

Based on the hectare statement and field observations on SBNE, KILE and SBNA, it seen that the company did not plant exceed of its rights.

### 2.2.2

In accordance with the company's SOP no.: SOP / SMART / CERS-EHSD / SADV / I / 004 issued in 2014, it is stated that the Head Assistant / Assistant will appoint a foreman to carry out monitoring according to the set schedule.

KILE, SBNE and SBNA have set up a monitoring and maintenance program for stakes every 3 months for 2018. Reports on the realization of monitoring and maintenance can be demonstrated by the entire estate. Based on field observations conducted by sampling on boundary poles, observed that all stakes are available in the field, for example poles no.: SKU122, 123, 65 and 42. The company considered ensures the follow-up of the results of HGU poles monitoring. **OFI**

### 2.2.3; 2.2.4; 2.2.5; and 2.2.6

Until ASA-4, there were no conflicts and land disputes within the PT SKU area (SBNE, SBNA and KILE). This is also in line with the results of interviews with surrounding communities and related agencies during a public consultation, which stating that there were no land conflicts in the company's HGU.

The company has a SOP for Social Conflict Management (SOP / SMART / SENS-CSR / SADV / I / 002, 1 July 2014). In the procedure explained related to the stages of conflict resolution.

Sighted the circular letter of RC Jambi 2 No: 04 / RC / 01/2016 explains:

- Conflict settled through resolution process that has agreed upon by all parties
- Respect human rights, communal rights, and individual or community rights in resolving conflicts
- Prevent the use of violence in any form of garden operational security
- Prohibit the use of paid security personnel and paramilitaries in the company's operational activities.

In social and community engagement policy established by the President Director of PT SMART Tbk on November 10, 2011, the company commits to do its best in preventing the use of violence in any form.

**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; and 2.3.4

There were no land expansion and new developments carried out by PT SKU (SBNE, SBNA and KILE) since ASA-3. The FPIC process is explained in the SOP no.: SOP / SMART / SENS-CSR / SADV / I / 003 dated 1 July 2014, which explains that the procedure applies to the development of oil palm plantations and / or factories on new permits and existing permit. Disputes and complaints that occur in areas that have been developed by the plantation and / or factory and or have been compensated will be resolved using SOP for Complaints and Dissatisfaction (SOP / SMART / SIGS-CSR / SADV / I / 003) and SOP for Social Conflict no.: SOP / SMART Numbers / SENS-CSR / SADV / I / 002.

The compensation process for the community cultivated area was completed by the company in 2010 (covering 84.4 ha on KILE), all records of land compensation evidence were verified by the auditor. Can be shown the recapitulation of the results of the inventory of community arable land, a statement of ownership, a statement of release of land rights, and a receipt for compensation. Based on interviews with ex-landowners when the public consultation stated that the company had negotiated and paid for land compensation in accordance with the agreement and there was no coercion.

Based on the HGU Decree, the SIA and HCV assessment reports and based on interviews with relevant agencies and surrounding communities stated that there were no customary rights and traditional rights in the company's HGU.

**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 and 3.1.2.**

During the audit, there has been an update against management plan as evidenced by document of PT SKU Assumption year 2019 – 2024. In the document there were projection data among others:

- Inflation rate estimate (3%)
- POM processing capacity (30 ton TBS/jam)
- CPO price estimate i.e. USD 487 per ton.
- FFB purchase price estimate from 3<sup>rd</sup> party i.e. IDR 1.390,- and from KKPA i.e. IDR 1.484,-
- Area statement for Batang Gadis, Sungai Bengkal, Muara Kilis, Batang Gading KKPA, Sungai Bengkal KKPA, and Muara Kilis KKPA.
- Processed FFB Estimate from each estate.
- Yield/ha estimate for KKPA and nucleus.
- OER (21.37%) and KER (3.94%) estimate.
- Cost estimate, for example crop maintenance and mill operation.

Annual review is being held against budget and its realization as stated on Operational Cost Mature Palm per Ha document for each estates which covers all cost components like crop maintenance, general affairs, transporting, and regulation fulfillment. Since there is no peat land, hence there is no management required for it. The management plan is supervised by Jambi 2 Regional Controller.

Based on document review on PT SKU Assumption year 2019 – 2024, it was evidenced that there is no replanting program yet. This happens due to crop condition is still considered productive according to yield and SOP no: SOP/SMART/MCAR/VI/TA-HPT on Replanting which are:

- a) Crop Age > 25 years.
- b) Average height > 13m.
- c) Annual production < 14 ton/Ha.
- d) Crop density < 100 palm/Ha.

**Status: Comply**

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

**4.1**

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

**4.1.1; 4.1.2; and 4.1.3**

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



following documents:

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

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

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

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

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

Based on the procedure, the certificate holder is known to routinely conduct internal audit every 6 months. Internal audits are conducted by the Company's Internal Auditor to conduct checks related to the operations of a management unit (estate and Mill). The certificate holder shows the results of the internal audit of 1<sup>st</sup> and 2<sup>nd</sup> semester 2018. Internal audit implementation covers several criteria such as: cash bank administration, inventory, plant maintenance, crop production, crop production, wages and personnel.

#### Major 4.1.4

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

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

Notes:

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

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

**Status: Comply**
**4.2**
**Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**
**4.2.1**

The certificate holder have a procedure related to the management of planting fertility listed in the procedure with the number SOP / SMART / MCAR / IX / TA-KDP, entered into force on June 12<sup>th</sup>, 2012. This procedure discusses the fertilization implementation procedure in the nursery, fertilization of legume cover crops, inorganic fertilization in immature upkeep, fertilization of empty bunch, leaf sampling and soil samples, control of fertilizer quality, fertilization by plane, composting fertilization, fertilization of empty bunch ash, land application on mature upkeep, control the quality of land application

**4.2.2**

The certificate holder shows document fertilizer use per tonne of FFB for SBNE/A and KILE period following 2018:  
SBNE Period 2018:

Fertilizer	Usage (Kg)	FFB Production (ton)	Kg Fertilizer/Ton FFB
Urea	440,450	33,238.8	54.18
MOP	732,850	33,238.8	90.86
TSP	188,100	33,238.8	23.23
DAP	441,550	33,238.8	53.64
S. Dolomite	9,600	33,238.8	1.21
Kieserite Granular	101,000	33,238.8	11.66
Kieserite Powder	0	33,238.8	0
Borate (HGFB)	17,295	33,238.8	2.07
RP	5,250	33,238.8	0.62
Fiber	244,450	33,238.8	28.66

SBNA Period 2018:

Fertilizer	Usage (Kg)	FFB Production (ton)	Kg Fertilizer/Ton FFB
Urea	131.95	16,606.43	0.02
MOP	358.5	16,606.43	0.04
TSP	36.75	16,606.43	0.0044
DAP	276.2	16,606.43	0.03
S. Dolomite	13.6	16,606.43	0.0016
Kieserite Granular	124.7	16,606.43	0.02
Kieserite Powder	3.25	16,606.43	0.0004
Borate (HGFB)	6.75	16,606.43	0.0008
RP	0	16,606.43	0
Fiber	154.3	16,606.43	0.02

KILE Period 2018:

Fertilizer	Usage (Kg)	FFB Production (ton)	Kg Fertilizer/Ton FFB
Urea	149,200	20,220.65	0.09
TSP	66,050	20,220.65	0.037
MOP	331,650	20,220.65	0.199
Borate (HGFB)	14,605	20,220.65	0.008
DAP	215,800	20,220.65	0.137
Kieserite Granular	131,150	20,220.65	0.084
RP	2,010	20,220.65	0.001
Kieserite Powder	29,740	20,220.65	0.014

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

Based on document verification and interview with management knows that the fertilizer recommendation for 2018 and 2019 is based on the result of leaf sampling unit (LSU) and soil sampling unit (SSU) and being analyze by SMARTRI. unit management use the recommendation as guidance on fertilizer.

#### **4.2.3**

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

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

Leaf and soil sampling activities were conducted by SMART Research Institute - Analytical Laboratory. According to the following procedures:

- WI on Leaf Sampling Unit (IK/SMARTMCAR/IX/TA-PPK/05 rev.0 on 26 March 2012), where leaf sampling is conducted annually.
- WI on Soil Sampling Unit (SSU) conducted by SMARTRI for crop age 2, 8, 13, 18, 23 year, and 1 year prior to replanting.

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

Leaf sampling is conducted annually and for SBNA was evidenced by Laboratory Analysis Result Memorandum ref: 231/DAUN/LAB-SMARTRI/V/2018 on 14 May 2018 with parameters of K, Mg, Ca, Cl, B, Ka, N, P. Meanwhile, the result for KILE was still under process. Soil and leaf analysis results are used as the basis for determining fertilizer recommendation. The following manuring recommendation were in place:

- MRP Fertilizer TM Final Quantity of Fertilizer 2019 Region Jambi 2 for each block along with dosage for Urea, DAP (Ammonium Phosphate), Kieserite Granular, bunch ash, Land application, and several blocks were in need of RP, TSP, Dolomite, Kieserite powder.
- Division I KILE 2018 with fertilizer of Urea, DAP, RP, TSP, MOP, dolomite kieserite (granular powder), and HGFB.

#### **4.2.4**

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

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

The company also conducts POME land application. It is permitted based on Tebo Regent Decision on POME Land Application Permit no: 699 Year 2014 on 31 December 2014 valid for 5 years.

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

recommended MOP fertilizer dose. Application is done once a year in rotation semester 1 and semester 2 with MOP and empty bunch of fertilizer. Realization of Bunch Ash Usage for SBNE 2018 were 244.450 kg, for SBNA were 154.299 kg with total SBNE+A were 398.749 kg.

**Status: Comply**

#### 4.3

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

##### 4.3.1; and 4.3.2

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

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

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

Slope Class		Description	Depth		Suitability Class	Hectares	
%	( <sup>0</sup> )		Effective	Solum		Ha	%
3 – 9	2 – 5	Flat	>100	>150	S2	172.84	7.3
9 – 16	5 – 9	Undulating	>100	> 150	S2	183.53	7.8
16 – 21	9 – 12	Rolling	>100	>150	S2	773.74	32.7
21 – 40	12 – 22	Hilly	>100	>150	S3	1,202.28	50.8
9 – 16	5 – 9	Rolling	>100	>150	S2	28.22	1.2
<b>Water body</b>						<b>3.87</b>	<b>0.2</b>
<b>TOTAL</b>						<b>2,364.49</b>	<b>100.0</b>

##### 2. Sungai Bengkal KKPA (SBNA)

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

Slope Class		Description	Depth		Suitability Class	hectares	
%	( <sup>0</sup> )		Effective	Solum		Ha	%
0 – 3	0 – 2	<i>Typic Endoaquults</i>	>150	>100	S3	30.78	2,9
3 – 9	2 - 5	<i>Typic Dystrudepts</i>	>150	>100	S2	110.80	10,4
9-16	5 - 9	<i>Typic Dystrudepts</i>	>150	>100	S2	25.21	2,4
16 - 21	9 - 12	<i>Typic Dystrudepts</i>	>150	>100	S2	471.30	44,4
21 – 40	12 – 22	<i>Typic Dystrudepts</i>	>120	>100	S3	372.68	35,1
9 – 16	5 – 9	<i>Type Hapludults</i>	>120	>100	S2	8.92	0,8
16 – 21	9 – 12	<i>Type Hapludults</i>	>120	>100	S2	42.89	4
<b>Total</b>						<b>1,062.58</b>	<b>100</b>

##### 3. Kilis Estate (KILE)

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

Slope Class		Description	Depth		Suitability Class	hectares	
%	%		Effective	Solum		Ha	%
0 – 3	0 – 2	Type Enduoquepts	>120	>100	S3	283.15	19.4
3 – 9	2 - 5	Type Destrudept	>120	>100	S2	13.70	0.9
3 - 9	2 - 5	Type Destrudept	>120	>100	S2	31.10	2.1

3 - 9	2 - 5	Type Hapludults	>120	>100	S2	184.85	12.7
9 - 16	5 - 9	Type Hapludults	>120	>100	S2	347.52	23.8
16 - 21	9 - 12	Type Hapludults	>120	>100	S2T	190.36	13.0
21 - 40	12 - 22	Type Hapludults	>120	>100	S2T	284.75	19.5
40 - 58	22 - 30	Type Hapludults	>120	>100	S2T	125.11	8.6
<b>Total</b>						<b>1.460.54</b>	<b>100.00</b>

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

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

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

#### 4.3.3

Road maintenance activity is a regular program in the company. Several road maintenance evidences are:

- KILE: Mature Upkeep Report Detail Budget Road Maintenance 2019 which shows complex location and tonnage of material.
- SBNE: 2019 plan is sighted on Recap of Road Maintenance 2019 SBNE and SBNA which shows complex location and tonnage of material.
- Program and Realization of Road Maintenance 2018 SBNE/A for 4 divisions and 2 KKPA with budget of 21.669 m<sup>3</sup> material with 100% achievement.

Based on field verification the road maintenance is conducted by the company by using grader machine. The road condition in general still needs several improvements. This has been acknowledged by the management through Program Action Plan Audit Findings SM-1 2018 SBNE/A, in which one of the findings was damaged roads due to unfinished hardening and improper maintenance. In response, the company has conducted road maintenance with excavator in division 1 and 3 SBNE and Division 2 SBNA along with road gravel-hardening by grader and compactor with.

#### 4.3.4 and 4.3.5

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

#### Minor 4.3.6

There is no peat or any marginal soil in the area.

**Status: Comply**

#### 4.4

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

#### 4.4.1

HCV identifications and EIA indicates that estate operational areas are included on Batanghari watershed. Based on 2017 water sources identification found there are some river stream on company areas such as Kilis besar river, Bungin river, Langli river, Api river, and Penapalan river. Water sources for estate and mill were identified, and water management plan on each estate and mill have been established and listed on procedures SMART/BCOS-EHSD/SADV/II/004 related water sources management/monitoring. Besides this procedures, company also develop HCV management plan related water courses protection. This procedures and HCV management plan has included management plan related water courses



protection such as renewability of water sources, impacts of local communities, and avoiding contamination for examples by regular surface water quality testing, buffer zone demarcation, zero chemical activity on riparian, regular testing for clean water on workers housing, and riparian revegetation.

#### 4.4.2

Water source and river flow on estate has been mapped on 1:50000 scale. Water sources management plan were also listed on HCV management plan and environmental management/monitoring document that consists of e.g water usage monitoring on mill, HCV areas management, and regular surface water quality monitoring. Field visits in HCV 4 areas on block I05 SBNA and block D07 KILE found that companies have marked buffer zone, perform revegetation with vetiver grass, and HCV signboard placement. During field visit also found riparian condition were bushy and there is no chemical activity indications on those riparian that become sampling audit.

#### 4.4.3

Based on field visit on Sungai Bengkal POM shown that mill effluent produced by POM are distributed on cooling pond firstly, and then flowing to anaerobic pond. Mill effluent has been monitored every months and monitoring period July-November 2018 shown that all of effluent testing parameters is compliant to the standards quality, for example BOD on November 2018 are 1,610 mg/l. Mill Effluent management also was reported and submitted quarterly to environmental agency of Tebo. Company also owned land application permit based on decree of Tebo regent No. 699 valid until december 2019.

#### 4.4.4

Based on field visit on Sungai Bengkal POM water treatment plan and interview with WTP operator found that mill water usage monitoring are conducted on regular daily basis based on flowmeter reading. Standards of water usage for FFB process recorded on 2018 budget projected 1.21 m<sup>3</sup>/mt FFB process. Water usage monitoring was done periodically and recorded, for example on December 2018 FFB processed were 9514 mt, process water usage 7490 m<sup>3</sup>, and water usage efficiency was 0.78 m<sup>3</sup>/mt FFB process.

**Status: Comply**

### 4.5

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

#### 4.5.1; and 4.5.2

IPM Program has already been stated on the budget for 2018 and 2019. The budget is in line with the procedure of IPM i.e. caterpillar census for once a month, *oryctes* once every two weeks, rodents once a month and owl boxes monitoring for once a month 1. The work plan is cited on Division Work Plan which shows plan and realization of monitoring.

To control the rat, certificate holder uses *Tyto alba* by installing barn owl box (BOB) in each estate. The Company planted and maintained for a beneficial plant of *Antigonon leptosus* and *Turnera subulata* as a host plant of leaf eater caterpillars. Several documents related to 2018 training on IPM are:

- Training on Spraying, Manuring, and IPM on 16 October 2018 attended by 72 participants.
- Knapsack calibration on 5, 12, 19, 26 January 2019 by 4 sampled 4 sprayers Division 1 SBNE.
- Knapsack calibration on 5, 13, 24, 29 December 2019 by 4 sampled sprayers Division 2 SBNE.

Based on field verification and interview to Plantation Assistant and IPM officer at Block A07/08 SBNA and Block B04 Division 1 SBNE it was evidenced that the barn owl boxes were installed with concrete structure for more endurance. Monitoring for condition and occupancy is conducted every month. Other than that, along the main roads there were also spots of *Turnera subulata* and *Antigonon leptosus* plants.

**Status: Comply**

### 4.6

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

#### 4.6.1

The Company has guidance on the use of pesticides documented in the appendix of weed control procedures, ie general guidance on safety in working with pesticides with document number LAMP/VIII/TA-PGM/03-PUKBP. In the document



there are some guidelines that are selective in selecting, storing, using, overcoming contamination, understanding signs and symptoms of pesticide poisoning, first aid instructions and medical treatment guidelines for poisoning

The certificate holder shows the pesticide listing documents used in the following 1 year period according to Pesticides Permit List used by Sungai Bengkal Estate/KKPA dated 2 November 2018:

Name of Pesticide	Ingredients	Registration No.	Permit Period	Target Weeds
Erkafuron 20 WG	Metil metsufuron	RI. 010301200935	May 13 <sup>th</sup> , 2020	Broad leaf weed
Garlon 670 EC	Triklopir	RI. 01030120155148	May 13 <sup>th</sup> , 2020	Woody weeds
Rolifos 150 SL	Amonium glufosinat	RI. 01030120103683	May 5 <sup>th</sup> , 2020	Broad leaf weed
Roll Up 480 SL	Glifosat	RI. 032012283	August 8 <sup>th</sup> , 2022	Narrow leaf weeds and broad leaf weed
Starane 290 EC	Floroksipir	RI. 0103011988854	April 15 <sup>th</sup> , 2019	Broad leaf weed

Based on interview with supervisors and pesticide operators of chemical spraying activity at block A08 SBNA and C02 Division 2 SBNE it was evidenced that the operators have aware the proper usage technique and function of each pesticide being used.

#### 4.6.2

the certificate holder has a program related to the use of pesticides listed in the budget budget of 2019. At the time of the audit activity the certificate holder can show the document regarding pesticide usage record, targeted area, along with the toxicity (LD50) based on the 2018 usage volume.

#### 4.6.3

Based on document verification of Census Recap of the Pest in 2018 revealed that there were no attacks for any significant pests. The results of interviews with the management is known that within 1 year there is no use of pesticides for pest control so it can be concluded there is no use of pesticides prophylactic.

#### 4.6.4

At the time of the audit activity, the certificate holder can present the document of The WHO Recomendated Clasification of pesticides by hazard by IPS (International Programe on Chemical Safty) and guidelines to clasification 2004, and a complete list of pesticides into IA or IB. Based on the document of the identification result, the company does not own and use the type of pesticides that entered into the WHO list of classes 1A and 1B. Since 2016 the company no longer uses parakuat, this is in accordance with the Memorandum No: 032 / PD / VIII / 2016 dated August 13, 2016 by President Director Daud Darsono, about the ban on the use of paraquat.

#### 4.6.5

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

- Training on the use of pesticides and handling toxic and hazardous waste materials that was held on September 18, 2018 took place at SBNE/A and was attended by 40 representatives of SBNE/A employees. During the audit activity, the company can show documentation, attendance lists and training materials.
- Training on the use of pesticides and handling toxic and hazardous waste materials carried out on October 16, 2018 took place at KILE/A and was attended by 113 KILE/A employee representatives. During the audit activity, the company can show documentation, attendance lists and training materials

Based on field observations and interviews with pesticide applicators in Block C05 Division 1 SBNE and in Block A08 Division 1 KILE are known as follows:

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

the provision of returning the broken PPE.

- Supervisors always carry a first aid kit that will be used as first aid when there is a work accident. The results of checking are known that the contents of the first aid kit are complete and ready to use.

#### **4.6.6**

The certificate holder shows documents relating to monitoring of exit gallon ex-pesticide packaging during the period of 2019. The document describes the number of gallons of pesticides coming out of the central warehouse and the entry (after application of the spaciousness) to the hazardous waste temporary warehouse. Exit gallons of pesticides are recorded based on each type of pesticide from each estate. The results of interviews with management are known to be done to ensure the tracking of ex-pallet gallons in each division. The auditor visits the pesticide warehouse located at the central warehousing complex and it was evidenced that pesticide storage was according to best practice with arrangement based on types, MSDS in place, proper ventilation, and restricted access to warehouse.

Socialization to workers regarding hazardous material and waste was conducted evidenced by dari Socialization Minutes to Employees on SOP on Waste Management and SOP on Material Handling on 22 January 2019 attended by 13 participants from RC Jambi 2, SPO Officer, Assistants, and storage keeper.

#### **4.6.7 and 4.6.9**

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

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

- Training on spray techniques and handling of pesticides on September 18, 2018 is located at SBNE/A. Documentation, material and attendance lists are available during the audit activity.
- Training on spray techniques and handling of pesticides on October 16, 2018 located at KILE/A. Documentation, material and attendance lists are available during the audit activity.

Based on field observations and interviews with pesticide applicators on Sungai Bengkal Estate, Muara Kilis Estate and Sungai Bengkal KKPA are known as follows:

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

#### **4.6.8**

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

#### **4.6.10**

CH possesses procedure for Toxic and Hazardous waste including ex agrochemicals management listed on

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

Record of hazardous waste management included in report of hazardous waste management which quarterly sent to environment agency, such as report of on October s/d December 2018. The results of interviews with Sungai Bengkal Estate Spray Workers and Muara Kilis Estate revealed that workers were aware of the management of used pesticide containers, which were rinsed at the pesticide packaging site and collected in the Schedule Waste Storage. Based on the results of field visits it is known that the packaging of pesticides is stored in the SBNE Schedule Waste Storage.

#### 4.6.11

The company shows the results of the employee health examination conducted on October 22, 2018 by dr.Irma Sinta. Examination was carried out for 52 employees from SBNE/A and 25 employees from KILE who were chemical workers and high-risk workers. Examination includes *spirometry* and *cholinesterase*. From the results of the examination it was found that all employees were in good health and ready to work, it was in line with the result of observation to spraying activity in sampled estate, no found any chemical exposure indication such as skin irritation and itches, no grievance conveyed by the workers as well.

#### 4.6.12

The company's commitment not to employ pregnant and lactating women has been outlined in the Circular No: 02 / VPA-1 / I / 2009 dated January 13, 2009, stating that the company banned female workers from carrying out spraying work.

The company already has a checklist of spray workers who are not pregnant or breastfeeding, which is conducted once a month by medical officers at the clinic. For example, in the December 2018 period it was discovered that no spray female employees were pregnant and breastfeeding.

Based on interviews with workers in spraying activities in SBNE/A and KILE, known that workers have understood the prohibition of pregnant and lactating women to work in spray activities, if any are pregnant or lactating workers transferred to manual care activities and not related to agrochemicals.

**Status: Comply**

#### 4.7

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

##### 4.7.1

Policy on OHS of CH has issued by the President Director on October 2015. The policy indicates company commitment towards OHS implementation through:

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

The results of field observations and interviews with estate and mill employees are known that the company has routinely conducted socialization regarding the company's OHS policy. The employee explained that the socialization was carried out during the morning briefing before work and the installation of OHS warning boards in several strategic places that were easily seen by employees.

The work plan of the OHS Program for January to December 2019 covers the areas of extension & training, supervision field, evaluation field; Field of research, Health Sector; PIC; Cost Forecast, Timeline of completion (Jan - Dec 2010) and description. Based on interview result the workers are given guidance through socialization, warning boards and morning briefings before the work. Based on the above explanation, the workers has known about OHS policy.

Evidence of OHS work program implementation has recorded in training report, medical check-up report, records of

purchasing of OHS related equipment's (PPE, first aid kit, fire extinguisher, hydrant, etc.), OHS Committee monthly meeting notes and three-monthly OHS Committee reports. Furthermore, Evaluation of OHS program, achievements and its monitoring was presented in OHS Committee monthly meeting notes and three-monthly OHS Committee reports. Based on observation Muara Kilis Estate and Sungai Bengal POM, it was found first aid box, and fire extinguishers stations were satisfactory maintained. Regular checklist monitoring were also available. Moreover, simulation of hydrant were considered satisfactory.

**4.7.2.**

Certificate holder has showed the document of Hazard Identification, Risk Assessment and Control (HIRAC) for the period of January-December 2019. The HIRAC has covers all working activities on the mill and estates. The analysis has covers risk hazard identification, sources of hazard risk, frequency (routine, non-routine, emergency), potential risk identification (sources and impacts), control management, risk analysis of severity level and value level. Crosscheck to the field, the compliance of application of product requirements which presented in MSDS and HIRADC document. For example, based on observation towards pesticide applicator in Muara Kilis Estate, it was found that respirator used by applicators were in accordance with MSDS and HIRADC requirement.

**4.7.3**

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

- Risk Management Training held on January 10, 2018 took place at the Mill Office. Training by Secretary of OHS Committee and attended by employees as many as 20 employees. Material, documentation and attendance list are available during audit activities.
- First aid officer internal training held on March 5, 2018 took place at the SBNE Office. Training by Secretary of OHS Committee and attended by employees as many as 26 people. Material, documentation and attendance list are available during audit activities.
- Safe spray and handling toxic and hazardous material waste training held on October 16, 2018 took place at the KILE Office. Training by Secretary of OHS Committee and attended by employees as many as 113 people. Material, documentation and attendance list are available during audit activities

The company has included every employee in a training program to improve employee skills in accordance with the applicable legal requirements. during the audit activity, the company can show mill and estate training certificates and licenses.

The company has shown document of PPE distribution to all workers in estates and mill, which signed by Assistants, Chief of OHS Committee and the respective workers. Based on field observations and interviews with harvesters, pesticide applicators and mill operators, they have been equipped with PPE in accordance with procedures owned by the company for example, PPE for harvesters such as helmets, glasses and boots. Further explained that, workers can apply for the replacement by providing the damaged PPE to the foreman and the foreman will check and apply to Assistant to provide new PPE for the workers.

The company shows a license extension document for 4 tractor operators, 2 class I boiler operators and submission of training plans for 3 diesel engine operators to the Director General of Labor Inspection and Supervision dated October 6, 2018. Until the audit activities take place, the company has not been able to demonstrate that the license extension management has been completed and the operator has attended training. **OFI**

**4.7.4**

- **Sungai Bengal Estate**

The company shows the Decree of the Head of the Manpower and Transmigration Office of Jambi Province with number 390/DISNAKERTRANS-3.1/2018 dated October 22, 2018 concerning the Approval Letter of Sungai Bengal Estate OHS Committee Structure in 2018. Sungai Bengal Estate has OHS Expert on behalf of Misbah with registration number 14714/PK3/AJ/31/2018/P1 is valid for 3 years until February 19, 2021. Minister of Manpower Decree of the Republic of Indonesia with number KEP.P.7634/NAKER-BINWASK3/II/2018 concerning Appointment of OHS Expert on behalf of Misbah. The decision is valid for 3 years up to February 19, 2021.

- **Sungai Bengal Mill**

The company shows the Decree of the Head of the Manpower and Transmigration Office of Jambi Province with number 386 / DISNAKERTRANS-3.1 / 2018 dated October 22, 2018 concerning the Approval Letter of Sungai Bengkal Mill OHS Committee Structure in 2018. Sungai Bengkal Mill has OHS Expert on behalf of Giarman with registration number 3516/PK3/AJ/15/2015/P2 is valid for 3 years until 28 December 2018. Minister of Manpower Decree of the Republic of Indonesia with number KEP.P.4142/M/DJPPK & K3/XII/2015 concerning Appointment of OHS Expert on behalf of Giarman. The decision is valid for 3 years up to December 28, 2018. The company shows a license extension document for 1 OHS Expert to the Director General of Manpower Development and Supervision dated October 6, 2018. Until the audit activity takes place, the company has not been able to show proof of renewal of the Appointment Decree for OHS Expert. the company in this case has the opportunity to ensure the progress of the issuance of the latest Appointment Decree. **OFI**

- Muara Kilis Estate

The company shows the Decree of the Head of the Manpower and Transmigration Office of Jambi Province with number 531/DISNAKERTRANS-3.1/2018 dated December 21, 2018 concerning the Approval Letter of Muara Kilis Estate OHS Committee Structure in 2018. Muara Kilis Estate has OHS Expert on behalf of Irvan Moeklis with registration number 3495/PK3/AJ/15/2015/P1 is valid for 3 years until 28 December 2018. Minister of Manpower Decree of the Republic of Indonesia with number KEP.P.4121/M/DJPPK&K3/II/2015 concerning Appointment of OHS Expert on behalf of Irvan Moeklis. The decision is valid for 3 years up to December 28, 2018. The company shows a license extension document for 1 OHS Expert to the Director General of Manpower Development and Supervision dated October 6, 2018. The company considered to ensure and monitor the process of extension of the Appointment Decree (SKP) for the Secretary of P2K3 SBNM and KILE units. **OFI**

Minutes of Guiding Committee of Occupational Safety & Health meetings were held on December 2<sup>nd</sup> (SBNE), 8<sup>th</sup> (KILE) and 14<sup>th</sup> (SBNM) 2018, the materials discussed were among others: inventory of OHS issues, application of OHS norms, OHS inspections, work accident investigations and analyzes, training and counseling, emergency response, job risk analysis in 2018, risk analysis and OHS program preparation in 2019, preparation of National OHS months, and preventive maintenance at several stations at Mill. The meeting of OHS committee has been conducted every month.

#### 4.7.5.

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

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

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

Based on field observations and interviews with harvesting and upkeep foremen at estate revealed that the foremen had attended first aid officers training conducted on March 05, 2018 at SBNE and January 10, 2018 at SBNM. The foremen could explain each of the uses of first aid kit items, further explained that routine first aid checks are carried out every month.

#### 4.7.6

The company has registered all of its employees as member of government scheme on health and workforce insurance (*BPJS Ketenagakerjaan* and *BPJS Kesehatan*). Permanent worker daily and/or monthly basis got Insurance on work accident (*JKK*), old age benefit (*JHT*), dead insurance (*JKM*), retirement insurance (*JP*) and health insurance (*JKS*). Meanwhile for piece-worker, the company has only responsible for work accident insurance and dead insurance. However, most of non-permanent workers were family member of permanent workers (as wife). Hence, its health insurance was under their husband. Record of insurance payment for example:



- Employment insurance for December 2018 period of Sungai Bengkal Mill, Sungai Bengkal Estate/KKPA and Muara Kilis Estate has been paid on January 10<sup>th</sup> 2018. Payment receipt has been verify by auditor.
- Health insurance for December 2018 period of Sungai Bengkal Mill, Sungai Bengkal Estate/KKPA and Muara Kilis Estate has been paid on December 20<sup>th</sup> 2018. Payment receipt has been verify by auditor.

The company routinely disseminates information to contractors to fulfill social responsibilities to workers related to health and workforce insurance (*BPJS Ketenagakerjaan* and *BPJS Kesehatan*) in accordance with the contents in the Work Agreement (SPK) for example for PT Satrindo Jaya Agropalma which has provided health and workforce insurance to 90 employees.

Based on the results of verification of work accident monitoring documents in 2018 and interviews with employees at mill and estate it is known that in 2018 there are only accidents with minor categories in workplace so that there are no claims for workplace accidents in 2018.

#### 4.7.7

The company has records of work accidents for estate and mill for the period January - December 2018. Records of work accidents use the LTA method. From the results of document verification, it was found that there was 1 work accident in February with values of FR 3 and SR 6.

Status: Comply
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#### 4.8

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

##### 4.8.1 and 4.8.2

The company has the following 2019 employee training program:

- RSPO In House Training by the SADV team planned for February 2019.
- ISCC In House Training by the SADV team planned for February 2019.
- ISPO In House Training by the SADV team planned for February 2019.
- Understanding of Greenhouse Gas Emissions Calculation training by the SADV team planned for February 2019.
- Material and Waste Management Training by the SADV team planned for April 2019.
- Integrated Pest and Management Training by the SMARTRI team planned for October 2019.
- Fertilization Training by the SMARTRI team planned for October 2019.
- First Aid Kits Officer Training by OHS Service Company planned for June 2019.
- Emergency Response Preparedness Training by the Plantation Office planned for April 2019.
- Risk Management Training by the SADV team planned for July 2019.
- HCV training by the SADV team planned for June 2019.

During the audit activity, the company shows the document on the realization of employee training conducted in 2018 as follows:

- The HIRAC training and the use of the first aid kit that was held on 10 January 2018 took place at the factory office and were attended by 20 employee representatives. During the audit activity, the company can show documentation, attendance lists and training materials.
- The socialization of the use of PPE and OHS Policy was held on August 14, 2018 at SBNE/A and was attended by 51 SBNE/A employee representatives. During the audit activity, the company can show documentation, attendance lists and training materials.
- Training on the use of pesticides and handling toxic and hazardous waste materials that was held on September 18, 2018 took place at SBNE/A and was attended by 40 representatives of SBNE/A employees. During the audit activity, the company can show documentation, attendance lists and training materials.
- Internal training on the use of first aid kits was held on March 5, 2018 at SBNE/A and was attended by 26 SBNE/A employee representatives. During the audit activity, the company can show documentation, attendance lists and training materials
- Internal training of first aid officers on 8 October 2018 took place at the SBNE Division Office and was attended by 14 employees. During the audit activity the company can show documentation, attendance lists and training materials.



- Spray training and handling of toxic and hazardous material waste carried out on 16 October 2018 took place at KILE/A and was attended by 113 KILE/A employee representatives. During the audit activity, the company can show documentation, attendance lists and training materials.

Based on field observations and interviews with mill and estate employees known that each employee has been given regular training in accordance with their duties and responsibilities, this is evidenced by the explanation of the harvester can explain the criteria for fresh fruit bunches, cutting and arranging fronds, preparation of FFB at the fruit collecting point. While for mill employees in the engine room section can explain monitoring and checking tools and functions of generators and turbines, employees can also explain the time of use between turbines and generators.

**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**

There is no new development, new mill capacity expanding, replanting activities or other related activities that required company to develop new environmental impact assessment based on PP 27/2012. Current operational activities already covered with previous EIA i.e :

- SBNE, SBNA, & SBNM : Environmental Impact Assessment (EIA) for the scope of Sungai Bengkal Estate, Sungai Bengkal KKPA and Sungai Bengkal Mill approved by Jambi Environmental Agency on 2007
- KILE & KILA : Environmental Management Document for the scope of Muara Kilis Estate which approved by the Tebo Environmental agency on 2011

Both of this EIA has assessed potential impact by company and mill operational activities for examples related road construction, infrastructure construction, mill processing, land preparation, pest / disease, social impact.

##### **5.1.2 and 5.1.3**

There is no new development, new mill capacity expanding, replanting activities or other related activities that required company to develop new EIA. Protocols for environment management and monitoring are listed on RKL/RPL document, meanwhile implementation for monitoring/management has been described yet on regular environment management/monitoring implementation report per semester.

Evaluation and review for current monitoring and management plan has been done by SPO officer on January 25, 2018. Based on review shown that current environmental management plan that implemented by company are still reliable with actual company conditions, therefore there is no changes regarding environmental management plan / monitoring.

**Status: Comply**

##### **5.2**

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

##### **5.2.1**

HCV assessment for entire audit scope was done by RSPO approved assessor on 2010 for KILE and year 2011 for SBNA/SBNE. This identifications were conducted using Indonesia HCV guidelines 2008, and others method for collecting information was by stakeholder consultation with affected parties. HCV assessment found HCV 1.1, 1.2, 1.3, 4.1, and 6 presence on SBNE/SBNA, and KILE. Each HCV areas have been mapped, and covered areas with following details : SBNE 156.60 ha, SBNA 89.04 ha, and KILE 260.14 ha.

##### **5.2.2 and 5.2.3**

HCV management and monitoring are done based on HCV management plan. Company has established 2018 and 2019 HCV management plan that consist of species monitoring, HCV areas security including illegal hunting monitoring, HCV socialization, and HCV area vegetation enrichment.

Field visits on riparian (HCV 4.1) block I05 div 6 SBNA and block D07 div 2 KILE found that companies have marked buffer zone, perform revegetation with vetiver and bamboo, and HCV signboard placement. During field visit also found riparian condition were bushy and there is no chemical activity indications on this HCV 4 areas.

Related to wild species protections, company also develop RTE protections listed on species protection policy on June 25 2015. Regular RTE species policy has been disseminated through regular socialization, for examples HCV protections socialization on September 2018 for KILE/SBNE workers. Based on field visit on SBNE, and KILE workers housing found there is no RTE species reared by workers, interview with harvester on SBNE and KILE also found that workers were understood regarding company policy for RTE species protections.

#### 5.2.4

Monitoring for HCV areas and RTE species are done based on daily basis patrols by HCV officer. Results of monitoring for December 29 2018 for examples found some species e.g burung "*Bubut*" on block H4 SBNE, and *Varanus salvator* on block D2 SBNA. Meanwhile there is no land fire /wild trap occurrence during patrols. All this patrols report are summarized on HCV management report per semester. As Result of monitoring during 2018 on company areas, found that some HCV 4 (riparian areas) are not forested well, as the implications for 2019 company has develop HCV management plan that included intensive buffer zone rehabilitation programme.

#### 5.2.5

Based on HCV identification found there is 6 presence, that consist of local cemetery on KILE and SBNE. HCV locations has been included on each estate working map with appropriate scale. Based on stakeholders consultation with Sungai Keruh, Betung Bedarah barat, and Penapalan villagers found information this local cemetery are be used by company workers and there is no HCV areas that affected or overlapped with local community land.

Status: Comply

### 5.3

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

#### 5.3.1

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

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

#### 5.3.2

The company has already acquired latest permit regarding temporary hazardous waste storage (TPS) by 28 December 2018, for SBNE, KILE, and SBNM. The company also comply with three-monthly report on hazardous waste management to government and also there are hazardous waste manifest in place. A cooperation with PT Primanru Jaya as licensed waste transporter is also been evident through a signed contract on 2 April 2018 until 1 April 2020. However, Socialization and implementation of Announcement Letter from RC and PC Jambi to all Unit Head Region Jambi 2 on 25 January 2019 regarding Hazardous Waste of Agrochemical Container will be verified during next audit. **(Observation)**

#### 5.3.3

As a general waste management plan, the company has SOP on Waste management (SOP/SMART/LEMS-

EHSD/SADV/II/002 rev.0 on 2 July 2014) which covers all sorts of waste with 3R, zero burning, and disposal management approach. Based on field verification to all plantations, mill, housing and warehouse the company has been able to demonstrate proper waste management according to procedure.

**Status: Comply**

#### 5.4

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

##### 5.4.1

Fossil fuel reducing plan has been develop and implemented by Sungai Bengkal mill with renewable (fiber and shell) usage. Company has assessed and estimate the direct energy use such as fuel usages and electricity generated by Mill operational activities for 2018 periods. Shell and fiber usage have been monitored per month and for examples realization of fossil fuel usage during December 2018 are 14,609 litre. During Jan-December 2018, renewable energy usage for boiler resulting average energy efficiency about 97.40 KWh/mt CPO, meanwhile direct energy usage by fossils fuel are 6.74 litre/mt CPO.

**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

Zero burning activities for land preparation are listed on procedures SOP/SMART/MCAR/IV/TA-PLB and GAR Environmental policy related zero buring activities 2015. Document review and field verification shown that company are not conduct any new development / clearing or replanting since ASA-1.

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

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

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

##### 5.6.2

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

##### 5.6.3

The Palm GHG Calculation option used for this surveillance was the "Apply Nov 2005 cut off for LUC" according to Palm GHG Calculator tool.

**Summary of Net GHG Emissions period July 2017 – June 2018 are:**

Emissions per product	tCO <sub>2</sub> e/tProduct	Extraction	%	Production	ton/year
CPO	0.73	OER	22.02	FFB Processed	75,995.12
PK	0.73	KER	5.64	CPO Produced	16,734.1

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

**Summary of Field Emissions and Sinks**

	Own Crop			Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha
<b>Emissions</b>									
Land conversion	39101.84	7.39	0.51	-	-	-	-	-	-
*CO <sub>2</sub> emissions from fertilizer	4524.93	0.86	0.06	-	-	-	-	-	-
**N <sub>2</sub> O emissions	4306.67	0.81	0.06	-	-	-	-	-	-
Fuel consumption	1200.48	0.23	0.02	-	-	-	-	-	-
Peat Oxidation	0	0	0	-	-	-	-	-	-
<b>Sinks</b>									
Crop sequestration	-49541.36	-9.36	-0.65	-	-	-	-	-	-
Conservation Sequestration	0	0	0	-	-	-	-	-	-
<b>Total</b>	<b>-407.44</b>	<b>-0.08</b>	<b>-0.01</b>	-	-	-	-	-	-

**Summary of Mill Emissions and Credits**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>		
POME	15333.58	0.2
Fuel consumption	419.24	0.01
Grid Electricity Utilization	0	0
<b>Credits</b>		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>15752.82</b>	<b>0.21</b>

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

Divert to compost	0%
Divert to anaerobic digestion	100%

**POME Diverted to Anaerobic Digestion:**

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

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

**6.1**

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

**6.1.1 and 6.1.2**

Company has conduct Social Impact Assessment that included Sungai Bengkal KKPA. The assessment process was done in 2013 and the scope of study are impact of plantation and mill operation to workers and community surrounding company. These assessment also identified negative and positive impact of plantation and mill operation towards social aspect. SIA identifications are done based on affected parties consultation on December 2012, this matter are amplified by stakeholders during ASA-4 stakeholder consultation. Based on stakeholder consultation with Penapalan, Betung Bedarah barat, and Sungai Keruh villagers found that company operational activities are brings some positive/negative impact and current SIA has covered this issues for examples related local workers acceptance, and road maintenance.

**6.1.3 and 6.1.4**

PT Satya Kisma Usaha has established management planning and monitoring for social impact based on the impact identification. This plan has been informed the positive and negative impact including the time management planning and the person in charge for the activity, such as: potential environment pollution, community restlessness, and access road condition. PIC for social management and monitoring are manager in each unit assisted by SPO officer and other related staff. The social monitoring plan were implemented by affected parties participatory for examples thorough focus group discussion on October 2018 for Betung bedarah barat and Rantau Api villages. Result monitoring for social impact on surrounding PT SKU affected parties shown the main issues that still presence until now is related access road condition, regarding this company has included regular road maintenance programme and realization as listed on indicators 4.3.3.

Review for social management and monitoring for PT Satya Kisma Usaha was develop on November 2017. Major impacts that affect communities from company operations: workers acceptance, community economic development, transport access, and etc. Ddocumentation of social impact monitoring activities (by interview and discussion) are available for each stakeholders.

Interview with representative of Betung Bedarah barat, Penapalan, and Sungai Keruh villagers obtained information that affected parties surrounding company are participated when SIA review was conducted.

**6.1.5**

Based on stakeholders consultation with Betung Bedarah barat, Penapalan, and Sungai Keruh representatives acquired information that majority villagers are lot owner from KKPA Sungai Bengkal. Based on document review and interview with related stakeholders shown that affected parties have been involved when company conducting SIA on 2013. Major social impact that affecting KKPA Sungai Bengkal has been identified for examples related to local workers acceptance, transportation access, and local economy development.

<b>Status: Comply</b>
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**6.2**

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

**6.2.1**

The company has identified and registered all stakeholders related, the latest update to the stakeholder list was carried out on September 20, 2018, consisting of government agencies, NGOs, village head bordering to company areas, cooperative units, community leaders, labor union and gender committees.

The company has an SOP of communication and consultation to other parties affected, namely SOP No.: SOP / SMART / GENERAL / SADVI / 004 Issued July 1, 2014, describes guidelines in planning and implementing communication and consultation among stakeholders.

Confirmation was made to stakeholders who were sampled during the public consultation, namely village communities, government agencies, local contractors and FFB suppliers who stated that the SOP was understood by all parties.

**6.2.2 and 6.2.3**

The PIC responsible for communicating and consulting with stakeholders has been determined by the company, namely

the SBNM Manager for the mill, SBNE and KILE Estate Manager for the plantation.

The entire process of communication and consultation by various parties with the company has been recorded, all incoming letters and outgoing response letters are recorded in the form of communication and consultation log-books, direct communication (oral and visit) recorded in the company guest book. Mostly the incoming letters are request for assistance and invitation. The company has responded to the letters according to the time specified in the SOP. For example, letter on 12 November 2018 no. : 421.5 / 026 / SMKN1 / TB / XI / 2018 from Vocational High School of Tebo on the request of placement of internship student, the letter was responded to by management on 17 Nov 2018.

**Status: Comply**

### 6.3

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

#### 6.3.1 and 6.3.2

The company has an SOP for handling complaints and grievance from various parties, namely in the SOP no.: SOP / SMART / SIGS-CSR / SADV / I / 003), dated July 1, 2014. In the SOP describes the handling of complaints starting from the stage of receiving complaints from internal and external, Verification and ranking of complaints, preparation of treatment plans, implementation of handling, monitoring of implementation, and documentation to completion through legal channels. Guarantee anonymity of the whistle-blower of the case has been maintained since from first stage. In the SOP it is stated that the settlement of complaints is made no later than 1 month after receipt.

Confirmed to sample stakeholders during the public consultation, namely village communities, government agencies, local contractors and FFB suppliers who stated that the SOP was understood by all parties.

All complaints conveyed to the mill and estates have been recorded and followed up by the company in accordance with the SOP. During the 2018, there were 2 external and internal complaints regarding road dust, the follow-up has been carried out gradually since July to August 2018, and the settlement agreed by both parties namely watering the roads has been carried out every morning and evening. There is no complaint from workers, it was in line with result of interview during observation to workers line-site in sampled estate.

**Status: Comply**

### 6.4

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

#### 6.4.1; 6.4.2; and 6.4.3

Based on the HGU Decree, the SIA and HCV assessment reports and based on interviews with relevant agencies and surrounding communities stated that there were no customary rights and traditional rights in the company's HGU.

The FPIC process is explained in the SOP no.: SOP / SMART / SENS-CSR / SADV / I / 003 dated 1 July 2014, which explains that the procedure applies to the development of oil palm plantations and / or factories on new permits and existing permit.

The compensation process for the community cultivated area was completed by the company in 2010 (covering 84.4 ha on KILE), all records of land compensation evidence were verified by the auditor. Can be shown the recapitulation of the results of the inventory of community arable land, a statement of ownership, a statement of release of land rights, and a receipt for compensation. Based on interviews with ex-landowners when the public consultation stated that the company had negotiated and paid for land compensation in accordance with the agreement and there was no coercion.

**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 and 6.5.2

##### **Collective Labor Agreement**

The Company has a Collective Work Agreement with BKS PPS (Sumatra Plantation Company Cooperation Agency) 2015-



2017 based on the Decree of the Director General of PHIJSK No Kep 88 / PHIJSK-PKKAD / PKB / VI / 2016 dated June 18, 2015 concerning BKS PPS Registration of Work Agreement with Central Management The Federation of Agricultural and Plantation Workers' Unions of All Indonesian Unions (PP.FSP.PP-SPSI). The validity period of the CLA is 2 years after it was signed. If a new CLA has not been established on the expiration date of this CLA, then this collective labor agreement will all be valid until a new Collective Labor Agreement comes into force.

The company shows a letter from the BKS-PPS to the Director of Work Requirements with number 59 / BKS-PPS / 2018 dated September 13, 2018 concerning registration for extension of PKB BKS-PPS. In the letter, it was explained that the BKS-PPS had registered for the renewal of the Collective Labor Agreement at the Office of the Ministry of Manpower R.I on 27 August 2018.

The results of interviews with operational employees in the estate and mill are known that employees have understood the rights of employees listed in the Collective Labor Agreement, for example: the right to get in kind, the right when employees are sick, reproductive rights for female employees, and the right to get wages feasible in accordance with applicable regulations. In addition, the employee also explained that the union regularly held socialization related to the contents of the CLA to employees who did not understand.

#### **Minimum Wage**

- Jambi Governor Decree No. 1224/KEP.GUB/DISNAKERS/2017 dated October 31, 2017 concerning the Establishment of the Jambi Province Minimum Wage in 2018 which stipulates the minimum wage amounting to IDR 2,243,718.56 per month for work hours of seven hours a day and forty hours of work a week
- Director Decree No. 140/CEO 1/HR PSM1/04/18 dated 1 January 2018 concerning Wages of Daily Workers PT. Satya Kisma Usaha in 2018 is IDR 90,600 / day and paid according to the effective working day.
- Director Decree No 141/CEO 1/HR PSM1/04/18 dated 1 January 2018 concerning Permanent Daily Worker Wages PT. Satya Kisma Usaha in 2018 is IDR 2.265,000 / month for employees with less than a year of service and IDR 2,268,000 / month for employees with more than one year of service.
- Director Decree No 142 / CEO 1 / HR PSM1 / 04/18 dated 1 January 2018 concerning Permanent Monthly Worker Wages (Wage Scale) PT. Satya Kisma Usaha in 2018 is IDR 2,321,600 / month for employees with the lowest group (G1) while for the highest group (A8) of IDR 3,137,200

Based on field observations and interviews with estate and mill worker known that the company has paid employees' wages according to Jambi Governor Decree number No. 1224/KEP.GUB/DISNAKERS/2017 dated October 31, 2017 with a value of IDR 2,243,718.56

Based on interviews with the management, known that the company never deducts wages from employees. The company pays employee wages in accordance with applicable regulations. During the audit activity, the company shows sample salary payment for estate and mill worker period of November 2018. From the results of document review, known that employees have received basic wages in accordance with the minimum wage stipulated by the local government.

The results of interviews with representatives of local contractors (PT Bintang Selatan Agro) related to employee payrolls are known that workers receive wages in accordance with applicable regulations.

#### **6.5.3 and 6.5.4**

The company has provided facilities and infrastructure to support the worker welfare in each management unit, such as permanent housing, electricity sources through generator sets available in each housing, clean water through the provision of bore wells and the provision of clean water tanks in each unit, clinics available in each unit, there is a place for kindergarten and elementary school. Based on field visits in the housing area are known that there are several stalls belonging to employees that provide basic daily necessities at affordable prices.

The results of field observations and interviews at the employees of Division 1 Muara Kilis Estate housing are known that the company has provided adequate housing facilities for employees, provide one house for one family while for single employees are provide 1 house for 2-3 workers. Further explained by the employee that damage to the house can be reported to housing supervision for further corrective action in accordance with the applicable mechanism.

	<b>Status: Comply</b>	
<b>6.6</b>	<b>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.</b>	
<b>6.6.1 and 6.6.2</b>		
	<p>Management has Circular Letter No.: 218/CEO1-SE/11/2010 dated 15 November 2010 explained that the company respect the rules and regulations prevailing in Law No. 21/2000 on Labor union. Based on interview with Labor Union, management provides freedom to all workers to establish labor unions. According to interview with the employee in field, known that whole employee are voluntary and free to join the labor union. The result of an agreement between the labor unions and the company in the form of Collective Labor Agreement which is available in Bahasa and has been implemented by the company.</p>	
	<p>They also had bipartite council that approved by head of social, labor and transmigration agency of Tebo District since November 30<sup>th</sup> 2016. Based on document verification, bipartite council has attended the meeting regularly. During audit activities, the company shows minutes of meetings between Worker Union and companies in the 2018 period as follows:</p>	
	<ul style="list-style-type: none"> <li>• The minutes of the meeting of the SBNM bipartite council were held on December 17, 2018 with discussion material related to the transportation of waste in the housing area, the provision of land for the manufacture of living pharmacies, and the assistance of a plywood board for making bulkheads in mosques. The meeting was attended by bipartite council administrators and company management.</li> <li>• The minutes of the meeting of the SBNE/A bipartite council were held on October 2, 2018 with material discussing the change in the schedule for distributing rice supplies. The meeting was attended by bipartite council management and company management.</li> <li>• The minutes of the meeting of the KILE bipartite council were held on December 3, 2018 with material on the discussion of plans for changes in the employee payroll system and requirements for making ATMs. The meeting was attended by bipartite council management and company management</li> </ul>	
	<p>Based on interviews with Worker Union in each unit known that the company always support work programs of Worker Union, companies give rights to Worker Union in accordance with applicable regulations, while for election of Worker Union officials is carried out through member voting and no intervention from the company.</p>	
	<b>Status: Comply</b>	
<b>6.7</b>	<b>Children are not employed or exploited.</b>	
<b>6.7.1</b>		
	<p>The company has a policy regarding the age of workers listed in Social and Environment Policy signed by Head of Upstream, CEO-Downstream &amp; Commercial, Executive Director &amp; CFO, and Managing Director of Sustainability &amp; Strategic Stakeholder Engagement November 2015. That was explain about prohibits to employ children and make a prevention the use of child labor in our operations. Take a corrective action, if founded the child labor and ensuring that the appropriate follow up and provide safety to them. According to interviews with worker union and Man Power Agency District of Tebo and filed visit in mill and estate, there was no child labor usage has found.</p>	
	<p>Based on interviews with workers on estate and mill, known that each employee knows the minimum age at work, which is 18 years, further explained that this is routinely delivered at the morning briefing and through the installation of appeal boards in several places. This is in line with the results of verification of the employee list document which is known that the company does not employ under 18 year old workers.</p>	
	<p>Based on field observations of harvesting activities at SBNE/A and KILE known that there are special female worker to collect loose fruit, there are no children found on the harvesting areal. All harvester include the female worker are registered as company employees.</p>	
	<b>Status: Comply</b>	
<b>6.8</b>	<b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>	

**6.8.1; 6.8.2 and 6.8.3**

The company has a policy related to the equality of employment opportunities authorized listed in Social and Environment Policy signed by Head of Upstream, CEO-Downstream & Commercial, Executive Director & CFO, and Managing Director of Sustainability & Strategic Stakeholder Engagement November 2015. That was explain about the company will give equal opportunities to all workers and embrace diversity, regardless of ethnicity, religion, disability, gender, political affiliation, sexual orientation and or worker union.

During the audit activity, the company can show a record of the identity of the worker when applying for an employee. Available copies of ID cards, educational certificates, family cards, biography, marriage certificates and good conduct certificates from the police.

Based on field observations at Mill office and Estate Office known that the policy is installed on the front office wall so that it is easily known to stakeholders and employees. Further explained by the management representative that the company routinely provides socialization regarding equality of rights to employees during the morning briefing. Whereas the results of field observations and interviews with employees in estate and mill operational areas were not identified as complaints related to discrimination.

The company shows a list of employees for the period 2018 which describes the age, gender, religion, ethnicity, place and date of birth. Based on the document, known that workers come from various ethnicities, religions, regions of origin, ages, sexes and companies also do not have migrant workers. Based on interviews with Worker Union and Workers, it was explained that the company did not discriminate against workers from admission to promotion.

**Status: Comply**

**6.9**

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

**6.9.1**

The company has a policy related to sexual harassment which was approved by CEO PSM 1 on 2 September 2013. The policy explained that the company strongly opposed acts of sexual harassment and was committed to creating and ensuring a work environment free of acts of sexual harassment. The policy is communicated by means of information dissemination from company representatives and policies installed in offices and clinics. Based interviews with workers, known that the policy has been disseminated to employees, especially women who are aware of the policy on protecting women's rights.

The company has formed a Gender Committee in management unit chaired by Tri Vera. Based on interviews with the Gender Committee and female workers known that breastfeeding workers are not permitted to work using chemicals. Workers who are breastfeeding are also given the opportunity to breastfeed their children.

**6.9.2**

The company has a policy related to Reproductive that was approved by the CEO PSM 1 on April 4, 2009. The policy explains that female worker during menstruation who feel pain and notify employers, are not obliged to work on the first and second days of menstruation by getting full wages if accompanied by a letter of recommendation from a doctor or paramedic company.

The interview results with the management known that the policy is communicated by socialization to employees and the installation of banners in offices and clinics. Based on interviews with the Gender Committee and female workers, known that workers can explain the reproductive rights of women who are given such leave for 2 days of menstruation and maternity leave for 3 months.

**6.9.3**

The company has Procedure for Handling Complaints and Dissatisfaction no. SOP / SMART / SIGS-CSR / SADV / I / 003, rev. 0.0 made by the sustainability division head and approved by the head of upstream on July 1, 2014. The SOP explains the flowchart and handling of internal and external complaints and dissatisfaction processes. Responses to complaints and dissatisfaction are given as soon as possible and no later than 1 month after the problem is received. In the SOP, there is also an explanation of the process of handling complaints and internal disregard that states that the

company guarantees the whistleblower.

Based on interviews with workers in the estate and mill, it is known that each worker knows the mechanism for submitting complaints. Complaints can be submitted to the Worker Union, Gender Committee or direct supervisor of the workers (foreman / assistant).

Based on interviews with Labor Union and the Gender Committee, known that there were no complaints especially related to immoral act, If there is a complaint, it will be recorded in the complaint book and a complaint resolution will be sought and the results submitted to the worker.

**Status: Comply**

#### 6.10

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

###### **6.10.1; 6.10.2; 6.10.3; and 6.10.4**

Based on interview and document review shown Sungai Bengkal Mill FFB supplied by own estates, KKPA Sungai Bengkal, and other third parties supplier.

Based on contract review for examples "*Perjanjian jual beli TBS kelapa sawit*" No 001/TBS/SKU-BSA/XII/2018 between PT SKU and Bintang Selatan Agro shown this contract are clearly stated that FFB pricing were determined depends on CPO price and FFB market price.

Interview with related FFB vendors (NHKX & Bintang Selatan Agro) acquired information that FFB selling contract to PT SKU are transparently made and agreed by both side (vendors and company), besides that payment agreement for FFB selling has been done for timely manner. Observation on Sungai Bengkal Mill also found that FFB prices were publicly available for examples on January 22 2018 are Rp. 1,340/kg FFB.

Based on document review show that last FFB priced for SBNA appointed by company based on Plantation agency fixing price was Rp 1,413.76 /kg for periods 25-31 Dec 2018. Payment transfer evidence for SBNA FFB purchasing were availables, for examples bank transfer slip periods Dec 2018 for SBNA.

**Status: Comply**

#### 6.11

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

###### **6.11.1**

Stakeholders consultation are conducted on October 2018 to indentify the needs and priorities of local communities development. PT Satya Kisma Usaha has contributed to local development troughout Corporate social responsible program. The contribution done by company as follows : public religious events, public healthcare, donation, and road maintenance .

Generally PT Satya Kisma Usaha shown local communities development by local contractor engagement, taxes payment for central/local government, local workers recruitment, and annual CSR programme by each estates. Interview with representative of Betung Bedarah barat, Penapalan, and Sungai keruh obtained information that affected parties surrounding company are participated and involved based on consulation with local communities when company determined CD/CSR priorities.

###### **6.11.2**

PT Satya Kisma Usaha do not have any independent scheme smallholders. KKPA Sungai Bengkal that supplying FFB to Sungai Bengkal mill are full managed smallholders, therefore all agronomy input, workers, budgeting, and etc are managed under Sungai Bengkal estate.

**Status: Comply**

#### 6.12

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

###### **6.12.1; 6.12.2 and 6.12.3**

Based on verification document of employee, work agreements, employment mandatory report and the results of interviews with local government, community and employees during field observations, there were several things, for example: no identification of contract substitutions, companies not using migrant workers, companies not trading labor or forms of forced labor because all workers already have work agreements with companies.

Based on interviews with Mill and Estate employees it was found that there was no indication of forced labor. Employees

explain that all rules in working at the company have been regulated in a Collective Labor Agreement that has been agreed upon between the company and the Workers' Union as representatives of workers.

**Status: Comply**

### 6.13

#### **Growers and millers respect human rights**

##### 6.13.1

The company has Policy of Environment and Social GAR were including the human rights for all workers. The policy describes respecting human rights and respecting race, nation, culture, religion and without forced labor, ensuring that all employees receive fair remuneration, fair management and opportunities to develop careers. The company has socializing this policy to all workers and contractor on each unit. For example: SBNM unit has socializing this policy dated October 3<sup>rd</sup> 2018 to all workers and local contractor and September 19<sup>th</sup> 2018 in SBNE/A and KILE

Based on the results of interviews with the local government, surrounding communities and interviews with employees when field observations were not identified there were cases of human rights violations in the company's operational area

**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

Company do not conduct any new development since ASA-3, current environmental and social impact analysis for the entire area has been covered in the EIA/SIA document, as described in Criterion 5.1 and 6.1.

**Status: Comply**

#### 7.2

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

##### 7.2.1 and 7.2.2

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

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

**Status: Comply**

#### 7.3

**New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.**

##### 7.3.1 and 7.3.2

PT Satya Kisma Usaha has conducted disclosure of liability and LUC analysis in accordance with RSPO template on December 14, 2015. During 2016-2019 periods, company shown intensive communications to RSPO compensation panel. Until ASA-4. Company are not able to shown evidence that RaCP for PT SKU has been approved by RSPO. **NCR 2019.01 with major category**

**7.3.1 Status: Non-conformance NC.2019.01 with major category**

#### 7.4



<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>		
<b>7.4.1 and 7.4.2</b>		
The certificate holder has a map document and land classification SBNE Registration No. 456/201/PMNP/01/06 presented on a scale of 1: 50,000, a land map in depth of SBNA Registration No. 1037/214/PMNP/VIII/ 4 presented on 1: 50,000 scale, and KILE semi detailed ground map Registration No. 624/214/PMNP/V/14 presented on 1: 35.00 scale, satellite landscape image source 5 ETM, it is known that there is no peat soil type in the area of PT Satya Kisma Usaha. Based on the above (land map) it can be seen that the land suitability class cultivated by the certificate holder (SBNE/A and KILE) is S2 (Fairly Accepted) 62% and S3 (Correct / Marginal) 38.00%, average drainage quite well with the limiting factor is topography / relief.		
	<b>Status: Comply</b>	
<b>7.5</b>		
<b>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.</b>		
<b>7.5.1.</b>		
Based on Document review, field visit and interview with the management, PT SKU did not conduct new planting or expand the area after ASA-2 assessment		
	<b>Status: Comply</b>	
<b>7.6</b>		
<b>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.</b>		
There were no land expansion and new developments carried out by PT SKU (SBNE, SBNA and KILE) since ASA-3. The FPIC process is explained in the SOP no.: SOP / SMART / SENS-CSR / SADV / I / 003 dated 1 July 2014, which explains that the procedure applies to the development of oil palm plantations and / or factories on new permits and existing permit. Disputes and complaints that occur in areas that have been developed by the plantation and / or factory and or have been compensated will be resolved using SOP for Complaints and Dissatisfaction (SOP / SMART / SIGS-CSR / SADV / I / 003) and SOP for Social Conflict no.: SOP / SMART Numbers / SENS-CSR / SADV / I / 002.		
Based on the HGU Decree, the SIA and HCV assessment reports and based on interviews with relevant agencies and surrounding communities stated that there were no customary rights and traditional rights in the company's HGU.		
	<b>Status: Comply</b>	
<b>7.7</b>		
<b>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.</b>		
The management unit does not perform the expansion and development of the plantation after January 1, 2015. The results of the study documents and field visits showed that the distribution of planting year in operation areas consist of 1996-2010.		
	<b>Status: Comply</b>	
<b>7.8</b>		
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>		
<b>7.8.1 and 7.8.2</b>		
The management unit does not perform the expansion and development of the plantation after January 1, 2015. The results of the study documents and field visits showed that the distribution of planting year in operation areas consist of 1996-2010.		
	<b>Status: Comply</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>8.1</b>		
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>		



**8.1.1.**

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

**Best Management Practices:**

- The company has been successful in preventing pest and disease outbreak where in 2018 there was no use of pesticide for other than herbicide.
- Manuring activity has been conducted in various ways, either manually or through aerial application by plane adapting the different contour line.

**Environment:**

- Waste management is being improved by the issuance of Regional Controller Announcement Letter in 2019 regarding direct disposal.
- GHG emission mitigation is being conducted and evaluated regularly.

The company continuously annually conducted internal audit to monitor the RSPO P&C requirement implementation, the latest audit was held on October 2018, there is no non-conformity identified during the audit.

The company has conducted the continuous improvement in the aspect of FFB processing in mill by installing the barrier of FFB and loose fruit during filling the chamber, installation of automatic flushing sludge centrifuge and modification of safety (baffle plate) on conveyor bunch feeder chain.

In the agronomy aspect, the estates are modifying the method for weeds wiping, which previously were done by topping up and currently are done by inject.

In the environment aspect, the company has made a program of "*pondok bersih*", which will be assessed and monitored routinely by the company.

**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																		
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>																		
<b>5.1.1</b>	<p><b>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</b></p> <p>This requirements are applicable to Sungai Bengkal POM and its CSPO/CSPK transporter, the mill are takes legal ownership and carry out all physically handling against its sustainable oil palm products including processing and transporting, the bounded transporter only do delivery from mill to bulking facility (has separate certificate). Agreement between mill and transporter explained in the clause of 5.5.</p>																		
	<b>Status: Comply</b>																		
<b>5.1.2</b>	<p><b>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</b></p> <p>This requirement are not applicable, audit are conducted to the mill which is only produce and sell its product.</p>																		
	<b>Status: Comply</b>																		
<b>5.1.3</b>	<p><b>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</b></p> <p>The mill has been registered as RSPO member under GAR as well as registered in the RSPO IT Platform for its supply chain, the information detailed below:</p> <table> <tr> <td>Sub License ID</td><td>CB65157</td></tr> <tr> <td>Member Name</td><td>PT. Satya Kisma Usaha - Sungai Bengkal</td></tr> <tr> <td>Member ID</td><td>Mill</td></tr> <tr> <td>RSPO Membership Number</td><td>RSPO_PO1000001722</td></tr> <tr> <td>Issued On</td><td>1-0096-11-000-00 (Golden Agri-Resources Ltd)</td></tr> <tr> <td>Issued By</td><td>3/19/2018</td></tr> <tr> <td>Start Date</td><td>PT Mutuagung Lestari</td></tr> <tr> <td>End Date</td><td>03/28/2018</td></tr> <tr> <td></td><td>02/27/2019</td></tr> </table>	Sub License ID	CB65157	Member Name	PT. Satya Kisma Usaha - Sungai Bengkal	Member ID	Mill	RSPO Membership Number	RSPO_PO1000001722	Issued On	1-0096-11-000-00 (Golden Agri-Resources Ltd)	Issued By	3/19/2018	Start Date	PT Mutuagung Lestari	End Date	03/28/2018		02/27/2019
Sub License ID	CB65157																		
Member Name	PT. Satya Kisma Usaha - Sungai Bengkal																		
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End Date	03/28/2018																		
	02/27/2019																		
	<b>Status: Comply</b>																		
<b>5.1.4</b>	<p><b>Processing aids do not need to be included within an organization's scope of certification.</b></p> <p>There is no processing aids use by the mill for both equipment and/or material.</p>																		
	<b>Status: Comply</b>																		
<b>5.2</b>	<b>Supply chain model</b>																		
<b>5.2.1</b>	<p><b>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 -&gt; Segregated -&gt; Mass Balance.</b></p> <p>Verified based on transaction report in palm-trace and sales document, the mill only claim its product as MB, it has been in accordance with the module applied and SCC requirement.</p>																		
	<b>Status: Comply</b>																		

**5.2.2**

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

The mill has been applied SC module in accordance with its certificate, namely SC Module E

**Status: Comply**

**5.3**

**Documented procedures**

**5.3.1**

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

Sungai Bengkal POM has a SOP of Supply Chain Product RSPO Model MB document no.: PTSKU-SBNM/SOP/24, issued on 23 March 2018, revised 24 Aug 2018, the SOP has been explain the implementation of entire element on the Mass Balance requirements, including the personnel responsibility who is involve in SCC implementation.

- Security and WB Operator: ensuring and checking the raw material consignment note from certified and non certified sources, and to ensure all the attribute of certified material has been in accordance with the SOP and certificate.
- Production clerk: collecting data of raw material receive, CSPO/CSPK produce, CSPO/CSPK shipped and calculate the CSPO/CSPK stock on daily, monthly and yearly basis. Prepare the mass balance report on three monthly basis.
- Adm Head: monitoring of all SCC administration including records and reporting, checking on mass balance report, monitoring of certified product shipping and claim, validity of RSPO supplier.
- Support Dept (sales Dept, trading Dept and Certification Dept): to support the information of SCC requirement including to control the product sales, communication to buyer and announcement on palm trace.

In the SOP also describes regarding to the procedure of raw material receiving (certified and non-certified), processing and product delivery/shipping.

The mill has SOP no.: SOP/SMART/CERS-EHSD/SADV/001 on *SOP Identifikasi Kemamputelusuran* and document no.: SOP/SMART/CERS-EHS/DSADV/003 on *SOP pelaporan produk bersertifikat*.

During observation and interview to security post and weigh-bridge station, the key personnel are aware regarding to the SOP and able to demonstrate the FFB reception and product delivery according to the SOP.

**Status: Comply**

**5.3.2**

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

Sighted the procedure of internal audit (SOP/SMART/UMUM/SADV/II/009) issued on July 2014, audit are planned twice a year, conducted by the trained internal auditor.

Latest internal audit of SCCS are done in 1-5 October 2018, based on audit report, there was no nonconformity found during internal audit.

**Status: Comply**

**5.4**

**Purchasing and goods in**

**5.4.1**

**The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier**

The mill not purchase CSPO/CSPK from outsider, however for every certified FFB delivered to mill should has document of delivery, which informs name of estate, volume and RSPO SC Model applied.

**Status: Comply**

**5.4.2**

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

Mechanism for handling the non-conforming product and/or document are explained in the SOP of Grievance (SOP *Penanganan Keluhan dan Ketidakpuasan*) document no.: SOP/SMART/SIGS-CSR/SADV/II/003. The steps of handling: receiving complaint/grievance, verification, rankings, reporting to unit head, preparation of handling program/plan, approval of plan, implementation of plan, documentation, monitoring of implementation, review and continuing the implementation. Based

on the SOP, all complaint and grievance should be responded at least one month upon receiving.	
There is no complaint and grievance addressed to Sungai Bengkal POM since the two years ago.	
	<b>Status: Comply</b>
<b>5.5</b>	<b>Outsourcing activities</b>
<b>5.5.1</b>	<p><b>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification 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.</b></p>
<p>There was outsources activities to independent third parties namely CSPO transporting from mill to Bulking (1 transporter namely PT Satrindo Jaya Agropalma, agreement no: 001/SKU/SBNM/01/2017-CPO dated 2 Jan 2017) and CSPK transporting from mill to KCP (1 transporter namely Mr. Jumawarzi). Based on interview with representative of POM told that the mill are takes legal ownership to the sustainable oil palm products, the bounded transporter only do delivery upon mill request to the specified destination set by the mill, also stated that the facility (transport tank) are ready to be audited by the auditor if needed.</p>	
	<b>Status: Comply</b>
<b>5.5.2</b>	<p><b>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</b></p> <ol style="list-style-type: none"> <li><b>The site has legal ownership of all input material to be included in outsourced processes;</b></li> <li><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.</b></li> <li><b>The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</b></li> <li><b>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</b></li> </ol>
<p>There was outsourced activities to independent third parties namely CSPO transporting from mill to Bulking (1 transporter namely PT Satrindo Jaya Agropalma, agreement no: 001/SKU/SBNM/01/2017-CPO dated 2 Jan 2017) and CSPK transporting from mill to KCP (1 transporter namely Mr. Jumawarzi, agreement no.: 025/PLKK/XI/2018-OA KERNEL DARI SBNM (L018). Based on interview with representative of POM told that the mill are takes legal ownership to the sustainable oil palm products, the bounded transporter only do delivery upon mill request to the specified destination set by the mil, also stated that the facility (transport tank) are ready to be audited by the auditor if needed.</p>	
	<b>Status: Comply</b>
<b>5.5.3</b>	<p><b>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.</b></p>
<p>The names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products are listed in the agreement document, for e.g. PT Satrindo Jaya Agropalma head office is in Jakarta and operational office in Tebo. In the agreement also listed regarding to contact person's name and phone number.</p>	
	<b>Status: Comply</b>
<b>5.5.4</b>	<p><b>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</b></p>
<p>No additional contractors/transporters since ASA-3 for both CSPO and CSPK.</p>	
	<b>Status: Comply</b>
<b>5.6</b>	<b>Sales and goods out</b>
<b>5.6.1</b>	<p><b>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</b></p>
<p>Information of buyer are listed in the shipping document and sales contract, such as name of buyer, address, contract number, volume, phone number and SCC Module applied.</p>	

For e.g.:

- DO No.: 1350/CPO/1350/18/L012 on 16 Nov 2018, shipping of CSPO (ISCC-MB) to PT KDA-Bulking, address in Muara Jambi, Jambi Province, Indonesia, and amount of 2000 MT.
- DO No.: 1350/KER/1350/18/L019 on 31 Des 2018, shipping of CPO (CSPO sold as conventional) to KCP Pelakar, address in Jambi, Indonesia, amount of 200 MT.

**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

Audit are done to palm oil mill (sungai bengkal mill).

The mill has been registered in the RSPO IT Platform for its supply chain, the information detailed below:

Sub License ID	CB65157
	PT. Satya Kisma Usaha - Sungai Bengkal
Member Name	Mill
Member ID	RSPO_PO1000001722
Issued On	3/19/2018
Issued By	PT Mutuagung Lestari
Start Date	03/28/2018
End Date	02/27/2019

The mill has registered all the transaction, on the SCC SOP stated that shipping announcement on palm trace are done after product shipping and remove of stock on palm trace due to sales under other scheme and conventional done per three monthly basis after data reconciliation.

Verified through palm-trace and during document study on site, observed that there was no sales of certified product done under RSPO claim. Since 28 March 2018 up to 20 Jan 2019 (ASA-4) as much as 12,245.13 MT CSPO were sold under ISCC and 866.35 MT were sold as conventional. There were no CSPK sold under RSPO claim, as much as 4127.13 MT are sold under conventional.

For e.g.:

- CSPO remove on 10 Sept 2018, transaction no.: ST-TR-51e5c19f-94bf, amount of 3,398.07 MT
- CSPK remove on 10 Sept 2018, transaction no.: ST-TR-94ee1a28-2b73, amount of 837.47

**Status: Comply**

#### 5.7.2

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

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

The mill has announced, remove and confirm all the transaction done in the RSPO IT Platform. Verified through palm-trace and during document study on site, observed that there was no sales of certified product done under RSPO claim.

Since 28 March 2018 up to 20 Jan 2019 (ASA-4) as much as 12,245.13 MT CSPO were sold under ISCC and 866.35 MT were sold as conventional. There were no CSPK sold under RSPO claim, as much as 4127.13 MT are sold under conventional.

Stock removal in the palm trace due to the sales under ISCC and conventional has been done, For e.g.: <ul style="list-style-type: none"><li>- CSPO remove on 10 Sept 2018, transaction no.: ST-TR-51e5c19f-94bf, amount of 3,398.07 MT</li><li>- CSPK remove on 10 Sept 2018, transaction no.: ST-TR-94ee1a28-2b73, amount of 837.47</li></ul>			
	Status: Comply		
5.8	Training		
5.8.1 The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff			
The training of SCCS including refreshment are planned once a year. The mill has identified the personnel key who is involve in the SCC implementation, it was listed in the SCC SOP.			
	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			
Sighted the record of training on 22 October 2018, followed by PIC, Mill Manager, WB operator, Adm Head and security. During observation and interview to security post and weigh-bridge station, the key personnel are aware regarding to the SOP and able to demonstrate the FFB reception and product delivery according to the SOP.			
	Status: Comply		
5.9	Record keeping		
5.9.1 The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements			
Sighted the record of SCC which is accurate, complete and up to date, all record are stored in Mill office, auditor are verified the document since January 2018 to January 2019: <ul style="list-style-type: none"><li>- FFB delivery document</li><li>- FFB WB ticket</li><li>- CSPO and CSPK ticket</li><li>- DO of CSPO and CSPK</li><li>- Shipping instruction(<i>Surat Perintah Pengapalan</i>) document of CSPO and CSPK</li><li>- Agreement of transporter</li><li>- E-trace transaction report</li><li>- Mass balance report of CSPO and CSPK</li></ul>			
	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			
In the SOP Document/Records Control, SOP no.: SOP/SMART/UMUM/SADV/001 mentioned that retention of document and record is for 10 years. Based on auditor verification to the SCC record for the past 2 years, it was found that the mill are comply with this standard requirement.			
	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 estimation of certified product that can be produce by mill in the period of 28 Feb 2018 to 27 Feb 2019 are listed in annex of certificate ASA-3, the actual production since the license issuance up to ASA-4 were verified, as well as the projection for the next one year (28 Feb 2019 – 27 Feb 2020) has been set by the mill. Detail are in the table below:			
	Projection 28 Feb 2018 -	Actual production 28 Feb	Projection 28 Feb 2019 -



	27 Feb 2019	2018 – 20 Jan 2019	27 Feb 2020
FFB	78,179	57,876.63	74,218
CSPO	17,981	12,531.79	16,351
CSPK	4,104	3,371.24	4,361
	<b>Status: Comply</b>		
<b>5.10</b>	<b>Conversion factors</b>		
<b>5.10.1</b>	<p>Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries</p> <p>The audit are conducted to palm oil mill which is convert FFB to crude palm oil and palm kernel. The mill has been defined the conversion rate based on FFB, CPO and PK produce on daily basis, for example average of rate of product on Dec 2018 namely :</p> <ul style="list-style-type: none"> <li>- OER : 20.28%</li> <li>- KER : 6.13%</li> </ul>		
	<b>Status: Comply</b>		
<b>5.10.2</b>	<p>Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p> <p>Updating of conversion rate (OER and KER) are done by daily basis, based on ratio of FFB, CPO and PK production.</p>		
	<b>Status: Comply</b>		
<b>5.11</b>	<b>Claims</b>		
<b>5.11.1</b>	<p>The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.</p> <p>There is no use of trademark on product sales document. The mill are use trademark to promote their implementation of RSPO, Sungai Bengkal POM has a RSPO trademark license no.: 1-0096-11-100-00.</p>		
	<b>Status: Comply</b>		
<b>5.12</b>	<b>Complaints</b>		
<b>5.12.1</b>	<p>The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.</p> <p>Mechanism for handling the non-conforming product and/or document are explained in the SOP of Grievance (SOP <i>Penanganan Keluhan dan Ketidakpuasan</i>) document no.: SOP/SMART/SIGS-CSR/SADV/II/003. The steps of handling: receiving complaint/grievance, verification, rankings, reporting to unit head, preparation of handling program/plan, approval of plan, implementation of plan, documentation, monitoring of implementation, review and continuing the implementation. Based on the SOP, all complaint and grievance should be responded at least one month upon receiving.</p> <p>There is no complaint and grievance addressed to Sungai Bengkal POM since the two years ago.</p>		
	<b>Status: Comply</b>		
<b>5.13</b>	<b>Management review</b>		
<b>5.13.1</b>	<p>The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken</p> <p>Management review are planned once a year, the latest are held on 29 October 2018, attended by all management representative, all document controller, all traceability officer, SPO coordinator, GHG officer, safety officer, environment officer, HCV officer and D&amp;L staff.</p>		

	<b>Status: Comply</b>
<b>5.13.2</b> The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	
The matters discussed in the management review including: result of SCCS internal audit, complaint/grievance related to SCCS, change of SOP and continuous improvement.	
	<b>Status: Comply</b>
<b>5.13.3</b> The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	
There is no NCR regarding to SCCS implementation based on the latest internal audit. There is a revision to SOP of SCCS following the latest SCCS standard and system.	
	<b>Status: Comply</b>

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

Clause	Requirement																
E.1	Definition																
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>Sungai Bengkal POM are receiving and processing FFB from its own estate (certified) and other sources (non-certified), so the mill can only make claims of product as MB.</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&amp;C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p> <p>The estimation of certified product that can be produce by mill in the period of 28 Feb 2018 to 27 Feb 2019 are listed in annex of certificate ASA-3, the actual production since the license issuance up to ASA-4 were verified, as well as the projection for the next one year (28 Feb 2019 – 27 Feb 2020) has been set by the mill. Detail are in the table below:</p> <table><tr><th></th><th>Projection 28 Feb 2018 - 27 Feb 2019</th><th>Actual production 28 Feb 2018 – 20 Jan 2019</th><th>Projection 28 Feb 2019 - 27 Feb 2020</th></tr><tr><td>FFB</td><td>78,179</td><td>57,876.63</td><td>74,218</td></tr><tr><td>CSPO</td><td>17,981</td><td>12,531.79</td><td>16,351</td></tr><tr><td>CSPK</td><td>4,104</td><td>3,371.24</td><td>4,361</td></tr></table>		Projection 28 Feb 2018 - 27 Feb 2019	Actual production 28 Feb 2018 – 20 Jan 2019	Projection 28 Feb 2019 - 27 Feb 2020	FFB	78,179	57,876.63	74,218	CSPO	17,981	12,531.79	16,351	CSPK	4,104	3,371.24	4,361
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FFB	78,179	57,876.63	74,218														
CSPO	17,981	12,531.79	16,351														
CSPK	4,104	3,371.24	4,361														
	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).</p> <p>The Mill has been registered as RSPO membership under GAR and has been registered on RSPO Palm trace:</p> <table><tr><td>Sub License ID</td><td>CB65157</td></tr><tr><td>Member Name</td><td>PT. Satya Kisma Usaha - Sungai Bengkal Mill</td></tr><tr><td>Member ID</td><td>RSPO_PO1000001722</td></tr><tr><td>RSPO Membership Number</td><td>1-0096-11-000-00 (Golden Agri-Resources Ltd)</td></tr><tr><td>Trademark license</td><td>1-0096-11-100-00</td></tr></table> <p>Verified through palm-trace and during document study on site, observed that there was no sales of certified product done under RSPO claim. Since 28 March 2018 up to 20 Jan 2019 (ASA-4) as much as 12,245.13 MT CSPO were sold under ISCC and 866.35 MT were sold as conventional.</p> <p>There were no CSPK sold under RSPO claim, as much as 4127.13 MT are sold under conventional.</p> <p>Based on POM' SOP, stated that shipping announcement on palm trace are done after product shipping and remove of stock on palm trace due to sales under other scheme and conventional done per three monthly basis after data reconciliation.</p> <p>For e.g.:</p> <ul style="list-style-type: none"><li>- CSPO remove on 10 Sept 2018, transaction no.: ST-TR-51e5c19f-94bf, amount of 3,398.07 MT</li><li>- CSPK remove on 10 Sept 2018, transaction no.: ST-TR-94ee1a28-2b73, amount of 837.47</li></ul>	Sub License ID	CB65157	Member Name	PT. Satya Kisma Usaha - Sungai Bengkal Mill	Member ID	RSPO_PO1000001722	RSPO Membership Number	1-0096-11-000-00 (Golden Agri-Resources Ltd)	Trademark license	1-0096-11-100-00						
Sub License ID	CB65157																
Member Name	PT. Satya Kisma Usaha - Sungai Bengkal Mill																
Member ID	RSPO_PO1000001722																
RSPO Membership Number	1-0096-11-000-00 (Golden Agri-Resources Ltd)																
Trademark license	1-0096-11-100-00																
	Status: Comply																
E.3	Documented procedures																
E.3.1																	

The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;
- b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.

Sungai Bengkal POM has a SOP of Supply Chain Product RSPO Model MB document no.: PTSKU-SBNM/SOP/24, issued on 23 March 2018, revised 24 Aug 2018, the SOP has been explain the implementation of entire element on the Mass Balance requirements, including the personnel responsibility who is involve in SCC implementation.

- Security and WB Operator: ensuring and checking the raw material consignment note from certified and non-certified sources, and to ensure all the attribute of certified material has been in accordance with the SOP and certificate.
- Production clerk: collecting data of raw material receive, CSPO/CSPK produce, CSPO/CSPK shipped and calculate the CSPO/CSPK stock on daily, monthly and yearly basis. Prepare the mass balance report on three monthly basis.
- Adm. Head: monitoring of all SCC administration including records and reporting, checking on mass balance report, monitoring of certified product shipping and claim, validity of RSPO supplier.
- Support Dept (sales Dept, trading Dept and Certification Dept): to support the information of SCC requirement including to control the product sales, communication to buyer and announcement on palm trace.

In the SOP also describes regarding to the procedure of raw material receiving (certified and non-certified), processing and product delivery/shipping.

During observation and interview to security post and weigh-bridge station, the key personnel are aware regarding to the SOP and able to demonstrate the FFB reception and product delivery according to the SOP.

**Status: Comply**

### E.3.2

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

Sungai Bengkal POM has a SOP of Supply Chain Product RSPO Model MB document no.: PTSKU-SBNM/SOP/24, issued on 23 March 2018, revised 24 Aug 2018, the SOP has been explain the implementation of entire element on the Mass Balance requirements, including the personnel responsibility who is involve in SCC implementation. In the SOP also describes regarding to the procedure of raw material receiving (certified and non-certified), processing and product delivery/shipping.

**Status: Comply**

### E.4 Purchasing and goods in

#### E.4.1

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

FFB received verification are done by security and WB operator, checked through FFB consignment note, observed during visit to WB station it was sighted that on consignment note for FFB from certified sources there is a code namely RSPO certificate number and SCC model, while in consignment note for FFB from non-certified there is no code.

For e.g.: the FFB delivery document on 24 Jan 2019 from SBNE, has been stamped with GHG Value code to indicate that the FFB are from certified sources.

Below are detail of FFB receive by mill since 28 March 2018 up to 20 Jan 2019:

	FFB CERTIFIED (MT)				FFB NON-CERTIFIED (MT)		
	SBNE	SBNA	KILE	TOTAL	KILA	TBS LUAR	TOTAL
28-31 Mar '18	358.20	225.60	152.76	736.56	124.31	365.03	489.34
Apr '18	2,425.06	1,251.05	1,384.74	5,060.85	1,321.05	2,878.41	4,199.46
May '18	2,137.89	1,269.64	1,198.78	4,606.31	1,253.76	1,543.16	2,796.92
Jun '18	1,071.30	1,047.96	1,276.87	3,396.13	1,154.30	4,121.15	5,275.45
Jul '18	2,331.94	1,590.42	2,010.37	5,932.73	1,678.42	4,083.22	5,761.64
Aug '18	3,375.10	1,577.09	2,152.70	7,104.89	1,290.47	2,830.50	4,120.97
Sep '18	3,443.72	1,565.24	2,171.62	7,180.58	1,163.96	3,204.69	4,368.65
Oct '18	3,806.68	1,660.48	1,978.61	7,445.77	1,293.79	3,161.87	4,455.66

	Nov '18	3,348.08	1,426.58	1,624.39	6,399.05	956.80	2,718.15	3,674.95
	Dec '18	3,573.60	1,490.83	1,497.53	6,561.96	900.25	1,785.42	2,685.67
	1-20 Jan '19	1,792.78	684.56	950.21	3,427.55	581.62	570.90	1,152.52
	<b>Grand Total</b>	<b>27,664.35</b>	<b>13,789.45</b>	<b>16,398.58</b>	<b>57,852.38</b>	<b>11,718.73</b>	<b>27,262.50</b>	<b>38,981.23</b>

	<b>Status: Comply</b>
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E.4.2

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

The estimation of certified product that can be produce by mill in the period of 28 Feb 2018 to 27 Feb 2019 are listed in annex of certificate ASA-3, the actual production since the license issuance up to ASA-4 were verified. There is no over-projection for both CSPO and CSPO during the license and also during the past 12 months, detail are in the table below:

	<b>Projection 28 Feb 2018 - 27 Feb 2019</b>	<b>Actual production 28 March 2018 – 20 Jan 2019</b>	<b>Actual certified product January 2018 to December 2018 (tonnes/year)</b>
FFB	85,919	57,876.63	70,016.74
CSPO	19,043	12,531.79	15,425.12
CSPK	5,018	3,371.24	4,114.04

*\*the licensed start from 28 March 2018 due to the extension of time on previous license.*

	<b>Status:</b>
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E.5

Record keeping

E.5.1

a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.

b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.

c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)

Sungai Bengkal POM shows the records of all FFB receive and processed from both certified and non-certified sources since Jan – Dec 2018 (twelve months period), are made in three monthly basis. The calculation of volume of certified product (CSPO and CSPK) are done according to the accounting system set by the RSPO. Verified that there is no product claims under RSPO MB for both CSPO and CSPK within the period mentioned above. The table below is the detail of mass-balance report:

Periode	Certified FFB Processed	CSPO Produced	CSPK Produced	CSPO Sales		CSPK Sales (Conventional)
				Claim ISCC	Conventional	
Jan – Mar 2018	16,328.47	3,731.60	965.48	3,691.99		836.81
Apr – Jun 2018	13,063.29	2,797.48	669.38	2,652.55		709.07
Jul – Sept 2018	20,218.2	4,506.55	1,158.32	4,443.27		1,247.53
Oct – Dec 2018	20,406.78	4,506.55	1,320.86	4,195.64	13.94	1,320.63
<b>Total</b>	<b>70,016.74</b>	<b>15,542.17</b>	<b>4,114.04</b>	<b>14,983.45</b>		<b>4,114.04</b>

	<b>Status: Comply</b>
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**3.3. Conformity Checklist of Certificate and Logo Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-4</b>	The company has certified no certificate: MUTU-RSPO/052.	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA-4</b>	The company does not use RSPO logo.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA-4</b>	The company does not use RSPO logo.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-4</b>	The company does not use RSPO logo.	√
	<b>Status: Comply</b>	



### 3.4. Summary of RSPO Partial Certification.

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

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

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

		<ul style="list-style-type: none"> <li>- PT Mitra Karya Agroindo (Tangar Mill and supply base)</li> <li>- PT Paramitra Internusa Pratama (Belian Mill and supply base)</li> <li>- PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> <li>- PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) any new planting since January 1<sup>st</sup> 2010 and NPP has been applied these.</li> </ul>
iii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p><b>Company Group/Holding Statement:</b> There are no land conflicts. The Company has a land conflict resolution mechanism in accordance with the RSPO criteria 6.4; 7.5; and 7.6. This procedure is outlined in the SOP Social Conflict Management (SOP/SMART/SENS-CSR/SADV/I/02). This procedure regulates social conflict settlement agreed. Conflict resolution can be done in a participatory manner and can also be done by a third party (mediator). The company also has procedures to deal with complaints before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/I/003. The company handling complaints appropriately and quickly. GAR has been initiated to become a member of RSPO DSF as a category "out growers".</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There are no land conflicts for</p> <ul style="list-style-type: none"> <li>- PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base)</li> <li>- PT Mitra Karya Agroindo (Tangar Mill and supply base)</li> <li>- PT Kresna Duta Agroindo (Pelakar Mill and supply base)</li> <li>- PT SMART (Bukit Kapur Mill and supply base)</li> </ul> <p>There are any land conflicts but was in the process of completion for</p> <ul style="list-style-type: none"> <li>- PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> <li>- PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base)</li> <li>- PT Sawit Mas Sejahtera (Sungai Kikim and supply base)</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base)</li> <li>- PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base)</li> <li>- PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base)</li> </ul>
iv.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>Company Group/Holding Statement:</b> There is no issue of labour disputes in uncertified unit. The company also has procedures to deal with</p>

		<p>complaints workers before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/II/003.</p> <p>Procedures related employee issues is arranged in the form of internal grooves for employees included in the category of internal stakeholders. Media that is used to deliver complaint is a formal letter submitted by unions or incorporated into a suggestion box which is provided in a convenient location.</p> <p><b>Auditor Verification:</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>
v.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>Company Group/Holding Statement:</b> Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 and 2.2 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/II/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p><b>Auditor Verification:</b> Land legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> <li>- PT Paramitra Internusa Pratama (Belian Mill and supply base), still in the process of Committee B and the company has got plantation business permit (IUP)</li> <li>- PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance.</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base) and PT Adi Tunggal Mahajaya (Sako Mill) doesn't have Land Use Title (HGU).</li> <li>- PT Kresna Duta Agroindo (Pelakar Mill and supply base), there is a difference the concession area between Land Use Title (HGU) and Plantation Business Permit (IUP) and Permits Location.</li> <li>- PT SMART (Bukit Kapur Mill and supply base, doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Sawitakarya Manunggal there is an area is still in process for HGU (Committee B meeting).</li> <li>- PT Djuanda Sawit Lestari is an area is still in process for HGU Muara Kandis Estate (574.58 Ha)</li> <li>- PT Ivomas Tunggal there is an area is still in process for HGU Samsam Estate (29.09 Ha), Kandista Estate (158.46 Ha), Nenggala Estate</li> </ul>

		<p>(419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha)</p> <ul style="list-style-type: none"> <li>- PT Buana Wiralestari Mas there is an area is still in process for HGU Naga Mas Estate (253.39 Ha), Naga Sakti Estate (59.79 Ha), Kijang Mas Estate (56.07 Ha)</li> <li>- PT Ramajaya Pramukti there is an area is still in process for HGU Rama Rama Estate (318.76 Ha)</li> </ul>
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### 3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

#### 3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-3 RSPO

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



each work unit. From the database it is known that the management unit has a system to monitor employee competency data, including ensuring the validity of certification of competence owned by each employee.

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

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

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

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

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

**Health and labor social insurance**

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

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

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

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

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

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

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

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

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

The company has show several corrective evidence as follows:

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

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

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

*Verified by* : **Radytio Puspanjana/Andi Pratama Pasaribu**

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

- b. SPO Officer issued Minutes of Installation of POME indicator level in WWTP
- c. Repair trench inlet and container POME in pump house.
- d. Socialization of WWTP Maintenance form (F / SAMRT / LEMS-EHSD / SADV / 002/006).

## **2. Workshop**

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

*Corrective Action (filled by organization audited):*

### **1. WWTP**

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

## **2. Workshop**

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

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

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

#### **1. WWTP**

CH shown evidence

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

## **2. Workshop**

- Minutes of tractor removal event (TT55) was damaged from the workshop's yard in workshop area January 17, 2018.
- Socialization of hazardous waste management for workshop area, January 18, 2018.

- Workplace monitoring program period 2018, the program consist of monitoring plan in workshop which has been done January 2018.
- Recapitulation of general inspection form (F / SMART / HESS-EHSD / SADV / 016/001), and OHS (SOP / SMART / HESS-EHSD / SADV / I / 016) from estate activities.

Auditor conclusion February 26, 2018

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

<b>Verified by</b>	<b>:</b>	<b>Radytio Puspanjana</b>
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**3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-4 RSPO**

<b>NCR No.</b>	<b>:</b>	<b>2019.01</b>	<b>Issued by</b>	<b>:</b>	<b>Steve Mualim</b>
<b>Date Issued</b>	<b>:</b>	<b>26 January 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>Recertification</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>7.3.1</b> <b>There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</b>			
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  PT Satya Kisma Usaha has conducted disclosure of liability and LUC analysis in accordance with RSPO template on December 14, 2015. During 2016-2019 periods, company shown intensive communications to RSPO compensation panel. Until ASA-4. Company are not able to shown evidence that RaCP for PT SKU has been approved by RSPO.					
<b>Root Cause Analysis (filled by organization audited):</b>  PT SKU has followed up the RaCP proceure since 2015 namely conduct the disclosure of liability, LUC analysis on 2016 – present. Intense communication with the reviewer of RSPO also has been done by the company, last communication is on 2 Jan 2019 by sending email to RSPO regarding the LUC analysis and concept note, the RSPO has been response on 8 Jan 2019 with statement of “will reviewed immediately”  In the previous surveillance audit, against the PT SKU has raised an observation namely to confirm the RaCP process to RSPO and it was mentioned that the P.7.3 were comply and can be continued the certificate. Up to ASA – 4, since the company has do confirmation to RSPO, then the management are confident to conduct the surveillance audit.					
<b>Correction (filled by organization audited):</b>  The management unit was sent the email to RSPO on 28 Jan 2019 to gather information and statement related to P.7.3 compliance.					
<b>Corrective Action (filled by organization audited):</b>  Continuously communication to RSPO in regards of RaCP process, the confirmation should done at least one month before next audit.					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Verification on 25 Feb 2019.</b> The management unit shows the evidence of communication to RSPO regarding the LUCA follow up of PT SKU, the communication are done through email on 28 Jan 2019 and 1 Feb 2019, respectively. And on 20 feb 2019 the compensation panel has response the email with statement that the RSPO is on process to review the LUCA.  <b>Verification on 26 April 2019</b> The RSPO has explained through email on 25 April 2019, stated that “based on RSPO internal discussion, agreed that NC raised on PT SKU can be left open until the next audit next year. We do hope that the process of completing the RaCP can be completed by then. Monitoring of the progress needs to be conducted closely to ensure you can meet the timeline.”					

Based on the explanation above, the NCR No.: 2019.01 remain OPEN until next assessment (recertification).	
Verified by	: Steve Mualim



**3.5.4 Opportunity for Improvement**

No	Ref. Std.	Description
1	Major 2.2.1	Progress of issuing HGU for an area of 3,535.53 Ha in SBNE, SBNA and KILE (scope certificate)
2	Minor 2.2.2	Follow-up on the results of monitoring HGU stakes
3	Major 5.3.2	<ul style="list-style-type: none"> <li>Dissemination and effectiveness of the implementation of Circular Letter from Jambi RC and PC to all Unit Head Region Jambi 2 dated 25 January 2019 concerning LB3 Handling of Used Chemical Packaging (OBSERVATION)</li> <li>The effectiveness and consistency of the implementation of the chemical expiration monitoring form in both the central warehouse and the division will be verified in the next audit. (OBSERVATION)</li> </ul>
4	Major 4.7.3	The company (SBE) has the opportunity to ensure the license extension process for 4 tractor operators and the submission of training plans for 3 diesel engine operators.
5	Major 4.7.4	The company has the opportunity to ensure the process of extension of the Appointment Decree (SKP) for the Secretary of P2K3 SBNM and KILE units.
6.	Major 6.5.2	The company has the opportunity to ensure the appointment of PKWT employees to become PKWTT for KILE units of 35 employees and SBNE as many as 40 employees in 2019.

**3.5.5 Noteworthy Positive Components**



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

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<b>Head of Betung Bedarah Barat villages</b> <ul style="list-style-type: none"> <li>Realization for 2018 CD/CSR are done based on stakeholder consultation on 2017</li> <li>Company have participated with local community development for examples by using local workers and local contractor</li> <li>General community perception against company are good enough</li> <li>The company has considered satisfactory cooperative and transparent in providing information, for example towards job vacancies, FFB price, CSR and grants.</li> <li>Villager also recognize company representative (PIC) which social matter.</li> </ul>	<ul style="list-style-type: none"> <li>Based on interview with surrounding village representative that known there was no land dispute or environmental issues as written criterion 2.3; 5.1, 6.1 and 6.4.</li> <li>The company has had CSR program and implementation. It refer to criterion 6.11.</li> </ul>
<b>Head of Gender Committee SBNE</b> <ul style="list-style-type: none"> <li>Menstruation rights and maternity leave rights may be made in accordance with the results of a doctor / nurse examination.</li> <li>These rights are listed in the company's policies and regulations.</li> <li>There is no negative issues such as discrimination and sexual abuse or child labor.</li> <li>There is no discrimination for women workers for examples related promotion and etc</li> </ul>	<p>This is further explained in criteria 6.8 &amp; 6.9</p>
<b>Public figures and previous land owner, Sungai Keruh villages</b>  <b>Mahili (Community Leader of Sungai Keruh Village)</b> <b>Sabran (Smallholder farmer and previous land owner Sungai Keruh Village)</b> <b>Husni (Smallholder farmer and previous land owner Sungai Keruh Villages)</b> <ul style="list-style-type: none"> <li>There is no land dispute issue on Sungai Keruh villages with company</li> <li>General community perception against company are good</li> <li>CD/CSR was done periodically based on community needs for example road maintenance and religious grant</li> <li>There is no environmental pollution issue and land fire during 2017-2018</li> <li>HCV socialization has been conducted by company on 2017</li> <li>Minority Sungai Keruh villagers are working on company</li> <li>Land compensation for previous land owner are done based on FPIC</li> <li>Specific for plasma FFB price, it was determined based on plantation agency price every week.</li> </ul>	<ul style="list-style-type: none"> <li>In accordance with criteria 6.11</li> <li>Document review shown that local workers acceptance are more than 30% from total workers</li> <li>Compensation for previous land owner are done based on mutual agreement both sides, without any intervention or coercion, and based on FPIC</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<b>Head of Penapalan villages and head of Penapalan BPD Bujang (Head of Penapalan Village)</b> <b>Radion (Head of BPD Penapalan)</b> <ul style="list-style-type: none"> <li>There is no land dispute issue on Sungai Keruh villages with company</li> <li>General community perception against company are good</li> <li>CD/CSR was done periodically based on community needs for example road maintenance</li> <li>Company policy related zero burning, HCV, and etc has been socialized regularly</li> </ul>	<ul style="list-style-type: none"> <li>Based on interview with surrounding village representative that known there was no land dispute or environmental issues as written criterion 2.3; 5.1, 6.1 and 6.4.</li> <li>The company has had CSR program and implementation. It refer to criterion 6.11.</li> </ul>
<b>Workers union head SBNE Musadad (Board of SPSI SBNE)</b> <ul style="list-style-type: none"> <li>There is no working relation dispute on 2018</li> <li>Company not employed any daily workers for all operational activities</li> <li>All workers has been paid based on minimum wages regulation and have medical insurance</li> <li>Communication between workers union so far running well, aspirations of employees have been handled properly</li> </ul>	<ul style="list-style-type: none"> <li>In accordance in criteria 6.5, 6.6, 6.7, 6.8 and 6.9</li> </ul>
<b>FFB vendor (NHKX and Bintang Selatan Agro)</b> <b>Zulasma and Roy ( PT Bintang Selatan Agro)</b> <b>Ali Atad (NHKX)</b> <ul style="list-style-type: none"> <li>Companies had socialized policies such as corporate codes of conduct and prohibition for under age workers.</li> <li>The entire execution of the work and payment in accordance with the applicable agreement.</li> <li>Mechanism for complaint and grievance has been socialized by company</li> <li>FFB price for vendor were set up based on company FFB purchasing team, and listed on mutual agreement, and sign and agreed by both parties</li> <li>There is no issue regarding FFB payments by company, all is done on timely manner</li> </ul>	<p>Company shown commitment for empowering local community. For further explanation see indicator 6.10</p>
<b>Labor Agency of Tebo Ilir Regency</b> <ul style="list-style-type: none"> <li>The Companies have implemented the payment of wages for employees refers to Jambi Governor Decree number 1224/KEP.GUB/DISNAKERS/2017 dated on October 31, 2017 concerning the Minimum Wage of Jambi Province in 2018.</li> <li>The Company has a Collective Work Agreement with PPS BKS (Sumatra Plantation Company Cooperation Agency) 2015-2017 based on the Decree of the Director General of PHIJSK No Kep 88 / PHIJSK-PKKAD / PKB / VI / 2016 dated June 18, 2015 concerning BKS PPS Registration of Work Agreement with Central Management The Federation of Agricultural and Plantation Workers' Unions of All Indonesian Unions (PP.FSP.PP-SPSI). The validity period of</li> </ul>	<p>It has been verified and stated under principle 6 in the report</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>the CLA is 2 years after it was signed. If a new CLA has not been established on the expiration date of this CLA, then this collective labor agreement will all be valid until a new Collective Labor Agreement comes into force</p> <ul style="list-style-type: none"> <li>- All mandatory reports related to employment have reported well.</li> <li>- There are no issues of migrant workers, no child workers, no substitution contracts, no labor trade or forced labor forms.</li> <li>- All employees have employment agreements and there were no issues or violations committed by Companies related to worker welfare included in payment.</li> </ul>	
<p><b>Agriculture Agency of Tebo Ilir Regency</b></p> <ul style="list-style-type: none"> <li>- There are no issues related to disruption of plantation business</li> <li>- The Communication goes well, all mandatory reports related to plantation operation have reported well.</li> <li>- There is no issues of land fires and Tools and fire brigade personnel are sufficient.</li> <li>- The company has been doing CSR activities in the field of education, regional development.</li> </ul>	<p>It has been verified and stated under Criteria 1.1; 2.1; 4.7; and 6.10 on The report</p>
<p><b>Environmental Agency of Tebo Ilir Regency</b></p> <ul style="list-style-type: none"> <li>- The company already has a Schedule Waste Storage license in Mill and Estate.</li> <li>- The Communication goes well, all mandatory reports related to plantation operation have reported well</li> <li>- The companies have all environment permit.</li> <li>- There are no complaints of environmental pollution caused by operational companies on the public.</li> </ul>	<p>It has been verified and stated under principle 5 on The report</p>

<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
<b>4.1</b>	<p><b>Formal Sign-off of Assessment Findings</b></p> <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>PT Satya Kisma Usaha Head of Sustainability</p>  <p><b>Ismu Zulfikar</b> Friday, 26 April 2019</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b>Sandra Purba</b> Friday, 26 April 2019</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1.	Environment Agency	District of Tebo	-	Interview	22 January 2019	√	-
2.	Plantation Agency	District of Tebo	-	Interview	22 January 2019	√	-
3.	Labour Agency	District of Tebo	-	Interview	22 January 2019	√	-
4.	Labour Union (Serikat Pekerja Seluruh Indonesia)	District of Tebo	-	Interview	23 January 2019	√	-
5.	Gender Committee	District of Tebo	-	Interview	23 January 2019	√	-
6.	Workers Cooperative	District of Tebo	-	Interview	23 January 2019	√	-
7.	Sungai Keruh Community leader	District of Tebo	-	Interview	24 January 2019	√	-
8.	Head of Betung Bedarah Barat village	District of Tebo	-	Interview	24 January 2019	√	-
9.	Head of Penapalan villages	District of Tebo	-	Interview	24 January 2019	√	-
11.	Local Contractor	District of Tebo	-	Interview	24 January 2019	√	-
12.	WWF	-	wwf-indonesia@wwf.or.id	Email	14 January 2019	-	√
13.	Setara	-	-	Email	14 January 2019	-	√
14.	Walhi	-	informasi@walhi.or.id	Email	14 January 2019	-	√
15.	Muara Kilis Estate • Interview with 1 store officer (div 1) • Interview daycare workers • Observation with 1 workshop workers • Interview with 1 store officer (central store) • Interview with 1 paramedic officer • Interview with 1 harvesting foreman and 2 harvesting worker. • Interview with 1 chemical spraying foreman and 5 chemical spraying workers - Interview with 1 plantation officer at owl nest.	District of Tebo	-	Interview	22 January 2019	√	-



16	<b>Sungai Bengkal Estate</b> <ul style="list-style-type: none"> <li>• Interview with 1 harvesting foreman and 6 harvesting worker.</li> <li>• Interview with 1 plantation officer at owl nest.</li> <li>• Interview with 1 chemical spraying foreman and 4 chemical spraying workers</li> <li>• Interview with 2 POME land application officer</li> <li>• Interview with 2 crèche officer</li> <li>• Interview with 3 store keeper</li> <li>• Interview with 2 of workshop personnel</li> <li>• Interview with 3 of fire-fighters member</li> <li>• Interview with 1 doctor and 2 paramedics</li> <li>-</li> </ul>	District of Tebo	-	Interview	23 January 2019	√	-
17	<b>Sungai Bengkal POM</b> <ul style="list-style-type: none"> <li>- 1 Warehouse officer</li> <li>- 1 Hazardous waste warehouse officer</li> <li>- 1 WTP operator</li> <li>- 3 WWTP operator</li> <li>- 3 housewife</li> <li>- 1 engine room operator</li> <li>- 4 grading operators</li> <li>- 2 boiler operators</li> <li>- 1 loading ramp operators.</li> <li>- 1 welder.</li> <li>- 1 mechanic.</li> </ul>	District of Tebo	-	Interview	24 January 2019	√	-

**Appendix 2. Assessment Program**

DATE	21 – 26 January 2019	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Mon, 21 January 2019</b>		
05.45 – 07.10	<b>Flight from Jakarta to Jambi</b>	<b>All Auditor</b>
08.00 – 12.00	<b>Traveling from Jambi to the site of PT. SKU</b>	<b>All Auditor</b>
14.00 – 15.00	<b>Opening Meeting</b>	<b>All Auditor</b>
15.00 – 15.30	<ul style="list-style-type: none"> <li>Verification of previous assessment (ASA-3 RSPO and S-2 ISPO) findings and field observation plan</li> <li>Verification of TBP and partial certification</li> <li>Verification of basic info</li> </ul>	<b>All Auditor</b>
<b>Tue, 22 January 2019</b>		
08.00 – 12.00	<b>Public Consultation to Government Agency (BPN, DHL, Disbun, Disnakertrans)</b>	<b>YYT</b>
08.00 – 12.00	<b>Field Observation to Muara Kilis</b>	
	<ul style="list-style-type: none"> <li>Legal boundary, HCV management area</li> <li>Manuring, Spraying, Harvesting, IPM, Workers safety</li> <li>Workers facilities (housing, worship, health care, school, union, etc.) and Waste management (landfill, sanitary), firefighting facilities</li> </ul>	<b>SDP</b>
		<b>ADR</b>
		<b>SMM</b>
<b>12.00 – 14.00</b>	<b>Break</b>	
14.00 - .....	Continuing field observation (if any)	<b>All Auditor</b>
14.00 – 16.30	Checklist completion	<b>All Auditor</b>
16.30 – 17.00	Verification of field visit and completing checklist	<b>All Auditor</b>
<b>Wed, 23 January 2019</b>		
08.00 – 12.00	<b>Field Observation to SBNE and SBNA</b>	
	<ul style="list-style-type: none"> <li>Legal boundary, HCV management area</li> <li>Manuring, Spraying, Harvesting, IPM, Workers safety</li> <li>Workers facilities (housing, worship, health care, school, union, etc.) and Waste management (landfill, sanitary), firefighting facilities</li> </ul>	<b>SDP</b>
		<b>ADR</b>
		<b>YYT</b>
08.00 – 12.00	<ul style="list-style-type: none"> <li>Public Consultation to Nearest Community and previous land owner (will be determined on site)</li> </ul>	<b>SMM</b>
<b>12.00 – 14.00</b>	<b>Break</b>	
14.00 – 15.00	Stakeholder consultation with labor union, gender committee and FFB supplier	<b>YYT</b>
14.00 – 16.30	Checklist completion	<b>All Auditor</b>
16.30 – 17.00	Verification of field visit and completing checklist	<b>All Auditor</b>
<b>Thu, 24<sup>th</sup> January 2019</b>		
08.00 – 12.00	<b>Field Observation to Sungai Bengal Mill</b>	<b>All Auditor</b>

	<ul style="list-style-type: none"> <li>• SCCS and FFB receiving, Mill Processing and OHS Implementation</li> <li>• POM waste management (hazardous, emission, pollution, POME application, etc.) and Water management</li> <li>• Stakeholder consultation to local contractor (Transporter FFB, CPO and PK)</li> </ul>	<b>SDP/YYT</b> <b>SMM</b> <b>ADR</b>
<b>12.00 – 14.00</b>	<b>Break</b>	
<b>14.00 – 17.00</b>	Additional field visit (if any), Verification of field visit and stakeholder consultation and completing checklist	<b>All Auditor</b>
<b>Fri, 25 January 2019</b>		
<b>08.00 – 12.00</b>	<b>Field Observation to Sungai Bengkal KKPA</b>	
	<ul style="list-style-type: none"> <li>• Legal boundary, HCV management area, Manuring, Spraying, Harvesting, IPM, Workers safety</li> </ul>	<b>YYT/SDP</b>
<b>12.00 – 14.00</b>	<ul style="list-style-type: none"> <li>• Workers facilities (housing, worship, health care, school, union, etc.) and Waste management (landfill, sanitary), firefighting facilities</li> </ul>	<b>ADR/SMM</b>
<b>14.00 – 17.00</b>	<b>Break</b> Additional field visit (if any), Verification of field visit and stakeholder consultation and completing checklist	<b>All Auditor</b>
<b>Sat, 26 Jan 2019</b>		
<b>07.30 -10.00</b>	<b>Closing Meeting</b>	<b>All Auditor</b>
<b>10.00 – 15.00</b>	<b>Traveling from Site – Jambi</b>	<b>All Auditor</b>
<b>17.40 – 19.00</b>	<b>Jambi – Jakarta</b>	<b>All Auditor</b>