

Roundtable on Sustainable Palm Oil Certification
R S P O

[✓] Initial Certification

Name of Management : Sungai Kupang Palm Oil Mill, PT Sinar Kencana Inti Perkasa subsidiary of
Organisation Golden Agri Resources, Ltd.

Plantation Name : PT Sinar Kencana Inti Perkasa: Sungai Kupang Estate

Location : Sungai Kupang Village, Kelumpang Hulu Sub-District, Kotabaru District,
Kalimantan Selatan Province, Indonesia

Certificate Code : **MUTU-RSPO/144**

Date of Certificate Issue : 06 March 2020 Date of License Issue : 06 March 2020

Date of Certificate Expiry : 05 March 2025 Date of License Expiry : 05 March 2021

Assessment	Assessment Date	PT Mutuagung Lestari Auditor	Reviewed by	Approved by
IC	23 to 27 September 2019	Andi Pratama Pasaribu (Lead Auditor), Mohamad Amarullah, Rindu Galih Rezza Rachmansyah, Steve Muallim	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
IC	06 March 2020

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Figure 1. Location Map of PT Sinar Kencana Inti Perkasa

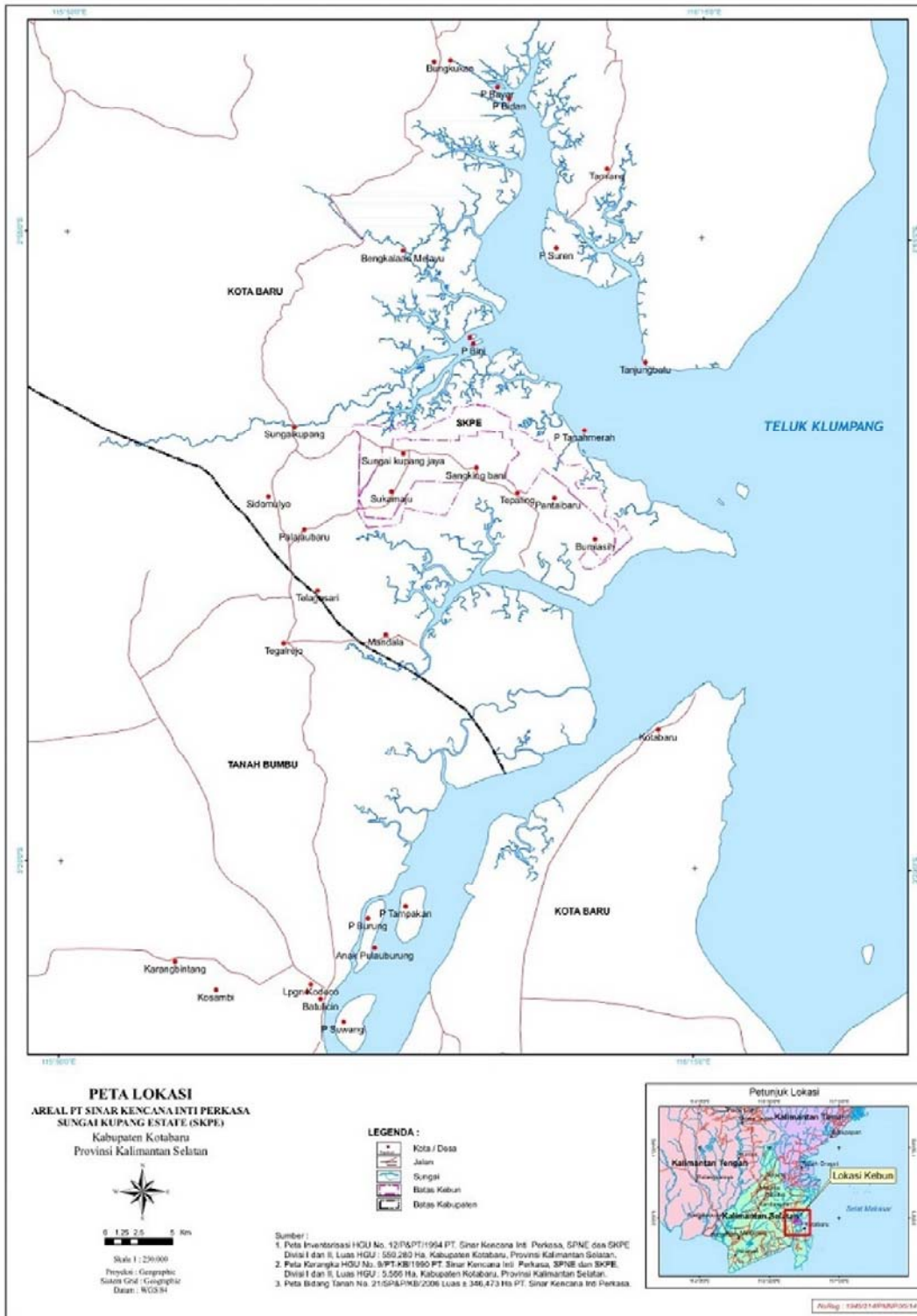
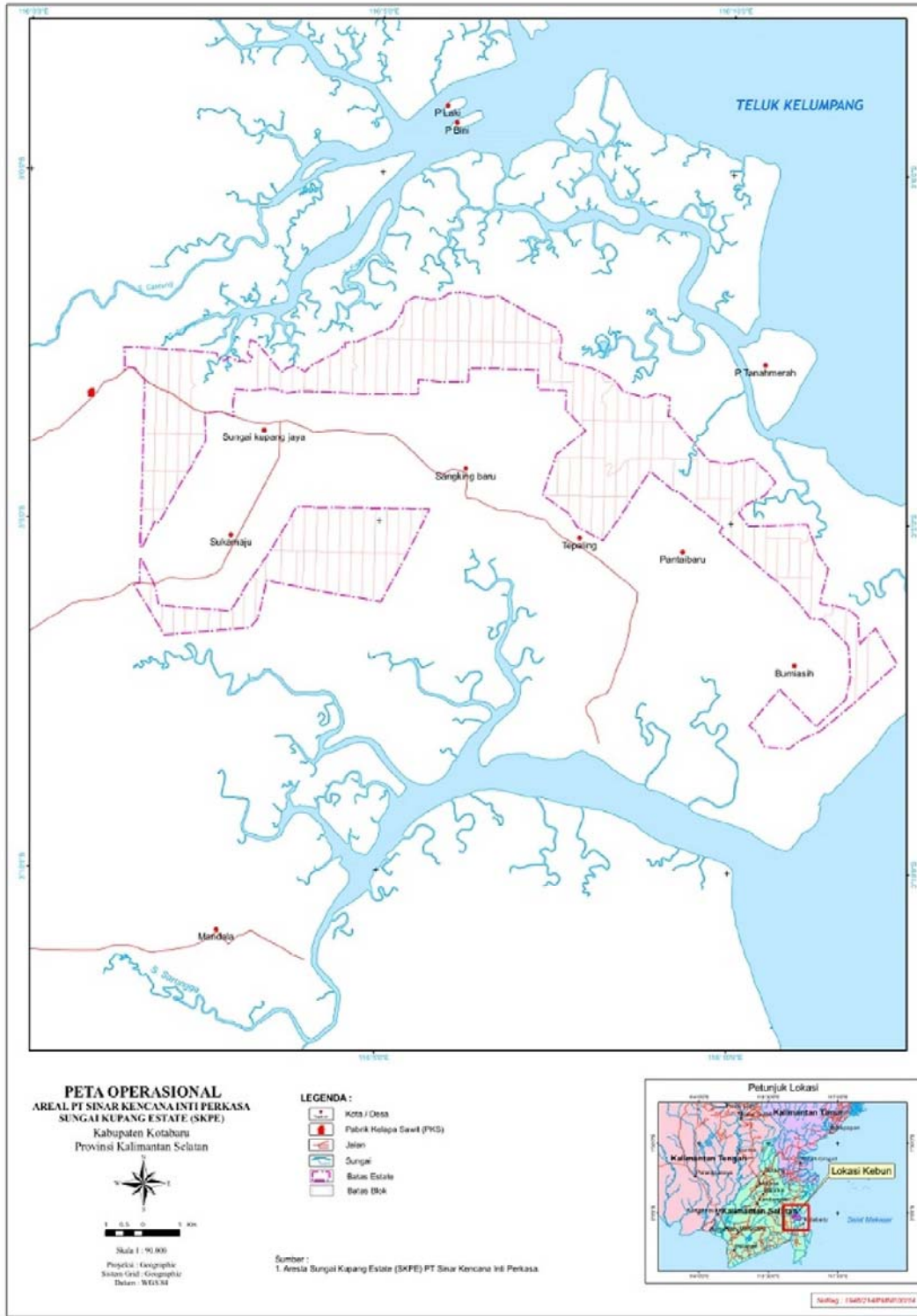


Figure 2. Operational Map of PT Sinar kencana Inti Perkasa



Abbreviations Used

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

SIA	:	Social Impact Assessment
SKPA	:	Sungai Kupang Plasma
SKPE	:	Sungai Kupang Estate
SMARTRI	:	Sinar Mas Agro Resources and Technology Research Institute
SMD	:	Senior Managing Director
SOP	:	Standard Operating Procedure
SPNA	:	Sungai Panci Plasma
SPNE	:	Sungai Panci Estate
SPO	:	Sustainable Palm Oil
SR	:	Severity Rate
SSU	:	Soil Sampling Unit
UKL-UPL	:	<i>Upaya Kelola Lingkungan – Upaya Pemantauan Lingkungan</i>
POME	:	Palm Oil Mill Effluent
VIHX	:	Victor Hutapea
WTP	:	Water treatment plant
WWTP	:	Waste Water treatment plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016). • RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill) • RSPO Certification System for Principles and Criteria, 14 June 2017 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Sungai Kupang POM – PT Sinar Kencana Inti Perkasa, subsidiary of <i>Golden Agri Resources, Ltd.</i>	
1.2.2	Contact person	Yahya Mustakim	
1.2.3	Organisation address and site address	RSPO registered company: 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 Liaison Office: Sinarmas Land Plaza, Tower II, 10 th Floor, Jl. MH. Thamrin No.51 Jakarta 10350 Indonesia.	
1.2.4	Telephone	(+62-21) 5033 8899	
1.2.5	Fax	(+62-21) 5038 9999	
1.2.6	E-mail	yahya.mustakim@sinarmas-agri.com	
1.2.7	Web page address	www.goldenagri.com.sg	
1.2.8	Management Representative who completed the application for certification	Yahya Mustakim (Head of Sustainability Department)	
1.2.9	Registered as RSPO member	1- 0096 – 11 – 000 – 00; 30 January 2005	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Sungai Kupang POM and its supply base, i.e. Sungai Kupang Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Sungai Kupang (SKPM)	Sungai Kupang Village, Kelumpang Hulu Sub-District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 03° 03' 11" E 116° 00' 51"
1.4.2	Location of Certification Scope of Supply Base		

	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Sungai Kupang Estate (SKPE)	Sangking Baru Village, Kelumpang Selatan Sub-District, Kotabaru District, Kalimantan Selatan Province, Indonesia.	S 03° 02' 40"	E 116° 07' 05"
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State		5,196.17 Ha	
	• Community		- Ha	
1.5.2	Area Statement			
	• Total area		5,196.11	Ha
	• Mature area		1,960.71	Ha
	• Immature area		1,849.45	Ha
	• Mill		29.30	Ha
	• Road and drainage system		620.02	Ha
	• Buildings		20.96	Ha
	• Nursery		47.60	Ha
	• Occupation		321.38	Ha
	• Conservation areas		33.45	Ha
	• Stony areas		12.93	Ha
	• Bushes areas		115.90	Ha
	• Housing		178.55	Ha
	• Airstrip		5.86	Ha
	<i>Note: total of legal area (land title/land building) is 5,196.17 Ha. There is discrepancy 0,06 Ha (less than) hectare statement 5,196.11 Ha due to measurement approach.</i>			
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Sungai Kupang Estate	Total	
	1993	1,230.77	1,230.77	
	1994	349.59	349.59	
	1995	249.17	249.17	
	2013	131.18	131.18	
	Mature Area	1,960.71	1,960.71	
	2017	636.88	636.88	
	2018	1,212.57	1,212.57	
	Immature Area	1,849.45	1,849.45	
	TOTAL	3,810.16	3,810.16	

1.6.2	New Planting area after January 2010	-	Ha
1.6.3	Planting Cycle	2 nd Cycle	
1.7	Description of Mill and Supply Base		
1.7.1	Description of Mill		
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)
			CPO
			Out put (tonnes)
			Extraction (%)
			Palm Kernel
			Out put (tonnes)
			Extraction (%)
	Sungai Kupang	60	177,644.71
			36,654.19
			20.63
			9,781.23
			5.51
	<i>*Production data source from September 2018 to August 2019</i>		
1.7.2	Description of Certification Scope of Supply Base		
	Name of Estate	Total Area (Ha)	Planted Area (Ha)
			FFB (tonnes/year)
			Yield (tonnes/ ha/year)
			Supplied to Mill
			FFB (tonnes/year)
			%
	Sungai Kupang Estate	5,196.11	3,810.16
			37,083.16
			18.91
			37,083.16
			100
	TOTAL	5,196.11	3,810.16
			37,083.16
			18.91
			37,083.16
			100
	<i>*Production data source from September 2018 to August 2019</i>		
1.7.3	FFB description from other source		
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	Number of smallholders
			Production Area (Ha)
			Supplied to Mill
			FFB (tonnes/year)
	Sungai Kupang Plasma (RSPO non-certified)	Scheme smallholder under Golden Agri Resources	2,908
			3,858.70
			86,904.32
	Sungai Panci Estate (RSPO certified)	PT Sinar Kencana Inti Perkasa under Golden Agri Resources	-
			3,656.93
			23,433.59
	Sungai Plasma Estate (RSPO certified)	Scheme smallholder under Golden Agri Resources	2,301
			3,259.29
			24,292.89
	PT Mitra Nusa Permata (RSPO non-certified)	Independent supplier	-
			-
			704.22
	Estika Mulyati Marpaung (RSPO non-certified)	Independent supplier	-
			-
			163.21
	Gapoktan Karya Tani (RSPO non-certified)	Independent supplier	-
			-
			37.07
	Gapoktan Sungai Kupang Jaya (RSPO non-certified)	Independent supplier	-
			-
			2,807.81
	KUD Giat (RSPO non-certified)	Independent supplier	-
			-
			30.40
	Victor Hutapea (RSPO non-certified)	Independent supplier	-
			-
			2,188.04
	TOTAL		
			140,561.55
	<i>* Production data source from September 2018 to August 2019</i>		
1.7.4	Product categories	FFB, CPO, PK	
1.8	Tonnage of Product		

1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim to (tonnes/year)		Actual certified product to (tonnes/year)			
	• FFB Production							
	• CPO Production							
	• Palm Kernel (PK) Production							
<i>Will be verified on ASA-1</i>								
1.8.2	Product selling							
	Tonnage of selling product			Period of actual selling product (..... to)				
	• CSPO sold as RSPO certified product							
	• CSPK sold as RSPO certified product							
	• CSPO sold under other scheme							
	• CSPK sold under other scheme							
	• CSPO sold as conventional							
	• CSPK sold as conventional							
<i>Will be verified on ASA-1</i>								
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Sungai Kupang Estate	5,196.11	3,810.16	39,200	20.00			
	TOTAL	5,196.11	3,810.16	39,200	20.00			
<i>*Projected FFB production for 06 March 2020 to 05 March 2021</i>								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Sungai Kupang	60	39,200	8,600	22	1,960	5	Mass Balance
<i>*Projected CSPO and CSPK production for 06 March 2020 to 05 March 2021</i>								
1.9	Other Certifications							
	Indonesian Sustainable Palm Oil (ISPO)			Indonesian Sustainable Palm Oil (ISPO) certificate from ISPO Commission (certificate number BSI-ISPO 622106) since 6 December 2016.				
	International Sustainability and Carbon Certification (ISCC)			Certificate Number EU-ISCC-Cert-ID215-2319084 From PT. Mutuagung Lestari. Valid from 25 August 2019 until 24 August 2020.				
	PROPER			Environmental certificate (PROPER BIRU) period 2017 – 2018) from Environmental and Forestry Ministry Republic of Indonesia for Sungai Kupang Palm Oil Mill.				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time bound						
	Pangkalan Panji (PT Sawit Mas)	2013	Sawit Mas Estate	2013	South Sumatera	Certified		

Sejahtera)						
Bumi Sawit Mill (PT Bumi Sawit Permai)	2013	Bumi Sawit Estate	2013	South Sumatera	Certified	
Muara Kandis Mill (PT Djuanda Sawit Lestari)	2013	Muara Tawas Estate	2013	South Sumatera	Certified	
		Muara Kandis Estate	2013	South Sumatera	Certified	
		Muara Kandis Estate (HGU on progress – 402.41 Ha)	2020	South Sumatera	-	
		Muara Tawas Estate (HGU on progress – 73.78 Ha)	2020	South Sumatera	-	
		Smallholder (KKPA Pandawa)	2020	South Sumatera	-	
Sungai Rungau Mill (PT Sumber Indah Perkasa)	2013	Sungai Rungau Estate	2013	Central Kalimantan	Certified	
		Sungai Seruyan Estate	2013	Central Kalimantan	Certified	
		Terawan Estate	2013	Central Kalimantan	Certified	
		Tangar Estate	2013	Central Kalimantan	Certified	
		Bukit Tiga Estate	2013	Central Kalimantan	Certified	
Bukit Perak 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 Estate (HGU on process 48.81 Ha)	2020			
		Tanjung Rusa KKPA	2020	Belitung	-	
Sungai Buaya Mill (PT Sumber Indah Perkasa)	2014	Sungai Buaya Estate	2014	Lampung	Certified	
		Smallholder (KKPA Gedung Aji Lama)	2014	Lampung	Certified	
		Smallholder (KKPA Mesuji)	2014	Lampung	Certified	
Sungai Merah Mill (PT Sumber Indah Perkasa)	2014	Sungai Merah Estate	2014	Lampung	Certified	
		Smallholder (KKPA Gedung Aji Baru)	2014	Lampung	Certified	
Kasuari Mill (PT Sinar Kencana Inti Perkasa)	2020	Cendrawasih Estate	2020	Papua	ST-1	
		Nuri Estate	2020	Papua	ST-1	
		Rajawali Estate	2020	Papua	ST-1	
		Mambruk Estate (PT Sumber Indah Perkasa)	2020	Papua	ST-1	
Pekawai Mill (PT Agrolestari Mandiri)	2020	Kayung Estate	2020	West Kalimantan	ST-1	
		Pekawai Estate	2020	West Kalimantan	ST-1	

		Sungai Kelik Estate	2020	West Kalimantan	ST-1
		Nanga Tayap Estate	2020	West Kalimantan	ST-1
		Smallholder (Kayung Plasma)	2020	West Kalimantan	ST-1
Kenanga Mill (PT Kencana Graha Permai)	2014	Kencana Estate	2015	West Kalimantan	Certified
		Cendana Estate	2015	West Kalimantan	Certified
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2018	West Kalimantan	Certified
		Delima Estate (PT Kencana Graha Permai)	2020	West Kalimantan	-
		Gaharu Estate (PT Bangun Nusa Mandiri)	2020	West Kalimantan	-
		Smallholder (Gaharu Plasma)	2020	West Kalimantan	-
		Smallholder (Kencana Plasma)	2020	West Kalimantan	-
		Smallholder (Kenanga Plasma)	2020	West Kalimantan	-
		Perdana Mill (PT Binasawit Abadi Pratama)	2020	Perdana Estate	2020
Lenggana Estate	2020			Central Kalimantan	ST-1
Semandau Estate	2020			Central Kalimantan	ST-1
Muara Dua Estate	2020			Central Kalimantan	ST-1
Kuayan Mill (PT Agrokarya Prima Lestari)	2020	Mentaya Estate	2020	Central Kalimantan	ST-1
		Kuayan Estate	2020	Central Kalimantan	ST-1
		Bukit Santuhai Estate	2020	Central Kalimantan	ST-1
		Tajur Beras Estate	2020	Central Kalimantan	ST-1
		Seranau Estate	2020	Central Kalimantan	ST-1
		Sungai Sambon Estate	2020	Central Kalimantan	ST-1
		Smallholder (Sungai Sambon Plasma)	2020	Central Kalimantan	-
		Sapiri Estate (PT Buana Adhitama)	2020	Central Kalimantan	ST-1
		Bukit Dua Estate (PT Buana Adhitama)	2020	Central Kalimantan	-
		Bukit Tunggal Estate (PT Buana)	2020	Central Kalimantan	-

		Adhitama)			
Belian Mill (PT Paramitra Internusa Pratama)	2020	Belian Estate	2020	West Kalimantan	ST-1
		Tengkawang Estate	2020	West Kalimantan	ST-1
		Kenari Estate (PT Bangun Nusa Mandiri)	2020	West Kalimantan	ST-1
		KerANJI Estate (PT Bangun Nusa Mandiri)	2020	West Kalimantan	ST-1
		Muara Tawang Estate (PT Kartika Prima Cipta)	2020	West Kalimantan	ST-1
		Kapuas Hulu Estate (PT Persada Graha Mandiri)	2020	West Kalimantan	ST-1
		Sungai Beran Estate (PT Persada Graha Mandiri)	2020	West Kalimantan	ST-1
		Smallholder (Belian KKPA)	2020	West Kalimantan	-
		Smallholder (Kenari Plasma)	2020	West Kalimantan	-
		Smallholders (Kapuas Hulu KKPA)	2020	West Kalimantan	-
		Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa)	2020	Sungai Kupang Estate	2020
Sungai Kupang KKPA	2020			South Kalimantan	-
Senakin Estate	2020			South Kalimantan	-
Sungai Kikim Mill (PT Sawit Mas Sejahtera)	2020	Sungai Kikim Estate	2020	South Sumatera	-
		Sungai Pangi Estate	2020	South Sumatera	-
		Sungai Musi Estate	2020	South Sumatera	-
		Sungai Saling Estate	2020	South Sumatera	-
		Sungai Enim Estate (PT Bumi Sawit 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)	2020	Sungai Magalau Estate	2020	South Kalimantan	-
Jalemo Mill* PT Agro Lestari Sentosa	2020	Balasang Estate	2020	Central Kalimantan	-
		Jalemo Estate	2020	Central Kalimantan	-
Sako Mill* (PT Adi Tungal 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)	2020	Central Kalimantan	-
Semilar (PT Tapian Nadenggan)	2013	Semilar	2013	Central Kalimantan	Certified
		Sei Rindu	2013	Central Kalimantan	Certified
		Mandang	2013	Central	Certified

				Kalimantan	
		Puri	2013	Central Kalimantan	Certified
Jak Luay Mill	2015	Pantun Mas Estate	2015	East Kalimantan	Certified
		Jak Luay Estate	2015	East Kalimantan	Certified
		Jak Luay KKPA	2020	East Kalimantan	-
		Long Buluh Estate	2015	East Kalimantan	Certified
		Bukit Subur Estate	2015	East Kalimantan	Certified
		Bukit Subur KKPA	2020	East Kalimantan	-
Leidong West Mill (PT MP Leidong West Indonesia)	2014	Leidong West Utara Estate	2014	Bangka Belitung	Certified
		Leidong West Selatan Estate	2014	Bangka Belitung	Certified
Muara Wahau Mill (PT Kresna Duta Agroindo)	2014	Muara Wahau Estate	2014	East Kalimantan	Certified
		Gunung Kombeng	2014	East Kalimantan	Certified
Gunung Kombeng Mill (PT Kresna Duta Agroindo)	2020	Gunung Kombeng KKPA	2020	East Kalimantan	-
Rantau Panjang (PT Kresna Duta Agroindo)	2020	Rantau Panjang Estate	2020	East Kalimantan	-
		Rantau Panjang KKPA	2020	East Kalimantan	-
Jelatang Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
		Tiga Serumpun KKPA	2020	Jambi	-
Pelakar Mill (PT Kresna Duta Agroindo)	2020	Pelakar Estate	2020	Jambi	Certified
		Tiga Serumpun KKPA	2020	Jambi	-
		Batang Merangin Estate	2020	Jambi	Certified
Langling Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
		Bangko Plasma	2019	Jambi	-
		Batang Gading Estate	2020	Jambi	-
		Batang Gading KKPA (PT Satya Kisma Usaha)	2020	Jambi	-
Sungai Bengkal Mill (PT Satya Kisma Usaha)	2015	Sungai Bengkal Estate	2015	Jambi	Certified
		Sungai Bengkal KKPA	2015	Jambi	Certified
		Muara Kilis Estate	2015	Jambi	Certified
		Muara Kilis KKPA	2020	Jambi	-
Bukit Kapur Mill (PT SMART Tbk)	2020	Bukit Kapur Estate	2020	South Kalimantan	ST-1
		Sungai Cantung Estate	2020	South Kalimantan	ST-1

Samsam Mill (PT Ivomas Tunggal)	2009	Samsam Estate	2009	Siak-Riau	Certified
		Samsam Estate (HGU on progress – 29.09 Ha)	2020	Siak-Riau	-
		Kandista Estate	2009	Siak-Riau	Certified
		Kandista Estate (HGU on progress – 158.46 Ha)	2020	Siak-Riau	-
		Palapa Estate	2009	Siak-Riau	Certified
Libo Mill (PT Ivomas Tunggal)	2009	Libo Estate	2009	Siak-Riau	Certified
		Nenggala Estate	2009	Siak-Riau	Certified
		Nenggala Estate (HGU on progress 419.9 Ha)	2020	Siak-Riau	-
		Sei Rokan Estate	2009	Siak-Riau	Certified
		Sei Rokan Estate (HGU on progress – 102.7 Ha)	2020	Siak-Riau	-
Ujung Tanjung (PT Ivomas Tunggal)	2009	Ujung Tanjung Estate	2009	Siak-Riau	Certified
		Ujung Tanjung Estate (HGU on progress – 557.3 Ha)	2020	Siak-Riau	-
Naga Sakti Mill (PT Buana Wiralestari Mas)	2010	Naga Mas Estate	2010	Kampar-Riau	Certified
		Naga Mas Estate (HGU on process – 253.39 Ha)	2020	Kampar-Riau	-
		Naga Sakti Estate	2010	Kampar-Riau	Certified
		Naga Sakti Estate (HGU on process – 59.79 Ha)	2020	Kampar-Riau	-
		Rama Bakti Estate	2010	Kampar-Riau	Certified
Kijang Mill (PT Buana Wiralestari Mas)	2010	Kijang Mas Estate	2010	Kampar-Riau	Certified
		Kijang Mas Estate (HGU on process – 56.07 Ha)	2020	Kampar-Riau	-
		Kijang Kencana Plasma	2010	Kampar-Riau	Certified
Ramarama Mill (PT Ramajaya Pramukti)	2010	Ramarama Estate	2010	Kampar-Riau	Certified
		Ramarama Estate (HGU on process – 318.76 Ha)	2020	Kampar-Riau	-
		Amartajaya Plasma	2010	Kampar-Riau	Certified
Indra Sakti Mill (PT Meganusa Inti Sawit)	2011	Indra Lestari Estate	2011	Indragiri-Riau	Certified
		Indra Sakti Estate	2011	Indragiri-Riau	Certified
		Indragiri Plasma	2011	Indragiri-Riau	Certified
		Indrasakti Plasma	2011	Indragiri-Riau	Certified
Bumipalma Mill	2012	Bumi Lestari Estate	2012	Indragiri-Riau	Certified

(PT Bumipalma Lestari Persada)		Bumi Palma Estate	2012	Indragiri-Riau	Certified
		Bumi Sentosa Estate	2012	Indragiri-Riau	Certified
		Bumi Palma Estate (HGU on process – 39.21 Ha)	2020	Indragiri-Riau	-
Sawita Mill (PT Sawitakarya Manunggal)	2020	Sawita Estate	2020	South Kalimantan	ST-1
		Pamakan Estate	2020	South Kalimantan	ST-1
		Sawita KKPA	2020	South Kalimantan	ST-1
<p>There is revision of time bound plan, the justification from top management is:</p> <ol style="list-style-type: none"> 1. Land use titles for Rantau Panjang Mill and its supply base are 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. Sawita mill and sawita estate are still in process of HCV RaCP related to land clearing after November 2005 without preceeded HCV identifications. 5. Rantau Panjang Mill and Estate Unit (Rantau Panjang Estate & Rantau Panjang KKPA) are still in the process of HCV Remediation and Compensation Plan (RaCP) related to land clearing above November 2005 without HCV Identifications. In accordance to RSPO requirements, if RaCP proposal not yet approved by RSPO Secretariat. Thus, certification target will be postponed by year of 2020. 6. Killis KKPA as FFB Supplier to Sungai Bengkal Mill are still in the process of HCV Remediation and Compensation Plan (RaCP) related to land clearing above November 2005 without HCV Identifications. In accordance to RSPO requirements, if RaCP proposal not yet approved by RSPO Secretariat. Thus, certification target will be postponed by year of 2019 7. When the stage -1 conducted on May 2015, there are boundary stones issues in PT Sinar Kencana Inti Perkasa (South Kalimantan). Reconstruction of boundary stones will be finished end of this year; the certification target postpones to 2019. <p>Time bound plan revision</p> <p>There is revision of time bound plan on 19 July 2019 made by head of sustainability department for HGU on process in PT Ivomas Tunggal (Samsam Estate 29.09 Ha, Kandista Estate 158.46 Ha, Nengala Estate 419.9 Ha, Sei Rokan Estate 102.7 Ha, Ujung Tanjung Estate 557.3 Ha); PT Rama Jaya Pramukti (Ramarama Estate: 318.76 Ha); PT Buana Wira Lestari (Naga Sakti Estate 59.79 Ha; Naga Mas Estate 253.39 ha and Kijang Estate 56.07 ha); PT. Forestalestari Dwikarya (Tanjung Rusa Estate 48.81 Ha); PT. Djuanda Sawit Lestari (Muara Kandis Estate 402.41 Ha & Muara Tawas Estate (73.78 Ha). For this area is planned for audit on 2020 because waiting for HGU.</p> <p>Revision on March 22, 2019 regarding HGU on process on PT Sumber Indah Perkasa, Sungai Buaya Mill & Sungai Merah Mill, Lampung province. Covered an areas for Sungai Merah Estate (241.54 ha) and Sungai Buaya estate (73.71 ha & 26.18 ha). GAR has planned this HGU on process area to be certified on 2020</p>					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	Based on the report of partial audit that conducted by unit management on 9 September 2019 informed that Sungai Kupang Plasma (SKPA) still not submitted their RaCP disclosure until the initial audit conducted by CB's.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
IC	<p>1. Andi Pratama Pasaribu (Lead Auditor). Indonesian citizen. Bachelor degree in social economy. Has work experiences (more than 5 years) as the operational staff since 2008 and has follows training of Lead Auditor ISPO that held by ISPO Commission in 2013, RSPO that held by Proforest and Daemeter in 2016, HCV, ISO 9001:2008, ISO 14001:2005, OHSAS, and RSPO Supply Chain that by BMTRADA. Has experiences for Sustainability Palm Oil scheme audit in Indonesian and Malaysia. During this audit, has verify land permit and legality, social, as well as supply chain aspect.</p> <p>2. Mohamad Amarullah (Auditor). Indonesian Citizen. Master of Wood Science and Technology and Bachelor of Forestry with major in Forest Product Technology. Has experiences as Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has attended several trainings such as Lead Auditor of ISPO, RSPO, RSPO Supply Chain, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, HCV, etc. very good in conducting RSPO, MSPO and ISPO audit scheme since 2014 on any aspect. Fluent in Malay and English. During this assesment has verified information tranparency, long term management plan, BMP and Safety aspect.</p> <p>3. Steve Mualim (Auditor). Indonesia citizen. Master of Environmental and Natural Resources Management. Has experience as an environmental management consultant in 2012 and sustainable palm oil assurance auditor since 2013. Has attended several trainings i.e.: supply chain, palm oil GHG emission, HCV management, ISPO lead auditor, RSPO lead auditor, labor and human rights issues, ISO 19011, ISO 9001:2008, etc. Has conducting several audit for RSPO, ISPO and MSPO scheme with expertise on best management practices, conservation and environmental management. Fluent in Bahasa and Chinese Mandarin. In this audit has conducting assessment on environment, conservation and GHG aspect.'</p> <p>4. Rindu Galih Rezza Rachmansyah (Trainee Auditor). Indonesian citizen, Bachelor of Agriculture with major in Plant Pest and Disease. Has 1 year experience as Field Expert in Pesticide Company and 3 years experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on Indonesia Stated Owned Company as Assistant. Training which had attended including Lead Auditor ISO 9001, ISO 14001, SA 8000, ISO 17021, ISO 19011, ISPO, RSPO, RaCP and NPP Awareness and OHSAS 18001:2007. Has involved in several audit activities related to sustainable palm oil since 2017. During assessment, he assigned to support verification towards safety, worker welfare and social aspect.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
IC	<p>Number of auditors: 4 Auditor Number of days for IC at site: 4 days Number of working days for IC at site: 16 Working days</p>
2.2.2	Assessment Process
IC	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Sinar Kencana Inti Perkasa to the requirements of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 Revised June 2017 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <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. Some opportunities for improvement of the results IC delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1).</p> <p>Improvement of findings from Initial Certification findings were observed by auditors at this IC assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of IC.</p> <p>The audit process are inline with the audit plan, there is no extension or reduction from the certification scope. During</p>

	<p>the closing meeting, certification unit agreed with the auditor conclusion. There was no objection at that time.</p> <p>The assessment program please find Appendix 2</p>
<p>2.2.3</p>	<p>Locations of Assessment</p>
<p>IC</p>	<p>Sungai Kupang Estate (SKPE) – 25 September 2019</p> <ul style="list-style-type: none"> • Division 4 Block P15. Observation to Harvesting activities and interview with 4 Harvesters and 4 Loosefruit Pickers, on their understanding towards technical, premium calculation, daily work base, OSH, manpower, environment, conservation, as well as facilities provided by the company. It was informed that every Harvester is assisted by 1 loosefruit picker, which mostly female with permanent status. • Division 3 Block 09. Observation to land clearing on replanting area 2019; Pheromone Trap; and Barn Owl Box installation. Estate management informed that each pheromone trap is expected to control <i>Oryctes rhinoceros</i> population in radius 2.50-3.00 ha, while barn owl box is expected to control rats population in radius 15.00-30.00 ha. • Division 3 Block G16. Observation to replanting area in 2018; Pheromone Trap; Barn Owl Box; Land Cover Crop; terraces planting pattern on hilly to steep slope areas. • Division 3 Block G13. Observation to replanting area in 2018 and Fire Monitoring Tower. • Division 3 Block G10. Observation to Glyphosate Application, as well as interview with Foreman and 9 pesticide applicators (all female), on their understanding towards technical, OSH, manpower, environment, conservation, as well as facilities provided by the company. • Division 1 Block B13 (Nursery). Observation to Hazardous Material and Polybag Store, as well as interview with Foreman and 6 workers (all female), on their understanding towards technical, OSH, manpower, environment, conservation, as well as facilities provided by the company. • Boundary Lines. Point No. 1 in Division 1 Block P15 (3° 1' 44" S and 116° 6' 24" E) → in adjacent with oil palm plantation of Sangking Baru Village; Point No. 2 in Division 1 Block P15 (3° 1' 44.5" S and 116° 6' 26" E) → in adjacent with Occupation area; Point No. 3 in Division 3 Block G16 (3° 2' 24" S and 116° 4' 52" E) → in adjacent with oil palm plantation of Sungai Kupang Jaya Village; Point No. 4 in Division 3 Block G14 (3° 2' 33" S and 116° 4' 26" E) → in adjacent with mangrove areas; and Point No. 5 in Division 3 (3° 2' 59" S and 116° 3' 33" E) → in adjacent with secondary forest and BPN Pole of PT SKIP without number identity.. • Boundary poles BPN SKIP 72 in block F35 Division 5. Observation of demarcation area. • Boundary poles BPN SKIP 71 in block F36 Division 5. Observation of demarcation area. • Boundary poles BPN SKIP 74 in block N23 Division 5. Observation of demarcation area. • Boundary poles BPN SKIP 76 in block O21 Division 5. Observation of demarcation area. • Boundary poles BPN SKIP 83 in block P13 Division 4. Observation of demarcation area. • Boundary poles BPN SKIP 86 in block P10 Division 3. Observation of demarcation area. • Boundary poles BPN SKIP 87 in block P09 Division 3. Observation of demarcation area. • Boundary poles BPN SKIP 88 in block P08 Division 3. Observation of demarcation area. • Boundary poles BPN SKIP 81 in block P28 Division 4. Observation of demarcation area. • Landfill div 5 block N24. Observation for domestic waste management and OHS. • HCV (Mangrove area) div 6 block E41. Observation for HCV management. • Diesel fuel tank. Observation for OHS and material handling. • Landfire facilities store. Observation for landfire facilities. • Firedrill simulation. Observation for emergency response team. • Mixing area. Observation for OHS and material handling. • Chemist team PPE store. Observation for OHS and worker facilities. • Bathroom for chemist team. Observation for OHS and worker facilities. • Fertilizer sack washing area. Observation for OHS and material handling. • Workshop. Observation for OHS, waste management and worker welfare. • Chemical store. Observation for OHS and material handling. • Fertilizer store. Observation for OHS and material handling. • Powerhouse. Observation for OHS and waste management.

- **Daycare pondok 2.** Observation for workers facilities and OHS.
- **Workers housing pondok 2 (div 3,4,5).** Observation for OHS, waste management, and workers welfare.

Sungai Kupang Mill (SKPM) – 25 September 2019

- **Engine Room Station.** Observation and interview with 1 Operator, on his understanding towards technical, Generator Capacity (2 x 300 kVA and 200 kVA), License for Electrical Expert, OSH, manpower, environment, as well as facilities provided by the company.
- **Boiler Station.** Observation and interview with 1 Operator, on his understanding towards technical, Boiler Capacity (60 ton/hour), License, OSH, manpower, environment, as well as facilities provided by the company.
- **Sortation & Loading Ramp Station.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Sterilizer Station.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Thresher Station.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Press Station.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Nutt & Kernel Station.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Clarification Station.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Hydrant Simulation.** Observation on readiness of emergency team and devices condition.
- **Laboratory.** Observation on hazardous and hazardous wastes management and OSH facilities provided by the company.
- **Security Gate.** Observation and interview with security officer regarding of receive and dispatch procedure.
- **Weighbridge.** Observation and interview with weighbridge operator regarding of receive and dispatch procedure, recapitulation, labour issue etc.
- **Water treatment plant.** Observation for OHS and water usage monitoring.
- **Central store.** Observation for OHS and material handling.
- **Chemical store.** Observation for OHS and material handling.
- **Fiber storage area.** Observation for OHS and waste management.
- **Boiler ash storage area.** Observation for OHS and waste management.
- **Hazardous waste store.** Observation for OHS and hazardous waste management.
- **Water intake.** Observation for mill water sources inlet.
- **Effluent pond.** Observation for POME management.

Public Consultation

- Manpower Agency of Kotabaru Regency
- Plantation Agency of Kotabaru Regency
- Environment Agency of Kotabaru Regency
- National Land Agency of Kotabaru Regency
- Village of Sungai Kupang and Sangking Baru
- Gender Committee of PT Sinar Kencana Inti Perkasa
- Labor Union of Sinar Kencana Inti Perkasa
- Local Contractors (PT Satrindo Jaya Agropalma & CV Surya Duta Pratama)
- Employee Cooperative Sinar Menuju Sejahtera

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
IC	Summary of stakeholder consultation process

	<p>Consultation of stakeholders for PT Sinar Kencana Inti Perkasa was held by:</p> <ul style="list-style-type: none"> • Conduct a public announcement in RSPO website (https://rspo.org/certification/public-announcement?keywords=sungai+kupang&country=Indonesia&assessment_type=1) and in CB's website (www.mutucertification.com) on 23 August 2019. • Conducting visits/direct and phone interviews with stakeholders (Manpower Agency; Plantation Agency; Environment Agency and National land Agency of Kotabaru Regency, Province of Kalimantan Selatan) on 24 & 26 September 2019. • Conduct consultations via email questionnaire to NGOs (World Wide Fund for Nature, Wahana Lingkungan Hidup Indonesia, Sawit Watch and Aliansi Masyarakat Adat Nasional) on 17 September 2019. • Conducting visits and direct interviews with Local Communities (Sungai Kupang & Sangking Baru Village) on 24 September 2019. • Conducting Interviews with the local contractor, Gender Committee, Labor Union and Employee Cooperative on 24 September 2019.
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (<i>ASA-1</i>) will be conducted eight (8) until twelve (12) months after date of certificate issued

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Sungai Kupang POM – PT Sinar Kencana Inti Perkasa operation consisting of one (1) mill and one (1) oil palm estate.

During the assessment, there were two (2) Nonconformities were assigned against Major Compliance Indicators; one (1) nonconformity was assigned against Minor Compliance Indicator; and three (3) 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 evidences e.g. *(document record/photographic/etc...)*. Those corrective actions taken that consist of two (2) Nonconformities had been closed out shall be verified during next assessment.

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

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **issued**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1 and 1.1.2	<p>PT Sinar Kencana Inti Perkasa (PT SKIP) has list of stakeholders, as well as its address and contact number(s), which updated annually by SPO Officer for Region Kalimantan Selatan 1 and approved by Regional Controller. List of stakeholders is presented as follows:</p> <ul style="list-style-type: none"> • Sungai Kupang Mill (SKPM): As per update on 09 September 2019, list of stakeholders in SKPM are consist of 8 Government Institutions representatives from Regency and Sub-Regency; 1 Customary Elder from Sungai Kupang Village; 3 representatives from internal organizations of SKPM (Labour Union, Cooperative and Gender Committee); 4 transporters; and 4 Contractors. • Sungai Kupang Estate (SKPE): As per update on 16 April 2019, list of stakeholders for SKPE are 14 Government Institutions representatives from Regency and Sub-Regency; 3 Customary Elders from Sangking Baru and Pembelacanan Village; 3 representatives from internal organizations of SKPE (Labor Union and Gender Committee); and 4 Contractors. <p>Furthermore, list of informations that could be accessed by internal and external stakeholders is presented in document No. F/SMART/UMUM/SADV/004/003 (Rev. 00), which consist of number of employees dan list of basic salary; company tax number (NPWP); tax or retribution payment; environment documents; Company Acta and its revision; hectare statement and operational activities (ex. Manuring record); legal documents towards land ownership (HGU); HCV report; SIA report; social related report included CSR; OSH Committee (P2K3) report; and sustainable improvement report. Request of information which not listed above shall be after permitted by top management. All report related to government</p>	

institutions has also could be accessed by public. However, according to procedure No. SOP/SMART/UMUM/SADV/II/001 dated 01 July 2014 about document control, it was known that information documents are kept for 10 (ten) years.

Procedure of information request, communication and consultation for external and internal stakeholders' mechanism is presented in document No. SOP/SMART/UMUM/SADV/II/004 (Rev 00) dated 01 July 2014. For internal stakeholders information request is starts by filling information Form and should be approved by SPO Officer. Meanwhile for external stakeholders, information could be through directly filling the Form of Communication, email and letter. Information which has no listed on public document, is approved when permitted by top management. SPO Officer was person in charge (PIC) to deliver information request to the respective Department, for approval from the respective PIC. Time of information response shall be less than 1 week and plan for response arrangement should be less than 3 weeks. Receipt of information delivery is made as evidence of response. Socialization of procedure had been conducted to the related stakeholders. For example, socialization to Plasma Cooperative has conducted on 25 April 2018.

Person in charge (PIC) for information request and social matters is conducted by the respective Manager as appointed through Top Management (Production Controller or Regional Controller) Decree No. 005/SK-PC KALSEL I/VIII/2017 dated 01 August 2017 and No. 002/SK-RC KALSEL-1/2019 dated 24 January 2019 for SKPM and SKPE, respectively. Information request and response is recorded on logbook Form No. F/SMART/UMUM/SADV/004/002 which informed date of Letter In (information request letter) and date Letter Out (company response letter). According to logbook review, it was known that there is no information request in 2018 and 2019 for SKPM, there is one information request to SKPE regarding *Bipartit*, *P2K3* and *BPJS* report on 11 April 2019. These documents have delivered to the Manpower Agency of Kotabaru Regency on the same date. Based on document delivery record verification, it was known that the company has recorded several compulsory reports which delivered based on periodic schedule to the respective government institutions, for example as summaries in Indicator 1.2.1.

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

List of information that could be accessed by internal and external stakeholders is presented in document No. F/SMART/UMUM/SADV/004/003 (Rev. 00) dated 01 July 2014, which consist of number of employees dan list of basic salary; company tax number (NPWP); tax or retribution payment; environment documents; Company Acta and its revision; hectare statement and operational activities (ex. Manuring record); legal documents towards land ownership (HGU); HCV report; SIA report; social related report included CSR; OSH Committee (P2K3) report; and sustainable improvement report. Request of information which not listed above shall be after permitted by top management. All report related to government institutions has also could be accessed by public. However, according to procedure No. SOP/SMART/UMUM/SADV/II/001 dated 01 July 2014 about document control, it was known that information documents are kept for 10 (ten) years. SKPE and SKPM management unit is able to shows evidence of information delivery to several government institutions, for example as recapitulate in the following Table:

Instutition	Type of Report	Date of Delivery	
		SKPE	SKPM
Manpower Agency	<i>WLTK</i> Annual 2018	08 Jul 2019	22 Jan 2019
	<i>P2K3</i> Quarter 2	02 Jul 2019	09 Sep 2019
Plantation Agency	Land Fire Quarter 1	03 Jul 2019	-
	<i>LKUP</i> Annual 2018	26 Jul 2019	-
Environment Agency	<i>RKL/RPL</i> Semester 1	05 Sep 2019	05 Sep 2019
	Hazardous Material Q-2	05 Sep 2019	-
Land Agency	HGU realization Annual	12 Dec 2018	-

According to the Table above, it could be concluded that the SKPE and SKPM has monitor compulsory periodic report and deliver it on time.

Status: Comply

1.3

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

1.3.1

The company has a Business Ethics Policy that was approved by VPA (Vice President of Agronomy) on August 1, 2014 which states that the company has a commitment to behave ethically in all business transactions and operations that are guided by the company's shared values, namely, integrity, positive attitude, commitment, continuous improvement, innovation and loyalty and in accordance with the principles of sustainable management of oil palm plantations.

Based on the results of interviews with local contractors, it is known that so far, the company has always delivered information related to business ethics policies to local contractors at the time of signing the work contract so that the contractor understands the provisions well. In addition, based on the results of interviews with harvest workers, fertilizer, spray and plant operators it is known that workers understand and carry out business ethics determined by the company including understanding related to bribery bans, embezzlement of company assets and other things. Workers are regularly given outreach annually with regard to this matter and there are also warnings in some locations as a reminder of business ethics if workers forget.

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

Plantation permit:

The company has had plantation permit according to the District Head of Kotabaru Decree dated 28 December 2011 that covered **14,872.39 Ha** and mill with throughput **60 ton FFB/hour**.

Land Title/Land Building:

PT Sinar Kencana Inti Perkasa has had land title as follows:

- Land title certificate No. 1 dated 23 September 1996 covering **5,566 Ha** located in Sungai Panci, Serongga, Bakau and Sungai Kupang Village. Valid until 19 September 2031.
- Land title certificate No. 1 dated 18 November 1996 covering **3,134 Ha** located in Sangking Baru, Sungai Kupang Jaya, Tapaling, Pantai Baru, Bumi Asih and Pembelacanan Village. Valid until 18 November 2031.
- Land title certificate No. 1 dated 15 August 1997 covering **5,442.07 Ha** located in Sungai Kupang Jaya Village. Valid until 17 April 2032.
- Land building certificate No. 1 dated 21 September 2002 covering **29.3 Ha** located in Sungai Kupang and Karang Payau Village. Valid until 14 September 2032.

PT Sinar Kencana Inti Perkasa operated 4 (four) estate unit i.e Sungai Kupang Estate (SKPE), Sungai Panci Estate (SPNE) and two smallholder Sungai Kupang Plasma (SKPA) and Sungai Panci Plasma (SPNA). During this audit, scope of certification is only **5,196.17 Ha**. It consist area from:

- 1,488.60 Ha from land title (HGU) No. 1/9 year 1996
- 3,134.00 Ha from land title (HGU) No. 1/11 year 1996
- 544.27 Ha from land title (HGU) No. 1/8 year 1997
- 29.30 Ha from building title (HGB) No. 1/9 year 2002

Total certification scope: 5,196.17 Ha

Note: total of legal area (land title/land building) is 5,196.17 Ha. There is discrepancy 0,06 Ha (less than) hectare statement 5,196.11 Ha due to measurement approach.

Compliance with labor regulations

- The company has implemented a minimum wage in the wage system and is in accordance with Ministry of Manpower Regulation No. 07 of 2013 concerning Minimum Wages
- The company has a wage structure and scale for each level of workers and is in accordance with Ministry of

Manpower Regulation No. 01 of 2017 concerning Wage Structure and Scale

- The company has reported regularly the Labor Obligation Report annually and is in accordance with Ministry of Manpower Regulation No. 18 of 2017 concerning Mandatory Reporting of Workers

Compliance with regulations in the OHS

The company has workers with licenses / certificates for jobs that require special expertise in accordance with the requirements in the legislation, including:

Transport & Lift Operators

- Wheel Loader Operator with certificate No. 18240 / OPK3 / PAA-LT // XII / 2016 dated 30 December 2016 and valid until 30 December 2021
- Overhead Crane Operator with certificate No. P.10.1135-OPK3-OC/PAA/III/2016 dated September 16, 2016 and valid until September 16, 2021

Steam Operator

- Class 1 Boilerman with certificate No. P.13.473.OPK3-PUBT-B.I/III/2018 dated March 19, 2018 and valid until March 19, 2023
- Class 1 Boilerman with certificate No. 8361.OPK3-PUBT-B.I/V/2015 dated May 22, 2015 and valid until May 22, 2020.

Electrical Operator

- OHS Electric Expert with certificate No. KEP.00225 / NAKER-BINWASK3 / AK3-LIST / V / 2016 dated May 4, 2016 and is valid until May 04, 2019. The company has extended the OHS Electric Expert license in accordance with Letter No. 053 / SSI-ISC-01 / SK / V-19 dated May 24, 2019 from PT Sinergi Solusi Indonesia (PJ3K) which states that the OHS Electric Expert License and Letter of Appointment for Dhika Prasetya workers are still in the process of extension and are currently being processed by the Ministry of Manpower. (Decree No. 022 / MR-SKPM / 01/2019 dated January 2, 2019 concerning the Appointment of the Person in Charge of OHS in the Field of Electricity of PT Sinar Kencana Inti Perkasa)
- OHS Electric Technician with certificate No. 92778 / TK3-List / DPNK3 / 09.14 dated 15 September 2014 and valid until 15 September 2019.

Welder

- Welder with certificate No. 28900.7212.05.0,0044535.2017 dated November 21, 2017 and valid until November 21, 2020
- Welder with certificate No. 28900.7212.05.0,0044534.2017 dated November 21, 2017 and valid until November 21, 2020

Based on document verification, the company has had the legal permit for all machinery in mill such as boiler and sterilizer. Entire machinery has been regularly inspected by official inspector. The last inspection conducted on January 2019.

Non-Conformity No. 2019.01 with Major Category

Evidence observed:

1. The company has 218 contract workers (209 SKPE workers and 9 SKPM workers) who have worked from 2010 to 2019 with the following details:

Year	SKPE	SKPM
2010	1	-
2014	-	1
2015	5	-
2016	14	1
2017 - 2019	189	7
Total	209	9

The conclusion from the table above is that there are still contract workers who have worked for more than 3 years, namely as many as 22 workers but there has been no progress in the appointment as permanent workers.

2. There are a number of facts found related to fulfilling workers' OHS competencies as follows:
 - Based on the results of the site visit at SKPM, it is known that the company has 3 generator sets and turbines with a capacity of more than 200 KVA in the engine room and workers who work as operators work 3 shifts. However, the results of the document study obtained information that the worker who became the operator did

not yet have an OHS license as a power and production operator.

- The company has a training program in 2019 that targets as many as 7 workers (4 classes 1 and 3 classes 2) to take part in training as an OHS operator for power and production operators. However, the realization has only reached the stage of submitting an offer from the head office (HR Learning Center) on January 02, 2019 and until the audit took place there was no further progress.

Non-Conformance Description:

1. The company has not been able to demonstrate compliance with contract workers (PKWT) implementation in accordance with Decree of Manpower Ministry No. 100 of 2004 concerning Provisions for the Implementation of Contract Workers (PKWT).
2. The company has not been able to show fulfillment related to the OHS competency obligations of power and production operators in accordance with Regulation of Manpower Ministry No. 38 of 2016 concerning OHS Operator for Power and Production Machine.

2.1.2; 2.1.3 & 2.1.4

The company has the following regional, national and international regulations:

Regulation for the Estate Unit (passed on 15 February 2019)

- Law Register for 50 labor Regulations
- Law Register for 13 Social Regulations
- Law Register for 57 OHS Regulations
- Law Register for 54 Plantation Regulations
- Law Register for 27 Environmental Regulations

Regulations for Mill Units (passed February 15, 2019)

- Law Register for 50 labor Regulations
- Law Register for 13 Social Regulations
- Law Register for 57 OHS Regulations
- Law Register for 54 Plantation Regulations
- Law Register for 56 Environmental Regulations

The company has a regulatory evaluation mechanism listed in the SOP Other Regulations & Requirements with document No. SOP / SPO / SMART / LH-03. Evaluation of compliance with regulations is conducted regularly by the Central Kalimantan SPO Region, assisted by Assistant / Document Controller. The last evaluation was carried out on 31 December 2018 for the basis for establishing the list of regulations in 2019.

Based on the evaluation results and the updated regulations, there are a number of additions to the list of regulations including:

- Minister of Manpower and Transmigration Regulation No. 18 of 2017 concerning Mandatory Procedures for Reporting Employment in Companies in the Network. This regulation has been fulfilled by companies by conducting mandatory reporting online for reporting in 2019.
- Minister of Manpower and Transmigration Regulation No. 37 of 2016 about Pressure Vessels and Storage Tanks. This regulation has been fulfilled by providing training to workers to obtain an OHS Pressure Vessel and Storage Tank.

Major 2.1.1	Status: NCR No. 2019.01 with Major category
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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
Plantation permit:

The company has had plantation permit according to the District Head of Kotabaru Decree dated 28 December 2011 that covered **14,872.39 Ha** and mill with throughput **60 ton FFB/hour**.

PT Sinar Kencana Inti Perkasa operated 4 (four) estate unit i.e Sungai Kupang Estate (SKPE), Sungai Panci Estate

(SPNE), Sungai Kupang Plasma (SKPA) and Sungai Panci Plasma (SPNA). During this audit, scope of certification is only **5,196.11 Ha**. It consist area from:

- 1,488.60 Ha from land title (HGU) No. 1 dated 23 September 1996. Total this land title is 5,566 Ha consist of Sungai Panci Estate dan Sungai Kupang Estate.
- 3,134.00 Ha from land title (HGU) No. 1 dated 18 November 1996.
- 544.207 Ha from land title (HGU) No. 1 dated 15 August 1997.
- 29.30 Ha from building title (HGB) No. 1 dated 21 September 2002

Total area managed by PT SKIP is 5,196.10 Ha consist of planted area 3,810.16 Ha, occupation area 321.38 Ha and the rest area is infrastructure.

During the audit indicated 214 Ha of concession area (land title) determined as forest area according to the Forestry Minister Decree on 23 July 2019. Based on interview with National Land Agency of Kotabaru District obtained information that this case is now handled by Ministry of Forestry office.

The company has sent a letter for permission to continue the plantation business in accordance with Government Regulation No. 104 year 2015 on 16 December 2016 and accepted by respective staff on 20 December 2016. However, until this audit still no positive response from Ministry of Forestry office.

2.2.2

The company has had procedure for maintain of boundary poles (SOP/SMART/CERs-EHSD/SADV//004 regarding Maintenance of HGU / HGB boundary marker). According to the procedure, boundary poles will be checked once a year. Scheduled maintenance (circle weeding) conducted every 3 months and re-painting once a year.

During the audit, auditor has visited boundary poles randomly in SKPE. All boundary poles that visited are in place. For example:

- Boundary poles BPN SKIP 72 in block F35 Division 5.
- Boundary poles BPN SKIP 71 in block F36 Division 5.
- Boundary poles BPN SKIP 74 in block N23 Division 5.
- Boundary poles BPN SKIP 76 in block O21 Division 5.
- Boundary poles BPN SKIP 83 in block P13 Division 4.
- Boundary poles BPN SKIP 86 in block P10 Division 3.
- Boundary poles BPN SKIP 87 in block P09 Division 3.
- Boundary poles BPN SKIP 88 in block P08 Division 3.
- Boundary poles BPN SKIP 81 in block P28 Division 4.

To ensuring clear separation between land title (HGU) areas with private owned of local peoples, the company has build huge trenches around the land title area.

2.2.3; 2.2.4 and 2.2.5

Based on the results of the document review and interviews with villages' representatives near the company area on September 24, 2019 obtained information that there were no land disputes between the company and the community. Although it is recognized that there are some community areas inside the HGU areas (mark with boundary poles) was occupied by the community. The results of public consultations with the Legal Department staff at the Kotabaru District Land Office obtained information that there were no complaints / information related to land disputes from any stakeholders. Until this initial assessment counted 321.38 Ha inside the certification scope was occupy by local communities. The location of occupation area has been mapped by PMNP and D&L team.

2.2.6

Based on the results of the document review and interviews with villages' representatives near the company area on September 24, 2019 obtained information that no violence or paramilitary usage by the company to maintaining peace.

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

FPIC mechanism has set in the procedure of social conflict handling (SOP/SMART/SENS-CSCR/SADV/002 and SOP/SPO/SMART/LH-04). Through the document verification obtained information that the company has compensate the local communities land before land clearing. Those compensation processes are transparent and witnessed by local elders or government staff. It documentation are in places.

Based on the results of the document review and interviews with villages' representatives near the company area on September 24, 2019 obtained information that not all villagers accept the compensation that offered by the company. As an example, there is some villagers that still owned his land inside the land title (HGU) area which is now determined as occupation area by the company. During the audit, identified 321.38 Ha land occupation inside the certification scope.

2.3.2

PT Sinar Kencana Inti Perkasa already has a SOP of FPIC Implementation (SOP / SMART / SENS-CSR / SADV / I / 003), dated 1 July 2014. The purpose of the procedure is as a reference for staff and management in respecting customary rights and locally by realizing the principles of FPIC in the construction of new estates and mill. The scope includes; activities related to the preparation / pre-conditions, the process of interaction and decision making, implementation, monitoring and reporting, disputes that occur and complaints that occur in areas that have been built estate and mill and or have been compensated will be resolved using SOP Handling Complaints and Uncertainty. The compensation process has been fair and transparent. For example, record of land compensation on behalf the villager from *Desa Persiapan Suka Maju* which consist information about the compensation agreement between the company and land owner, witnessed by the heads of sub-village and Head of Sub-District. All document is written in Bahasa.

2.3.3

Based on interviews with villages' representatives near the company area on 24 September 2019 obtained information that the company has explained the FPIC procedure No. SOP/SMART/SENS-CSR/SADV/II/003. It describes that identification of participatory map related to legal ownership of communities are considering gender, community leader, local or transmigrant communities, ethnic groups or communal land ownership, etc.

According to the public consultation with the village representatives near the company's area obtained information that the last land compensation process was carried out in 1996. Currently most of the previous landowners whose existence is known by the village have died.

2.3.4

The compensation process has been fair and transparent. For example, record of land compensation on behalf the villager from *Desa Persiapan Suka Maju* which consist information about the compensation agreement between the company and land owner, witnessed by the heads of sub-village and Head of Sub-District. All documents are written in Bahasa.

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

PT SKIP has long-term business management plan for period 2018 to 2023, issued by Chief Finance Officer (CFO) *Perkebunan Sinar Mas Kalimantan Selatan dan Kalimantan Timur* (PSM Kalseltim). Among parameter covers are target of production, production cost, operational cost, product price, inflation factors, revenue, replanting, area statement, etc. For example, projection of FFB production, OER, CPO price and PK price for period 2023 are 33,972 mt; 22.75 %; IDR 8,161/kg CPO and IDR 4,489/kg kernel, respectively. The company has also management pln for Sungai Kupang Plasma (SKPA) for the same period with the same parameters. For example, FFB production in SKPA for period 2019 to 2020 are 90,557 mt; 87,432 mt; and 85,721 mt, respectively. Management unit stated that the business plan is subjected to changed and reviewed annually by the respective management through considering actual trends and dynamic situation which predicted could be changed in the future. The objective of annual review is to optimize the company resources to obtain a satisfactory goal. The long-term plan was extracted more details in annual budget plan which prepared by the Estate Manager.

3.1.2

According to Procedure No. SOP/SMART/MCAR/III/TA-PRP (Rev.0.0) dated 2012, it was known that criteria of replanting are palm age has reach 25 years, palm height is more than 13 m, production has less than 14 ton/ha/year and planting density has less than 100 palms/ha. Estate management stated that currently replanting program is refers to planting age of palms. Thus, based on hectare statement review, it was known that palms in PT SKIP were planted in 1993 to 2018. SKPE management informed that replanting is already conducted since 2013. For example, in 2017 and 2018, replanting has been carried out on areas for about 630.56 ha and 1,212.60 ha, respectively. According to replanting record in 2019 and information from Estate management, it was known that replanting program has fully completed in line with program. Document of replanting process is shows through Agreement with Contractor CV Selamat Mandiri Pratama No. SKPE/JKTO/02/18/006-SWAB dated 26 February 2018, for bulldozer and excavator rental as part of land clearing activities in Division 2. As observed to 2019 replanting area in Division 3 Block 09, it was known that replanting has been conducted manually adopting zero burning method.

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

Unit of certification shows several related operational procedures. All procedure was available in Bahasa.

Oil Palm Agronomy Procedure

Procedure of Agronomy is arranged by Management Committee Agronomy and Research (MCAR) on 12 June 2012, for example as follows:

- Procedure No. SOP/SMART/MCAR/II/TA-PPA about new planting.
- Procedure No. SOP/SMART/MCAR/III/TA-PRP about replanting.
- Procedure No. SOP/SMART/MCAR/III/TA-BBT about nursery.
- Procedure No. SOP/SMART/MCAR/IV/TA-PLB about land preparation.
- Procedure No. SOP/SMART/MCAR/IV/TA-TNM about planting.
- Procedure No. SOP Nomor SOP/SMART/MCAR/VI/TA-HPT replanting.
- Procedure No. SOP/SMART/MCAR/VII/TA-TNM about integrated pest management.
- Procedure No. SOP/SMART/MCAR/VIII/TA-PGM about weeding management.
- Procedure No. SOP/SMART/MCAR/IX/TA-PPK about manuring.
- Procedure No. SOP/SMART/MCAR/X/TA-PTB about field upkeep on immature area.
- Procedure No. SOP Nomor SOP/SMART/MCAR/XI/TA-PMP about harvesting preparation.
- Procedure No. SOP Nomor SOP/SMART/MCAR/XIII/TA-PNN about harvesting.
- Procedure No. SOP/SMART/MCAR/XIV/TA-PPT about FFB transportation and delivery.
- Procedure No. SOP/SMART/MCAR/XV/TA-PCH about rainfall measurement.

Oil Palm Processing and Supply Chain

Procedure of oil palm processing is presented in document procedure No. 04-09/MCMD-SOP/438 (Rev. 04) dated 01 September 2010. Procedure has covers technical mechanism in all processing Stations, i.e. Weighbridge, Sortation, Sterilization, Threshing, Press, Clarification, Sub Station Oil Recovery Tank, Nut and Kernel, Boiler, Engine Room, Water Treatment, Final Effluent and Storage Tank. Furthermore, there is also procedure No. PT TN-SMLM/SOP/07 dated 01 May 2012 about CPO and Kernel delivery, and procedure No. SOP/SMART/CERS-EHSD/SADV/II/001 dated 01 July 2014 about product identification and supply chain.

Safety Aspect

Procedure of occupational health and safety aspect has referred to HIRAC and MSDS of the respective agrochemical products, used by mill and/or estate management. Based on interview with workers in SKPE and SKPM, it could be concluded that all workers are able to explain and demonstrate their technical matters, as well as safety aspect in working practices. All workers were equipped with proper PPE as required by HIRAC.

4.1.2

All estates have procedure of oil palm agronomy while for mill has procedure of oil palm processing as mentioned in Indicator 4.1.1. All procedures were available in Bahasa. Training towards technical works matters, included safety has conducted annually as presented in Indicator 4.8.1 and 4.8.2. Procedure No. SOP-ISCC/IMT/OIA (Rev 0) dated 01 July 2011 mentioned that mechanism monitoring on consistency of procedure implementation is conducted through Operational Internal Audit (OIA) which conducted every semester in the estate and mill. PT SKIP management is able to shows OIA report for SKPE and SKPM, which presented in document No. 03/OAI-Memo/III-SKPE/03/18 dated 20 March 2018 and No. 24/Kalseltim-SKPM/08/19 dated 28 August 2019, respectively. Furthermore, there is also internal audit towards RSPO and Supply Chain compliance which conducted by five internal auditors from Sustainability Policy and Compliance Division on 22-26 April 2019, and reported on 26 April 2019. According to the Non-Conformity (NCR) Report which presented in document No. F/SMART/UMUM/SADV/008/001 dated 19 June 2019, it was known that there was one (1) NCR identified related to P&C and zero findings for supply chain. The finding had closed on 26 April 2019. Management review and meeting record on RSPO internal audit is presented in document No. F/SMART/UMUM/SADV/010/001 dated 19 June 2019. Moreover, performance of contractor workers is carried out by unit of certification management through several method such as work inspection and work quality checking report who carried out by Foreman and Assistant, checked by the Estate or Mill Manager.

4.1.3

Record of monitoring and its evaluation is presented in several documents, as follows:

- Daily operational record which presented in program of System Application and Product (SAP), which informed operational data such as FFB production, FFB grading results and product quality.
- Memorandum of OIA. All critical parameter points describes were need to be response and follow up by the respective person in charge (PIC) through action plan immediately. Progress of action plan were reported and submitted directly to the upper ordinate. Later on, each (priority) points were discussed, analyzed and presented in monthly meeting by Mill or Estate Manager.

4.1.4

SKPM has received FFB from Sungai Kupang Estate (SKPE), Sungai Panci Estate (SPNE), Sungai Kupang Plasma (SKPA) and Sungai Panci Plasma (SPNA) which all included on GAR management. Furthermore, SKPM is also received FFB from smallholder associations as the list has described in basic info part. Agreement of FFB delivery with smallholder associations are available, for example as shows through Agreement with *Gabungan Kelompok Tani* (Gapoktan) or Smallholder Association of Sungai Kupang Jaya No. 003/TBS/PT.SKIP/IV/2019 dated 29 April 2019, which valid until 31 December 2019. As implementation towards agreement, related documents such as Grading FFB records, FFB Acceptance or FFB Delivery Letter and invoice were sighted on Mill Office.

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

Procedure of soil fertility management is presented in procedure No. SOP/SMART/MCAR/IX/TA-PPK dated 12 June 2012 about manuring. Procedure mentioned that dosage of fertilizer application program on the nursery, immature and mature areas shall be based on Agronomist of SMARTRI recommendation as refers to leave and soil sampling analysis. Furthermore there is several work instruction (WI) related to this matters as follows:

- WI No. IK No. IK/SMART/MCAR/IX/TA-PPK/02 dated 26 March 2012 about manuring of legumes and land cover crop.
- WI No. IK No. IK/SMART/MCAR/IX/TA-PPK/03 dated 26 March 2012 about anorganic manuring on immature area.
- WI No. IK/SMART/MCAR/IX/TA-PPK/04 dated 26 March 2012 about empty fruit bunches (EFB) mulching in immature area.
- WI No. IK/SMART/MCAR/IX/TA-PPK/05 dated 26 March 2012 about leaf sampling unit.
- WI No. IK/SMART/MCAR/IX/TA-PPK/06 dated 26 March 2012 about soil sampling unit.
- WI No. IK/SMART/MCAR/IX/TA-PPK/08 dated 26 March 2012 about anorganic manuring in immature area.
- Appendix No. LAMP/IX/TA-PPK/01 dated 26 March 2012 about nutrient deficiency solving for macro and micronutrient towards field observation.

According to manuring recommendation program in 2018/2019, it could be concluded that calculation of fertilizer rates

was derived from leaf and soil analysis. Furthermore, actual time of application has followed the schedule recommended by SMARTRI Agronomist.

4.2.2

Estate management shows manuring program and realization for period 2018 and 2019. According to manuring record review, it was known that manuring program in 2018 in SKPE has been fully completed on January 2019. Manuring program realization for SKPE is recorded in document of Fertilizer Recapitulation 2019 dated 21 September 2019. Among fertilizer implemented are Urea, Kieserite, Kieserite Granular, MOP, TSP, Super Dolomite, Borate, RP, NPK 12.12.17.2 and NPK 15.15.6.4. application area were divided into mature, immature, cover crop and nursery category. According to the fertilizer application schedule, the actual application has in line and fulfilled the program. Furthermore, the company has monitored the used of fertilizers and documented properly.

4.2.3

Procedure No. SOP/SMART/MCAR/IX/TA-PPK about manuring mentioned that leaf and soil sampling for annual manuring program purposes shall be conducted annually and every five years, respectively. Both sampling is carried out by SMART Research Institute (SMARTRI) team. The results has also been used for soil fertility monitoring and evaluation. Leaf analysis results for SKPE which used as reference for period 2018/2019 manuring recommendation are presented in document Ref. No. 253/DAUN/LAB-SMARTRI/V/2018 dated 06 May 2018 and Ref. No. 325/DAUN/LAB-SMARTRI/V/2018 dated 18 May 2018, respectively. Furthermore, soil analysis results is presented in document Ref. No. 039/TANAH/LAB-SMARTRI/IV/2016 dated 29 April 2016. Among parameter tested on leaf analysis are dry matter content of macro nutrients (N, P, K, Mg and Ca) and micro nutrients (B, Mn, Zn, Cu, Cl and Fe). Moreover, parameter tested on soil analysis are soil texture, pH, organic C, N-total, C/N ration, available P, cation exchange capacity, saturation base and dry matter of nutrients content. Estate management informed that some corrections of fertilizer rates recommended has also made by visual observation towards palms figure and color assessment by the Agronomist to adjust specific additional fertilizer input if there were nutrient deficiency detected. Furthermore, in certain situation, inorganic fertilizer could be substitute by organic fertilizer, such as empty fruit bunches (EFB) mulching.

4.2.4

Apart from chemical fertilizers application, SKPE had a strategy of nutrient cycle from oil palm processing by-products such as empty fruit bunches (EFB) mulching. Furthermore, pruned fronds during harvesting activity has indirectly considered as nutrient cycle strategy. Rates of EFB application was about 30-ton EFB/ha/year or about ± 220 kg EFB/palm/year. For example, EFB application for period 2019 in SKPE is summarized as follows:

- Block K26,-27 and Block L26-28 Division 5 has been mulched by EFB on June to August 2019, totalling for about 6,221.44 ton.
- Block J40,-27, Block K40 and Block I42-44 Division 6 has been mulched by EFB on September 2019, totalling for about 2,094.80 ton.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

PT SKIP has Soil Map with scale 1:65,000 (Ref. No. RPNMP/19/07/210/243) which derived from soil survey semi detail report that conducted by Plantation Monitoring and Planning (PNMP) Division on 03-07 October 2016. The map has informed type of soil, land suitability distribution, slope, limitation factor and coverage. Estate management informed that soil survey has only conducted on planted areas in 2016, totaling for about 4.170,53 ha. The rest area for about 996.28 ha were not surveyed due to occupation, unproductive areas (flooded, wetland, bushes, etc.) and Protected Forest (in Indonesia legal term: *Hutan Suaka Alam*) areas. According to soil survey study, it was known that about 94.21 % of surveyed areas were classified as slightly suitable, and the rest about 1.64 % and 4.14 % were classed as marginal dan fragile, respectively. Limitation on marginal areas was due to hilly topography constraint, meanwhile on fragile areas were mainly due presence of sulfidic soils (very low pH), poor drainage and soil depth limitation. Moreover, there is small portion of surface hardpan on fragile area. Furthermore, in term of slope distribution, it was known that about 90.86 % of total surveyed areas were ranged from undulating to rolling and 3.76 % was classed as hilly area. Those areas were considered as slightly suitable for oil palm cultivation. However, there is fragile category soil on flat area due to presence of sulfidic soils. Hardpan area which also on fragile category was situated on undulating slope areas in Division 1. Furthermore,

limitation towards steep areas which considered marginal for oil palm cultivation was identified appears in Division 1 and Division 3, covers totaling for about 1.64% from surveyed area or about 68.45 ha.

4.3.2

As informed in Indicator 4.3.1, it was known that there is about 68.45 ha or 1.64 % of surveyed areas were classified as marginal for oil palm cultivation, due to presence of steep areas (slope: 21-40 %), that identified appears in Division 1 and Division 3 SKPE. However, there is no presence of area with slope >40 %. To overcome limitation on steep areas, several method had implemented which refers to procedure No. SOP/SMART/MCAR/II/TA-PPA about planning of land preparation on new planting and No. SOP/SMART/MCAR/IV/TA-PLB about new land clearing, such as by making terraced planting pattern on hilly areas for soil conservation, planting of vetiver grass, proper pruned fronds placement parallel to contour line and conducting erosion monitoring. In general, dominant limitation on PT SKIP is mainly due to presence sulfidic soils, instead of slope limitation.

4.3.3

Program of road maintenance has found on annual budget plan which included on Budget of transportation cost. Road maintenance activities were consisting of manual maintenance such as cover crop clearance, pruning on collection road, surface reparation through laterites, road grading and road compaction. SKPE ais able to shows recapitulation of road maintenance realization included mechanic and manual method for period 2019, approved by Estate Manager. Daily record was shows on road compaction map, heavy machinery work record and mandor work book. According to road maintenance record, it was known that up to August 2019 road compaction by laterites had conducted on totaling 115,822.75 m in Main Road, Collection Road, Key Road and Boundaries Road. Furthermore, based on filed overview, it was known that road conditions were generally well maintained and easily passable by transportation unit.

4.3.4 and 4.3.5

Based on Semi Detail Soil Survey and Land Suitability Class Report in 2016, it was known that there is no presence of peat soil within PT SKIP operational areas. Thus, this Indicator is not applicable.

4.3.6

As mentioned in Indicator 4.3.1 and 4.3.2, it was known that dominant soil limitation on PT SKIP for oil palm cultivation were mainly due to presence of sulfidic soils (very low pH) on flat areas, poor drainage and soil depth. There is also small portion of surface hardpan on fragile area. To overcome such limitation, SKPE has implementing several strategy on that particular filed such as: fertilizer application as in accordance with SMART Research Institute Agronomist recommendation; installing drainage system to flush and reduce acidic soils which may lead to increase the pH; and hardpan areas were not planted by oil palms. Furthermore, to overcome marginal limitation towards hilly to steep slope areas, SKPE has adopting terraces planting pattern, pruned fronds placement parallel to contour line, maintaining a good cover crop and erosion monitoring which presented in document No. F/SMART/BCOS-EHSD/SADV/002/024 (Rev. 00). For example, erosion monitoring measurement record on erosion poles where conducted in Division 1 Block E3 with coordinate 03° 04' 25.85" S and 116° 01' 59.87" E shows that average erosion rates were 0.51 mm/year.

Status: Comply

4.4

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

4.4.1

Based on workers interview on Sungai Kupang estate housing residence shown that drinking water for them originated from refill water from water depot and Sungai Kupang mill also provides clean water access for workers housing. Water sources identification and management plan are listed on water management plan and water usage efficiency 2019 for mill and estate. These document describe the water source identification, Mill and estate water usage monitoring & efficiency, and catchment area protections. Company also conducted regularly water quality testing every semester for Babi river and estate ground water to monitored water quality that utilized by workers for daily use.

4.4.2

Company has perform identification and shown the maps for water sources areas (including riparian) with 1:90000 scale. HCV identification document shown there is some river flow on estate such as Babi River and block N17 SKPE river, meanwhile another water sources that identified was water reservoir and tidal mangrove areas. Company provided

procedures for these water courses protection/conservations listed on water sources management and monitoring procedures SOP/SMART/BCOS-EHSD/SADV/II/2004. Field visit during audit, for examples on Mangroves area blok E41 div 6 SKPE acquired information that company shown proper ways to maintain and protect the catchment area for example manual weeding and conduct no chemical application on HCV border. Based on interviews with spraying workers, found that workers already understand the boundary marking on conservation areas such as on block N17 SKPE and Babi riparian.

4.4.3

PT Sinar Kencana Inti Perkasa shown compliance related palm oil mill effluent by POME application based on current permit for examples by conduct regular POME testing, monitoring well testing, and annual soil testing on land application areas. Waste water quality testing document review shown for January-July 2019 all of waste water testing parameters is compliant to the standards quality and mill effluent management and monitoring has been reported to related institutions per three month basis. All palm oil mill effluent are managed on waste water treatment plant before it distributed to Sungai Panci estate as land application for nutrient cycle. Regarding this POME application, company have land application permit based on decree of Kotabaru regent No. 503/07/IPAL-BPPTPM/2017 valid until 2022.

4.4.4

Observations on Sungai Kupang palm oil mill water treatment plant found monitoring for raw and process water usage was done by officer periodically, and flowmeters on inlet serves normally. Company are able to show water usage monitoring for period January - July of 2019 with an average water usages are 0.75 m³/ mt FFB process. From these records, it is known that the average use of mill water does not exceed the established budget (0.92 m³/ mt FFB process). Data of water usage from January -July 2019 2018 is obtained from daily water usage record by WTP operator through direct flowmeter observation.

Status: Comply

4.5

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

4.5.1

The company has committed to implement Integrated Pest Management (IPM) activities in which presented in several procedures, as follows:

- No. SOP/SMART/MCAR/VIII/TS-PGM dated 12 June 2012 about weeds control which covers weeds control in the nursery, immature and immature areas, equipment used for weeds control, safety procedures of control, guideline of agrochemicals uses (include paraquat) and monitoring.
- No. SOP/SMART/MCAR/VII/TA-HPT dated 12 June 2012 about Pests and Diseases (P&D) Control Management which covers early warning system, census, P&D attack threshold limits, evaluation and decision of pest and disease control, recommendation from SMARTRI (Research Department), P&D handling, recommendation of P&D control and evaluation.
- The details of P&D control have presented in several work instruction (WI), for example as follows:
 - WI No. IK/SMART/MCAR/VII/TA-HPT/01 about leaf eating caterpillar detection.
 - WI No. IK/SMART/MCAR/VII/TA-HPT/02 about leaf eating caterpillar census.
 - WI No. IK No. IK/SMART/MCAR/VII/TA-HPT/03 about leaf eating caterpillar control.
 - WI No. IK/SMART/MCAR/VII/TA-HPT/04 about census and management of *Oryctes rhinoceros*.
 - WI No. IK/SMART/MCAR/VII/TA-HPT/05 about census and management of termites.
 - WI No. IK/SMART/MCAR/VII/TA-HPT/07 about census and management of rats.

Program of IPM in PT SKIP has issued by SPO Officer and Estate Manager in 16 January 2019, which consist of beneficial plants planting, detection of pest and disease incidence, census, Barn Owl Box and Pheromone Trap monitoring. Several IPM activities which had conducted in 2019 is presented as follows:

Early Warning System and Census Analysis

According to pesticide application record 2019, it was known that there were application of insecticides and rodenticides. Justification on pesticides usage was based on detection and census analysis, for example as follows:

- Census in 01 May 2019 shows that there were identified incidence of *Apogonia* sp. above threshold limit (average 5-

6/frond) in Block G12-G16. Thus, application of insecticide such as Cymbush (Cipermethrin), and Matador (Lamda sihalotrin) were implemented simultaneously on 02-07 May 2019, as recommended by research team from SMARTRI.

- Census in 02 January 2019 shows that there were identified incidence of rats attack above threshold limit in Division 2 Block B16-B20. Thus, application of rodenticide Erkatril (*Coumatetralyl*) was implemented simultaneously on 11-23 January 2019, as recommended by research team from SMARTRI. Monitoring on rat bait effectivity is conducted 1 week after bait application. The results shows that the incidence were significantly decrease to 0 %. Hence, there were no more application in February 2019 forward.

Biological Method for Pest Population Control

- SKPE has conducting beneficial plants (*Turnera subulata*, and *Cassia tora*) for leaf eating caterpillar and bagworm population control. This in confirmed during field observation along main road and collection road.
- SKPE has adopting barn owl (*Tyto alba*) for rat population control, as observed to Barn Owl Box in Division 3 Block S09 and Block G16. Estate management informed that every Box is expected to covers rats population in radius 15-30 ha. Up to September 2019, there was 139 Boxes with 53 % are detected active.
- SKPE has adopting pheromone trap for Rhinobeetle (*Oryctes rhinoceros*) population control, especially on inside and surrounding replanting areas, as observed in Division 3 Block G16. Estate management informed that every trap is expected to covers Rhinobeetle population in radius 2.50-3.00 ha.

In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Erkaifuron 20 WG (Methyl metsulfuron) could be substitute with Roll Up 480 SL (Isoprophyl amine glyphosate). Moreover, biological control has also adopted as mentioned above.

4.5.2

The company has conducting several trainings which aims to maintain workers knowledge and skills towards P&D management, for example as follows:

- Training of pesticide and fertilizer application had conducted on 18-19 September 2019 in Pondok 2 SKPE, attended by 91 workers (Foreman and Agrochemical Applicators).
- Training of integrated pest management had conducted on 18 June 2018 in Pondok 2 SKPE, attended by 14 related workers.

Minutes of training, picture documentation and attendance record are presented in document Ref. No. F/SMART/HESS/SADV/010/003 (Rev. 00). Based on field observation and interview with Foreman and Pesticide Applicators in Division 3 Block G10 SKPE, it could be concluded that the workers were able to explained and demonstrate several technical skills such as PPE used, spraying techniques and prohibited application areas such as HCV and riparian areas which marked with red-cross on palm trunks.

Status: Comply

4.6

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

4.6.1

Procedure No. SOP/SMART/MCAR/VII/TA-HPT dated 12 June 2012 about Pests and Diseases (P&D) Control Management mentioned that the use of agrochemical should be based on census analysis evaluation when the level of incidence is more than threshold limits. Furthermore, for weeds control purposes, work instruction No. IK/SMART/MCAR/VIII/TA-PGM/03 dated 26 March 2012 has describes weeds control on the palm circle, harvesting path, FFB platform, rotation, pesticides use, type of weeds and recommendation of pesticides. Furthermore, the CH also has Memorandum of President Director No. 044/PD/IX/2014 dated 21 November 2014 and No. 032/PD/VIII/2016 dated 13 August 2015 which mentioned that there will be no paraquat starting from 2016. Based on observation to Pesticide Store and pesticide usage record, it was known that Estate management has used 3 type of fungicides, 6 type of insecticides, 3 type of rodenticides and 7 type of herbicides. Those pesticides used were listed in Pesticide and Fertilizer Directorate through http://pestisida.id/simpes_app/rekap_formula_nama.php?s_kategori=umum. Furthermore, according to pesticide used record in 2018/2019 and observation to Pesticide Store in SKPE, it was known that pesticides has only used for weeds control and there is no paraquat on the stock.

In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute

and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Erkaforon 20 WG (Methyl metsulfuron) could be substitute with Roll Up 480 SL (Isoprophyl amine glyphosate). Furthermore, for biological control purposes, SKPE has conducting beneficial plants (*Turnera subulata*, and *Cassia tora*) for leaf eating caterpillar and bagworm population control. This in confirmed during field observation along main road and collection road. SKPE has also adopting barn owl (*Tyto alba*) for rat population control, as observed to Barn Owl Box in Division 3 Block S09 and Block G16 SKPE. Estate management informed that every barn Owl Box is expected to covers rat's population in radius 15-30 ha. Up to September 2019, there was 139 Boxes with 53 % are detected active. Furthermore, SKPE has adopting pheromone trap for Rhinobettle (*Oryctes rhinoceros*) population control, especially on inside and surrounding replanting areas, as observed in Division 3 Block G16 SKPE. Estate management informed that every trap is expected to covers Rhinobettle population in radius 2.50-3.00 ha.

Based on field observation and interview with Foreman and pesticide applicators in Division 3 Block G10 SKPE, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the procedure, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example HCV, conservation area and riparian zone, which were marked with red-cross mark on the palm trunks), PPE's to be used, as well as its management. Pesticide applicators has also mentioned that pregnant and breastfeeding women are strictly prohibited to works related with agrochemicals.

4.6.2

Record of pesticide applied is presented in document of "Record of Agrochemicals Used and Toxicity". For example, active substance per hectare usage of Erkaforon 20 WG, Garlon 670 EC and Samite 135 EC as per August 2019 were 0.100 l/ha, 0.670 l/ha and 0.260 l/ha, respectively. Overall, it could be concluded that the company has satisfactory records and monitor the use of pesticides.

4.6.3

Program and realization of pest management was presented in monthly report which describes EWS and census analysis, biological control and pesticide application, for example as follows:

Early Warning System and Census Analysis

According to pesticide application record 2019, it was known that there were application of insecticides and rodenticides. Justification on pesticides usage was based on detection and census analysis, for example as follows:

- Census in 01 May 2019 shows that there were identified incidence of *Apogonia* sp. above threshold limit (average 5-6/frond) in Block G12-G16. Thus, application of insecticide such as Cymbush (Cipermethrin), and Matador (Lamda sihalotrin) were implemented simultaneously on 02-07 May 2019, as recommended by research team from SMARTRI.
- Census in 02 January 2019 shows that there were identified incidence of rats attack above threshold limit in Division 2 Block B16-B20. Thus, application of rodenticide Erkatril (*Coumatetralyl*) was implemented simultaneously on 11-23 January 2019, as recommended by research team from SMARTRI. Monitoring on rat bait effectivity is conducted 1 week after bait application. The results shows that the incidence were significantly decrease to 0 %. Hence, there were no more application in February 2019 forward.

Biological Method for Pest Population Control

- SKPE has conducting beneficial plants (*Turnera subulata*, and *Cassia tora*) for leaf eating caterpillar and bagworm population control. This in confirmed during field observation along main road and collection road.
- SKPE has adopting barn owl (*Tyto alba*) for rat population control, as observed to Barn Owl Box in Division 3 Block S09 and Block G16. Estate management informed that every Box is expected to covers rats population in radius 15-30 ha. Up to September 2019, there was 139 Boxes with 53 % are detected active.
- SKPE has adopting pheromone trap for Rhinobettle (*Oryctes rhinoceros*) population control, especially on inside and surrounding replanting areas, as observed in Division 3 Block G16. Estate management informed that every trap is expected to covers Rhinobettle population in radius 2.50-3.00 ha.

In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Erkaforon 20 WG (Methyl metsulfuron) could be substitute with Roll Up 480 SL (Isoprophyl amine glyphosate). Moreover, biological control has also adopted as mentioned above.

4.6.4

PT SKIP has list of pesticide which classified on WHO 1A and 1B, as listed on WHO Recommended Classification of Pesticides by Hazard and Guidelines to Classification 2009 by IPCS (International Programme on Chemical Safety). The company shows Memorandum of President Director No. 044/PD/IX/2014 dated 21 November 2014 and No. 032/PD/VIII/2016 dated 13 August 2015 mentioned that there will be no paraquat in Sinar Mas Group starting from 2016. Based on pesticide used record in 2018/2019 and observation to Pesticide Store in SKPE, it was known that there is no paraquat and pesticide listed in Stockholm or Roterdam Convention. However, there is pesticides that listed in WHO Class 1A and Class 1B, with active ingredient Brodifacoum (Rolikum 0.005 BB) and Coumatetralyl (Erkatril 0.0375 BB and Tikumin 0.0375 BB), respectively. Both pesticides were used for rats' population control.

SKPE has minimize the use of those pesticides through minimizing the usage and adopting *Tyto alba* as predator of rats through installation of Barn Owl Box, as observed to Box in Division 3 Block S09 and Block G16. Estate management informed that every Box is expected to covers rats population in radius 15-30 ha. Up to September 2019, there was 139 Boxes with 53 % are detected active. SKPE has also monitor rodenticide usage. For example, based on record of rodenticide usage from 2017 to August 2019, it was known that reduction of Pesticide Class 1A and Class 1B usage were significantly reduced from 2017 to 2019. There is no more application of Rolikum (Brodifacoum) since 2017 and reduction of Coumatetralyl based rat bait has decrease for 43.62 % and 80.20 % for 2017 to 2018 and 2018 to 2019, respectively. This figure shows that adoption of *Tyto alba* is considered effective to reduce rodenticide consumption.

4.6.5

Procedure of pesticide handling has presented in document No. SOP/SMART/MCAR/VIII/TS-PGM dated 12 June 2012 about weeds control which covers weeds control in the nursery, immature and immature areas, equipment used for weeds control, safety procedures of control, guideline of agrochemicals uses (include paraquat) and monitoring. Furthermore, several procedure and work instruction has also used as a guideline, such as procedure No. SOP/SPO/SMART/LH-09 about waste management and work instruction No. IK/SPO/SMART/LH-09/01 about stage of ex-pesticide containers handling (washing and cleaning). Moreover, Estate management mentioned that Personal Protective Equipment (PPE) for Pesticide Applicators has refers to MSDS of pesticide product, HIRAC and procedure No. SOP/SMART/HESS-EHSD/SADV/II/010 Chapter 3.

The company has conducting several trainings which aims to maintain workers knowledge and skills towards pesticide management and handling, for example training of pesticide and fertilizer application had conducted on 18-19 September 2019 in Pondok 2 SKPE, attended by 91 workers (Foreman and Agrochemical Applicators). There is also socialization on prohibition of pregnant and breast feeding workers to works related to pesticide application, which conducted in 17 June 2019. Based on observation to Division 3 Block G10, it was known that Pesticide Applicators has equipped with PPE as mentioned in MSDS and HIRAC, such as face shield helmet, respirator, apron, wear pack set, boots and rubber gloves. The PPE could be replaced when broken or unproper to be used. Furthermore, based on interview with Foreman and pesticide applicators, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example conservation area and riparian zone, which were marked with red-cross on the palm trunks) as well as PPE's to be used and its management (placement). Pesticide applicators has also mentioned that pregnant and breastfeeding women are strictly prohibited to works related with agrochemicals. Furthermore, based on field observation to Pesticides Store in SKPE, it was found that all MSDS were available and match with pesticide stocks, symbols of risk and hazardous level were displayed properly. There is special place used for pesticide mixing and PPE's place in both estates. Moreover, based on observation to employees housing complex area in SKPE, it was known that there is no reuse of used pesticide containers for household purposes.

4.6.6

Procedure for pesticide and used pesticide containers placement is presented in document procedure No. SOP/SMART/LEMS-EHSD/SADV/II/002 about waste management and work instruction No. IK/SPO/SMART/LH-09/01 about stage of ex-pesticide containers handling (washing and cleaning). This matter has also refers to pesticide MSDS. Pesticide should be placed on chemical storage, while used pesticide containers shall be delivered and placed in the permitted Hazardous Material Store, and prohibit to be use for household purposes, unless reuse for related pesticide application activities. Used containers has been managed as refers to PP No. 101 in 2014. Based on observation to

Hazardous Waste Store in SKPE, it was known that used pesticide containers were placed properly and delivered to the permitted collector (CV Bintang Kalbar). Furthermore, as observed on SKPE employees housing complex area, it was known that there is no reuse of used pesticide containers for household purposes, plant pot and water containers. Detail on used pesticide containers record is presented in Indicator 5.3.2.

Estate management has provide proper place for pesticide storage, this is verified during field observation to Agrochemical Store in Store/Warehouse Complex. Pesticides has placed separately and classified based on its function. Store has good ventilation with second containment trap. There were also MSDS, hazardous symbol, and emergency kit such as first aid and fire extinguisher.

4.6.7

Estate management mentioned that the use and handling of pesticide has refers to several document, such as Material Safety Data Sheet (MSDS) of pesticide products, and Hazard Identification Risk Assessment Control (HIRAC) for estate, procedure No. SOP/SMART/MCAR/VIII/TS-PGM dated June 12th 2012 about weeds control, procedure No. SOP/SPO/SMART/LH-09 about waste management, work instruction No. IK/SPO/SMART/LH-09/01 about stage of pesticide containers handling (washing and cleaning). All reference mentioned in the former has covers guideline of storage and handling of pesticides, handling of accident and first aid, risk identification, pesticides spills and leaks handling, PPE, physical and chemical properties, reactivity and material stability, toxicology and ecology information, pesticide wastes handling and transportation.

The company has conducting several trainings which aims to maintain workers knowledge and skills towards safe pesticide application. For example, training of pesticide and fertilizer application had conducted on 18-19 September 2019 in Pondok 2 SKPE, attended by 91 workers (Foreman and Agrochemical Applicators). There is also socialization on prohibition of pregnant and breast feeding workers to works related to pesticide application, which conducted in 17 June 2019. Based on interview with Foreman and Pesticide Applicators in Division 3 Block G10, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example conservation area and riparian zone, which were marked with red-cross on the palm trunks) as well as PPE's to be used and its management. Pesticide applicators has also mentioned that pregnant and breastfeeding women are strictly prohibited to works related with agrochemicals. Furthermore, based on field observation to Pesticides Store in SKPE, it was found that all MSDS were available and match with pesticide stocks, symbols of risk and hazardous level were displayed properly. There is special place used for pesticide mixing and PPE's place in both estates. Moreover, based on observation to employees housing complex area in SKPE, it was known that there is no reuse of used pesticide containers for household purposes.

Some workers brings food for lunch or snack. For lunch during break within working hours, pesticide applicators team has equipped with soap and clean water. This activities has carried out together. Location of eating shall be different from the block of application areas.

4.6.8

Based on information from estate management, surrounding communities and Government Institutions of Kotabaru Regency, it was known that there is no aerial pesticide application in PT SKIP. The company has only applied pesticide manually by spraying equipment.

4.6.9

The company has conducting several trainings which aims to maintain workers knowledge and skills towards pesticide handling. For example, training of pesticide and fertilizer application had conducted on 18-19 September 2019 in Pondok 2 SKPE, attended by 91 workers (Foreman and Agrochemical Applicators). There is also socialization on prohibition of pregnant and breast feeding workers to works related to pesticide application, which conducted in 17 June 2019. Furthermore, training of safe working practices towards pesticide application for smallholders was carried out in 09 May 2019, attended by 21 Pesticide Applicators from Sungai Kupang Plasma (SKPA).

Based on interview with Foreman and pesticide applicators in Division 3 Block G10, it could be concluded that the workers were able to explain several pesticide handlings such as PPE's to be used, as well as its management, and pesticide

placement. Pesticide mixing should be carried out in the special place provided by estate management. Used water were later on to be reused for the next mixing. Used pesticide containers should be placed on Hazardous Material Store and could be reuse for the same purposes. Reuse for domestically purposes in housing area is strictly prohibited. Pesticide applicators has also mentioned that pregnant and breastfeeding women are prohibited to works related with agrochemicals. Based on observation to housing area in SKPE, it was known that there was no reuse of pesticide containers for domestically household purposes. Record of used pesticide containers on Hazardous Store were available.

4.6.10

PT Sinar Kencana Inti Perkasa has established ex agrochemical waste management listed on waste management procedures SOP/SMART/LEMS-EHSD/SADV/002 and agrochemicals containers handling working instructions (IK/SMART/LEMS-EHSD/SADV/002/001). These procedure stated that all ex chemicals containers were kept on temporary hazardous storage on estate/mill. Training for workers and staff regarding hazardous & toxic material handling has been conducted on September 18, 2019 for Sungai Kupang estate workers. Based on interview with spraying team found that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling. Field visit on Sungai Kupang estate mixing area and chemical container washing areas acquired information that company has managed agrochemical containers by rinse them on isolated placed and regularly submitted to third parties contractors. Evidence for ex agrochemical disposal to related licensed third parties i.e hazardous manifest are available and able to seen on indicator 5.3.2.

4.6.11

The company has a list of workers serving as pesticide operators in Sungai Kupang Estate as many as 57 pesticide applicators consisting of 41 female workers and 16 male workers.

The company has a routine medical surveillance record (health check) for all workers who work with chemicals in each unit. Health checks are carried out routinely every year, the following are the results of inspections conducted by the company on 12-13 April 2019, namely:

- Sungai Kupang Estate - Audiometry examination for 10 workers with the results of all workers stated in healthy and normal conditions (fit to work), spirometry inspection for 91 workers with results of 81 workers stated in healthy and 10 workers have disruption conditions, and cholinesterase examination for 89 workers with the results that all workers were declared in a healthy and normal condition (fit to work).
- Sungai Kupang Mill - Audiometry examination for 10 workers with the results of all workers stated in healthy and normal conditions (fit to work), spirometry checks for 17 workers with results of all workers stated in healthy and normal conditions (fit to work), and cholinesterase examination for 19 workers with the results all workers stated in a healthy and normal condition (fit to work).

For Sungai Kupang Estate workers who experienced disruption during the spirometry examination, were transferred to maintenance work that is not related to chemicals according to the Manager's Statement on September 19, 2019 stating that 10 workers who were identified as having problems during the spirometry examination will be reassigned and re-examined after working for more than 3 months on maintenance work. Based on interviews with spray and fertilizer workers in the Sungai Kupang Mill and Sungai Kupang Estate it is known that workers have been routinely given health checks every 2 times a year and the last inspection was conducted in April 2019.

4.6.12

The company has a policy related to preventing pregnant and lactating women from handling pesticides issued by VPA and listed in Memorandum No. 01 / VPA-RSPO / 03/2010 dated March 3, 2010. The memorandum instructs that female workers who are pregnant and breastfeeding are not allowed to work as sprayers or other work related to chemicals.

The company routinely carries out monthly menstruation checks and pregnancy checks for all female workers to ensure that there are no pregnant and lactating women working in chemical-related work. From the results of routine pregnancy monitoring and checking, information was obtained that from January to August 2019 there were no spray and fertilizer workers currently in a condition of pregnant / lactating.

Based on the results of field visits and interviews with spray workers, it is known that currently there are no pregnant or breastfeeding workers who work as sprayers / fertilizers because the company has banned pregnant / nursing workers

who work with chemicals. The company also conducts routine pregnancy checks to ensure that no pregnant / lactating workers work with chemicals.

Status: Comply

4.7

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

4.7.1

The company's OHS policy has not changed since the previous assessment. The Occupational Safety and Health Policy was adopted on November 1, 2013 by the President Director of PT SMART which stated the company's commitment to:

- Communicate OHS policies and procedures to all employees and stakeholders to ensure that they understand the obligations associated with company activities.
- Comply with all applicable laws, regulations and other provisions related to OHS.
- Ensuring the application of OHS as part of the company's operational activities.
- Identify, assess and control the risks of hazards in each activity in the work environment with a continuous improvement approach to avoid accidents and occupational illness.
- Manage and monitor OHS indicators and make continuous improvements to improve OHS management performance.

Based on observations in the operational environment of plantations and factories, it is known that the company already has a warning of OHS policy that is available at several points intended for media outreach to workers so that it can be easily known and understood.

The company has an OHS work program that is created every year to plan the implementation of OHS in plantations and factories. The program has been compiled for 2019 by the respective P2K3 management. The work program is the making of OHS goals & objectives, review & preparation of HIRAC, evaluation of OHS fulfillment, safety induction, P2K3 meetings, PPE distribution / replacement, monitoring PPE condition, monitoring & provision of first aid, OHS monitoring, competency certificate validity monitoring, work accident recapitulation, work accident investigation, worker health inspection, emergency response preparedness, OHS socialization activities, and routine P2K3 report reporting.

In implementing one of the OHS work programs and to implement and cultivate OHS discipline, the company carries out OHS inspections conducted monthly by P2K3 officers who are accompanied by General OHS Experts in each unit. The following are the results of the last inspection carried out by the company including:

- General OHS inspection activities on the Sungai Kupang Estate on September 12, 2019 for OHS compliance and monitoring activities in warehouse management, office management, PPE cleaning, PPE storage, nursery, harvesting, spraying, FFB transport, fertilizing, maintenance and activities- other activities with the result that all workers have been obedient in implementing OHS in the work environment.
- Sungai Kupang Estate emergency shower and eye washer inspection activity on 12 September 2019 in the pesticide mixing warehouse, central warehouse, housing complex 1 and 3 with all equipment functioning properly.
- Discipline inspection activities on the use of PPE on August 26, 2019 in Divisions 5 and 6 with the result that all workers have been disciplined in using the specified PPE.

4.7.2

Hazard Identification Risk Assessment Control (HIRAC) records are available in each work unit, including:

- Sungai Kupang Estate have HIRAC established on January 2019 for the period January - December 2019 which explains the sources of hazards, their impacts, identification of potential hazards, controls carried out and risk analysis for each of the activities in unit operational area. The identified activities are leaving & going home from work, TM maintenance, harvesting, warehouse activities, maintenance emplacement, workshop activities, polyclinic activities, Child Care Center, office offices, agrochemical mixing places, washing place for knapsack & ex sacks fertilizer, firefighting training, security and fire tower. The determination of the HIRAC is based on the evaluation results from the previous year's HIRAC.
- Sungai Kupang Mill has an HIRAC established on January 2019 for the period January - December 2019 which explains the sources of hazards, their impacts, identification of potential hazards, controls carried out and risk analysis for each activity in the operational area of the unit. The identified activities are starting & going home from work, activities at loading ramp stations, sterilizer stations, boiler stations, clarification stations, engine room stations, press

stations, nutt & kernel stations, solar tanks, WTPs, laboratories and other activities. The determination of the HIRAC is based on the evaluation results from the previous year's HIRAC.

In the event of a work accident the company will conduct an accident investigation to be able to carry out evaluation activities and find the root cause of the accident. Then the company will conduct socialization related to accidents that occur to all workers. This is done so that workers become more careful and as a precaution so that the same incident does not recur.

The company has an OHS inspection procedure that is carried out every month to find out sources of danger and monitoring of emergency response equipment owned. In addition, the company has a work accident investigation procedure that is used to find out the initial identification of the accident, cause of the accident, analysis and actions taken. Based on the results of the document review, it is known that all accidents that occur in the company have been investigated and reported to the relevant agencies.

4.7.3

The company has a training program for all workers in which it explains the techniques / safe working methods for each job. The training was given by the assistant along with the OHS Expert who was the P2K3 secretary. In addition, the company has workers who have received special OHS training / licenses / certifications related to several types of work provided by the relevant agencies.

The company has provided adequate and appropriate PPE for all workers in the workplace based on the identification of Hazard Sources and Risk Control which includes all potentially dangerous operational activities, such as the use of pesticides, machine operations, land preparation, and harvesting.

Based on the results of field observations in factories and plantations, it is known that all workers observed have used a proper PPE in accordance with the provisions stipulated in the HIRAC and no workers were found to have used a broken PPE. This is in line with the results of interviews with fertilizer, harvest and spray workers who stated that so far if the PPE used is damaged the workers will immediately request replacement from the company and the company will immediately replace the PPE with new PPE stock in the warehouse.

4.7.4

The company already has a P2K3 organization that functions as an organization that implements and implements OSH in the plantation or factory operational environment. The organization has also been approved by relevant agencies including:

- Decree No. 566/315/Was-NKT/2018 dated July 03, 2018 concerning the Ratification of PT Sinar Kencana Inti Perkasa – Sungai Kupang Mill Work and Safety Committee (P2K3) The P2K3 management structure is Chairperson, Secretary who is assisted by the coordinator in the fields of evaluation, supervision, research, counseling and health. P2K3 Secretary is a General OHS Expert who has been appointed by the Minister in accordance with Minister of Manpower Decree No. 55928/PK3/AJ/31/2018/PO dated June 25, 2018 for the appointment of General OHS Expert workers as OHS Expert Sungai Kupang Mill which is valid for 3 years.
- Decree No. 566/219/Was-NKT/2019 dated June 20, 2019 concerning the Ratification of PT Sinar Kencana Inti Perkasa – Sungai Kupang Estate Work and Safety Committee (P2K3) The P2K3 management structure is Chairperson, Secretary who is assisted by the coordinator in the fields of evaluation, supervision, research, counseling and health. P2K3 Secretary is a General OHS Expert who has been appointed by the Minister in accordance with Minister of Manpower Decree No. 10461/NAKER-BINWASK3/V/2018 dated June 25, 2018 for the appointment of General OHS Expert for a.n Ajie Prasetyo workers as OHS Expert Sungai Kupang Estate which is valid for 3 years.

The company has conducted routine P2K3 meetings / meetings once a month and has been well documented (minutes, documentation and attendance available). The meetings that have been held include:

- P2K3 Sungai Kupang Mill meeting on September 06, 2019 which was attended by 5 participants and discussed about previous OHS implementation, OHS inspection, emergency response and others.
- P2K3 Sungai Kupang Mill meeting on August 12, 2019 which was attended by 7 participants and discussed about

previous OHS implementation, OHS inspection, PPE for workers and others.

- P2K3 Sungai Kupang Estate meeting on September 22, 2019 which was attended by 26 participants and discussed about previous OHS implementation, OHS inspection, emergency response and others.
- P2K3 Sungai Kupang Mill meeting on September 06, 2019 which was attended by 5 participants and discussed about previous OHS implementation, OHS inspection, PPE for workers and others.

4.7.5

SOP Emergency preparedness and response with document number SOP / SMART / GENERAL / SADV / I / 005. Rev 0.0 was passed on July 1, 2014 by the Head of Upstream. This SOP is intended as a guideline in identifying. Preventing potential and overcoming emergencies in estate, factories and other supporting units in the Sinarmas plantation area and its subsidiaries. Flow chart for emergency preparedness as follows Identification of potential emergency conditions → Formation of emergency response team → structure form → Compilation of plans for the supply / replacement of facilities and equipment → Examination of facilities and infrastructure supply plans → Coordinate the specification of facilities and infrastructure of emergency response teams TOP Approval of TOP management → Implementation provision of facilities and infrastructure → Emergency response team equipment monitoring → Equipment readiness statement.

Based on the results of hydrant simulations at Sungai Kupang Mill for emergencies it is known that the emergency response officers who are able to carry out their duties and responsibilities properly and can explain related to firefighting procedures and emergency response owned by the company.

Based on the results of field observations in factories, housing and offices, it is known that the company has warnings related to the evacuation route in each room / location that makes it easy for workers to understand and carry out these instructions when an emergency occurs. These warnings cover gathering areas, evacuation routes, and other things. The company also always provides a safety briefing for each guest / worker who has just entered the company area so that the guest / new worker understands the emergency procedures owned by the company.

The company has first aid kits and bags that have been adapted to the laws and regulations (a total of 22 items total). First aid boxes and bags are available in each of the plantation and factory units as an OHS facility that supports the implementation of OHS in the company. Training for each first aid officer has also been carried out by the company.

The company has a recapitulation of work accidents that occur in each unit every month and for every work accident that occurs is always carried out an investigation to find out the root causes and causes of accidents. The following are the results of investigations into work accidents that occurred at the company including:

- Accident Investigation Report on July 16, 2019 for harvester (RHT) on the Sungai Kupang Estate for work accidents affected by falling palm fruit on the right thigh. The document explains the chronology of the accident that occurred and further action in preventing the incident from happening again. The company has also submitted and reported the incident to the *BPJS* Employment after the accident occurred.
- Accident Investigation Report on April 18, 2019 for harvester (SWR) on the Sungai Kupang Estate for workplace accidents affected by falling palm fronds on his left wrist. The document explains the chronology of the accident that occurred and further action in preventing the incident from happening again. The company has also submitted and reported the incident to the *BPJS* Employment after the accident occurred.

4.7.6

PT Sinar Kencana Inti Perkasa has a policy regarding the provision of health and employment insurance to all workers listed in the Collective Labor Agreement 2018-2020 period in article 14. These articles explain that companies are required to include all workers in the National Social Security program in accordance with applicable laws and regulations and for health insurance companies must register all workers in the *BPJS* Health program. The company can show a list of all workers registered as participants of the *BPJS* Health and Employment and monthly proof of payment is available for each program.

Based on the results of interviews with harvest workers, spray workers and plant operators it is known that workers have been registered as *BPJS* Health and Employment participants. During this time the use of *BPJS* Health can always be done well for the treatment of workers and their families. If workers want to seek treatment, the company provides facilities

in the form of polyclinics and no medical fees.

4.7.7

The company has a record of work accidents using the Lost Time Accident (LTA) matrix as a reference to find out and calculate the total workday loss, severity rate and frequency rate of all accidents that occur in the company. The following is a recording of work accidents that occurred during the past year (January 2018 - August 2019) using the LTA matrix, including:

Unit	Accident Case	Lost Day	Severity Rate	Frequency Rate
Sungai Kupang Mill				
January – December 2018	0	0	0	0
January – August 2019	0	0	0	0
Sungai Kupang Estate				
January – December 2018	12	42	7.51	27.35
January – August 2019	7	16	4.38	10.42

Based on the above table it is known that during the period January 2018 - August 2019 there were 19 accidents that occurred with a total loss of working days is 58 days for all units. Meanwhile, Sungai Kupang Mill has a zero accident.

Status: Comply

4.8

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

4.8.1 & 4.8.2

PT Sinar Kencana Inti Perkasa has the data of each employee which is always updated every month in accordance with changes in the addition and reduction of employees every month. The data document explains personal data, marital status, employee status and other information.

PT Sinar Kencana Inti Perkasa has identified the needs for each worker according to the type of work they have, including:

- The kernel dispatch operator is given HIRAC training, emergency response, SCCS and ISCC
- Harvesters are given OHS training, harvesting techniques, first aid kit and PPE usage
- Fertilizers are given OHS training, fertilization techniques, first aid kits and the use of PPE

Based on the identification of training needs, the company has compiled a training program for each worker in the estate and factory in 2019 including:

Factory

- OHS management training
- Dissemination of emergency response, OSH policy, and PPE management
- HIRAC socialization
- RSPO SCCS training
- Firefighting and emergency response team training
- First aid training
- ISCC training
- MSDS socialization
- Environmental management socialization

Estate

- First aid training
- Hyperkes Health Training
- Training on the use of portable fire extinguisher
- Simulation of firefighting on land and building
- Simulation of chemical spills
- Machine operation training
- Spray training
- Harvest training
- Fertilization training

- IPM staff training
- LSU / SSU training
- MSDS training
- HCV training
- Training on environmental aspects and hazardous waste management

Based on the training program specified above, the company has shown evidence of the realization of the training that has been carried out by attaching evidence of minutes, attendance and photo documentation of training / socialization activities. Based on field observations and interviews with workers (harvesting, spraying and plant operators) it is known that workers have understood their work in accordance with procedures established by the company and an understanding of the duties and responsibilities for each job has been done quite well.

In addition to training workers, the company also conducts training socialization to its contractor workers, for example OHS training programs, PPE, company policy socialization, ISPO, RSPO and others. The training socialization that was conducted to the contractor workers was on March 11, 2019 which was located in Sungai Kupang Estate. Based on the results of interviews with the contractor and his employees (FFB transport contractor) it is known that the company has provided training socialization to the contractor along with the workers at the time before starting work or at the morning muster the workers and the socialization given is related to OHS, PPE and others.

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
Company not conduct any new areas development, mill capacity expansion, and etc that required new changes for current environmental impact assessment. PT Sinar Kencana Inti Perkasa already has EIA on 1996 that legitimated by Agriculture minister based on SK 104/ANDAL/RKL-RPL/BA/VIII/1996. This EIA has covered estate operational areas for about 15000 ha and 60 tonne FFB per hour capacity. Regarding airstrip activity on Sungai Kupang estate, company has establish another "*Dokumen Pengelolaan Lingkungan Hidup*" on 2011. This document covered air strip development legitimated by Kotabaru environment agency based on recommendation letter No. 660/013/Tatling-AMDAL/BLHD/2011.

5.1.2 & 5.1.3
Environmental management plan and monitoring plan for PT. Sinar Kencana Inti Perkasa are listed on RKL/RPL document. Company also has recommendation letter on 29 April 2013 No.660/19/TA-AMDAL/BLHD/2013 from Kotabaru environmental agency regarding environmental and monitoring plan for mill, estate, and airstrip operational activities. Implementation for environmental management / monitoring has been listed on RKL/RPL semester report. Based on semester report shown that company has managed all potential impact such as water quality, soil quality, land fire monitoring, wild life presence, air quality and noise.

Result of monitoring for 1st semester 2019 shown that potential impact caused by operational activities have been reduced meanwhile noise parameter on some point in Sungai Kupang palm oil mill are still exceed standard quality. Action plan for this exceeding noise test result has been implemented by providing ear muff/ear plug for high risk workers. Review for the monitoring/management plans has been developed on January 2019 and as output company will inserted replanting activities monitoring when replanting has been conducted on estate.

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
Sungai Kupang estate and Sungai Kupang palm oil mill has been conduct HCV assessment for the entire area of

operations, done by the RSPO Approved Assessor on 2013. The process of HCV identification conducted by using HCV identification guides in Indonesia on June 2008. These identifications indicates there is HCV 6,1.1, 4.1, 1.2, and 1.3 presence on Sungai Kupang estate. Each HCV areas have been mapped, and covered areas with totally 140 ha areas. The HCV identification was conducted by a competent HCV team and has engaged stakeholders through public consultation on May 2015. HCV identification results also explain the presence of Rare, Threatened, or Endangered (RTE) species according updated IUCN-Redlist 3.1 (2017) such as *Nasalis larvatus* and *Helarctos malayanus*. There is different between total calculated HCV areas based on assessment report and on this basic info report. That because some HCV attributes are counted as planted areas for examples for Babi river flows.

5.2.2 & 5.2.3

HCV identification results also explain there is an endangered species according IUCN-Redlist. To provide protection against such species, management unit has established HCV management plan, the hunting ban signboard placement, patrolling, rehabilitation of riparian as wild species habitat. Field visit on block E41 div 6 SKPE shown that condition of mangrove areas has been covered by natural vegetation. Related to RTE species, company have RTE species protections procedures established on September 2010. Evidence for workforce educations related to RTE species are available for examples HCV / RTE socialization on April 23 2019 for Sungai Kupang estate workers. Housing visit and residence interview on SKPE also found there is no RTE / wild species reared by workers. Based on interview with Sungai Kupang and Sangking Baru villagers obtained information that company has provided information related RTE species policy by regular socialization and signboard placement

5.2.4

Company have established 2019 HCV management plan based on 2018 monitoring output. Regularly patrols record shown company has been monitored illegal hunting, and other illegal activities. Records for regular patrols on Sungai Kupang estate are available and summarized on 2018 HCV monitoring and management implementation report. Besides that company also conduct secondary monitoring done by HCV officer. Monitoring output for 2018 periods indicates there is decreasing on wild species encounter during regular monitoring, meanwhile evaluation showh this caused by monitoring location changes during 2018.

5.2.5

Results of the verification documents, field visits and interviews with villagers obtained information that there is no areas of HCV-related and affected to the local community.

Status: Comply

5.3

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

5.3.1

Major pollutants and all waste products and sources of pollution from mill and estate have been identified and documented in identification and evaluation of pollution source document issued on 2018. Type of waste been identified for examples are:

- Estates, waste source : chemist activities, waste type : ex pesticides containers (toxic and hazardous waste)
- Mill, waste source : FFB process, waste type : shell and fiber (non toxic/hazardous waste)
- Estates, waste source : pruning activities, waste type : oil palm fornd (organic waste)

Company has shown environmental aspect of document in the period 2019 for mill and estates listed on document F/SMART/LEMS-EHSD/SADV/001/001 which also informs about the activities that have an impact on the environment, the environmental aspects, potential impacts, related fields, document control and control management.

5.3.2

Inventory for all chemicals usage and ex agrochemical containers are available on chemicals storehouse / temporary hazardous storage. All ex chemicals containers (including used agrochemicals containers) were kept on temporary hazardous storage at each estate and Sungai Kupang mill. Based on document review and interview with management representative, shown all ex pesticide containers on estates are managed by 3 times washing in accordance with the MSDS, then stored in the pesticides optimalization store and regularly submitted to related vendor i.e PT Sinar Bintang Albar, last shipment conducted on Juli 2019.

Document review shown that PT Sinar Kencana Inti Perkasa has sent all toxic and hazardous waste to PT Sinar Bintang

Albar (licensed collector) on July 2019 (for examples manifest KLH1544000001772UF for 0.52 mt ex chemical containers including fertilizer inner sack and manifest KLH1544000001773UF for 0.0025 mt medical waste). Observation during audits at temporary hazardous and toxic waste storage shown that all of hazardous waste are compliant with the periods in permit.

5.3.3

Furhtermore all domestic settlements waste are not disposed using open fire, PT Sinar Kencana Inti Perkasa provides landfill for domestic waste management. Field observation on Sungai Kupang housing area for example, found that companies managed settlements/housing domestic waste by provide landfill and sort the organic/an-organic waste. Observations also found these landfill are located far away from housing and situated on flood free areas. Company has implemented waste management /utilization based on management plan. Field visit to Sungai Kupang mill shown that condensate water has been transferred to Fat pit tank, then flowed to effluent Cooling Pond; Fiber and shell has been utilized as a boiler fuel. Meanwhile land application were conducted to nearest estate to Sungai Kupang mill i.e Sungai Panci estate. Records for all land application activities to sungai panci estate were availables for examples on August 2019, total volume application was 8202 m³. During this audit Sungai Panci estate were not included to SKPM supply base therefore auditors team did not conduct any field visit related land application activities.

Status: Comply

5.4

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

5.4.1

PT Sinar Kencana Inti Perkasa has assess and estimated the direct energy use such as fuel usage by operational avtivities for 2018-2019 periods. Company shown commitment to reducing fossil fuel by renewable energy usage. Shell and fiber usage have been monitored per month and realization of fossil fuel usage during August 2019 for examples are 14610 litre. During January - August 2019, fiber and shell usage for boiler resulting average energy efficiency for diesel fuel are 1.50 litre/mt CPO, for electricity are 36.63 kWh/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

Zero burning policy is presented in document No. SOP/SMART/MCAR/IV/TA-PLB dated 12 June 2012 about land preparation. As informed from Plantation Agency and Environment Agency of Kotabaru Regency, as well as information from representative of Sungai Kupang Village and Sangking Baru Village, it was known that there is no burning activities for land clearing in PT SKIP. Land preparation is conducted mechanically by heavy equipments. Based on long term management plan for period 2018-2023 and explanation in Indicator 3.1.2, it was known that replanting is carried out since 2013 through zero burning method. Sighted 2019 replanting area in Division 3 Block 09.

5.5.2

There is no use of fire for pest management purposes. Estate management prefer to control pest population by biological method instead of chemicals. This matter is further explained in Criteria 4.5 and 4.6. Based on long term management plan for period 2018-2023 and explanation in Indicator 3.1.2, it was known that replanting is carried out since 2013 through zero burning method.

Status: Comply

5.6

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

5.6.1 & 5.6.2

PT. Sinar Kencana Inti Perkasa has documentation of identification of activities that produce emissions for Mill and Estate, such as:

- Mill, consists of use of chemicals, the use of fossil fuels, The use of Electricity, Liquid waste.
- Estate, consists of, the use of chemical fertilizers, the use of pesticides, the use of Fossil Fuels.

In addition, company also identified GHG sources included management plan for reducing it. All waste including emmissions

and pollutions sources from Mill and estate are identified and recorded on waste and pollution identification risk 2019 document. Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every months and monitoring periods July 2019 for examples shown that all of waste water testing parameters is compliant to the standards quality. Meanwhile company also conduct regular air emission and air ambient testing, results of monitoring for 1st semester 2019 shown all parameters regarding SKPM boiler air emission were comply with relevant standards.

5.6.3

Calculation of GHG emission and its monitoring has conducted by SADV. GHG emission (Jan-Dec 2018) has calculated through the RSPO PalmGHG Calculator Version 3.0.1, which informed summary of net GHG emission, summary of field emission and sinks, summary of mill emission and credits, POME treatment and POME diverted to anaerobic digestion. The complete series of GHG calculation result are describes on next following details :

Emission/ product	tCO ₂ e/tProduct
CPO	1.14
PK	1.14

Supply base : Sungai Kupang plasma (SKPA) and SKPE

Production	t/yr
FFB processed	192719.1
CPO produced	40140
PK produced	10172

Extraction	%
OER	20.83
KER	5.28

Land use	Ha
Planted area	14625.7
Planted on peat	0
Conservation (non forested)	33.93*

* only non forested areas i.e riparian

Summary of field emission and Sinks

Description	Own crop			Group			Third party
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/tFFB	tCO ₂ e
Emissions Sources							
Land conversion	43838.87	6.06	0.44	38110.95	9.88	0.4 1	0
CO ₂ emissions from fertilizer	5821.27	0.86	0.06	5010.42	1.3	0.05	0
NO ₂ emissions	5596.54	0.78	0.06	4111.73	1.07	0.04	0
Fuel consumption	1233.76	0.14	0.01	625.25	0.16	0.01	0
Peat oxidation	0	0	0	0	0	0	0
Sinks							
Crop sequestration	-45133.16	-6.3	-0.46	-36124.12	-9.36	-0.39	0
Sequestration in	0	0	0	0	0	0	0

Conservation area							
Total	11357.28	1.54	0.11	11734.23	3.04	0.13	1025.99

Summary Oil Mill Emissions and Credits

Remarks	tCO ₂ e	tCO ₂ e/t FFB
Emissions sources		
POME	32922.81	0.17
Fuel consumption	558	0
Grid electricity	0	0
Credits		
Export of grid electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	33480.81	0.17

Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

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

Status: Comply

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

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

6.1.1; 6.1.2 and 6.1.5

PT Sinar Kencana Inti Perkasa has conduct social impact assessment on 2015. The scope of study are impact of plantation and mill operation to workers and community surrounding company areas including smallholders activities i.e Sungai Kupang KKPA. These assessments also identified negative and positive impact of plantation and mill operation towards social aspect.

Based on document review shown that current SIA and SIA review on 2019 has describing social impact related vulnerable groups (jobless, elderly people, woman), community perception, environment and health, local economy, customary rights and etc.

SIA identifications was also done based on affected parties consultation on 29 April 2014, this matter are amplified by stakeholders of local community during stakeholder consultation and besides that based on interview with local community (Sangkings Baru and Sungai Kupang villagers) shown that major impacts has been identified and managed by company. Based on document review found that major affected parties on surrounding company areas were listed on table as

follows :

Unit	Villages	Sub-district	
SKPE & SKPA	Pembelacanan	Kelumpang selatan	
	Bumi asih		
	Pantai baru		
	Sungai nipah		
	Sangking baru		
SKPE	Sukamaju		
	Tanjung pangga		
SKPM, SKPE, SKPA	Sungai kupang jaya		
SKPA	Sidomulyo		Kelumpang hulu

6.1.3 and 6.1.4

Company has established management plan and monitoring plan related for social impact based on the impact identification. This plan has been informed the positive and negative impact including management planning time frame and the person in charge for the activity, such as: potential environment pollution, community perception, and workers facilities. PIC for social management and monitoring are manager in each unit assisted by SPO officer and other related staff. Review for social management and monitoring plan for PT SKIP was conducted on September 2018. Major impacts that affect communities from company operations during this review among others are perception regarding local workers acceptance, local economy developemnt, CD/CSR, air dust on village environment, pest attack (*Oryctes sp.*) during replanting. Social monitoring plan were implemented by affected parties participatory for examples thorough discussion and interview during 17-20 September 2018 for Tanjung Pangga, Bumi Asih, Pantai Baru, Sangking Baru, Sungai Nipah, Sungai Kupang Jaya, Telaga Batu, and internal stakeholder including workers union and gender committee. Documentation of social impact monitoring activities (by interview and discussion) are available for each stakeholders. Interview with representative of local stakeholder during Re-audit obtained information that affected parties surrounding company are participated when SIA review was conducted.

Based on interview with local community (Sangking Baru and Sungai Kupang villagers) found there is no significant impact/issues caused by company because company have effectively implemented social management during 2016-2018. Result monitoring for social impact on surrounding PT Sinar Kencana Inti Perkasa affected parties periods 2017-2018 shown the main issues that still presence until now is related community perception regarding company CD/CSR programme and replanting activities that causing oryctes attack, regarding this as monitoring output PT. SKIP has enhanced and regular develop new social management plan 2019 that includes enhanced socialization regarding company integrated pest management during replanting activities, and socialization regarding company communication and complaint procedures.

Evidence observed

PT Sinar Kencana Inti Perkasa has conduct social impact assessment during 2015 and on this study has explained that affected parties was surrounding communities that directly adjacent to company operational areas i.e Pembelacanan, Bumi Asih, Pantai Baru, Sungai Nipah, Sangking baru, Sukamaju, Tanjung Pangga, Sungai Kupang jaya, and Sidomulyo villages.

During 2015-2018, company has regular evaluates social monitoring and management plan. For examples evaluaton for 2017-2018 periods that conducted on October 2018 and has been involving affected parties such as Tanjung Pangga, Bumi Asih, Pantai Baru, Sangking Baru, Sungai Nipah, Sungai Kupang Jaya, and Telaga Batu villages.

Non-Conformance Description

Company are not able shown evidences that all of relevant affected parties has been involved during social monitoring and management plan establishment dan evaluation. **This matter become NC 2019.02 as Minor Category**

Minor 6.1.4	Status: NCR No. 2019.02 with minor category
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6.2
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

6.2.1 and 6.2.3

PT SKIP has list of stakeholders, as well as its address and contact number(s), which updated annually by SPO Officer for Region Kalimantan Selatan 1 and approved by Regional Controller. List of stakeholders is presented as follows:

- SKPM: As per update on 09 September 2019, list of stakeholders in SKPM are consist of 8 Government Institutions representatives from Regency and Sub-Regency; 1 Customary Elder from Sungai Kupang Village; 3 representatives from internal organizations of SKPM (Labour Union, Cooperative and Gender Committee); 4 transporters; and 4 Contractors.
- SKPE: As per update on 16 April 2019, list of stakeholders in SKPE are consist of 14 Government Institutions representatives from Regency and Sub-Regency; 3 Customary Elder from Sangking Baru and Pembelacanan Village; 3 representatives from internal organizations of SKPE (Labour Union and Gender Committee); and 4 Contractors.

Procedure of communication and consultation for external and internal stakeholders' mechanism is presented in document No. SOP/SMART/UMUM/SADV/II/004 (Rev 00) dated 01 July 2014. For internal stakeholders information request is starts by filling information Form and should be approved by SPO Officer. Meanwhile for external stakeholders, information could be through directly filling the Form of Communication, email and letter. Information which has no listed on public document, is approved when permitted by top management. SPO Officer was person in charge (PIC) to deliver information request to the respective Department, for approval from the respective PIC. Time of information response shall be less than 1 week and plan for response arrangement should be less than 3 weeks. Receipt of information delivery is made as evidence of response. Furthermore, procedure of information request is presented in procedure No. SOP/SMART/UMUM/SADV/II/004 (Rev 00) dated 01 July 2014 about mechanism of communication and consultation for external and internal stakeholders. Socialization of procedure had been conducted to the related stakeholders. For example, socialization to Plasma Cooperative has conducted on 25 April 2018.

Information request and response is recorded on logbook Form No. F/SMART/UMUM/SADV/004/002 which informed date of Letter In (information request letter) and date Letter Out (company response letter). According to logbook review, it was known that there is no information request in 2018 and 2019 for SKPM, there is one information request to SKPE regarding *Bipartit*, *P2K3* and *BPJS* report on 11 April 2019. These document has delivered to the Manpower Agency of Kotabaru Regency on the same date. Based on document delivery record verification, it was known that the company has recorded several compulsory reports which delivered based on periodic schedule to the respective government institutions.

6.2.2

PIC for information request and social matters is conducted by the respective Manager as appointed through Top Management (Production Controller or Regional Controller) Decree No. 005/SK-PC KALSEL I/VIII/2017 dated 01 August 2017 and No. 002/SK-RC KALSEL-1/2019 dated 24 January 2019 for SKPM and SKPE, respectively. Job description of PIC are to communicate surrounding communities' aspiration to the top management if necessary, as a company representative and to ensure that the process is accordance with procedure. Coordination with other Division might be needed. Based on interview with representative from Sungai Kupang and Sangking baru Village, it was known that company PIC was familiar with village societies. Communication so far is considered satisfactory and cooperative.

Status: Comply

6.3

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

6.3.1

The company has the SOP Handling Complaints and Dis-satisfaction no. SOP/SMART/SIGS-CSR/SADV/II/003 that explain the process of delivering and handling complaints and grievances internally and externally. In the SOP also mentioned that the company guarantees the anonymity of the reporting and the revealer of the case (whistleblower). Head of Administration is responsible for hearing and record all complaints and grievances that exist both orally and in writing from the external. Responses to the complaint and dissatisfaction is given as soon as possible and not later than one month after the issue received. Based on interviews with management, if there is no solution in the complaint mechanism, can be brought to the RSPO Complaint System.

6.3.2

The whole recording and handling of related complaints recorded in the Monitoring Form Handling Complaints and

dissatisfaction document number: F/SMART/SIGSCSRD/SADV/003/001. According to interviews with workers and communities there are no complaints or dis-satisfaction.

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
The procedure of *Ganti Rugi Tanah/Lahan* (SOP/NP/SMART/VII/D&L002, dated 1 July 2010) described the mechanism for identifying legal, customary or user rights and also for identifying people entitled to compensation and determining calculation method to provide fair compensation. Evidence of Procedure Awareness was documented. It was communicated to related parties such as community leaders, and religious figures and youth leaders. While, within the FPIC Procedure No. SOP/SMART/SENS-CSR/SADV/II/003, part 2.4 describes that identification of participatory map related to legal ownership of communities are considering gender, community leader, local or transmigrant communities, ethnic groups or communal land ownership, etc.

6.4.2
PT Sinar Kencana Inti Perkasa already has a SOP of FPIC Implementation (SOP / SMART / SENS-CSR / SADV / I / 003), dated 1 July 2014. The purpose of the procedure is as a reference for staff and management in respecting customary rights and locally by realizing the principles of FPIC in the construction of new estates and mill. The scope includes; activities related to the preparation / pre-conditions, the process of interaction and decision making, implementation, monitoring and reporting, disputes that occur and complaints that occur in areas that have been built estate and mill and or have been compensated will be resolved using SOP Handling Complaints and Uncertainty.

6.4.3
All the documents of land compensation is kept by legal department and if there is any inquiry from affected parties or relevant parties, the document can be accessed through officer/management permission.

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 & 6.5.2
The company has a 2018-2020 Collective Labour Agreement document between PT Sinar Kencana Inti Perkasa and the PT Sinar Kencana Inti Perkasa Labor Union (SPSI) which was witnessed and signed by the Office of Manpower & Transmigration of Kotabaru Regency and Tanah Laut Regency on September 24, 2018. The company has submitted Collective Labour Agreement to the Manpower and Transmigration Office of Kotabaru Regency on October 11, 2018 in accordance with Letter No. 091 / HR / PSM-Kalseltim / 10/2018 concerning Submission of Collective Labour Agreement Registration, but until now the agency has not provided proof of such registration. (OFI).
To ensure the understanding of all workers related to the CLA, the company has conducted a socialization of its understanding in each unit including:

- Collective Labor Agreement socialization at the Sungai Kupang Mill on December 18-20, 2018 and giving the book of Collective Labour Agreement to worker.
- Collective Labor Agreement socialization at the Sungai Kupang Estate on October 15, 2018 and giving the book of Collective Labour Agreement to worker.

PT Sinar Kencana Inti Perkasa has supporting documents to ensure the standard payroll system in the company runs well and complies with applicable laws and regulations. The wage documents include:

- Kalimantan Selatan Governor Decree No. 188.44/0598/KUM/2018 on November 19, 2018 concerning Regency / City Minimum Wages and Regency / City Sectoral Minimum Wages in Kalimantan Selatan Province in 2019. The determination of agricultural sectoral minimum wages in Kotabaru Regency in 2019 was Rp. 2.796.819,62 and took effect on January 1, 2019.
- Decree of the Director of PT Sinar Kencana Inti Perkasa No. 007/CEOKalsetim/02/2019 dated March 01, 2019 concerning Structure and Wage Scale of Permanent Workers in 2019 which came into force on January 1, 2019.

From the structure of the wage scale it is known that the lowest minimum wage is Rp. 2,826,820 for workers who work <1 year and the highest wage is Rp. 3,142,820, - for worker grade A8.

Based on the results of the review of worker wage documents and contractor worker payroll, it is known that the company and contractors has implemented provisions relating to the minimum wage for all existing workers. This is in line with results of interviews with harvester, sprayers, contractor worker and factory operators who stated that the wages given were in accordance with the minimum wage stipulations of the government.

At present the company has 857 workers in plantations and factories, while contractor workers for maintenance and transportation of FFB are 110 workers.

Based on the interview with labour union, gender committee, the CLA has been socialized by company to worker every year and labour union has been re-socialized. Collective Labour Agreement is currently sufficient as the basis of employment in the company, workers' rights, obligations listed are quite clear and has been knowing by every workers.

There has been change in workers policy such as minimum wage from 2018 to 2019, wage structure & scale in 2019, and the others. The workers policy change always been socialized to workers in the muster morning days after the change has been ratified.

The deduction/penalty it written in the company memorandum and has been socialized by company to workers. Based on the interview with harvesting workers, labour union and the others workers it has been know about deduction in the company memorandum and it has been socialized to workers.

Non-Conformity No. 2019.03 with Major category

Evidence Observed

- Based on interviews with the Sungai Kupang Mill Labour Union, it was found that for maintenance mill workers the holiday was determined not Sunday because the day was used for work and the holiday was diverted on another day without an agreement with the workers.
- The company has a policy related to the implementation of the day off system for some jobs that do not get a day off not on Sundays but other days listed in Circular No. 161 / HROP / 06/2014 dated 13 June 2013 concerning Guidelines for a Day Off to coincide with the Official Holidays.
- In the Collective Labor Agreement (PKB) period 2018-2020 in Article IV concerning Provisions Regarding Work / Rest Time, Point 2 which states that "Generally a weekly rest day is Sunday unless it is expected another day by the Employer on the basis of the negotiations set forth in a written agreement. "

Non-Conformance Description

The company has not been able to show a written agreement related to the determination of holidays other than Sundays in accordance with the Collective Labor Agreement 2018-2020.

6.5.3

PT Sinar Kencana Inti Perkasa has welfare facilities for all workers available in each unit of the estate and factory, facilities provided by the company are G1 houses, G2 houses, polyclinics, mosques, prayer rooms, churches, kindergartens, elementary schools, school buses, water reservoirs, fields soccer, volleyball court, badminton court, food stalls, fuel kiosks, employee cooperatives, and other facilities.

Based on the results of field visits at the Sungai Kupang Estate worker housing, and Sungai Kupang Mill housing it is known that all facilities (houses and neighborhoods) are in good condition and maintained, each house is inhabited by 1 family and none is inhabited by more than 1 family.

The company also provides electricity from the Sungai Kupang Mill for the needs of employees with specified service hours, including:

- Morning: 04.00 - 06. 00. (normal day for 7 hours)
- Evening: 17:00 - 22:00
- Holidays: 08:00 - 11:00 (Sunday hours / day).

In addition to the availability of electricity, the company provides self-help water services for the needs of employees with specified service hours including:

- Morning: 04.00 - 05.00.
- Evening: 17:00 - 18:00.

Based on interviews with housing residents, it is known that the company has provided welfare facilities for free and can be accessed by workers and their families. The provision of electricity and water has been deemed sufficient and adequate. The company also provides stalls for businesses selling basic food necessities to workers so that access to daily needs can be easily obtained.

Based on the results of field visits it is known that the company has provided adequate welfare facilities for workers such as housing, availability of clean water, availability of electricity, the availability of health facilities in the form of clinics in each unit and guarded by doctors and paramedics (nurses and midwives), worship facilities for workers. In addition, the company also provides educational facilities in the form of kindergarten within the company environment and the provision of school buses for the transportation of children of workers. All of these facilities can be easily accessed by all workers and their families.

6.5.4

The company has made it easier for workers and their families to obtain food sources by providing employee cooperatives that sell the daily needs of workers and provide access to vegetable traders to sell in the area of workers' housing. In addition, there are also workers who open small business stalls to sell daily necessities in each housing.

Based on interviews with workers, unions and gender committees, it is known that workers have no difficulty in getting food sources because the company has provided cooperatives that sell daily necessities and there are vegetable vendors who are given access to sell at home. In addition, workers can buy these needs into markets around the area of the company with access that is not too difficult.

6.5.2 | Status: NCR No. 2019.03 with Major category

6.6

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

6.6.1 & 6.6.2

PT Sinar Kencana Inti Perkasa already has a Circular from the Vice President of Agronomy No. 020 / HR PSM6 / 01/11 dated January 3, 2011 concerning Freedom of Association. In the letter stated that the company provides freedom for employees to associate and gather written in Indonesian. In addition, the company has a Collective Labor Agreement for the period of 2019-2021 article 3 on the Recognition of the Right to Organize & Organize stating that the company recognizes and gives freedom of rights to workers to form and establish labor unions.

The legal basis for the formation of trade unions is the evidence of their registration in labor related agencies in accordance with applicable regulations, including:

- Registration of Union No. 568/133 / SP / HI-DKT / 2019 dated May 28, 2019 concerning Changes in Management of the Kupang Mill Independent Workers Union which was approved by the Head of the Manpower and Transmigration Office of Kotabaru Regency.
- Decree No. KEP-06/ORG/DPC.F-SP/KTB/IV/2019 dated April 1, 2019 issued by the SPP-SPSI Federation Branch Management Board Kotabaru Regency, South Kalimantan Province. The registration for the Office of Manpower and Transmigration of Kotabaru Regency was carried out by the union at the time the ratification of the management of the 2019-2024 period was ratified, but the union has so far not yet received the evidence of the registration. (OFI)

Based on interviews with labor union representatives, it was found that the company gave workers full freedom to carry out the formation and election of labor union management. The company also ensured that the election had no interference in its implementation and for the current management were workers with the status of foreman below that in order to avoid conflicts of interest.

Status: Comply	
6.7 Children are not employed or exploited.	
<p>6.7.1 PT Sinar Kencana Inti Perkasa already has a GAR Social and Environmental Policy (GSEP) to implement policies related to hiring in accordance with applicable regulations and has been signed by the Head of Upstream, CEO-Downstream & Commercial, Executive Director & CFO; The Managing Director of Sustainability & Strategic Stakeholder Engagement, in point 3 of the Work Environment and Industrial Relations states that companies forbid employing children and take actions to prevent the use of child labor in our activities. Take corrective action if child labor is found and ensure appropriate follow-up and provide safety protection assistance. In addition, the company has made Circular from HR Director No. 002 / SE-HRDV / 03/09 dated 31 March 2009 concerning the Minimum Age Limit which states that companies set a minimum age limit of 18 years based on Law No. 13 of 2003.</p> <p>Based on the verification of the Workers Register document at Sungai Kupang Mill and Sungai Kupang Estate there were no workers who were under 18 years of age at initial admission. The results of interviews during field visits and interviews with harvest workers, sprayers, and factory operators revealed that there were no workers under the age of 18 and during the past year there were no incidents of sexual harassment in the company's work environment.</p>	
Status: Comply	
6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	
<p>6.8.1; 6.8.2 & 6.8.3 PT Sinar Kencana Inti Perkasa already has a GAR Social and Environmental Policy (GSEP) to implement policies related to hiring in accordance with applicable regulations and was signed by the Head of Upstream, CEO-Downstream & Commercial, Executive Director & CFO; The Managing Director of Sustainability & Strategic Stakeholder Engagement, in point 3 Work Environment and Industrial Relations states that the company provides equal opportunities for all workers, and embraces diversity regardless of ethnicity, religion, disability, gender, political affiliation, sexual orientation, or membership labor union. The company ensures that workers are protected from acts of discrimination in all stages of employment relations.</p> <p>To ensure the implementation of the auditor's review of the employee registration document, it is known that the workers recruited have diverse educational, ethnic and religious backgrounds. Also based on field observations it is known that workers come from a variety of ethnicities, religions, races, and genders.</p> <p>Based on interviews with workers, trade unions and gender committees, it is known that the recruitment of workers is based on the needs of the company regardless of ethnicity, religion, races and class background. All prospective employees are entitled to the opportunity to work according to their scientific background and company needs. In addition, during 2018-2019 there were no issues regarding discrimination against workers.</p> <p>Recruitment of workers in 2019 is carried out based on skills, capabilities, qualities and health conditions, this is evidenced by the existence of performance assessment documents, interviews, and results of health checks for each prospective employee applying for a job.</p>	
Status: Comply	
6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	
<p>6.9.1 & 6.9.2 PT Sinar Kencana Inti Perkasa already has a GAR Social and Environmental Policy (GSEP) to implement policies related to hiring in accordance with applicable regulations and has been signed by the Head of Upstream, CEO-Downstream & Commercial, Executive Director & CFO; The Managing Director of Sustainability & Strategic Stakeholder Engagement, in point 3 of the Work Environment and Industrial Relations states that companies forbid employing children and take actions to prevent the use of child labor in our activities. Take corrective action if child labor is found and ensure appropriate follow-up and provide safety protection assistance. In addition, the company has made Circular from HR Director No. 002 / SE-HRDV / 03/09 dated 31 March 2009 concerning the Minimum Age Limit which states that companies set a minimum age</p>	

limit of 18 years based on Law No. 13 of 2003.

For policies to maintain decency in the work environment, the company has Circular No. 118 / HR.PSM06 / 08/2011 dated August 1, 2011 regarding the Prohibition of Sexual Harassment Policy which states that the company will provide sanctions to workers who carry out such treatment with disciplinary punishment until termination of employment (FLE).

The company has a work program for gender committees in 2019 with activities such as *posyandu* activities, religious studies, regular meetings of the management every semester, conducting gender socialization, hygiene socialization and environmental management. Based on the results of interviews with women workers in spray and fertilizer activities it is known that the workers already know the management of the gender committee and have received socialization related to women's rights (gender). In addition, during the past year there had never been any sexual harassment / violence that occurred in the operational area.

Based on the results of interviews with the management of the gender committee it is known that policies related to gender and women's rights set by the company become a reference for the managers to carry out activities and socialization to workers. During the past year there have never been any incidents or issues related to sexual harassment, domestic violence, child labor or human rights violations.

Status: Comply

6.10

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

6.10.1

Mill received FFB from engage-smallholder such as Sungai Kupang Plasma (SKPA) and Sungai Panci Plasma (SPNA) and other own estate under management of PT Sinar Kencana Inti Perkasa and another independent supplier. FFB pricing of engage-smallholder from SKPA and SPNA following the actual prices that released by Plantation Agency of Kalimantan Selatan while independent supplier following FFB Purchasing procedure. The price is determined unilaterally by the company where the supplier accept or not.

6.10.2

Mill received FFB from engage-smallholder such as Sungai Kupang Plasma (SKPA) and Sungai Panci Plasma (SPNA) and other own estate under management of PT Sinar Kencana Inti Perkasa and another independent supplier. FFB pricing of engage-smallholder from SKPA and SPNA following the actual prices that released by Plantation Agency of Kalimantan Selatan while independent supplier following FFB Purchasing procedure. The price is determined unilaterally by the company where the supplier accept or not.

6.10.3 and 6.10.4

Based on document verification and interview with head clerk and local contractor, known that PT Surya Kencana inti Perkasa has had an agreement with them to outsourcing operational activity such as FFB transporter and replanting. During the audit, auditor has interviewed local contractor representatives' i.e PT Satrindo Jaya and CV Selamat Mandiri. Through the interview obtain information that the company has had a work agreement for FFB transporter and replanting for this year. Those agreement based on a fair and transparent process. It payment also on time and no complaint until now.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

Determination of local development programs based on proposal from surrounding Village. Certification holder has implemented some of CSR program for 2019 and contribute to local development, for example:

- Religion aspect. Consumption for *tadarus* activity in surrounding mosque.
- Education aspect. Note book assistance for *madrasah*.
- Infrastructure aspect. Fund assistance for digging trenches in Empang Benao Village
- Social aspect. Cooking oil bazar, health education.
- Partnership with local local contractor for operational activity, such as FFB transport, infrastructure, FFB purchase, Etc.

6.11.2

The company has a 2018 budget plan document that outlines financing for plasma (full manage), some of which are: the wage costs for the human resources managing plasma, and the costs for upkeep activity (spraying, manuring, etc.) contained in the plantation budget document.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2 & 6.12.3

The company has a commitment to the prohibition of force labor and trafficking, one of which is the issuance of GAR's Social and Environmental Policy, in point 3.1 regarding recognizing, respecting and strengthening workers' rights, it is stated that the company prohibits forced labor and takes steps to prevent this, provide employment contracts for all employees in an easily understood language.

Based on the results of the study of work contract documents and a list of workers, it is known that there are no foreign workers who work at the level of implementing workers up to the manager's position. Foreign workers only exist at the top management level. In addition, there are no workers from trade or illegal workers or contract substitution because all workers have a working relationship with the company. This is in line with the results of interviews with harvest, fertilizer, spray and factory operator workers who stated that so far no use of forced labor, child labor, or family members who helped employees. All workers have work ties with the company.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

The policy to respect human rights is contained in the Social and Community Engagement Policy published on November 10, 2011 point 6, namely Respect for Human Rights (HAM).

On September 8, 2015, the management of Golden Agri Resources (GAR) released the GAR Social and Environmental Policy. In clause 2.2.3 in the document, a statement regarding respect for human rights reads "we are committed to upholding and promoting a general statement on UN human rights for all workers, contractors, indigenous peoples and local communities in all company operations".

Based on the results of interviews with trade unions and gender committees, it is known that so far there have never been cases of human rights violations committed by companies. This is also the same as the results of interviews with the surrounding villages, namely that there have never been cases of human rights violations committed by the company to the surrounding community.

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

Based on documents review, interview and field visits shown that PT Sinar Kencana Inti Perkasa did not conduct any new development since November 2005. Therefore Social impact assessment and Environmental impact assessment for current operational activities were covered on indicator 5.1 and 6.1

Status: Comply

7.2

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

7.2.1 and 7.2.2
Estate management informed that first cycle of planting had carried out in 1992 to 1995. Palms planted in 1997/1998 were for supply purposes, due to wild boar attack. There is no new planting after 01 November 2005. Furthermore, first replanting had starts carried out in 2013. At the time of initial assessment, there is no additional estate operational areas. Information of soil suitability on the current estate is explained in Indicator 4.3.1. Thus, this Indicator is not applicable.
Status: Comply
7.3
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.
7.3.1; 7.3.2; 7.3.3; 7.3.4 and 7.3.5
Based on field verification and interview with stakeholders shown there is no new planting after November 2005 for PT Sungai Kupang Inti Perkasa. PT SKIP are subsidiaries of Golden Agri Resources and has been submit Disclosure of Liability to RSPO on 29 August 2014 with Zero Liability. Based communcation between CB and RSPO by email on June 21 2017 its confirmed that PT SKIP has zero liability status. Current HCV identification and management plan are able to seen on indicator 5.2
Status: Comply
7.4
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.
7.4.1 and 7.4.2
Estate management informed that first cycle of planting had carried out in 1992 to 1995. Palms planted in 1997/1998 were for supply purposes, due to wild boar attack. There is no new planting after 01 November 2005. Furthermore, first replanting had starts carried out in 2013. At the time of initial assessment, there is no additional estate operational areas. Information of fragile and marginal areas on the current estate is explained in Indicator 4.3.1. Thus, this Indicator is not applicable.
Status: Comply
7.5
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.
7.5.1
There is no new land clearing or land expansion activities after 1 November 2005.
Status: Comply
7.6
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.
7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5 and 7.6.6
There is no new land clearing or land expansion activities after 1 November 2005.
Status: Comply
7.7
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.
7.7.1 and 7.7.2
Estate management informed that first cycle of planting had carried out in 1992 to 1995. Palms planted in 1997/1998 were for supply purposes, due to wild boar attack. There is no new planting after 01 November 2005. Furthermore, first replanting had starts carried out in 2013. At the time of initial assessment, there is no additional estate operational areas. Information of fragile and marginal areas on the current estate is explained in Indicator 4.3.1. Thus, this Indicator is not applicable
Status: Comply
7.8
New plantation developments are designed to minimise net greenhouse gas emissions.
7.8.1 and 7.8.2
PT. Sinar Kencana Inti Perkasa do not conduct any planting or new development since January 2015. Current GHG

calculation for existing operational areas are able to seen on indicator 5.6.3.

Status: Comply

PRINCIPLE #8 Commitment to continuous improvement in key areas of activity

8.1

Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

8.1.1

RSPO Internal Audit

Internal audit for RSPO P&C and supply chain is conducted by five internal auditors from Sustainability Policy and Compliance Division on 22-26 April 2019, and reported on 26 April 2019. According to the Non-Conformity (NCR) Report which presented in document No. F/SMART/UMUM/SADV/008/001 dated 19 June 2019, it was known that there was one (1) NCR identified related to P&C and zero findings for supply chain. The finding has been closed on 26 April 2019. Management review on this matter is presented in document No. F/SMART/UMUM/SADV/010/001 dated 19 June 2019.

Certification awarded:

1. Indonesian Sustainable Palm Oil (ISPO) certificate from ISPO Commission (certificate number BSI-ISPO 622106) since 6 December 2016.
2. International Sustainability and Carbon Certification (ISCC). Certificate Number EU-ISCC-Cert-ID215-2319084 from PT. Mutuagung Lestari. Valid from 25 August 2019 until 24 August 2020
3. Environmental certificate (PROPER BIRU period 2017 – 2018) from Environmental and Forestry Ministry Republic of Indonesia for Sungai Kupang Palm Oil Mill.

Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

3.2.1 General chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	<p>The General Chain of Custody requirements of the RSP0 Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSP0 Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Facility handling their own RSP0 certified palm oil product and does not have any outsource contractors.</p>
	Status: Comply
5.1.2	<p>Traders and distributors require a license obtained from RSP0 Secretariat to sell RSP0 certified product but do not themselves require certification. When selling RSP0 certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Sungai Kupang Mill – PT Sinar Kencana Inti Perkasa is not a trader / distributor. They also do not buy RSP0 products from another licensed traders.</p>
	Status: Comply
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSP0 and shall register on the RSP0 IT platform.</p> <p>PT. Sinar Kencana Inti Perkasa - Sungai Kupang Mill, subsidiary of Golden Agri-Resources Ltd has registered in RSP0 membership 1-0096-11-000-00 since 30 January 2005.</p> <p>PT. Sinar Kencana Inti Perkasa - Sungai Kupang Mill has been registered in IT platform palm trace RSP0 https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:</p> <ul style="list-style-type: none"> • Member Name: PT. Sinar Kencana Inti Perkasa - Sungai Kupang Mill • Account UID: RSP0_AC1000004132 • Core Product: Palm Oil • Member ID: RSP0_PO1000004196 • Type of Business: Oil Mill
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>There are no processing aids in Sungai Kupang Mill - PT. Sinar Kencana Inti Perkasa.</p>
	Status: Comply
5.2	Supply chain model
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.</p> <p>Sungai Kupang Mill will applied the Module E – Mass Balance in their supply chain model due to mill receives and processed the FFB from own certified and noncertified units/estates.</p>

	Status: Comply
5.2.2	
The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
Sungai Kupang Mill will apply the Module E – Mass Balance only in their supply chain model due to mill receives and processed the FFB from own certified and noncertified units/estates.	
	Status: Comply
5.3	Documented procedures
5.3.1	
The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
<p>Facility has had Supply Chain Procedure in document RSPO Supply Chain Model on Mass Balance Module (PT SKIP – SKPM/SOP/25) that is implemented since signed by Production Controller on 1 July 2014 (last revised on 12 September 2019). This procedure complies with 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 and RSPO Certification System (approved by RSPO Executive Board 26 June 2007).</p> <p>According to job description of each personnel, mill manager are personnel that having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p> <p>Even though the mill not certified yet, this supply chain procedure has been well-implemented. During the field visit, auditor has interviewed personnel in charge of the traceability such as security officer, weighbridge operator and head clerk. All person that has interviewed are able to demonstrate the implementation procedure and the mass balance documentation.</p>	
	Status: Comply
5.3.2	
The site shall have a written procedure to conduct annual internal audit	
Facility has had procedure for internal audit in SOP Internal Audit (SPO/SMART/UMUM/SADV/II/009). This procedure are separated with RSPO supply chain procedures. According to the document, facility will be conducted internal audit annually. The last internal audit of supply chain conducted on 22 – 26 April 2019. There was no nonconformity record identified during the audit. However, facility has conducted management review on 6 May 2019.	
	Status: Comply
5.4	Purchasing and goods in
5.4.1	
The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier	
<p>There is no oil palm product purchase from third parties. Facility only proceed their own estate and FFB supplier as follows:</p> <ul style="list-style-type: none"> • Sungai Kupang Estate/SKPE (RSPO non noncertified yet) • Sungai Kupang Plasma/SKPA (RSPO noncertified) • Sungai Panci Estate/SPNE (RSPO certified) • Sungai Panci Plasma/SPNA (RSPO certified) • PT MNP (FFB supplier) • EMMX (FFB supplier) • GKTX (FFB supplier) • GSKX (FFB supplier) • KUGX (FFB supplier) • VHX (FFB supplier) 	

Those lists also completed with FFB supplier address, contact person and position, phone number etc.	
	Status: Comply
5.4.2	
The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents	
Facility has had Supply Chain Procedure in document RSPO Supply Chain Model on Mass Balance Module (PT SKIP – SKPM/SOP/25) that is implemented since signed by Production Controller on 1 July 2014 (last revised on 12 September 2019). Mechanism in place for handling non-conforming oil palm products also covered in this procedure.	
	Status: Comply
5.5	Outsourcing activities
5.5.1	
In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.	
Facility has had an agreement with third parties regarding on outsourcers (CPO & PK transporters) activities as follows:	
<ul style="list-style-type: none"> • PT Satrindo Jaya Agro Palma (CPO & PK transporter) • CV Dwika Jaya (CPO transporter) • PT Sarana Lintas Bersama (CPO & PK transporter) 	
	Status: Comply
5.5.2	
Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:	
<ol style="list-style-type: none"> a. The site has legal ownership of all input material to be included in outsourced processes; b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance 	
Facility has had an agreement with third parties regarding on outsourcers (CPO & PK transporters) activities as follows:	
<ul style="list-style-type: none"> • PT Satrindo Jaya Agro Palma (CPO & PK transporter) • CV Dwika Jaya (CPO transporter) • PT Sarana Lintas Bersama (CPO & PK transporter) 	
Those third parties has signed the statement to provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.	
	Status: Comply
5.5.3	
The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	
Facility has recorded the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products are in places. There is only 3 CPO/PK transporter.	
	Status: Comply

5.5.4	
The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products	
Facility uses an independent third parties (subcontractor) to transfer their palm product from mill to Tarjun Refinery and Bulking (palm oil product selling point). All record of names and contact details of all contractors are in place.	
	Status: Comply
5.6	Sales and goods out
5.6.1	
The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
Facility sold all of their palm product to Tarjun Refinery and Bulking (PT Sinarmas Agro Resources and Technology). The date of shipment are documented in mass balance's data. It will be registered in RSPO IT Platform if mill is certified. Personnel in charge are able to demonstrate the registration of transaction, including removing stock.	
	Status: Comply
5.7	Registration of transactions
5.7.1	
Supply chain actors who:	
<ul style="list-style-type: none"> • are mills, traders, crushers and refineries; and • take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable 	
Until now, facility has not certified. However, the procedure and personnel in charge has been trained to registered their transaction if any selling of certified product.	
	Status: Comply
5.7.2	
The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:	
<ul style="list-style-type: none"> • Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. • Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. • Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. • Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	
Until now, facility has not certified. However, the procedure and personnel in charge has been trained to register their transaction if any selling of certified product.	
	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	

Sustainability Department has supply chain training for all related officer on 6 March 2019. This training attended by 7 person that related to supply chain implementation task. During the audit, auditor has interviewed 2 security officers in security gate (FFB receiving station) and 2 weighbridge operator. Based on interview informed that they well-known regarding on supply chain procedure and implementation and also other sustainability policy.

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

Sustainability Department has supply chain training for all related officer on 6 March 2019. This training attended by 7 person that related to supply chain implementation task. During the audit, auditor has interviewed 2 security officer in security gate (FFB receiving station) and 2 weighbridge operator. Based on interview informed that they well-known regarding on supply chain procedure and implementation and also other sustainability policy.

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

Facility has demonstrated the book keeping report in detail that explain the number of FFB certified or noncertified received, amount of CPO/PK certified or noncertified produced and dispatch. All records are accurate, complete, up-to-date and accessible.

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

Facility has showed of delivery note and weighbridge ticket from 12 September 2017.

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.

Based on actual volume 12 months before audit (September 2018 – August 2019), facility estimated potential palm product that they can be produce. If any overproduction, facility will inform the CB to extend their volume.

Product	Actual Production 12 Month before audit (September 2018 – August 2019) (MT)	Projected production of the next license period (MT)
FFB	37,083	39,200
CPO	7,684	8,600
PK	2,042	1,960

Source: production data 12 month before audit (September 2018 – August 2019)

Status: Comply

5.10

Conversion factors

5.10.1	<p>Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries</p>
	<p>Facility only performs FFB processing to produce CPO and PK. Based on SOP of IP, it is explained that the conversion factors of CPO and PK were based on actual extraction.</p>
	<p>Status: Comply</p>
5.10.2	<p>Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p>
	<p>Facility only performs FFB processing to produce CPO and PK. Based on SOP of IP, it is explained that the conversion factors of CPO and PK were based on actual extraction.</p>
	<p>Status: Comply</p>
5.11	<p>Claims</p>
5.11.1	<p>The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.</p>
	<p>Until now, facility has not certified. However, the procedure and personnel in charge has been trained to register their transaction if any selling of certified product.</p>
	<p>Status: Comply</p>
5.12	<p>Complaints</p>
5.12.1	<p>The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.</p>
	<p>Procedures for stakeholder complaint presented in SOP complaint and grievance handling (SOP/SMART/SIGS-CSRD/SADV/II/003). However, based on complaint logbook review, there is no complaint related to palm product so far.</p>
	<p>Status: Comply</p>
5.13	<p>Management review</p>
5.13.1	<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>Facility has had procedure for internal audit in SOP Internal Audit (SPO/SMART/UMUM/SADV/II/009). This procedure are separated with RSPO supply chain procedures. According to the document, facility will conducted internal audit annually. The last internal audit of supply chain conducted on 22 – 26 April 2019. There was no nonconformity record identified during the audit. However, facility has conducted management review on 6 May 2019.</p>
	<p>Status: Comply</p>
5.13.2	<p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system.

<ul style="list-style-type: none"> • Recommendations for improvement. 	
<p>Facility has had procedure for internal audit in SOP Internal Audit (SPO/SMART/UMUM/SADV/II/009). This procedure are separated with RSPO supply chain procedures. According to the document, facility will be conducted internal audit annually. The last internal audit of supply chain conducted on 22 – 26 April 2019. There was no nonconformity record identified during the audit. However, facility has conducted management review on 6 May 2019.</p>	
	<p>Status: Comply</p>
<p>5.13.3</p> <p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	
<p>Facility has had procedure for internal audit in SOP Internal Audit (SPO/SMART/UMUM/SADV/II/009). This procedure are separated with RSPO supply chain procedures. According to the document, facility will be conducted internal audit annually. The last internal audit of supply chain conducted on 22 – 26 April 2019. There was no nonconformity record identified during the audit. However, facility has conducted management review on 6 May 2019.</p>	
	<p>Status: Comply</p>

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>Facility implemented Mass Balance Module. Mill proceed their own estate and FFB supplier as follows:</p> <ul style="list-style-type: none"> • Sungai Kupang Estate/SKPE (RSPO non noncertified yet) • Sungai Kupang Plasma/SKPA (RSPO noncertified) • Sungai Panci Estate/SPNE (RSPO certified) • Sungai Panci Plasma/SPNA (RSPO certified) • PT MNP (FFB supplier) • EMMX (FFB supplier) • GKTX (FFB supplier) • GSKX (FFB supplier) • KUGX (FFB supplier) • VHX (FFB supplier) <p>Those list also completed with FFB supplier address, contact person and position, phone number etc.</p>												
	Status: Comply												
E.2	Explanation												
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. 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>Based on actual volume 12 months before audit (September 2018 – August 2019), facility estimated potential palm product that they can be produce. If any overproduction, facility will inform the CB to extend their volume.</p> <table border="1"> <thead> <tr> <th>Product</th> <th>Actual Production 12 Month before audit (September 2018 – August 2019) (MT)</th> <th>Projected production of the next license period (MT)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>37,083</td> <td>39,200</td> </tr> <tr> <td>CPO</td> <td>7,684</td> <td>8,600</td> </tr> <tr> <td>PK</td> <td>2,042</td> <td>1,960</td> </tr> </tbody> </table> <p><i>Source: production data 12 month before audit (September 2018 – August 2019)</i></p>	Product	Actual Production 12 Month before audit (September 2018 – August 2019) (MT)	Projected production of the next license period (MT)	FFB	37,083	39,200	CPO	7,684	8,600	PK	2,042	1,960
Product	Actual Production 12 Month before audit (September 2018 – August 2019) (MT)	Projected production of the next license period (MT)											
FFB	37,083	39,200											
CPO	7,684	8,600											
PK	2,042	1,960											
	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>PT. Sinar Kencana Inti Perkasa - Sungai Kupang Mill, subsidiary of Golden Agri-Resources Ltd has registered in RSPO membership 1-0096-11-000-00 since 30 January 2005.</p>												

<p>PT. Sinar Kencana Inti Perkasa - Sungai Kupang Mill has been registered in IT platform palm trace RSPO https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:</p> <ul style="list-style-type: none"> • Member Name: PT. Sinar Kencana Inti Perkasa - Sungai Kupang Mill • Account UID: RSPO_AC1000004132 • Core Product: Palm Oil • Member ID: RSPO_PO1000004196 • Type of Business: Oil Mill 	
	Status: Comply
E.3	Documented procedures
E.3.1	
<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. 	
<p>Facility has had Supply Chain Procedure in document RSPO Supply Chain Model on Mass Balance Module (PT SKIP – SKPM/SOP/25) that is implemented since signed by Production Controller on 1 July 2014 (last revised on 12 September 2019). This procedure complies with 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 and RSPO Certification System (approved by RSPO Executive Board 26 June 2007).</p> <p>According to job description of each personnel, mill manager are personnel that having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p> <p>Even though the mill not certified yet, this supply chain procedure has been well-implemented. During the field visit, auditor has interviewed personnel in charge of the traceability such as security officer, weighbridge operator and head clerk. All person that has interviewed are able to demonstrate the implementation procedure and the mass balance documentation.</p>	
	Status: Comply
E.3.2	
<p>The site shall have documented procedures for receiving and processing certified and non-certified FFBs</p>	
<p>The mill has procedure of Supply Chain RSPO Products - Mass Balance Model (No. PT SKIP – SKPM/SOP/25, issued on 1 July 2014) explaining that:</p> <ul style="list-style-type: none"> - The source or supplier of FFB received by the mill can be classified into certified or non certified - All FFB suppliers has recorded /recapitulated/and maintained its current status. - Suppliers of certified FFB as a sustainable raw material that can be identified or given information that differentiates it from non-certified suppliers. <p>Based on field observation at Weighbridge station and interview with sampled person in the Mill, the operator has knowledge the procedure of SCCS.</p>	
	Status: Comply
E.4	Purchasing and goods in
E.4.1	
<p>The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	
<p>The record of certified and non-certified FFB received will be verify further at ASA-1 after the mill has certified.</p>	
	Status: Comply
E.4.2	

The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	
This matter will be verify further at ASA-1 after the mill has certified.	
	Status: Comply
E.5	Record keeping
E.5.1	
<ul style="list-style-type: none"> 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.) 	
The record of mass balance will be verify further at ASA-1 after the mill has certified.	
	Status: Comply

3.3. Conformity Checklist of Certificate and Trademark Use

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

3.4. Summary of RSPO Partial Certification.

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

Golden Agri Resources, Ltd Time Bound Plan (TBP) is explained in table 1.10. Golden Agri Resources run eighteen (18) mills and fifty four (54) estates in Indonesia and has been RSPO certified for nine (9) mills and supply base in Indonesia. Golden Agri Resources, Ltd has informed the TBP progress, MUTU has considered that Golden Agri Resources, Ltd is comply with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Golden Agri Resources, Ltd on 19 July 2019 approved by President Director and MO Sustainability Strategic & Stakeholders Engagement.

MUTU has verified partial certification for un-certified unit's subsidiary of Golden Agri Resources, Ltd based on their Time Bound Plan. There are eleven (11) uncertified management unit of GAR. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit:</p> <ul style="list-style-type: none"> - PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base), April 2019. - PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), 05 October 2018 - PT Agrolestari Mandiri (Pekawai Mill and supply base), November 2018 - PT Binasawit Abadi Pratama (Perdana Mill and supply base), November 2018 - PT Agrokarya Prima Lestari (Kuayan Mill and supply base), August 2018. - PT Mitra Karya Agroindo (Tangar Mill and supply base), March 2018. - PT Paramitra Internusa Pratama (Belian Mill and supply base), September 2019 - PT Sawit Mas Sejahtera (Sungai Kikim and supply base), December 2018

		<ul style="list-style-type: none"> - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) January 2019 - PT Agro Lestari Sentosa (Jalemo Mill and supply base), April 2018 - PT Adi Tunggal Mahajaya (Sako Mill), March 2018 • PT SMART (Bukit Kapur Mill and supply base), January 2019 - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base), December 2018 - PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base, March 2019 - PT Sawitakarya Manunggal (Sawita Mill and supply base). September 2018
i.	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: GAR and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 29, 2014 and the company has been sent data evidence of LUCA to RSPO by email dated April 11, 2016. Progress result of review LUCA at follow-up via email RSPO dated October 24, 2016 to answer RSPO is still in the review process.</p> <p>Auditor Verification: RaCP Process for:</p> <ul style="list-style-type: none"> - PT Agrolestari Mandiri (Pekawai Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) - PT Agro Lestari Sentosa (Jalemo Mill and supply base) - PT SMART (Bukit Kapur Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base)
ii.	<p>Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure.</p>	<p>Company Group/Holding Statement: There is no new planting.</p> <p>Auditor Verification: Based on auditor verification there are some new planting conducted by company, but NPP has been applied these.</p> <ul style="list-style-type: none"> - PT Binasawit Abadi Pratama (Perdana Mill and supply base) - PT Agrokarya Prima Lestari (Kuayan Mill and supply base) - PT Mitra Karya Agroindo (Tangar Mill and supply base) - PT Paramitra Internusa Pratama (Belian Mill and supply base)

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

		<p>category of internal stakeholders. Media that is used to deliver complaint is a formal letter submitted by unions or incorporated into a suggestion box which is provided in a convenient location.</p> <p>Auditor Verification: There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>
<p>v.</p>	<p>Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>Company Group/Holding Statement: Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 and 2.2 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/II/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p>Auditor Verification: Land legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> - PT Paramitra Internusa Pratama (Belian Mill and supply base), still in the process of Committee B and the company has got plantation business permit (IUP) - PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance. - PT Agro Lestari Sentosa (Jalemo Mill and supply base) and PT Adi Tunggal Mahajaya (Sako Mill) doesn't have Land Use Title (HGU). - PT SMART (Bukit Kapur Mill and supply base, doesn't have land use title (HGU), the HGU is still on process. - PT Sawitakarya Manunggal there is an area is still in process for HGU (Committee B meeting). - PT Djuanda Sawit Lestari is an area is still in process for HGU Muara Kandis Estate (574.58 Ha) - PT Ivomas Tunggal there is an area is still in process for HGU Samsam Estate (29.09 Ha), Kandista Estate (158.46 Ha), Nenggala Estate (419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha) - PT Buana Wiralestari Mas there is an area is still in process for HGU Naga Mas Estate (253.39 Ha), Naga Sakti Estate (59.79 Ha), Kijang Mas Estate (56.07 Ha) - PT Ramajaya Pramukti there is an area is still in process for HGU Rama Rama Estate (318.76 Ha)

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1 Identification of Findings, Corrective Actions and Observations at IC Assessment

NCR No.	: 2019.01	Issued by	: Mohamad Amarullah																							
Date Issued	: 27 September 2019	Time Limit	: 26 September 2020																							
NC Grade	: Major	Date of Closing	: 26 December 2019																							
Standard Ref. & Requirement	: 2.1.1 Evidence of compliance with relevant legal requirements shall be available.																									
Evidence observed (filled by auditor):																										
1. The company has totalling 218 Contract Workers that been works since 2010 with details presented in the following Table:																										
<table border="1"> <thead> <tr> <th rowspan="2">Year Period of Work</th> <th colspan="2">Number of Workers</th> </tr> <tr> <th>SKPE</th> <th>SKPM</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>1</td> <td>-</td> </tr> <tr> <td>2014</td> <td>-</td> <td>1</td> </tr> <tr> <td>2015</td> <td>5</td> <td>-</td> </tr> <tr> <td>2016</td> <td>14</td> <td>1</td> </tr> <tr> <td>2017-2019</td> <td>189</td> <td>7</td> </tr> <tr> <td>Total</td> <td>209</td> <td>9</td> </tr> </tbody> </table>				Year Period of Work	Number of Workers		SKPE	SKPM	2010	1	-	2014	-	1	2015	5	-	2016	14	1	2017-2019	189	7	Total	209	9
Year Period of Work	Number of Workers																									
	SKPE	SKPM																								
2010	1	-																								
2014	-	1																								
2015	5	-																								
2016	14	1																								
2017-2019	189	7																								
Total	209	9																								
Based on the Table above, it could be concluded that there were 22 contract workers (PKWT) that already works more than 3 years, which still not promoted/appointed as permanent worker. Evidence of promotion progress is not available.																										
2. There are several facts founded related to workers/operators OHS Competencies compliance, as follows:																										
<ul style="list-style-type: none"> • Based on observation to Engine Room of SKPM, it was known that the Mill has 3 Generator Sets and Turbines with capacity more than 200 kVA, operated on 3 shifts. However, the in-charge Operators were not Licensed with OSH Power and Production Devices. • Unit of certification has training program for 2019 that projecting 7 Operators will be trained by Class 1 and Class 2 License for four and three Operators, respectively. Currently the only progress has shows through proposal of training that provided by HR Learning Center dated 02 January 2019. Other than that, there is no continuation of training progress. 																										
Non-Conformance Description (filled by auditor):																										
1. The unit of certification is not be able to shows that compliance of Contract Workers (PKWT) regulation has been implemented as required by Minister of Manpower Decree No. 100 of 2004.																										
2. The unit of certification is not be able to shows that OHS Operators Competency has been implemented as required by Minister of Manpower Regulation No. 38 of 2016.																										
Root Cause Analysis (filled by organization audited):																										
1. The company has made gradual progress in appointing contract workers (PKWT) to permanent workers (PKWTT). This can be proven by the appointment of contract worker to permanent worker at PT Sinar Kencana Inti Perkasa SKPM & SKPE Unit with data:																										
<ul style="list-style-type: none"> • In 2017 there were 11 people • In 2018 there were 79 people • In 2019 there were 70 people 																										
Along with the progress of submitting the appointment of contract worker to permanent worker as many as 2 people from SKPM and 20 people from SKPE. However, not all contract worker, especially those with more than 3 years of service, are permanent worker due to a lack of registration requirements.																										

2. The competence of the existing Genset & Turbine Operators has been equipped with an Electric Technician License, but the Fulfillment of Regulation of Manpower Ministry No. 38 of 2016 concerning OHS Power and Production Machine is currently in progress in the submission of training, evidence of submission of training has been submitted to the auditor but there is no progress since January 2019.

Correction *(filled by organization audited):*

1. Completing the employee's personal data and filing the appointment of contract workers who have more than 3 years of service.
2. Follow up on the progress of Submission of OHS Training for Power and Production Machine.

Corrective Action *(filled by organization audited):*

1. Ensure that there is no contract workers for more than 3 years by making periodic monitoring.
2. Ensuring Occupational Health & Safety Services Company (PJK3) Production Personnel Training Aircraft is held in 2019.

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

Verification 26 December 2019

The company has determined the root cause, corrective and corrective actions needed to correct any Non-Conformity that arise during audit activities. This is also supported by supporting evidence as follows:

- Memo No. 008/VPAKST-INT/BNJO/11/2019 from the Kalseltim (Kalimantan Selatan Timur) Agronomy Division Head on November 27, 2019 concerning Approval of Appointment of SKPE Permanent Workers along with a list of names of workers who were appointed as Permanent Workers.
- Proposed Training Proposal for Fulfillment of Ministerial Regulations 37 and 38 of 2016 on 02 October 2019 from the Regional SPO Coordinator to the Vice President Mill.
- Letter of Statement No. 370/SK/X/2019 dated October 28, 2019 from PT Tranindo Pratama Mulia (PJK3) which stated that 4 PT Surya Kencana Inti Perkasa workers had been registered as participants for the Class 1 Operator Certification for which the training was held on December 9-13 December 2019 in Jakarta.
- A list of attendees and documentation in the form of photos of trainees for the certification of Class 1 Operators held on December 9-13, 2019.
- Certificates for four (4) PT Surya Kencana Inti Perkasa workers who have taken part in the training for the Class 1 Operators certification held on December 9-13 December 2019 issued by PT Delta Indonesia.
- Declaration on 12 December 2019 from the SKPE Estate Manager stating that 17 workers have been officially appointed as Permanent Workers (PT) since 1 December 2019 and there are still 3 workers who are still in the process of applying for appointment to become Permanent Workers (PT).
- Decree on Appointment of Contract Workers (PKWT) to become Permanent Workers (PT) in SKPE for 7 workers.
- Decree on Appointment of Contract Workers (PKWT) to become Permanent Workers (PT) in SKPM for 4 workers.
- Reply to the Approval of Appointment of Contracted Workers (PKWT) SKPE to become Permanent Workers (PT) from the Chief Executive Officer of Kalseltim (Kalimantan Selatan Timur) on 12 December 2019 via email.
- Monthly Contract Workers Monitoring Document (PKWT) for SKPE and SKPM in September-December 2019 which is carried out by the Head of Administration of each unit. Monitoring is carried out to ensure contract workers (PKWT) are properly monitored in accordance with the provisions contained in the legislation.

Based on the explanation and evidence of the above improvements, the Non-Conformity No. 2019.01 is stated **comply**.

Verified by : **Mohamad Amarullah and Rindu Galih Rezza**

NCR No.	: 2019.02	Issued by	: Steve Mualim
Date Issued	: 27 September 2019	Time Limit	: Next Surveillance
NC Grade	: Minor	Date of Closing	: -
Standard Ref. & Requirement	6.1.4 The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.		
Evidence observed (filled by auditor): PT Sinar Kencana Inti Perkasa has conduct social impact assessment during 2015 and on this study has explained that affected parties was surrounding communities that directly adjacent to company operational areas i.e. Pembelacanan, Bumi Asih, Pantai Baru, Sungai Nipah, Sangking baru, Sukamaju, Tanjung Pangga, Sungai Kupang jaya, and Sidomulyo villages. During 2015-2018, company has regular evaluates social monitoring and management plan. For examples evaluaton for 2017-2018 periods that conducted on October 2018 and has been involving affected parties such as Tanjung Pangga, Bumi Asih, Pantai Baru, Sangking Baru, Sungai Nipah, Sungai Kupang Jaya, and Telaga Batu villages.			
Non-Conformance Description (filled by auditor): Company are not able shown evidences that all of relevant affected parties has been involved during social monitoring and management plan establishment dan evaluation.			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none"> • Main priority of Social Impact Assessment is prioritize to the villages with less satisfaction perspective on the presence of company, instead of other village which has identified from the previous social impact assessment monitoring. • Apart from priority villages, the non-visiting villages will be visited on the next (coming) assessment. • Approximately there are 7 villages that will be visited on SIA assessment per period. 			
Correction (filled by organization audited): SIA Monitoing for Period 2018-2019 that has included all affected villages. Evidence shows through attendance of monitoring assessment dated 14 to 19 September 2019.			
Corrective Action (filled by organization audited): SIA monitoring assessment will be conducted to all affected villages for every period of assessment.			
Assessor Evaluation and Conclusion (filled by auditor): Verification 26 December 2019 Unit of certification has fexplain root of cause analysis and corrective action. However, evidence of correction is not available. Thus, NCR No. 2019.02 is still remain open .			
Verified by	: Mohamad Amarullah		

NCR No.	: 2019.03	Issued by	: Mohamad Amarullah
Date Issued	: 27 September 2019	Time Limit	: 26 September 2020
NC Grade	: Major	Date of Closing	: 26 January 2020
Standard Ref. & Requirement	: 6.5.2 Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.		
Evidence observed (filled by auditor):			
<ul style="list-style-type: none"> Based on interviews with the Sungai Kupang Mill Labour Union, it was found that for maintenance mill workers the holiday was determined not Sunday because the day was used for work and the holiday was diverted on another day without an agreement with the workers. The company has a policy related to the implementation of the day off system for some jobs that do not get a day off not on Sundays but other days listed in Circular No. 161 / HROP / 06/2014 dated 13 June 2013 concerning Guidelines for a Day Off to coincide with the Official Holidays. In the Collective Labor Agreement (PKB) period 2018-2020 in Article IV concerning Provisions Regarding Work / Rest Time, Point 2 which states that "Generally a weekly rest day is Sunday unless it is expected another day by the Employer on the basis of the negotiations set forth in a written agreement. " 			
Non-Conformance Description (filled by auditor):			
The company has not been able to show a written agreement related to the determination of holidays other than Sundays in accordance with the Collective Labor Agreement 2018-2020.			
Root Cause Analysis (filled by organization audited):			
Replacement of work days for maintenance mill workers has been carried out a long time ago and was agreed upon in advance, but the agreement made was not written.			
Correction (filled by organization audited):			
Conducting Negotiations between the company and workers regarding the replacement of working days and agreed in writing.			
Corrective Action (filled by organization audited):			
Every Collective Agreement by the Company and Employees will be well documented in the form of Attendance and Minutes and documents must be kept well until the next change.			
Assessor Evaluation and Conclusion (filled by auditor):			
Verification 26 January 2020			
The company has determined the root cause, corrective and corrective actions needed to correct any Non-Conformity that arise during audit activities. This is also supported by supporting evidence as follows:			
<ul style="list-style-type: none"> Declaration letter from workshop workers totaling 23 people on October 19, 2019 stating that they are willing and agreeing to the one-day off provisions of workshop workers which can be determined on Monday-Saturday and for Sunday as working days. Letter SPSI No.13/SPSI-SPM/09/19 dated October 4, 2019 regarding changes in the days off workshop employees in accordance with a statement from the workshop workers. Documentation and minutes of negotiations between the company and workers regarding replacement of working days on October 19, 2019. The PIC appointed as the person responsible for documenting minutes and agreements between workers and the company is the Head of Administration (KTU) and the Chairman of the Labour Union (SPSI). 			
Based on the explanation and evidence of the above improvements, the Non-Conformity No. 2019.03 is stated Comply.			
Verified by	: Mohamad Amarullah		

3.5.3 Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.3	Follow up on regulation compliance towards Government Spatial Plan.
2	6.5.1	To ensure progress of Permanent Workers promotion to the proposed contract workers (PKWT). To ensure recording of Work Agreement (PKB) has issued by the respective Agency.
3	6.6.1	To ensure record of Labor Union of SKPE has issued by the respective Agency.

4.5.4 Noteworthy Positive Components

No	Ref Std	Description
1		Has committed on implementing sustainable palm oil development.
2		Has an adequate human resources which committed in implementing development of sustainable palm oil management principles.
3		Has obtain certificate of ISPO and ISCC.

3.6 Summary of Arising Issues from Public and Auditor Responses







Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Gender Committee of SKPE and SKPM Date: 24 September 2019 Interviewee: Chief of Committee from SKPE and SKPM.</p> <p>Notes:</p> <ul style="list-style-type: none"> • Gender committee in both SKPE and SKPM of PT SKIP has established since 2013. • Existence of gender committee has considered useful for women workers. Since 2013, there is no negative issues related to gender matters such as sexual harassment and discrimination. • Socialization towards gender committee program was conducted annually. For example during 2019, there is socialization in collaboration with Clinic and Yayasan Kanker Indonesia, on subject about cervix cancer. • Among committee program are <i>Posyandu</i> (Maternal Clinic), sport, clean Friday, Quran recitation, etc. • Compulsory pregnant test has conducted every months in company clinic. Those who works with chemical will be transferred to non-chemical works when detected. • Leave of H1 and H2 were provided by the company, with man-days paid if recommended by paramedic. 	<p>In general, it could be concluded that company management has support existence of gender committee to facilitate women workers rights. There is no negative issues related to women abuse, sexual harassment and discrimination. Further detail on gender aspect is explained in Criteria 6.9.</p>
<p>Labor Union (SPSI) of SKPE and SKPM Date: 24 September 2019 Interviewee: Chief of Labor Union from SKPE and SKPM</p> <p>Notes:</p> <ul style="list-style-type: none"> • All labor union were already registered to the Manpower Agency of Kotabru Regency. Monthly contribution was about IDR 5,000. Being union member was voluntary. However, non-members were accommodated under Cooperation Bipartite Organization (LKS-Bipartite). • Regular meeting was conducted every 2 to 3 months. • Bi-Partite Work Regulation (PKB) was still valid in 2019. • Work agreement were clear and covers all worker rights as mentioned in regulation. Thus, worker rights such as social insurance (BPJS) has fully obtained by workers. • PT SKIP has implementing minimum wages for plantation sector for Kotabaru Regency period 2019, which was about IDR 2,795,820 per month. The company has also provide rice remuneration. Quality of rice has considered satisfactory with the value. Implementation of new wages has starts since January 2019. • Calculation and payment of overtime were in accordance with Indonesian regulation on manpower. • There is no issues towards force labor, illegal workers, child workers and discrimination. • The company has officially response grievance and 	<p>Auditor has identified five issues that should be verified to the unit of certification, which all related to labour union matters. Those issues has been verified and clarified by the respective auditor resulting only two issues raised as non-conformity that presented in NCR No. 2019.01 and No. 2019.03 which associated to Indicator 2.1.1 and 6.5.2, respectively.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>aspiration being proposed by union in accordance with company procedure, which was less than one month.</p> <ul style="list-style-type: none"> In general, the company has considered properly and satisfactory handled accident incidences in accordance with regulation. 	
<p>Sinar Menuju Sejahtera Cooperative Date: 24 September 2019 Interviewee: Chief of Employee Cooperative of SKPM</p> <p>Notes:</p> <ul style="list-style-type: none"> Employees Cooperative SKPM has established since 2017, with Acta No. 0052021/BH/M.KUKM.2/VIII/2017 dated 23 August 2017. The cooperative business has only focused retail (<i>Sembako</i>). Currently the cooperative is vacuum and expected to reactivate on 2019. Basic saving for SKPM was about IDR 50,000. The cooperative business has only focused on saving and loan. There was no plan for further business expansion. The company has support cooperative operational through providing secretariat room. Operational were fully arranged by committee. 	<p>The company has support employees cooperative.</p>
<p>Local Contractors Date: 24 September 2019 Interviewee:</p> <ul style="list-style-type: none"> Owner of PT Satrindo Jaya Agropalma from Sidomulyo Village as contractor for FFB transportation. Owner of CV Surya Duta Pratama from Cantung Village as contractor for gravels supplier for road maintenance. <p>Notes:</p> <ul style="list-style-type: none"> Both contractors as play role as contractor for PT SKIP since 2010. Satisfactory relationship with company had been maintained by both parties. The company has deliver several company policies on several aspects such as conservation, environment, manpower, safety and code of conduct. There was no issues related to time of payment and the contractor had been paid in accordance with agreement. Furthermore, value of work contract was considered transparent, fair and proportional, which based on distance and volume. Work agreement was renew annually. PPE of contractor workers were provided by contractor and could be replaced if broken or unsafe to be weared. Among PPE provided are boot and helmet. Safety work practice training has also provided by SKPE. Owner of PT Satrindo stated that BPJS, salary payment and PPE was managed by Contractor and checked by PT SKIP management. However, owner of CV Surya Duta stated that 	<p>The company has a good cooperation with the local Contractor and the payment of FFB has been made according to the contract price. This is in accordance with criteria 6.10.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>their works is just for temporary.</p> <ul style="list-style-type: none"> • Estate has provide clinic for contractor workers in an emergency accident case, as well as first aid response. 	
<p>Plantation Agency of Kotabaru District Direct Consultation on 24 September 2019</p> <ul style="list-style-type: none"> • The company has comply with the plantation regulation i.e plantation permit (IUP) that covered entire of their concession, land/building title (HGU/HGB), plasma for the local communities etc. They also reported their plantation activity regularly • There have not been any land dispute cases for at least five (5) years. • There is no new propose of plantation permit. • Plasma payment timely manner. • The company reported their plantation activity regularly. 	<p>In general, unit of certification has compile with RSPO P&C requirements. There is no issues raised up by the Agency. The company is considered cooperative and transparent in providing compulsory data through several periodic report such as LKUP/LPUP and fire monitoring.</p>
<p>Environmental Agency of Kotabaru District Direct Consultation on 24 September 2019</p> <ul style="list-style-type: none"> • The company has fulfilled the regulation regarding on their plantation activity i.e Environmental Impact Assessment (EIA), land application permit etc. • There is no environmental issues from stakeholder so far. • There is regularly visit from the environmental agency team. The last visit has no major record. 	<p>In general, unit of certification has compile with RSPO P&C requirements. There is no issues raised up by the Agencies related to company operational activities. The company is considered cooperative and transparent in providing compulsory data through several periodic report such as RKL/RPL, Hazardous Waste (LB3) and effluent report that delivered to Environment Agency.</p>
<p>National Land Agency of Kotabaru District By Phone on 26 September 2019</p> <ul style="list-style-type: none"> • According to national regulation, the company has had land legality/land title for the whole concession such land/building title (HGU/HGB). The HGU's or HGB's usage reported annually in the end of year to the respected agencies in Kotabaru's District. • There have not been any land dispute cases for at least 5 years. All acquisition process has been completed. • There is an overlapping land title area on 1996/1997 with forest area map from ministry of forestry on 2009. This case are now handled by ministry of forestry. • There have not been land fire issues for at least 5 years. 	<p>In general, unit of certification has compile with RSPO P&C requirements. There is no issues raised up by the Agencies related to company operational activities. The company is considered cooperative and transparent in providing compulsory data through periodic report such as Land Title (HGU) Utilization that delivered to National Land Agency.</p>
<p>Manpower Agency of Kotabaru District By Phone on 26 September 2019</p> <ul style="list-style-type: none"> • The company has fulfill worker welfare regulation i.e minimum payments, OHS regulation, labor union etc. • The company has registered their temporary worker 	<p>In general, unit of certification has compile with RSPO P&C requirements. There is no issues raised up by the Agencies related to company operational activities.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
regularly. Including if any addition.	The company is considered cooperative and transparent in providing compulsory data through several periodic report such as WLTK and P2K3 report that delivered to Manpower Agency.
<p>Focus Group Discussion (FGD) for Surrounding Community of PT Sinar Kencana Inti Perkasa (Sungai Kupang Village & Sangking Baru Village).</p> <ul style="list-style-type: none"> • The villages around the company were established before the company began operational activities of oil palm plantations and mills. At present, there are 9 villages known to be close to the company, namely Sungai Kupang, Sungai Kupang Jaya, Sukamaju, Pantai Baru, Sungai Nipah, Sangking Baru, Bumi Asih, Pemblacanan and Tanjung Pangga Village. • The majority of the people around are Banjar and Javanese. The general livelihoods of surrounding communities are as farmers. • Currently there are no more indigenous people who still carry out customary law around the area of the company and the absence of local wisdom that is still preserved. • The company has annually conducted a social impact assessment of the surrounding community related to the operational impacts of the plantations and factories. The social impact assessment is carried out by conducting interviews and filling out questionnaires given to the community and village officials. • When the company undertakes replanting activities, the community around the company feels the impact it has on those activities. The impact is the presence of beetle pests that attack community plantation. Efforts made by the company when they know this are by creating a barrier of 6 palm oil staples in the boundary area with the company and helping the community to control these pests. • Replanting activities carried out by the company are carried out mechanically and not carried out by burning. In the past year there had never been a fire incidents in the company's operational area. • The company has formed Firefighting Care Communities (MPAs) in each village in an effort to prevent and combat fires in the vicinity of the company. • During the last year there have never been any issues or incidents related to land claims / disputes that occurred between the community and the company. • The last compensation for land was carried out in 1996 and currently most of the previous landowners whose existence is known by the village have died. <p>The company has a CSR program every year as an effort to contribute to local development.</p>	<p>Regarding land compensation, previous land owners and land claims / disputes are further explained in criteria 2.2 and 6.4</p> <p>The company's contribution to local development to the community around the plantation through CSR program realization activities is explained further in indicator 6.11.1</p> <p>Concerned with the social impact assessment is further explained in criterion 6.1</p> <p>Explanations related to the human rights, sexual harassment, discrimination and employment opportunities policies are explained in criteria 6.8, 6.9, and 6.12</p> <p>Regarding information disclosure, communication and consultation between the company and the surrounding communities are explained in criteria 1.1 and 6.2</p> <p>Regarding complaints from the surrounding community, it is explained in criterion 6.3</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>The realization of CSR programs has been carried out by companies including for assistance in the field of health (health inspection), education (school infrastructure assistance), infrastructure (road improvement) and incidental assistance in accordance with the requests of the surrounding community through letters / proposals.</p> <p>The company has cooperated with the surrounding community to develop scheme smallholder's (Sungai Kupang Plasma).</p> <p>During the last year there were no complaints made by the community to the company. In addition, there have never been any issues / incidents related to human rights violations, child labor, sexual harassment and acts of discrimination that occur in the company's operational areas.</p> <p>In conducting collaborative sale and purchase of FFB with scheme smallholder's cooperatives, the company always performs the obligation to pay the results of FFB sales on time to the cooperative.</p> <p>In terms of communication between the community and the company it is felt quite well. In addition, information related to job vacancies is always conveyed to the surrounding community, if any.</p> <p>Local residents own customary / ulayat land but are not in the company's operational location and currently the land is managed by the community themselves.</p> <p>Since the company operates, most of the impacts felt by the surrounding community are positive impacts such as reduced community unemployment, increased economic levels of the community, better infrastructure and more.</p> <p>Suggestion:</p> <ul style="list-style-type: none"> • For the next year CSR will be more focused on education for the Sangking Baru Village. • Acceptance of employees for prospective workers with bachelor graduates to be further improved. • Provision of Garbage Banks for the surrounding village community. • Assistance with health checks is more often done. 	

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
4.1	Formal Sign-off of Assessment Findings		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>PT Sinar Kencana Inti Perkasa Head of Sustainability Department</p>  <p><u>Yahya Mustakim</u> Thursday, 26 January 2020</p> </td> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Andi Pratama Pasaribu</u> Thursday, 26 January 2020</p> </td> </tr> </table>	<p>PT Sinar Kencana Inti Perkasa Head of Sustainability Department</p>  <p><u>Yahya Mustakim</u> Thursday, 26 January 2020</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Andi Pratama Pasaribu</u> Thursday, 26 January 2020</p>
<p>PT Sinar Kencana Inti Perkasa Head of Sustainability Department</p>  <p><u>Yahya Mustakim</u> Thursday, 26 January 2020</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Andi Pratama Pasaribu</u> Thursday, 26 January 2020</p>		

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	World Wide Fund for Nature, Wahana	Jakarta	-	Questionnaire via Email	17-09-2019		✓
2	Lingkungan Hidup Indonesia	Jakarta	-	Questionnaire via Email	17-09-2019		✓
3	Sawit Watch	Bogor	-	Questionnaire via Email	17-09-2019		✓
4	Aliansi Masyarakat Adat Nasional	Jakarta	-	Questionnaire via Email	17-09-2019		✓
5	Plantation Agency of Kotabaru Regency	Kotabaru Regency of Kalimantan Selatan Province	-	Interview	24-09-2019	✓	
6	Environment Agency of Kotabaru Regency	Kotabaru Regency of Kalimantan Selatan Province	-	Interview	24-09-2019	✓	
7	National Land Agency of Kotabaru Regency	Kotabaru Regency of Kalimantan Selatan Province	-	Interview	27-09-2019	✓	
8	Manpower Agency of Kotabaru Regency	Kotabaru Regency of Kalimantan Selatan Province	-	Interview	27-09-2019	✓	
9	Village of Sungai Kupang and Sangking Baru	Kotabaru Regency of Kalimantan Selatan Province	-	Interview	24-09-2019	✓	
10	Gender Committee of PT Sinar Kencana Inti Perkasa	PT Sinar Kencana Inti Perkasa	-	Interview	24-09-2019	✓	
11	Labor Union of PT Sinar Kencana Inti Perkasa	PT Sinar Kencana Inti Perkasa	-	Interview	24-09-2019	✓	
12	Local Contractors (PT Satrindo Jaya Agropalma & CV Surya Duta Pratama)	Kotabaru Regency of Kalimantan Selatan Province	-	Interview	24-09-2019	✓	
13	Employee Cooperative Sinar Menuju Sejahtera	PT Sinar Kencana Inti Perkasa	-	Interview	24-09-2019	✓	
14	Sungai Kupang Mill: <ul style="list-style-type: none"> • 1 Foreman Procces • 3 Soratation Workers • 1 Sterilizer Operator • 1 Press Operator • 2 Kernel Operators • 2 Clarification Operators • 1 Boiler Operator • 1 Engine Room Operator • 2 Securities • 2 Storage Officers 	PT Sinar Kencana Inti Perkasa	-	Interview	26-09-2019	✓	
15	Sungai Kupang Estate: <ul style="list-style-type: none"> • 1 Foreman, 4 Loose Fruit Pickers & 12 Harvester • 2 Foreman & 11 Sprayer • 1 Foreman & 6 Nursery Workers 	PT Sinar Kencana Inti Perkasa	-	Interview	25-09-2019	✓	

<ul style="list-style-type: none">• 2 Nany at Childcare• 2 Storage Officers					
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Appendix 2. Assessment Program

Date	23 to 27 September 2019	
PROGRAM	AUDIT PROCESS	AUDITOR
Monday, 23 September 2019		
05.40 – 08.35 12.20 – 13.05 13.30 – 15.00 15.30 – 17.00	JAKARTA → BANJARMASIN (GA-530) BANJARMASIN → KOTABARU (IW-1392) KOTABARU → SITE PT. Sinar Kencana Inti Perkasa OPENING MEETING Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Determine of Field Visit, Transparency and Confidentiality Clarification)	All Auditor
Tuesday, 24 September 2019		
08.00 – 12.00	Public consultation to: <ul style="list-style-type: none"> Government Institution of Kotabaru District Local communities surrounding the plantation area and previous land owner 	APP APP
08.00 – 12.00	<ul style="list-style-type: none"> Local contractor Internal stakeholder (gender committee, labor union, board of labor cooperative) 	APP APP
12.00 – 14.00	BREAK	All Auditor
14.00 – 15.00	Field Observation to SUNGAI KUPANG POM <ul style="list-style-type: none"> Process Station, Safety Aspect and Worker Welfare (Grading – despatch) 	RGR/AMR STV
14.00 – 17.00	<ul style="list-style-type: none"> ETP; WTP; Hazardous Waste Warehouse; Drainage; Collecting place of fiber, Water Discharge, Hazardous Warehouse; Workshop, Chemical Store. Supply Chain 	APP
Wednesday, 25 September 2019		
08.00 – 12.00	Field Observation SUNGAI KUPANG ESTATE <ul style="list-style-type: none"> Best agricultural practices (manuring, spraying, harvesting, EFB application etc) Worker Welfare (payments, complaint mechanism) Hazardous Waste Material (B3) management; Worker facilities (housing, health clinic, clean water, etc), Land fill, Fire fighting facilities, Storage, ect. Legal operational and Conservation Area 	AMR/RGR AMR/RGR APP STV
12.00 – 14.00	BREAK	All Auditor
14.00 – 17.00	Document Review	All Auditor
Thursday, 26 September 2019		
08.00 – 12.00	Document Review	All Auditor
12.00 – 14.00	BREAK	All Auditor
14.00 – 17.00	Document Review	All Auditor
Friday, 27 September 2019		
08.00 – 10.00	Closing meeting	All Auditor
13.40 – 14.45	SITE PT. Sinar Kencana Inti Perkasa → KOTABARU KOTABARU → MAKASSAR (IW-1392) MAKASSAR → JAKARTA	All Auditor