

## *Roundtable on Sustainable Palm Oil Certification* **R S P O**

### [✓] Recertification

Name of Management Organization : Sungai Bengkal Palm Oil Mill PT Satya Kisma Usaha subsidiary of Golden Agri Resources Holdings Ltd  
 Plantation Name : Sungai Bengkal Estate, Muara Kilis Estate, and Sungai Bengkal KKPA  
 Location : Betung Bedarah Village, Tebo Ilir Sub District, Tebo District, Jambi Province, Indonesia  
 Certificate Code : MUTU-RSPO/052  
 Date Initial Registration : 28 February 2015  
 Date of Certificate Issue : 28 May 2021      Date of License Issue : 28 June 2021  
 Date of Certificate Expiry : 27 May 2026      Date of License Expiry : 27 May 2022

\*License expired in 27 February 2020, however due to pandemic Covid-19 situation the license extended until 27 June 2021

\*

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
Remote Audit Recertification	13 to 15 April 2020	Arif Faisal Simatupang (Lead Auditor), Dwi Haryati, Bayu Yogatama, Johannes Pandiangan	Harso Yuli Antena	Octo HPN Nainggolan
Onsite Audit Recertification	05 to 10 April 2021	Moh Arif Yusni (Lead Auditor), Rindu Galih Rezza Rachmansyah, Bayu Yogatama and Arief Tajalli		

Assessment	Approved by MUTUAGUNG LESTARI on:
Recertification	28 May 2021

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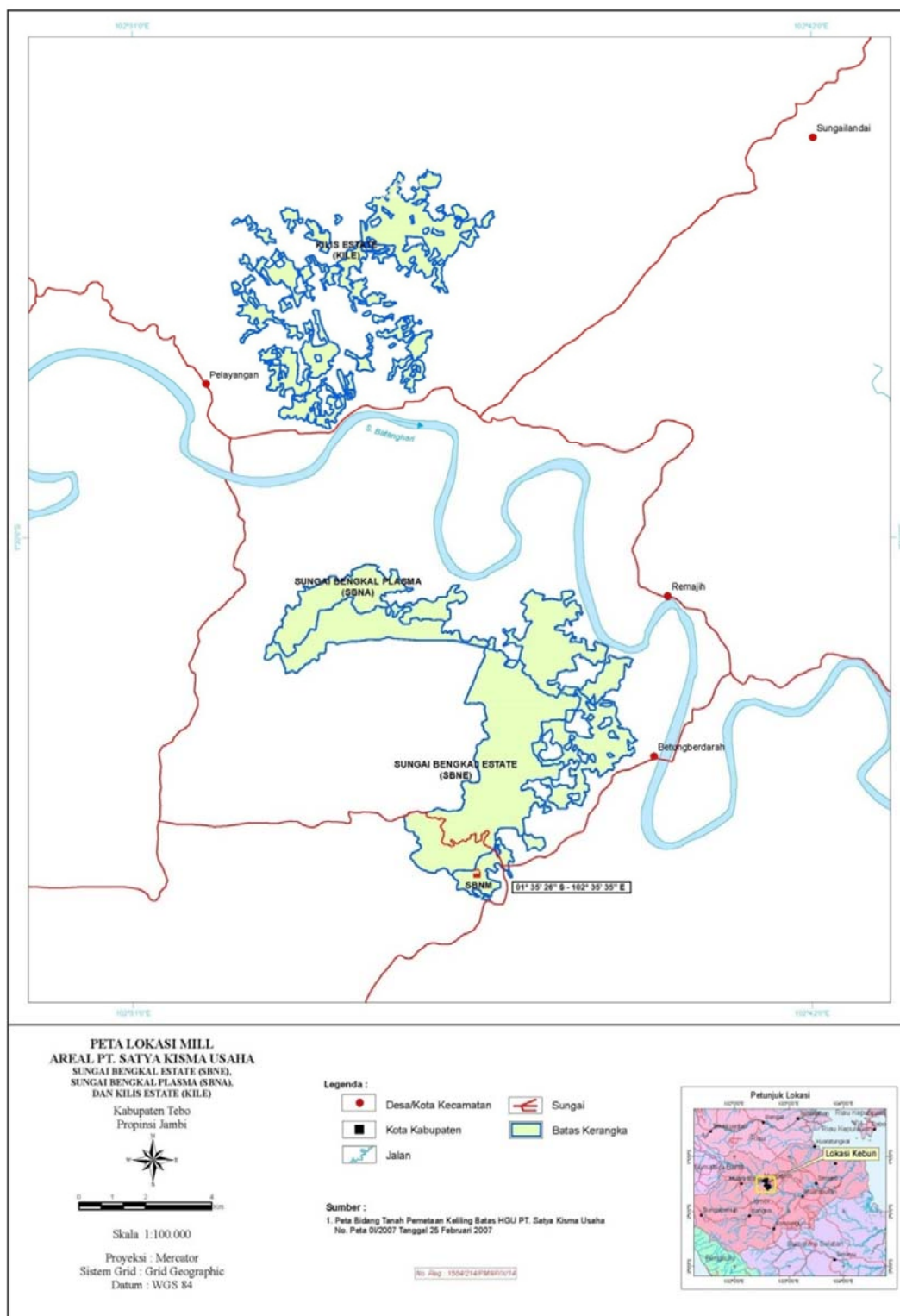
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Figure 1. Location Map of PT Satya Kisma Usaha



**Figure 2. Operational Map of PT Satya Kisma Usaha**



**Abbreviations Used**

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

RSPO	:	Roundtable Sustainable Palm Oil
RTE	:	Rear, Treat, Endangered
RZBX	:	<i>Rezeki Bersama</i> (FFB Supplier)
SBNA	:	Sungai Bengkal KKPA
SBNE	:	Sungai Bengkal Estate
SBNM	:	Sungai Bengkal Mill
SCCS	:	Supply Chain Certifications System
SCEP	:	Social and Community Engagement Policy
SMARTRI	:	Sinarmas Agribusiness Research and Technology Research Institute
SIA	:	Social Impact Assessment
SKU	:	Satya Kisma Usaha
SOP	:	Standart Operartional Procedure
SPO	:	Sustainable Palm Oil
SR	:	Severity Rate
WHO	:	World Health
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant



1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"><li>RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020</li><li>RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020</li></ul> <p>Additional Documents:</p> <ul style="list-style-type: none"><li>Contingency RSPO Audit Procedure (This procedure is applicable when force majeure (such as pandemics, natural disasters, civil unrest, etc.) preventing the audit team from conducting field verifications) 25 August 2020</li></ul>	
1.2	Organization Information		
1.2.1	Organization name listed in the certificate	PT Satya Kisma Usaha subsidiary of Golden Agri Resources Holdings Ltd	
1.2.2	Contact person	Yahya Mustakim	
1.2.3	Organization address and site address	RSPO registered company: 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535  Liaison Office: Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia	
1.2.4	Telephone	(+62-21) 318 1388	
1.2.5	Fax	(+62-21) 318 1389	
1.2.6	E-mail	<a href="mailto:yahya.mustakim@sinarmas-agri.com">yahya.mustakim@sinarmas-agri.com</a>	
1.2.7	Web page address	<a href="http://www.goldenagri.com.sg">http://www.goldenagri.com.sg</a>	
1.2.8	Management Representative who completed the application for certification	Yahya Mustakim (Head of SPO Certification & Low GHG Emissions Strategy)	
1.2.9	Registered as RSPO member	1-0096-11-000-00, 31 March 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base Sungai Bengkal Mill, Sungai Bengkal Estate, Muara Kilis Estate and Sungai Bengkal KKPA	
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 (S)
			Longitude (E)
	Sungai Bengkal Mill	Village of Betung Bedarah Barat, Sub District of Tebo Ilir, District of Tebo, Province of Jambi, Indonesia	S 01° 35' 26"
			E 102° 36' 36"

1.4.2	Location of Certification Scope of Supply Base				
	Name of Supply Base	Location	Coordinate		
			Latitude (S)	Longitude (E)	
	Sungai Bengkal Estate	Village of Betung Bedarah Barat, Sub District of Tebo Ilir; Village of Rantau Api and Penapalan, Sub District of Tengah Ilir; Village of Sungai Keruh, Sub District of Tebo Tengah; District of Tebo, Province of Jambi, Indonesia	S 01° 34' 16"	E 102° 36' 36"	
	Muara Kilis Estate	Village of Muara Kilis, Sub District of Tebo Ilir; Villages of Kandang, Pelayangan and Sungai Keruh, Sub District of Tebo Tengah; District of Tebo, Province of Jambi, Indonesia	S 01° 25' 06"	E 102° 34' 07"	
	Sungai Bengkal KKPA	Village of Betung Bedarah Barat, Sub District of Tebo Ilir; Village of Rantau Api and Penapalan, Sub District of Tengah Ilir; Village of Sungai Keruh, Sub District of Tebo Tengah; District of Tebo, Province of Jambi, Indonesia	S 01° 34' 16"	E 102° 36' 36"	
1.5	Description of Area Statement				
1.5.1	Tenure				
	• State		4887.61 Ha		
	• Community		- Ha		
1.5.2	Area Statement				
	Descriptions		TOTAL (Ha)		
	Total area		4887.61		
	Mature area		4361.06		
	Mill/line-site/building		37.93		
	Infrastructure/ road / drain		267.77		
	River / swamp		51.28		
	Air strip		4.83		
	Other's area (enclave area)		97.60		
	Reverse area		67.14		
	*HCV area are included in the planted area, area of 583.74				
	1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			Total (Ha)
		Sungai Bengkal Estate	Muara Kilis Estate	Sungai Bengkal KKPA	
	1996	108.95	-	-	108.95
	1997	565.26	-	-	565.26
	1998	618.94	-	-	618.94
	1999	299.55	-	-	299.55
	2006	502.42	-	977.15	1479.57



	2007	14.05	-	-	14.05		
	2008	-	140.33	-	140.33		
	2009	-	977.24	-	977.24		
	2010	-	157.17	-	157.17		
	Total	2109.17	1274.74	977.15	4361.06		
1.6.2	New Planting area after January 2010			- Ha			
1.6.3	Planting Cycle			1 <sup>nd</sup> Cycle			
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Sungai Bengkal Mill	30	123,167.68	25,345.18	20.58	6,734.09	5.47
	<i>*Production data source from 12 months before assessment (April 2020 – March 2021)</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (ton/year)	Yield (ton/ha/ year)	Supplied to Mill	
						FFB (ton/year)	%
	Sungai Bengkal	2,364.49	2,109.17	44,134.02	20.92	44,134.02	100
	Muara Kilis	1,460.54	1,274.74	24,409.98	19.15	24,409.98	100
	Sungai Bengkal KKPA (334 farmers)	1,062.58	977.15	18,901.22	19.34	18,901.22	100
	TOTAL	4,887.61	4361.06	87,445.22	20.05	87,445.22	100
	<i>*Production data source from 12 months before assessment (April 2020 – March 2021)</i>						
1.7.3	FFB description from other source						
	Name of sources/Organization (RSPO certified / non-certified)		Type of Organization	number of smallholder	Production Area (Ha)	Supplied to Mill FFB (tones/year)	
	RSPO Certified						
	-		-	-	-	-	
	RSPO Non-Certified						
	Muara Killis KKPA		PT Satya Kisma Usaha (Associated smallholder)	930.85	418	16,573.41	
	OSMX (Osman Malau)		Independent supplier	-	-	783.01	
	SKLX (Satu Kosong Lima)		Independent supplier	-	-	138.26	
	BSNX (Benture Sinurat)		Independent supplier	-	-	2,364.78	
	SLRX (Selamet Riyadi)		Independent supplier	-	-	1,363.63	
	PSSX (Pasaman Sinurat)		Independent supplier	-	-	5,685.83	
	NHKX (Nur hikmah)		Independent supplier	-	-	1,750.74	
	BSAX (Bintang Selatan Agro)		Independent supplier	-	-	4,300.79	
	BMSX (Bina Makmur Sejahtera)		Independent supplier	-	-	2,999.81	
	TOTAL					35,960.26	
	<i>*Production data source from 12 months before assessment (April 2020 – March 2021)</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						

1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)	Actual Production of 24 months (MT) previous audit (April 2019 to March 2021)				
	FFB Processed		179,392.41	176,141.52				
	CPO Production		36,432.97	35,659.10				
	Palm Kernel (PK) Production		10,188.38	9,939.52				
1.8.2	Product selling							
	Type of selling product		Actual selling product for last year (April 2019 to March 2021) (MT)					
	CSPO sold as RSPO certified product		3,666.58					
	CSPK sold as RSPO certified product		7,366.92					
	CSPO sold under another scheme		31,888.14					
	CSPK sold under another scheme		0					
	CSPO sold as conventional		0					
	CSPK sold as conventional		1,194.46					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (Ha)	Production Area (Ha)	FFB (tones/year)	Yield (tones/ha/year)			
	Sungai Bengkal	2364.49	2,109.17	47,000	22.28			
	Muara Kilis	1460.54	1,274.74	26,000	20.40			
	Sungai Bengkal KKPA (334 Petani)	1062.58	977.15	21,000	21.49			
	TOTAL	4887.61	4361.06	94,000	21.55			
	*Projected FFB production for 12 months of certificate							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tones/ hour)	FFB Processed (tones/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tones)	Extraction (%)	Out put (tones)	Extraction (%)	
	Sungai Bengkal Mill	30	94,000	19,270	20.50	5,170	5.50	Mass Balance
	*Projected CSPO and CSPK production for 12 months of certificate							
1.9	Other Certifications							
	ISCC			EU-ISCC-Cert-DE104-37531901 issued by Gutcet valid until 22 December 2020				
	Others			PT SKU has certified ISPO on 2016 MUTU-ISPO/053 19 July 2016 – 18 July 2021				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time Bound Plan						

Pangkalan Panji Mill (PT Sawit Mas Sejahtera)	2013	Sawit Mas Estate	2013	Sumatera Selatan Province	Certified
		Sawit Mas Estate (HGU on progress – 2,291 Ha)	2022		-
Bumi Sawit Mill (PT Bumi Sawit Permai)	2013	Bumi Sawit Estate	2013	Sumatera Selatan Province	Certified
		Bumi Sawit Estate (HGU on progress – 773.39 Ha)	2022		-
Muara Kandis Mill (PT Djuanda Sawit Lestari)	2013	Muara Tawas Estate	2013	Sumatera Selatan Province	Certified
		Muara Kandis Estate	2013		Certified
		Muara Kandis Estate (HGU on progress – 418.49 Ha)	2022		-
		Muara Tawas Estate (HGU on progress – 57.7 Ha)	2022		-
		Smallholder (KKPA Pandawa)	2022		-
Sungai Rungau Mill (PT Sumber Indah Perkasa)	2013	Sungai Rungau Estate	2013	Kalimantan Tengah Province	Certified
		Sungai Seruyan Estate	2013		Certified
		Terawan Estate	2013		Certified
		Tangar Estate	2013		Certified
		Bukit Tiga Estate	2013		Certified
Bukit Perak Mill (PT Bumi Permai Lestari)	2013	Bukit Perak Estate	2013	Bangka Belitung Province	Certified
		Bukit Permata Estate	2013		Certified
Tanjung Kembiri Mill (PT Forestalestari Dwikarya)	2013	Tanjung Kembiri Estate	2013	Bangka Belitung Province	Certified
		Tanjung Rusa Estate	2013		Certified
		Tanjung Rusa Estate (HGU on process 48.81 Ha)	2022		-
		Tanjung Sawit Estate (PT Palmindo Biliton Berjaya)	2023		-
		Tanjung Sawit Plasma (PT Palmindo Biliton Berjaya)	2023		-
		Tanjung Rusa KKPA	2022		-
Sungai Buaya Mill (PT Sumber Indah Perkasa)	2014	Sungai Buaya Estate	2014	Lampung Province	Certified
		Sungai Buaya Estate (HGU on process – 155.46 Ha)	2022		-
		Smallholder (KKPA Gedung AJi Lama)	2014		Certified
		Smallholder (KKPA Mesuji)	2014		Certified
Sungai Merah Mill (PT Sumber Indah Perkasa)	2014	Sungai Merah Estate	2014	Lampung Province	Certified
		Sungai Merah Estate (HGU on process – 241.54 Ha)	2022		-
		Smallholder (KKPA Gedung AJi Baru)	2014		Certified
Kasuari Mill	2022	Cendrawasih Estate	2022	Papua Province	ST-1

	(PT Sinar Kencana Inti Perkasa)		Nuri Estate	2022		ST-1
			Rajawali Estate	2022		ST-1
			Mambruk Estate (PT Sumber Indah Perkasa)	2022		ST-1
	Pekawai Mill (PT Agrolestari Mandiri)	2021	Kayung Estate	2021	Kalimantan Barat Province	ST-1
			Pekawai Estate	2021		ST-1
			Sungai Kelik Estate	2021		ST-1
			Nanga Tayap Estate	2021		ST-1
			Smallholder (Kayung Plasma)	2021		ST-1
	Kenanga Mill (PT Kencana Graha Permai)	2014	Kencana Estate	2015	Kalimantan Barat Province	Certified
			Cendana Estate	2015		Certified
			Kenanga Estate (PT Cahaya Nusa Gemilang)	2021		-
			Delima Estate (PT Kencana Graha Permai)	2021		-
			Smallholder (Kencana Plasma)	2022		-
			Smallholder (Kenanga Plasma)	2022		-
	Perdana Mill (PT Binasawit Abadi Pratama)	2023	Perdana Estate	2023	Kalimantan Tengah Province	ST-1
			Langgana Estate	2023		ST-1
			Semandau Estate	2023		ST-1
			Muara Dua Estate	2023		ST-1
	Kuayan Mill (PT Agrokarya Prima Lestari)	2023	Bukit Santuhai Estate	2023	Kalimantan Tengah Province	ST-1
			Tajur Beras Estate	2023		ST-1
			Seranau Estate	2023		ST-1
			Sungai Sambon Plasma	2023		-
			Sapiri Estate (PT Buana Adhitama)	2023		ST-1
			Sapiri Plasma	2023		-
			Bukit Dua Estate (PT Buana Adhitama)	2023		-
	Belian Mill (PT Paramitra Internusa Pratama)	2021	Belian Estate	2021	Kalimantan Barat Province	ST-1
			Tengkawang Estate	2021		ST-1
			Muara Tawang Estate (PT Kartika Prima Cipta)	2021		ST-1
			Kapuas Hulu Estate (PT Persada Graha Mandiri)	2021		ST-1
			Sungai Beran Estate (PT Persada Graha Mandiri)	2021		ST-1
			Smallholder (Belian KKPA)	2021		-
			Smallholder (Muara Tawang KKPA)	2021		-
			Smallholders (Kapuas Hulu KKPA)	2021		-
	Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa)	2020	Sungai Kupang Estate	2020	Kalimantan Selatan Province	Certified
			Sungai Kupang KKPA	2022		-

Sungai Kikim Mill (PT Sawit Mas Sejahtera)	2022	Sungai Kikim Estate	2022	Sumatera Selatan Province	-
		Sungai Pangsi Estate	2022		-
		Sungai Musi Estate	2022		-
		Sungai Saling Estate	2022		-
		Sungai Enim Estate (PT Bumi Sawit Permai)	2022		-
		Sungai Lematang Estate (PT Bumi Sawit Permai)	2022		-
		Sungai Bungur Estate (PT Prima Cipta Mandiri)	2022		-
		Sungai Lingsing Estate (PT Prima Cipta Mandiri)	2022		-
Tangar Mill (PT Mitra Karya Agroindo)	2023	Sulin Estate	2023	Kalimantan Tengah Province	-
		Sulin Plasma	2023		-
		Nahiyang Estate	2023		-
		Katayang Estate	2023		-
Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa)	2022	Sungai Magalau Estate	2022	Kalimantan Selatan Province	-
		Senakin Estate	2022		-
Jalemo Mill (PT Agro Lestari Sentosa)	2023	Jalemo Estate	2023	Kalimantan Tengah Province	-
		Kajui Estate (PT Agro Lestari Sentosa)	2023		-
		Manuhing Estate (PT Agro Lestari Sentosa)	2023		-
		Manuhing KKPA	2023		-
Sako Mill (PT Adi Tunggal Mahajaya)	2023	Mentaya Estate	2023	Kalimantan Tengah Province	ST-1
		Kuayan Estate	2023		ST-1
		Sako Plasma	2023		-
		Sungai Ayawan Estate	2023		-
		Sungai Nusa Estate	2023		-
Padang Halaban Mill (PT SMART Tbk)	2011	Padang Halaban Estate	2011	Sumatera Utara Province	Certified
		Pernantian Estate	2011		Certified
		Adipati Estate	2011		Certified
		Kanopan Ulu Estate	2011		Certified
Batu Ampar Mill (PT SMART Tbk)	2012	Batu Ampar Estate	2012	Kalimantan Selatan Province	Certified
		Batu Mulia Estate	2012		Certified
		Sungai Panci Estate	2012		Certified
		Sungai Panci KKPA	2012		Certified
Tanah Laut Mill (PT SMART Tbk)	2012	Tanah Laut Estate	2012	Kalimantan Selatan Province	Certified
		Kintapura Estate	2012		Certified
		Kintapura Estate (HGU on process - 636.33 Ha)	2022		-
Langga Payung Mill (PT Tapan Nadenggan)	2012	Langga Payung Estate	2012	Sumatera Utara Province	Certified
		Paya Baung Estate	2012		Certified
		Normark Estate	2012		Certified
Hanau Mill (PT Tapan Nadenggan)	2012	Hanau Estate	2012	Kalimantan Tengah Province	Certified
		Tasik Mas Estate	2012		Certified
		Tanjung Paring Estate	2012		Certified
		Langadang Estate	2012		Certified
		Medang Sari Estate (PT Satya Kisma Usaha)	2022		-
Semilar Mill	2013	Semilar Estate	2013	Kalimantan	Certified

(PT Tapian Nadenggan)		Sei Rindu Estate	2013	Tengah Province	Certified
		Mandang Estate	2013		Certified
		Puri Estate	2013		Certified
Jak Luay Mill (PT Tapian Nadenggan)	2015	Pantun Mas Estate	2015	Kalimantan Timur Province	Certified
		Jak Luay Estate	2015		Certified
		Jak Luay KKPA	2022		-
		Long Buluh Estate	2015		Certified
		Long Buluh Estate (HGU on progress - 329.66 Ha)	2023		-
		Bukit Subur Estate	2015		Certified
		Bukit Subur Estate (HCV identification on process - 569.62 Ha)	2023		-
		Bukit Subur KKPA	2022		-
Leidong West Mill (PT MP Leidong West Indonesia)	2014	Leidong West Utara Estate	2014	Bangka Belitung Province	Certified
		Leidong West Selatan Estate	2014		Certified
		Bukit Intan Estate (PT Bumipermai Lestari)	2014		Certified
		Bukit Mas Estate (PT Bumipermai Lestari)	2014		Certified
Muara Wahau Mill (PT Kresna Duta Agroindo)	2014	Muara Wahau Estate	2014	Kalimantan Timur Province	Certified
		Gunung Kombeng	2014		Certified
Gunung Kombeng Mill (PT Kresna Duta Agroindo)	2022	Gunung Kombeng KKPA	2022	Kalimantan Timur Province	-
Rantau Panjang (PT Kresna Duta Agroindo)	2022	Rantau Panjang Estate	2022	Kalimantan Timur Province	-
		Rantau Panjang KKPA	2022		-
Jelatang Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi Province	Certified
Pelakar Mill (PT Kresna Duta Agroindo)	2020	Pelakar Estate	2020	Jambi Province	Certified
		Batang Merangin Estate	2020		Certified
		Tiga Serumpun KKPA	2022		-
Langling Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi Province	Certified
		Batang Gading Estate (PT Satya Kisma Usaha)	2022		-
		Batang Gading KKPA (PT Satya Kisma Usaha)	2022		-
Sungai Bengkal Mill (PT Satya Kisma Usaha)	2015	Sungai Bengkal Estate	2015	Jambi Province	Certified
		Sungai Bengkal KKPA	2015		Certified
		Muara Kilis Estate	2015		Certified
		Kilis KKPA	2022		-
Bukit Kapur Mill (PT SMART Tbk)	2022	Bukit Kapur Estate	2022	Kalimantan Selatan Province	ST-1
		Sungai Cantung Estate	2022		ST-1
Samsam Mill (PT Ivomas Tunggal)	2009	Samsam Estate	2009	Riau Province	Certified
		Samsam Estate (HGU on progress - 29.09 Ha)	2022		-
		Kandista Estate	2009		Certified

		Kandista Estate (HGU on progress – 158.46 Ha)	2022		-
		Palapa Estate	2009		Certified
Libo Mill (PT Ivomas Tunggal)	2009	Libo Estate	2009	Riau Province	Certified
		Nenggala Estate	2009		Certified
		Nenggala Estate (HGU on progress 419.9 Ha)	2022		-
		Sei Rokan Estate	2009		Certified
		Sei Rokan Estate (HGU on progress – 102.7 Ha)	2022		-
		Sungai Tapung Plasma	2009		Certified
Ujung Tanjung Mill (PT Ivomas Tunggal)	2009	Ujung Tanjung Estate	2009	Riau Province	Certified
		Ujung Tanjung Estate (HGU on progress – 557.3 Ha)	2022		-
Naga Sakti Mill (PT Buana Wiralestari Mas)	2010	Naga Mas Estate	2010	Riau Province	Certified
		Naga Mas Estate (HGU on process – 253.39 Ha)	2022		-
		Naga Sakti Estate	2010		Certified
		Naga Sakti Estate (HGU on process – 59.79 Ha)	2022		-
		Rama Bakti Estate	2010		Certified
Kijang Mill (PT Buana Wiralestari Mas)	2010	Kijang Estate	2010	Riau Province	Certified
		Kijang Estate (HGU on process – 56.07 Ha)	2022		-
		Kijang Kencana Plasma	2010		Certified
Ramarama Mill (PT Ramajaya Pramukti)	2010	Ramarama Estate	2010	Riau Province	Certified
		Ramarama Estate (HGU on process – 318.76 Ha)	2022		-
		Amartajaya Plasma	2010		Certified
		Smallholder (Ramarama KKPA)	2023		-
Indrasakti Mill (PT Meganusa Inti Sawit)	2011	Indralestari Estate	2011	Riau Province	Certified
		Indrasakti Estate	2011		Certified
		Indragiri Plasma	2011		Certified
		Indrasakti Plasma	2011		Certified
Bumipalma Mill (PT Bumipalma Lestari Persada)	2012	Bumi Lestari Estate	2012	Riau Province	Certified
		Bumi Palma Estate	2012		Certified
		Bumi Sentosa Estate	2012		Certified
		Bumi Palma Estate (HGU on process – 39.21 Ha)	2022		-
Sawita Mill (PT Sawitakarya Manunggul)	2021	Sawita Estate	2021	Kalimantan Selatan Province	ST-1
		Pamukan Estate	2021		ST-1
		Sawita KKPA	2021		ST-1
Kenari Mill (PT Bangun Nusa Mandiri)	2023	Gaharu Estate (PT Bangun Nusa Mandiri)	2023	Kalimantan Barat Province	-
		Kenari Estate (PT Bangun Nusa Mandiri)	2023		ST-1
		KerANJI Estate (PT Bangun Nusa Mandiri)	2023		ST-1
		Smallholder (Gaharu)	2023		-



		Plasma)			
		Smallholder (Kenari Plasma)	2023	Kalimantan Barat Province	-
Sungai Air Jernih Mill (PT Bahana Karya Semesta)	2022	Sungai Air Jernih Estate	2022	Jambi Province	-
		Sungai Mentawak Estate	2022		-
		Sungai Mentawak KKPA	2022		-
		Sungai Merak Estate	2022		-
		Sungai Badak Estate	2022		-

*TBP is approve on January 2021.*

There is revision of timebound plan on 21 January 2020 made by Head of Sub Div SPO Certification and Low GHG Strategy. There are justification for mills and estates that postpone, with explanation:

- Pandawa KKPA are postponed to 2022 due to the SHM process.
- Tanjung Rusa KKPA are postponed to 2022 due to the SHM process.
- Kenangan Estate dan Delima Estate are postponed to 2021 due to pandemic covid-19 so that on-site audit in 2020 cannot be implemented.
- Batang Gading Estate are postponed 2022 due to still in process for RaCP (LUCA review).
- Rama-Rama KKPA are postponed to 2023 due to still in process for land rights (SHM).
- Kasuari Mill and supply bases are postponed to 2022 due to still in process of EIA (AMDAL) revision and permit for hazardous waste warehouse
- Pekawai Mill and supply bases are postponed to 2021 due to pandemic covid-19 so that on-site audit in 2020 cannot be implemented.
- Belian Mill and supply bases are postponed to 2021 due to pandemic covid-19 so that on-site audit in 2020 cannot be implemented.
- Sungai Kikim Mill and supply bases are postponed to 2022 due to still in process of EIA (AMDAL) revision.
- Sungai Magalau Mill and supply bases are postponed to 2022 due to still in process for RaCP (LUCA review).
- Jalemo Mill and supply bases are postponed to 2023 due to still in process for HGU and RaCP (LUCA review).
- Gunung Kombeng Mill and supply bases are postponed to 2022 due to still in process for land rights (SHM).
- Rantau Panjang Mill and supply bases are postponed to 2022 due to still in process for RaCP (LUCA review).

In this timebound plan revision, it is known that Bukit Lestari Estate (PT Bumi Bangka Lestari) and Bukit Permai Estate (PT Bumi Permai Surya Lestari) no longer exist. The company explained this because that management unit was not part of GAR because it had not been acquired. The company showed evidence that has been reporting to the RSPO on 7 December 2020 the entire management unit that is under GAR as many as 47 mills and 166 estate (own and smallholders) and there is no Bukit Lestari Estate (PT Bumi Bangka Lestari) and Bukit Permai Estate (PT Bumi Permai Surya Lestari). There is also information that there has been a merger of estates such as Balasang Estate which have merged into Jalemo Estate at PT Agro Lestari Sentosa and Sungai Sambon Estate has merged into Tajur Beras Estate at PT Agrokarya Prima Lestari. Therefore, in this revised timebound plan there is no longer Balasang Estate and Sungai Sambon Estate.

There are some companies that are not fully certified, due to some area still on process to get land title (HGU) and RaCP process, consist of:

1. PT Ivomas Tunggal (Samsam Estate, Kandista Estate, Nenggala Estate, Sei Rokan Estate, Ujung Tanjung Estate);
2. PT Rama Jaya Pramukti (Ramarama Estate);
3. PT Buana Wira Lestari (Nagasakti Estate; Nagamas Estate and Kijang Estate);
4. PT Forestalestari Dwikarya (Tanjung Rusa Estate);
5. PT Djuanda Sawit Lestari (Muara Kandis Estate & Muara Tawas Estate).
6. PT Sumber Indah Perkasa (Sungai Merah Estate and Sungai Buaya Estate).
7. PT Sawit Mas Sejahtera (Sawit Mas Estate)
8. PT Bumi Sawit Permai (Bumi Sawit Estate)
9. PT SMART Tbk (Kinta Pura Estate)
10. PT Tapian Nadenggan (Log Buluh Estate and Bukit Subur Estate)

- |   |
|---|
| <ol style="list-style-type: none"><li>11. PT Satya Kisma Usaha (Sungai Bengkal Estate, Kilis Estate abd Sungai Bengkal KKPA)</li><li>12. PT Bumipalma Lestari Persada (Bumi Palma Estate)</li></ol> |
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<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>RC Remote Audit</b>	<p><b>1. Arif Faisal Simatupang (Lead Auditor).</b> Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has successfully completed an RSPO endorsed P&amp;C Lead Auditor Training, RSPO SCCS endorsed Lead Auditor Training, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor Training, Management System Certification ISO 9001-2008 Lead Auditor Training, Environmental Management System ISO 14001 Lead Auditor Training, ISO 17021 and ISO 17065 Awareness Training, Management of High Conservation Value (HCV) Training, Social Accountability SA 8000 Training. He has four years of working experience as a Field Assistant on oil palm plantation company in Indonesia. Since 2014, he works as an auditor of RSPO and ISPO in the aspects of legal, social, best management practices of mill and estate, OHS, employment, and environmental. In this audit, he was assessing the aspects of best management practices of agronomy and processing. During this assessment has verified legality, land and business permit, and Supply Chain.</p> <p><b>2. Bayu Yogatama (Auditor).</b> Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, RSPO Lead Training, Green Industry Lead Training, SA 8000, IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During this assessment has verified environment, conservation and GHG aspect. During this assessment has verified environment, conservation and GHG aspect and Social aspect</p> <p><b>3. Dwi Haryati (Auditor).</b> Indonesian citizens. Bachelor of Agriculture Department of Agriculture – Program study: Agronomy. She has experienced on Palm Oil Plantation as Sustainability staff. Training have been followed include: Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 &amp; 17065, HCV, General Health Safety Expert, Health Safety Management System, GHG Workshop by the ISPO Commission, IHT Palm Oil Mill Processing, Awareness RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest, and Social Accountability SA 8000 Training. RSPO audit experience since March 2015 and ISPO since May 2014. During this audit, she assigned the aspect of Transparencies, Occupational Health and Safety, and Worker Welfare.</p> <p><b>4. Johannes Pandiangan (Observer).</b> Bachelor of Agriculture Department of Social Economics of Agriculture, Faculty of Agriculture. He has 7 years' experience working as operational staff of one of the leading private oil palm plantation companies in Indonesia.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
<b>RC Onsite Audit</b>	<p><b>1. Moh Arif Yusni (Lead Auditor).</b> Indonesian citizen. Bachelor of Agriculture, majoring in Plant Protection. Has experience as an operational staff at a private oil palm plantation company in Indonesia on 2010 to 2012. Has attended several trainings, i.e.: ISO 19011, ISO 9001; ISO 14001, SA 8000, RSPO lead auditor, ISPO lead auditor, OHS expert, OHS auditor based on National Government No. 50/2012, SCCS, etc. Has conducting ISPO, RSPO and MSPO audit as an auditor and lead auditor with expertise on best management practices for estate and mill, legality, worker welfare, safety, social, environment, conservation, transparency, long term economic management plan and supply chain for palm oil mill aspects. During the audit, he verifies Legality, Social and transparency.</p> <p><b>2. Bayu Yogatama (Auditor).</b> Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, RSPO Lead Training, Green Industry Lead Training, SA 8000, IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During this assessment has verified environment, conservation and GHG aspect. During this assessment has verified environment, conservation, SCCS, best management practices, and GHG aspect and Social aspect.</p> <p><b>3. Rindu Galih Rezza Rachmansyah (Auditor).</b> Indonesian citizen, Bachelor of Agriculture with major in Plant Pest and Disease. Has one year experience as Field Expert in Pesticide Company and 3 years' experience in Industrial</p>

	<p>Forest Management, Forest Rehabilitation and Reclamation on Indonesia Stated Owned Company as Assistant. Training which had attended including Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, SA 8000, Lead Auditor ISPO, Lead Auditor RSPO, RaCP and NPP Awareness and OHSAS 18001:2007. Has involved in several audit activities related to sustainable palm oil since 2017 in the aspects of Best Management Practices (BMP), social, worker welfare and OHS. During assessment, he assigned to verification towards OHS, worker welfare and social aspect.</p> <p><b>4. Arief Tajalli (Auditor Trainee).</b> Indonesian citizen, Bachelor of Forest Resources Conservation and Ecotourism, Faculty of Forestry, Bogor Agricultural University. Has been involved as a researcher at a wildlife laboratory, Faculty of Forestry, IPB. The trainings that have been attended include training for ISO 9001; 2008, ISO 14001; 2004, ISO 17021; 2015, ISO 17065, ISO 19011, ISPO Auditor training, and participating in several IHT in the field of environment, BMP, and so on. Has participated in several audit simulation activities related to the sustainable palm oil certification system since 2020 with social and environmental aspects, and aspects of waste management. In this activity, he became an Auditor trainee. During this assessment has verified environment, conservation, GHG aspect and Social aspect under supervision by Auditor and Lead Auditor.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>RC Remote Audit</b>	<p>Number of auditors: 3 auditors and 1 auditor trainee</p> <p>Number of days for <b>Remote RC</b> document review: 3 days</p> <p>Number of working days for <b>Remote RC</b> document review: 9 Working days</p>
<b>RC Onsite Audit</b>	<p>Number of auditors: 3 auditor and 1 trainee auditor</p> <p>Number of days for Onsite audit RC and ASA 1-1: 5.5 days</p> <p>Number of working days for Remote audit RC document review: 16.5 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>RC Remote Audit</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Satya Kisma Usaha to the requirements of Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15<sup>th</sup> Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.</p> <p>For this section (Remote Audit RC) The assessment was conducted in One method: document review, aiming to observe the sufficiency of types or substances from required documents. Some opportunities for improvement of the results Recertification by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA-1.1. Improvement of findings from recertification findings were observed by auditors at this Recertification assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of Recertification.</p> <p>The opening meeting was held on Monday 13 April 2020 at 08 am through a teleconference (zoom meeting). As for the participants who attended the opening meeting included the SBNE Manager, SBNM, Regional Controller, Production Control, Support Team from Jakarta and other staff at PT Satya Kisma Usaha. while the closing meeting will take place on April 15, 2020 at 16 pm. attended by the same participants as the opening meeting.</p> <p>The change of Scope certification from ASA-4 to the Recertification stage is due in part to other areas that are still constrained by the process of completing the RaCP. This was done based on approval from the RSPO according to the Email on January 20, 2020.</p> <p>The assessment program please find Appendix 2.</p>
<b>RC Onsite</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Satya Kisma Usaha to the requirements of:</p> <ul style="list-style-type: none"> <li>• RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation,</li> </ul>

**Audit**

Endorsed by the RSPO Board of Governors on 20<sup>th</sup> April 2020

- RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020

Additional Documents:

- Contingency RSPO Audit Procedure (This procedure is applicable when force majeure (such as pandemics, natural disasters, civil unrest, etc) preventing the audit team from conducting field verifications) 25 August 2020

The scope of certification of PT Satya Kisma Usaha consist of one mill (Sungai Bengkal Mill), two (2) estate (Sungai Bengkal Estate and Muara Kilis Estate) and one (1) full manage smallholders (Sungai Bengkal Plasma). Currently the process of certification in PT SKU already in 2<sup>nd</sup> cycles, with the first license of certificate starting in 28 February 2015 and valid until 27 February 2020

During pandemic covid -19 situation PT Satya Kisma Usaha applying Scenario 4 in accordance with Contingency RSPO Audit Procedure 25 August 2020. Remote audit Recertification has been carried out on 13 – 15 April 2020 and until next following year (12 Months since remote audit), there is no field visit due to group safety policy, travel restriction, extended lockdown, restrictive quarantine procedures. Since palm trace license expired on 27 February 2020 there is no new license for Sungai Bengkal Mill and the license extended every three months. Because PT SKU implemented scenario 4, the process of certification on this audit held in accordance with Contingency RSPO Audit Procedure 25 August 2020) with a sample audit increase of 100% due to the audit is conducted excess the maximum time (4 ext time/ 12 months) and documents cover two periods of audit.

The audit program is included as Appendix II. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

During the COVID-19 pandemic, there were several modifications to the audit activity due to health protocols. Audit process carried out with high safety protocol procedure that developed by Certification Body and the unit of certification. before an onsite audit carried out, there are several meetings to discuss health protocol procedures. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities, or previous landowners so that these activities are carried out by telephone. Furthermore, during field observation auditor only verification the activity and interview process carried separately by telephone. Document verification conducted separately through the electronic files.

Public Stakeholder Notification was made on MUTU Website and RSPO Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. discussion was held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each discussion, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates through teleconference. Fieldworkers were interviewed informally in small groups in the field. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix III.

Commonly, the audit activities went smoothly with good support from the unit management. The presentation of

	<p>documents is presented quite well by involving related personnel.</p> <p>Some opportunities for improvement of the results Recertification delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA 1.1. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of Recertification reports</p> <p>The assessment program please find Appendix 2</p>
<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>RC Remote Audit</b>	No field visits.
<b>RC Onsite Audit</b>	<p>The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p><b>Sungai Bengkal Mill</b></p> <ul style="list-style-type: none"> <li>• <b>Security Post.</b> Observation related to the acceptance of FFB and employment aspect of securities.</li> <li>• <b>Weighbridge Station.</b> Observation related of supply chain implementation, and weighbridge calibration.</li> <li>• <b>Hydrant simulation.</b> Observation related emergency response, readiness of firefighting equipment.</li> <li>• <b>CPO storage and dispatch.</b> Observation related CPO storage and dispatch.</li> <li>• <b>Kernel Silo.</b> Observation related PK storage and dispatch.</li> <li>• <b>Chemical warehouse.</b> Field observations and interview related chemical management, OHS, and environmental aspect.</li> <li>• <b>Spare part Warehouse.</b> Field observations and interview related spare part management, OHS, and environmental aspect.</li> <li>• <b>Hazardous Waste Temporary Warehouse.</b> Field observations and interview related hazardous waste management, OHS and environmental aspect.</li> <li>• <b>Workshop.</b> Field observations and interview related workshop activity, OHS, environmental and worker welfare aspect.</li> <li>• <b>Hydrant simulation.</b> Observation related emergency preparedness</li> <li>• <b>Water treatment plant.</b> Observation for OHS and water usage monitoring</li> </ul> <p><b>Sungai Bengkal Estate</b></p> <ul style="list-style-type: none"> <li>• <b>FFB Harvesting, Block F 01 Division 3.</b> Observation and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment.</li> <li>• <b>Barn Owl Box, Block F01 Division 3.</b> Observation of IPM, related to suppress rat infestation by installing and monitoring barn owl boxes.</li> <li>• <b>FFB Harvesting, Block K08 Division 4.</b> Observation and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment.</li> <li>• <b>Barn Owl Box, Block K08 Division 4.</b> Observation of IPM, related to suppress rat infestation by installing and monitoring barn owl boxes.</li> <li>• <b>Spraying Circle &amp; Path, Block F07 Division 03.</b> Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.</li> <li>• <b>Housing 02 Division 3,5 and 6.</b> Observation for domestic waste management, OHS, worker facilities</li> <li>• <b>Mixing and agrochemical / fertilizer container washing store Division 3,5 and 6.</b> Observation related OHS, and agrochemical waste management.</li> <li>• <b>Rinse house for spraying team Division 3,5 and 6.</b> Observation for OHS and spraying team facilities</li> <li>• <b>Daycare Division 3,5 and 6.</b> Observation for OHS and worker facilities</li> <li>• <b>Temporary Chemical store Division 3, 5 and 6.</b> Observation related OHS and material handling</li> </ul>



- **FFB Harvesting, Block C 03 Division 1.** Observation and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
- **Spraying Circle & Path, Block A08 Division 01.** Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra Food, PPE, labor aspect and environment.
- **Barn Owl Box, Block B2 Division 1.** Observation of IPM, related to suppress rat infestation by installing and monitoring barn owl boxes.
- **Land application block C4,** observation on the practice of POME land application and its monitoring
- **HCV Langi River Buffer zone Block A1 Division 1** Observation for HCV management
- **Rinse house for spraying team Division 1,2, dan 4.** Observation for OHS and spraying team facilities
- **Housing 01 Division 1,2, dan 4.** Observation for domestic waste management, OHS, worker facilities
- **Scheduled waste storage.** Observation and interview related to OSH, worker welfare and waste management
- **Fertilizer storage.** Observation and interview related to OSH, worker welfare and waste management
- **Workshop.** Observation and interview related to OSH, worker welfare and waste management
- **Fire-fighter equipment.** Observation and interview related to emergency response mechanism
- **Fuel tank.** Observation and interview related to OSH, worker welfare and waste management
- **Clinic.** Observation and interview related to first aid mechanism and workers health service.
- **Agrochemical central storage.** Observation and interview related to OSH, worker welfare and waste management
- **Daycare Division 1,2 and 4.** Observation for OHS and worker facilities
- **Mixing and agrochemical / fertilizer container washing store Division 3,5 and 6.** Observation related OHS, and agrochemical waste management.
- **Workshop** Observation and interview related to OSH, worker welfare and waste management
- **Generator House** Observation and interview related to OSH, worker welfare and waste management
- **FFB Harvesting and loose fruit picker activity, Block D 02 Division 2.** Observation and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
- **Circle raking, Block D2 Division 02.** Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra Food, PPE, labor aspect and environment.
- **Spraying Circle & Path, Block E5 Division 02.** Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra Food, PPE, labor aspect and environment.
- **Slopes Area Block E6 Division 2.** observation of area management with high slopes
- **Barn Owl Box, Block C6 Division 2.** Observation of IPM, related to suppress rat infestation by installing and monitoring barn owl boxes.
- **HCV area Sungai Bunut Division 2 Block D3 and D2 Observation** for HCV management.
- **HCV area Sungai Api Division 2, block I5 and I7.** Observation for HCV management.
- **HCV area Sungai Api Division 3, block F7.** Observation for HCV management.
- **Landfill Block D1 Division 2.** Observation waste management
- **Beneficial plant (*turnera subulata*) Block C4 & C6 Division 2.** observation of the management and utilization of beneficial plants.
- **Boundary markers BPN 17 Division 3, block I17.** Observation for Boundary Markers management.
- **Boundary markers BPN 21/KUB 64 Division 2, block I5 and I7.** Observation for Boundary Markers management.
- **Boundary markers SKU 04/05 Division 3, block H4.** Observation for Boundary Markers management.
- **Boundary markers SKU 10 Division 3, block F7.** Observation for Boundary Markers management.

#### **Sungai Bengkal Plasma**

- **FFB Harvesting, Block J11 Division 5.** Observation and interviews with 1 foreman, 3 harvester and 3 pickers related FFB quality, harvesting round, OHS, and employment.
- **FFB Transport, Block J11 Division 5.** Observation and interviews with 1 clerk and 2 loaders related FFB transport, traveling time to mill, OHS, and employment.
- **Barn Owl Box, Block J02 Division 5.** Observation of IPM, related to suppress rat infestation by installing and monitoring barn owl boxes.



- **Beneficial Plant Maintenance, Block J11 Division 5.** Observation related beneficial plant to support development of natural enemy for suppressing palm leaf eating caterpillar and plant maintenance.
- **Spraying Circle & Path, Block J4 Division 5.** Observation and interviews with 1 foreman and 3 applicators related spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.
- **Erosion Stakes No. B and C Block J11 Division 5.** Observations related to monitoring the rate of erosion in areas that have the potential to cause high levels of erosion each year.
- **FFB Harvesting, Block I04 Division 6.** Observation and interviews with 1 foreman, 3 harvester and 3 pickers related FFB quality, harvesting round, OHS, and employment.
- **FFB Transport, Block I04 Division 6.** Observation and interviews with 1 clerk and 2 loaders related FFB transport, traveling time to mill, OHS, and employment.
- **Barn Owl Box, Block I09 Division 6.** Observation of IPM, related to suppress rat infestation by installing and monitoring barn owl boxes.
- **Beneficial Plant Maintenance, I09 Division 6.** Observation related beneficial plant to support development of natural enemy for suppressing palm leaf eating caterpillar and plant maintenance.
- **Spraying Circle & Path, Block I09 Division 6.** Observation and interviews with 1 foreman and 3 applicators related spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.
- **Boundary markers BPN18/KUB 61 Division 2, block I16.** Observation for Boundary Markers management.
- **Boundary markers KUB 69 Division 2, block I7.** Observation for Boundary Markers management.
- **HCV area Sungai Api Division 1, block J4.** Observation for HCV management.

#### Muara Kilis Estate

- **Barn Owl Box, Block A04 Division 1.** Observation of IPM, related to suppress rat infestation by installing and monitoring barn owl boxes.
- **FFB Harvesting, Block A07 Division 1.** Observation and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
- **Manual Weeding, Block A03 Division 01.** Observation and interviews with workers related manual weeding, OHS, and employment.
- **FFB Transport, Block A07 Division 1.** Observation and interviews with clerk related FFB transport, traveling time to mill, OHS, and employment.
- **Spraying Circle & Path, Block F07 Division 03.** Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.
- **Hazardous Waste Storage.** Observation related to the fulfillment of the attribute's health and safety, recording, and the implementation of compliance requirements hazardous waste temporary storage, wages and complaint mechanism.
- **Spare Part and Oil Storage.** Observation minimum stock of PPE's and housekeeping implementation.
- **Chemical Storage.** Observation related to management of chemical material and waste, MSDS, emergency response facilities and the types of chemicals used.
- **Fertilizer Storage.** Observation related to management of fertilizer material and waste, MSDS, emergency response facilities and the types of fertilizer used.
- **Solar Tank.** Observation of OHS, environment aspect, emergency response and fire facilities.
- **PPE Storage and Rinse House for Sprayer.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Generator House.** Observation for waste management, and interviews related to workers facility, electricity, domestic waste, sources of fresh water, socialization of company policy and complaint mechanism.
- **Housing Complex.** Observation and interview with residents about housing facilities, domestic waste management, and complaint mechanism.
- **Child Daycare.** Observation and interview with residents about housing facilities, domestic waste management, and complaint mechanism.
- **HCV area Sungai Selingur Division 1, block A19.** Observation for HCV management.

	<ul style="list-style-type: none"> <li>• <b>Boundary markers SKU 79 Division 1, block C9.</b> Observation for Boundary Markers management.</li> <li>• <b>Boundary markers SKU 71 Division 1, block C5.</b> Observation for Boundary Markers management.</li> <li>• <b>Boundary markers SKU 16 Division 1, block A20.</b> Observation for Boundary Markers management.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC Remote Audit</b>	will be completed during the onsite audit
<b>RC Onsite Audit</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for Sungai Bengkal Mill - PT Satya Kisma Usaha was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website on RSPO website with notification date 08 March – 08 April 2021</li> <li>• Public Notification on website on MUTU website with notification date 03 March 2021</li> <li>• Public consultation with NGOs (by email) such as WALHI, WWF and Sawit Watch 30 March 2021</li> <li>• Public consultation meeting with government institution 05 April 2021</li> <li>• Public consultation meeting with communities on 05 April 2021</li> <li>• Public consultation meeting with internal stakeholders and contractor 05 April 2021</li> </ul> <p>Numbers of input from stakeholders were clarified by PT Satya Kisma Usaha</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (ASA 1.1) will be determined eight (8) months to twelve (12) months after date of annual license

**3.1 ASSESSMENT FINDINGS**
**3.1.1 Summary of Assessment Report of the RSPO Certification**

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

During the assessment, there were nil nonconformity were assigned against RSPO P&C Standards and four (4) opportunity for improvement.

MUTUAGUNG LESTARI found that Sungai Bengal Mill – PT Satya Kisma Usaha subsidiary of Golden Agri Resources Holdings Ltd complied with the requirements of **Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020**

Therefore, MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Issued

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>	
<b>1.1</b>	<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>
<b>1.1.1; 1.1.2; 1.1.3; 1.1.4</b>	<p>There were no changes regarding documents that can be accessed and given to stakeholders since previous assessment. Documents that can be accessed by stakeholders such as employee list, Taxpayer Identification Number, local tax payment/levy, environmental documents, company establishment deed, and amendments, production area data and fertilizer application, evidence land ownership and HGU certificates, High Conservation Value reports, Social Impact Assessment reports, social activity documents, work accident reports, P2K3 reports, improvement program documents, RSPO audit report documents, human rights policy documents. If the information requested is not included in the list of information, it is necessary to consider top management first.</p> <p>The unit of certification has a Consultation and Communication SOP (SOP-SMART-GENERAL-SADP-I-004, which was passed on July 1, 2014). This document explains and regulates the Procedures of the Management Unit and the affected parties (stakeholders) in communicating and consultation regarding common interests and existing problems so that dialogue, discussion, discussion, and deliberation can be achieved that are acceptable to all parties. In the SOP, it is explained the period of submitting suggestions/requests for information no later than 1 week after the letter is received (from the Unit Head to the relevant Department). Responses no later than 3 weeks after the letter is received. The information such as: HGU documents, SEIA, UKL / UPL, RKL / RPL Reports, Company Policy, HCV, SIA, etc. The Information provide on <i>Bahasa Indonesia</i>, how to submit an application can be verbal, email, fax, telephone and a direct visit to the office</p> <p>Record of information is stored in the information book on each management unit. In the book shows that there is no incoming information requested, but proposals or invitation to attend a meeting held by stakeholders. Meanwhile the certificate holder has submitted mandatory reports regularly to the related agencies such as employment report, environment management report, and plantation development report.</p> <p>In consultation with local government agencies, internal stakeholder as well as external stakeholder surrounding the plantation, it was known that the procedure of communication and consultation has been disseminated to the stakeholders. Stakeholders already known the communication PIC, and no obstacles in dealing with the company. The stakeholders never requested information about operational activities. Meanwhile, if the village community submits requests for assistance, the CH always responds quickly.</p> <p>Based on interviews with Village head and community, known that the villagers understand how to obtain information from the</p>

company. The company maintains records of request for information and responses under book of communications on each unit management. Based on document verification, that's known no information request from stakeholders. There are showed sample of request from villagers (relief fund) and the company has been follow up these requests.

### 1.1.5

List of stakeholders are maintained by the unit of certifications that divided into several classifications as follows government village heads, NGO, scheme smallholders' cooperatives, employee cooperatives, worker union, community leaders, gender committees (1 stakeholder), and local contractors (1 stakeholder). List of stakeholders has been completely with address, contact number and name of the serving personnel. During audit team auditor has been contacted nominated stakeholders to verify several issues regarding palm oil plantations

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

**Status: Comply**

## 1.2

### The unit of certification commits to ethical conduct in all business operations and business transactions.

#### 1.2.1

The unit of certification has GAR Social and Environment Policy/GSEP signed by Head of Upstream on November 2015. This policy was explained about code of integrity and ethical business. The policy is available in Bahasa Indonesia. Besides that's socialization is also done through posters, signboards and banners in strategic locations, for example in the office or emplacement. Based on interview with local contractor of it is known that company has been disseminated the policy of standard business of conduct.

Based on interview with workers, it was known if the workers who are found to commit corrupt practices will be given strict punishment by the company and punished according to the applicable regulations. Based on interviews with the local contractors during audit, it was known that the business ethics policy has disseminated and understood by the contractors

#### 1.2.2

The unit of certification has been developed the mechanism and system to monitor compliance and the implementation of policies and ethical business practices through internal audit of RSPO, field monitoring and evaluation of the contractor's performance. The last internal audit for RSPO and SCCS was conducted on 31 August – 14 September 2020. In addition to going through a compliance audit / internal audit, the company conducts monitoring and evaluation of third parties (contractors) through contractor evaluation activities which are conducted at least once a year. The types of evaluations carried out include contract compliance, contractor quality and performance, accuracy of work completion, compliance with labor regulations, OHS, housekeeping and the environment.

**Status: Comply**

## PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

### 2.1

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

#### 2.1.1

The unit of certification can demonstrate compliance with these laws and regulations, for example: have land title (HGU), have environmental documents, conduct factory wastewater testing, conduct river water quality testing, conduct groundwater quality testing, conduct air quality testing, perform noise and noise testing, pay employee wages, pay employee overtime, etc.

#### Compliance with Manpower Regulation

Certification unit in general has complied with manpower regulation, including:

- Reporting of Employment Report for PT Satya Kisma Usaha (SBNM) in 2019 via online on 31 October 2019 and must be reporting back on 31 October 2020.
- Reporting of Employment Report for PT Satya Kisma Usaha (SBNM) in 2020 via online on 16 October 2020 and must be reporting back on 16 October 2021.
- Reporting of Employment Report for PT Satya Kisma Usaha (SBNE & SBNA) in 2019 via manual report on 14 November 2018 and must be reporting back on 14 November 2019.

- Reporting of Employment Report for PT Satya Kisma Usaha (SBNE & SBNA) in 2020 via online on 10 January 2020 and must be reporting back on 10 January 2021.
- Reporting of Employment Report for PT Satya Kisma Usaha (SBNE & SBNA) in 2020 via online on 10 January 2021 and must be reporting back on 10 January 2022.
- Reporting of Employment Report for PT Satya Kisma Usaha (KILE) in 2021 via online on 26 January 2021 and must be reporting back on 26 January 2022.
- The implementation of the minimum wage in 2020 is in accordance with the Minimum Wage Decree of the Jambi Province established by the Governor of Jambi in October 2019.
- The implementation of the minimum wage in 2021 is in accordance with the Minimum Wage Decree of the Jambi Province established by the Governor of Jambi in November 2020.
- The implementation of the minimum wage in 2019 is in accordance with the Province Minimum Wage Decree established by the Governor of Jambi in October 2018.
- Payment of overtime wages to workers in accordance with Decree of the Minister of Manpower No. 102 of 2004.
- Implementation of the structure and scale of wages for all levels of workers in accordance with Minister of Manpower Regulation No. 01 of 2017.
- Reporting and registration of contract workers (PKWT) to Manpower Agency of Jambi Province in 04 January 2020 in accordance with Manpower Decree No. 100 of 2004.

### **Compliance with OHS Regulation**

Certification unit in general has complied with OHS regulation, including:

- The establishment of the P2K3 (OHS Committee) for PT Satya Kisma Usaha (SBNM) which were registered / approved by the Manpower and Transmigration Agency of Jambi Province in 14 November 2019 (Decree No. 560/67/UPTD II/Nakertrans 3.1/XI/2019).
- The establishment of the P2K3 (OHS Committee) for PT Satya Kisma Usaha (SBNE & SBNA) which were registered / approved by the Manpower and Transmigration Agency of Jambi Province in 06 February 2019 (Decree No. 560/11/UPTD II/Nakertrans 3.1/II/2019).
- The establishment of the P2K3 (OHS Committee) for PT Satya Kisma Usaha (KILE) which were registered / approved by the Manpower and Transmigration Agency of Jambi Province in 21 Desember 2018 (Decree No. 531/DISNAKERTRANS-3.1/2018).
- Provision of PPE for free to all workers and arrange the use of PPE according to the type of work based on the free predetermined HIRAC
- Have permits for all factory operating machines such as boiler and sterilizer machines that have been tested for eligibility according to applicable regulations (the last feasibility test was in 25 July 2020 for diesel motor number 1-3 carried out by the Manpower Agency of Tebo Regency).
- Has a license / competency for some special jobs that require more expertise such as OHS experts, hiperkes, boiler operators, diesel engine operators, welder, wheel loader operators and others in accordance with the requirements contained in the legislation.
- Has carried out a general health check (Medical Check Up) every year until 2019 for all workers and special checks (cholinesterase, spirometry and audiometry) according to the level of risk / danger for certain jobs. In 2020 Indonesia experienced the COVID-19 Pandemic, so that in that year the certification unit did not carry out health examination activities in accordance with the direction of the government to temporarily suspend activities that allow the gathering of people in one area. However, in 2021, the certification unit has scheduled to carry out medical examinations in February 2021 for some workers and the rest will be rescheduled in mid-2021.

### **Compliance with Best Management Practice Regulation**

- The management unit already owns and uses pesticides registered with the Pesticide Commission.
- IPM activities according to the best IPM guidelines.
- The pesticide storage area is equipped with the hazardous material symbol, ventilation, a channel to accommodate pesticide spills, eyewash and shower, fire extinguisher, and a first aid kit.
- The company does not use fire for pest control.
- The company does not use pesticides with active ingredients included in WHO Class 1a and 1b also paraquat for pest control

### **Compliance with Environment Regulation**

- Sungai Bengkal Estate (SBNE) and Sungai Bengkal Mill (SBNM) have environmental documents in the form of AMDAL documents (ANDAL and RKL - RPL) for oil palm plantation activities covering an area of 3,506.24 ha and a Palm Oil Mill.
- Muara Kilis Estate (KILE) has an environmental impact analysis document which is described in the Environmental Management Document (DPLH) for oil palm plantations covering an area of  $\pm$  2,995 ha.
- The certification unit has TPS LB3 Temporary Storage Permit located in Sungai Bengkal Estate, Muara Kilis Estate and Sungai Bengkal Mill which is still valid until December 28, 2023.
- The certification unit has an extension of the POME utilization permit for the land application dated January 21, 2020 which is valid for 5 years.
- The unit of certification already has DPLH for Airport Operational activities and Supporting Facilities Number: 627 of 2015 dated 11 December 2015.

### **Legal Aspect**

In term of legal aspect, the CH has shown evidence towards legal aspect, The Certificate Holder has complied with regulations in the field of plantation and land legality, such as HGU (land use title) IUP P (plantation business permit for mill) as well as mandatory reports on annual land use to BPN.

#### **2.1.2**

The company has SOP Compliance with regulations & other requirements (SOP/SMART/GENERAL/SADV//002, dated July 1, 2014) which discusses: procedures for fulfilling requirements, completeness and flowchart which explain in detail in evaluating compliance with laws and regulations invitation, SPO requirements and others). The officers responsible for updating the list of regulations according to the SOP are: Identification of regulations at the national level by PCDV and at the regional level by regional SPO Officers and SPO Officer units.

The implementation of this procedure is the issuance of a law register document containing regulations that must be fulfilled and relevant to the company's operational activities, including for third parties working with the company (contractors). The law register is divided into several aspects, namely: Occupational safety and health, the environment, employment and plantations. To ensure whether or not there are additions and subtractions to relevant regulations, a review is conducted every once a year.

To ensure compliance with the certification unit and third-party laws in the certification unit, routine monitoring is carried out once a year by means of compliance audit / internal audit. The last internal audit for RSPO and SCCS was conducted on 31 August – 14 September 2020. In addition to going through a compliance audit / internal audit, the company conducts monitoring and evaluation of third parties (contractors) through contractor evaluation activities which are conducted at least once a year. The types of evaluations carried out include contract compliance, contractor quality and performance, accuracy of work completion, compliance with labor regulations, OHS, housekeeping and the environment.

In addition, the certification unit has carried out an evaluation of each contractor after the completion of the agreement period (5 years) and routine inspections every year to see the performance of the contractor. There are several important indicators in the annual evaluation including work quality, stipulated completion time, compliance with laws, implementation of OHS and housekeeping. Meanwhile, for annual inspections, there are seven main criteria, namely work environment, PPE, emergency response, work equipment, safety signs, contractor competence, and work in hazardous areas. The last evaluation carried out was on October 30, 2019 and the last inspection was on February 23, 2021 for plantation unit and June 15, 2020 for mill unit.

The certification unit has proven that all contracts have their own clauses regarding the fulfillment of applicable legal obligations, and are shown by the relevant third party.

#### **2.1.3**

Procedure of legal boundary or BPN poles monitoring is presented in document No. SOP/SMART/CERS-EHSD/SADV//004 dated 01 July 2014. Monitoring is conducted twice a year. Boundary Poles Map is available in scale of 1:50,000. Monitoring of legal boundary poles is shown through document of "Monitoring Patok Batas HGU (Patok BPN) 2019 and 2020 that carried out 3 times a year where the last monitoring performed in January 2021. Based on observation to in each estate sample, it was known that BPN poles were satisfactory maintained and easy to identified. Furthermore, coordinate marked by Auditor through application GPS-Map were match with coordinate settled by BPN



**Status: Comply**
**2.2**
**All contractors providing operational service and supplying labour, and Fresh Fruit Bunch (FFB), comply with relevant legal requirements.**
**2.2.1**

In monitoring the use of contractors for plantation and mill activities, the certification unit has well documented the list of contractors, the number of workers they have, contact persons, work agreements, and ensuring other matters related to compliance with laws and regulations in Indonesia. At present the certification unit has 1 contractor (PT Satrindo Jaya Agropalma) with 102 workers and 8 suppliers (FFB suppliers). These suppliers cooperate as a supplier of FFB while for contractors cooperate in the activities of transport FFB, CPO and PK.

In managing the contractor, the certification unit has a copy of the cooperation agreement in each unit. For example, for agreement between two parties such as:

- Work Agreement No. 005/SKU/JKTO-I/XII/2019 for FFB Transport in PT Satya Kisma Usaha (Sungai Bengkal Estate, Sungai Bengkal KKPA and Muara Kilis Estate) dated 02 December 2019 which is valid for five year (02 January 2020 – 31 December 2024).
- Work Agreement No. 005/SKU/SBNM/01/2020-CPO dated 02 January 2020 for the transportation of CPO from PT Satya Kisma Usaha which is valid for three year (02 January 2020 – 31 December 2022).

The explanation above can be concluded that the certification unit has managed and documented the list of contractors along with supporting documents.

**2.2.2**

In each work agreement between the certification unit and the contractor, there are several separate clauses related to fulfilling legal obligations in force in Indonesia as one of the obligations that must be fulfilled by the contractor. Some of these obligations are related to the registration of workers' BPJS (Government Insurance Scheme), the provision of minimum wages, the obligation to use PPE, other permits such as tax payment (NPWP), vehicle licenses (STNK), driver license (SIM) and others. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before the contractor does / starts work.

The results interviews with contractor workers (FFB & CPO transport) revealed that workers had received wages above the minimum wage, were registered in the BPJS program, have a vehicle license (STNK), driving license (SIM) and the worker understood about his status as a permanent worker. This result is in line with the results of the document review which proves that the wages of contractor workers are above the minimum wage, have vehicle / driver license, fulfilling tax payments, BPJS payments and other requirements. For example, fulfillment includes:

- Proof of payment of wages for workers with employee numbers 03029 (truck driver) who received wages from 2019-2021 above the minimum wage.
- Proof of payment of wages for workers with employee numbers 09064 (truck driver) who received wages from 2019-2021 above the minimum wage.
- BPJS payments for the 2019 period have been completely fulfilled and the last proof of payment is on 06 January 2020 for period of December 2019.
- BPJS payments for the 2020 period have been completely fulfilled and the last proof of payment is on 22 December 2020 for period of December 2020.
- BPJS payments for the period of 2021 have been fully fulfilled and the last proof of payment is on 05 April 2021 for period of March 2021.

In addition, the certification unit has carried out an evaluation of each contractor after the completion of the agreement period (5 years) and routine inspections every year to see the performance of the contractor. There are several important indicators in the annual evaluation including work quality, stipulated completion time, compliance with laws, implementation of OHS and housekeeping. Meanwhile, for annual inspections, there are seven main criteria, namely work environment, PPE, emergency response, work equipment, safety signs, contractor competence, and work in hazardous areas. The last evaluation carried out was on October 30, 2019 and the last inspection was on February 23, 2021 for plantation unit and June 15, 2020 for mill unit.

The certification unit has proven that all contracts have their own clauses regarding the fulfillment of applicable legal obligations, and



are shown by the relevant third party.

### 2.2.3

In each work agreement between the certification unit and the contractor/supplier, there are clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractor/supplier. Some of these obligations are related to disallowing child, forced and trafficked labor to be employed by the third party, and where young workers are employed, the contracts include a clause for their protection. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before the contractor does / starts work.

The results of the document review of the list of contractor workers revealed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked. This is in line with the results of interviews stating that no child laborers have worked up until now, there are no forced laborers / workers resulting from trafficking because all workers have understood the work agreement at the start of work and payment for the work is always equal.

The certification unit has proven that all contracts have clauses disallowing child, forced and trafficked labor to be employed by the third party, and where young workers are employed, the contracts include a clause for their protection.

**Status: Comply**

## 2.3

**All FFB supplies from outside of the unit of certification are from legal sources.**

### 2.3.1

Based on Sungai Bengkal Mill (SBNM) FFB acceptance records it was known if the entire FFB process in SBNM originated from several source as classified in the 3 categories as follows:

- Estate and smallholders under manage of PT Satya Kisma Usaha (2 smallholders and 2 own estate)
- Directly supplier (1 Supplier)
- Indirectly supplier (8 Middleman/ supplier)

For the directly supplier the unit of certification has collect all important data of its FFB suppliers comprises of geo-location, legality of land rights and business permit for example supplier on behalf of PT Bintang Selatan Agro with geo Locations 102° 36' 46.3" S - 01° 42' 24.9" E, with the legal aspect that owned by the supplier are location permit No 219/BPN/2010 dated 03 May 2010 regarding granting location permit for palm oil plantation PT Bintang Selatan Agro, Permit to cultivation certificate (HGU) No 34 PT Bintang Selatan Agro dated 10 March 2014, regarding business permit PT Bintang Selatan Agro has owned Business Trade License No 503/SIUP.B/2042/KPPT/2015 dated 23 June 2015

### 2.3.2

Not Applicable on this assessment. As mentioned in Annex 4: Implementation Procedure for Indicator 2.3.2 for existing RSPO certified mills, the time requirement to fulfil this Criterion for all their smallholder suppliers is three years from 15 November 2018 or will be applicable on 15 November 2021.

**Status: Comply**

## PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE

### 3.1

**There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.**

#### 3.1.1

The Certification Unit has documents on the long-term plan contained in the PT Satya Kisma Usaha Feasibility Analysis period 2020 – 2024 that explain about business plan and operational management which includes: area statement, projections for production, CPO, PK, Revenue CPO and PK, cost estates, mill costs, purchase of plasma FFB, profit and loss, and net profit and loss. In addition, the certification unit can show proof of tax payments such as PPH, PBB, and PPN taxes and can show public accountant reports conducted by the Mirawati Sensi Idris public accounting firm with a report number NO. 00515 / 2.1090 / AU.1 / 01 / 0148-1 / 1 / III / 2020, with the report's opinion presenting fairly, in all material respects, the financial position of PT satya Kisma Usasha as of 31

December 2019, as well as its financial performance and cash flow for the year ended on that date, in accordance with Indonesian Financial Accounting Standards.

Annual planning also evaluated at the end of year and compared with realization. Its annual planning can be adjusted based on field condition, financial condition or another reason.

### 3.1.2

Based on the results of the PT SKU Assumption document review for 2020-2024, it is known that there is no replanting program plan yet. The results of the interview with the management explained that there were several things that were taken into consideration according to the SOP, out of 4 conditions with at least 3 conditions being met. only 2 conditions are met. so that replanting activities have not been planned.

Based on the results of field visits to SBNE, KILE, and SBNA, no replanting areas were found. Referring to the results of the study of production data documents, it was found that plant production was still more than 14 / Ha / year and the number of stands still exceeded 100 staples / Ha.

### 3.1.3

The Certification Unit has a procedure associated with operational internal audit in the SOP No. SOP-ISCC/IMT/OIA. The SOP approved by VPA and VPM, entered into force on 1 July 2011. Ensuring consistency of procedures implementation, the companies routinely conduct internal audit activities both agronomic and processing. It is held by the Department of Operational Internal Audit (OIA) every semester. The records of internal audit of 2020 have been documented. Noncompliance records of internal audit has been corrected and verified by management. There is no revision of SOP at the recertification assessment. In each SOP, there is page of document control that record the revision if any.

Management review of OIA is conducted in conjunction with a review of the RSPO audit results on September 15, 2020. Points discussed in the management review of operational audit results include maximizing fruit production, maximizing fruit transport time so that the fruit produced is fresher. more careful in using local contractors, efforts should be made to use contractors who have complied with regulations. One of the results of the management review is that a contractor is checked to evaluate the work performance and compliance with regulations. In addition, the management review activities at the SBNM, SBNE and KILE point units discussed include the findings of the ISPO internal audit regarding the extension of the Check test. and the results of operational audit findings regarding FFB grading. and data regarding customer feedback and product suitability.

From the results of management, it is known that the mill machine check test has been completed. FFB yields have increased for the better and raw fruit has decreased to below 2.5 percent. ISPO findings have been resolved and fulfilled. as well as permits that are in the process of being submitted, such as permits for domestic waste.

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

<b>Status: Comply</b>
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## 3.2

**The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.**

### 3.2.1

Actions for continuous improvement have been taken by the unit of certification in several ways including:

- The RSPO internal audit activity which was carried out on 31 August - 14 September 2020 with results found 5 non-conformities. Then the management unit conducts a management review which is carried out on September 15, 2020 to follow up on any discrepancies that arise and take corrective steps going forward.
- Carry out operational audit activities (OIA) which are carried out regularly every semester, for the OIA activities for the 1st semester of 2020 have been carried out for all units within the scope of certification on April 6, 2021.
- The company has shown documents related to an action plan for continuous improvement, including:
  - Energy Efficiency of Twin Mixer Single Drive, In the process of processing clean water at the Water Treatment Plant (WTP), there are Kasfolc, soda and alum tanks. The three tanks each use a 2 Hp (1.5 kW) electromotor. Then changed by using only 1 electromotor for the three tubs.

- Save Electricity Homes, Adjustment of electricity hours for housing from 24 hours to 12 hours. By assuming that the electricity consumption for housing and public facilities is compared to the actual consumption of electricity 24 hours later, so that the savings in the use of electrical energy can be obtained.
- Oil Purifier Tank, Oil refining process without using a purifier machine. The purifier function is replaced by the Oil Purification Tank at the clarification station so as to save 74kW of electricity usage.
- Greenhouse Gas (GHG) Management, the company has implemented a zero burning policy, utilizing shells and fiber as renewable energy. Regular engine maintenance, regular emission quality tests and GHG calculations using the RSPO palm GHG calculator.

### **Worker Welfare**

- Unit certification has set minimum wage regulations for all workers based on the stipulation of minimum wages by the Governor of Jambi for 2019, 2020 and 2021.
- Unit certification facilitates workers with adequate housing, electricity facilities, and availability of clean water in every publicly available housing.
- Unit certification is also committed to avoiding acts of discrimination, sexual harassment, child labor or acts of human rights violations in the work environment.

### **3.2.2**

It will be applicable on June 2021.

**Status: Comply**

## **3.3**

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

### **3.3.1**

The Certification Unit has a Standard Operating Procedure (SOP) for the unit of certification. Procedures for oil palm cultivation and palm oil processing listed in the following documents:

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

The Certification Unit also has a Work Instructions for Technical Documentation of Palm Oil Cultivation which is derived from technical SOP of oil palm cultivation. All master of procedures is complete and available at the time of the audit and can be shown to the Auditor. Based on the results of interviews with the management, known that the renewal of the procedure is the responsibility of the MCAR (Management Committee Agronomy and Research) team.

### **3.3.2**

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

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

### **3.3.3**

The Certification Unit can provide evidence that records of monitoring and follow-up are maintained and available. Based on the verification document known that the Certification Unit routinely conduct internal audit every 6 months. Internal audits are conducted by the Company's Internal Auditor to conduct checks related to the operations of a management unit (estate and Mill). The certificate holder shows the results of the internal audit of 1st and 2nd semester 2019 & 2020. Internal audit implementation covers several criteria such as: cash bank administration, inventory, plant maintenance, crop production, crop production, wages and personnel. as for the latest examples of internal audits such as audit in SBNM: Detail Finding Semester 1 2020 document with the scope of plant product processing carried out on 26 October-5 November 2020, one example of the findings is the physical examination of assets on 28/10/20 found puddles in the pump house of the sewage pond and high standing water varies around  $\pm 5$  cm sd 15 cm. The reason for the inundation of the pump house is due to water, because the position of the pump house is lower than the road and water seeps from the part of the floor that is not permanent / still landfill (generally occurs when the level of the waste pond is high).

CH monitors the performance of contractors in relation to compliance with applicable procedures. this can be seen in the annual review document of contractors. The document describes the points that must be fulfilled by the contractor. as an example of the manpower aspect (BPJS, PPE, wage payment). Contractors who do not meet the criteria will be informed and given a warning.

**Status: Comply**

### 3.4

**A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.**

#### 3.4.1

The certification unit has several documents related to social and environmental impact assessments which are carried out independently and in a participatory manner, involving affected stakeholders. The document covers the pre-construction activities, the operation stage and the post-operation stage. Some of the documents held by the certification unit include:

#### Environmental Impact Assessment (EIA)

In conducting the environmental impact assessment, the unit of certification can show minutes of the AMDAL commission meeting for each environmental document held and evidence of public consultation with stakeholders is available. Apart from that, the preparation of environmental impacts was carried out based on the consultation of affected parties as shown in the document minutes, invitations for activities and attendance from the Tebo district government on August 5, 2006 (SBNE, SBNA and SBNM) and December 16, 2010 (KILA and KILE) to all stakeholders related to the socialization of AMDAL document preparation. some of the documents held are as follows:

- **SBNE, SBNA and SBNM**

The SBNE, SBNA and SBNM units have environmental documents in the form of AMDAL documents (ANDAL and RKL - RPL) which have been approved by the Head of BAPEDALDA Jambi Province Number. 38/660 / II / BA / BAPEDAL / TAHUN / 2007 dated December 5, 2007 for Oil Palm Plantation Activities of 3,506.24 ha and Palm Oil Mill with a production capacity of 30-ton FFB / hour. Up to now, the planted area of oil palm has recorded 3,506.24 ha, consisting of 1,806.24 ha of Estate and 1,700 ha of plasma. The significant impacts contained in the document include physical, chemical, biological, social, cultural and social components. among others:

Environmental monitoring in the Mill Area	Environmental monitoring in the Plantation Area
<ul style="list-style-type: none"> <li>- Air quality in the chimney</li> <li>- Noise in the engine room</li> <li>- Water quality in the intake tub</li> <li>- Flora in the factory area</li> <li>- Fauna in the factory area</li> <li>- Water biota in Betung Bedarah River</li> <li>- Job and business opportunities in nearby villages</li> <li>- Community income in the surrounding village</li> <li>- Perceptions and Attitudes of Communities in the surrounding villages</li> <li>- Community Health in the surrounding village</li> <li>- Community Empowerment in nearby villages</li> <li>- Social conflict in the surrounding village</li> <li>- Regional economy in the surrounding village</li> </ul>	<ul style="list-style-type: none"> <li>- Soil quality in the planted area</li> <li>- Soil erosion in the planting area</li> <li>- River border flora on all riverbanks</li> <li>- Weeds in the planted area</li> <li>- Fauna / wildlife in all locations</li> <li>- Pests and diseases, natural predators in the plantation area</li> <li>- Water biota in Api River</li> <li>- Job and business opportunities in nearby villages</li> <li>- Community income in the surrounding village</li> <li>- Perceptions and attitudes of the community</li> <li>- Empowerment of communities in surrounding villages</li> <li>- Patterns of needs and lifestyles</li> <li>- Social conflicts in nearby villages</li> </ul>

- **KILE and KILA**

The Muara Kilis Estate area already has an environmental impact analysis document which is described in the Environmental Management Document (DPLH) which was endorsed based on the Decree of the Head of the Environmental Office of Tebo Regency No. 660.1 / 031 / LH / 2011 dated 2 February 2011 for oil palm plantations covering an area of  $\pm 2,995$  ha. This Estate does not build a PKS because the FFB will be processed in the Sungai Bengkal mill. This document analyzes the impact of socialization activities, land acquisition, mobilization of heavy equipment and materials, labor procurement, road opening, facilities and infrastructure; nursery; water utilization; land preparation; terracing and planting ground cover crops; oil palm planting; oil palm maintenance (weed control, fertilization, pests, drainage, castration); harvesting; transportation; conservation area development; waste management, and CSR.

- **Fertilization Aircraft Airport**

The company also has DPLH for airport operational activities and supporting facilities in Pintas Tuo Village, Muara Tabir District and Rantau Api Village, Tengah Ilir District, Tebo Regency, Jambi Province. In accordance with the decision of the Head of the Environment Office of Tebo Regency Number 26 / LH / 2015 concerning Recommendations for Approval of DPH Documents for Fertilization Aircraft Special Airport activities that have obtained an Environmental Permit in accordance with the Decree of the Regent of Tebo Number: 627 of 2015 dated 11 December 2015.

### **Social Impact Assessment (SIA)**

Social Impact assessment was carried out in 2013 by Sustainability Division TEAM. The SIA study has been carried out for all units, namely Sungai Bengkal Estate (SBNE), Sungai Bengkal Plasma (SBNA), Sungai Bengkal Mill (SBNM), Muara Kilis Estate (KILE) and Muara Kilis Plasma (KILA). The process of identifying SIA was carried out using a Direct Collecting System which was using a questionnaire list, and the Indirect Collecting System was carried out based on document analysis. The study areas for SBNE, SBNM, and SBNA are Betung Bedarah Barat Village, Penapalan Village, and Rantau Api Village. Meanwhile, the study areas for KILE and KILA were Muara Kilis Village and Sungai Keruh Village.

Identification of social impacts includes rights of access and use rights. In the SIA reporting, it was explained that for Muara kilis village, the customs used were rooted in the Malay Javanese tribe, while for the Sungai Bengkal, the cultural customs used were rooted in the culture of the Malay Jambi and Javanese tribes. In addition, it also explains access rights, the company does not prohibit or obstruct their entry. The SIA also includes sources of livelihoods such as employee salaries and working conditions. Based on the conclusions of the SIA document, it has been discussed about the values resulting from changes (including the positive impacts / perceptions caused by PT SKU), including in the fields of labor absorption, improvement of community welfare and economy, development and maintenance of village access roads, and others.

### **3.4.2**

Based on the results of document verification, it can be concluded that all management and monitoring parameters requested in environmental documents have been implemented, for example the implementation of environmental management for important impacts of air quality by installing dust collectors, increasing the height of the Mill chimney and revegetation around the Mill. The company has also carried out an evaluation for each significant impact monitoring parameter that is implemented as required in KepmenLH 45 of 2005, which includes an evaluation of trends, evaluation of critical levels and evaluation of compliance. Based on the results of the evaluation, it is known that all parameters are still in accordance with the Quality Standards, and there is no indication of contamination. The process of improvement / management of the slope and erosion level has been improved a lot, and continues to be improved to follow the direction of the existing study results.

Meanwhile, the plan of social monitoring and management included Social Impact Assessment implementation report period 2019. The results of these studies have included all the potential impact factors consist of:

External impact	Internal impact
- Disturbance to Surface Water Quality and Water Biota.	- Employment Opportunity.
- Potential for Erosion.	- Community income.
- Noise.	- Attitudes and perceptions of society and social conflict.
- Air quality.	- Public health.
- The existence of fauna and flora beside the river.	- Village community empowerment, patterns of needs and lifestyle
- Plant pests and diseases.	- Regional economy.



SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders. The impact identified in SIA has been managed and monitored through SIA Management and Monitoring Plan. The plan describes monitoring indicator, monitoring method, PIC and frequency. Compiled based on the results of reviews of management plan on November 2019. In addition to these programs, the company also provides budget / cost estimates for the implementation of each of these programs. These programs are arranged according to the identification of the needs of the surrounding community. Identification of the needs of the surrounding community is carried out by following the Village Level Deliberation.

### 3.4.3

Based on verification, RKL-RPL report semester 1, 2020 has already contained adequate environmental management and monitoring components such as slope and erosion monitoring, quality test on effluent, surface water quality, water and noise level, the potential of land fire, and flora-fauna status. The Evaluation for environmental monitoring/management plans have been developed in December 2020. In addition, reports have been prepared in accordance with the rules for writing RKL-RPL reports stipulated in KepMenLH 45 of 2005, such as compliance evaluation, trend evaluation, and critical level evaluation have been carried out. Each data displayed has been supported by authentic data stored in attachments. The report on the implementation of the RKL-RPL for Semester 1 of 2020 was submitted to the Environment and Transportation Service of Tebo Regency and the Environmental Service of Jambi Province, September 8, 2020. The certification unit has not been able to show the results of the RKL-RPL study for semester 2 of 2020 because there are several test results and other analyzes that have not come out.

Meanwhile, results of document verification and interviews with management show that SIA management and monitoring review activities are carried out every 2 years and the last one was carried out in October 2019. One of the objectives of the review is to propose improvements to the social impact management and monitoring plan to be implemented by PT SKU's units in the next period. Based on this report, it is known that the impacts arising from the maintenance of producing crops, transportation of production facilities, maintenance of roads and bridges, factory production processes, waste management and utilization, community empowerment, and KKPA have both positive and negative impacts. As for the negative impacts that arise, the company has implemented impact management so as to change people's perceptions for the better. From the results of monitoring during 2019 and the results of the review of the Manage and monitor SIA plans for the 2017-2018 period, it was found that several new impacts, both positive and negative, need to be managed.

Based on the results of document review, field visits and interviews with management, it was found that there were several notes / issues in the area / around the company's operations that could have a social impact but had not yet been included in the social planning and management documents, for example:

- Unlicensed gold mining activities around the Kelola KILE area
- Existence of enclaves / community areas within or around the company's operational areas, for example in SBNE Division 4 and KILE division 1
- Productivity of BHB (Daily Workers) with regard to compliance with the minimum wage regulations in the SBNA
- Limited external respondents in the review of the social impact management plan (only involving village officials).

Related to this, Certification unit have an **Opportunity for Improvement** to ensure that all identified issues / records in the area / surrounding of the company's operations have been managed and monitored as well. and representation of samples for wider external parties, such as involving local communities, migrants, enclave land owners, women, age representatives and affected parties. (OFI)

<b>Status: Comply</b>
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## 3.5

### A system for managing human resources is in place.

#### 3.5.1

The certification unit has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period 2018-2020 written in Bahasa. In general, these procedures describe:

- Recruitment of workers is based on needs and adjusted to the ability of the company.
- The age of the prospective worker is a minimum of 18 years at the time of recruitment of workers.
- Recruitment of workers is based on the ability, expertise and assessment of prospective workers.
- The company is authorized to carry out the placement, transfer and promotion of workers in accordance with applicable

regulations.

- Termination of employment can occur when a worker retires, dies, resigns, and terminates an employment agreement due to a serious violation and others.

In addition to being publicly listed in Collective Labor Agreement, the certification unit has other procedures in the form of Policies, SOPs, Internal Memorandums and others related to recruitment, transfer, promotion, retirement, termination of employment and others. These procedures have been documented to all workers and their representatives. One of the socializations given to workers was related to Company Policies and Regulations on (GSEP) in 24 February 2020 and 09 October 2020. For example, some procedures that are owned by the company include:

- Procedure No. KHI-SMART/001-00 concerning Employee Recruitment
- Procedure No. KHI-SMART/002-00 concerning Employee Agreement
- Procedure No. KHI-SMART/010-00 regarding Employee Promotion & Transfer
- Procedure No. KHI-SMART/009-00 concerning Employee Ratings

The results of interviews with workers (harvesting, spraying and mill operators) in SBNM, SBNE, SBNA & KILE note that workers have a sufficient understanding of the procedures related to recruitment, promotion, retirement and factors causing termination of employment. Workers explain that in the acceptance process carried out in accordance with the terms / conditions according to ability / expertise, promotion is based on an assessment of the performance of each employee each year, and one of the causes of termination of employment can occur if the worker has committed a serious violation. Based on this explanation, certification unit has explicitly state the indiscriminatory policy during the recruitment selection, hiring and promotion process

The certification unit still have workers with contract status for daily worker (BHL) in SBNA, for the other employee status is Contract Workers (PKWT), Regular Workers (worker PT class 1-4) and Staff (above worker PT class). All the rights for each employment status have been distinguished. For workers with contract status (PKWT), certification unit also registered the worker with to Manpower and Transmigration Agency of Jambi Province in 04 February 2020 for plantation workers and 12 September 2019 for mill workers.

Based on the explanation and description above, it can be concluded that the certification unit has documented procedures for recruitment, selection, acceptance, promotion, retirement and termination of employment and is available to workers and their representatives in accordance with applicable laws such as Law No. 13 of 2003, Law no. 11 of 2020 and other regulations related to employment.

### 3.5.2

The certification unit always documented all labor procedures that have been carried out properly such as recruitment, promotion, performance assessment, pension and others. The following are some sample labor procedures that have been implemented and are well documented by certification unit, including:

- The certification unit has a worker recruitment document from the start until the worker becomes a permanent worker. For example, a worker with an employee number 19004 (helper) who has recruitment documents such as a job application letter, identity card, family card, recruitment selection results, employment contract documents for contract workers (PKWT), medical check-up results and others. The worker started working as a contract worker (PKWT) on June 10, 2019, in 2020 the worker received a performance appraisal with a "Good" result and was promoted to permanent employment (PT 4B) in accordance with Decree No. 001 / SBNM / SK / 09/2020 on September 10, 2020.
- Workers with employee number 16010 (Press Operator) who have experienced two increases in class in 2020 and 2021. This is based on the results of the assessment in 2020 with a result of "Good" and getting Decree No. 005 / SK-SBNM / 09/2020 on September 1, 2020 (getting a promotion from the previous compound worker to being a furnace operator) with an increase in class from PT 4B to PT 3. Then in 2021, the worker also received a "Good" rating and get Decree No. 001 / SK-SBNM / 02/2021 on February 15, 2021 with a class increase from PT 3 to PT 2.
- Workers with employee number 14061 (harvesting worker) who get a promotion to increase the status of workers from contract workers (PKWT) to permanent workers (PT3) with the results of the assessment "Good" and getting Decree No. 061 / KILE / 01/06/2019 on June 01, 2019.
- There is a pension document for workers with employee number 85043 who have worked since 1985 and retired on December 2019 according to Decree No. 0175/01483 / SK / DP / XII / 2019 dated December 16, 2019. In addition to the decree, there are also other supporting documents such as calculation of pension payments, labor documents of workers since they first worked, etc. All procedures and documents shown are in accordance with existing procedures and in accordance with applicable laws.



The results of interviews with workers (harvesting, spraying and mill operators) in SBNM, SBNE, SBNA & KILE note that the certification unit has carried out labor procedures starting from recruitment, selection, acceptance, promotion and retirement procedures in accordance with existing regulations, as well as all the application is assessed in accordance with the abilities and competencies of the employees. For example, workers who initially entered were selected before being accepted, workers who received promotion / class promotion had received an assessment from their superiors and workers who retired received all their rights as retirees. During 2019, 2020 and 2021 there were no labor issues that occurred at PT Satya Kisma Usaha, this was strengthened by the results of consultations with the Labor Union in every unit (SBNM, SBNE and KILE), the Manpower and Transmigration Agency of Jambi Province which stated that the application of existing labor procedures is in accordance with the regulations and since 2019 until now there have been no labor issues.

Based on the description above, it can be concluded that the certification unit already has labor procedures implemented and records are maintained for each worker.

<b>Status: Comply</b>
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### 3.6

#### **An Occupational Health and Safety (H&S) plan is documented, effectively communicated and implemented.**

##### 3.6.1

The certification unit has had a policy of occupational safety and health were written in Bahasa. The policy has been legalized. This policy is designed to control hazards in every activity that is in the working environment to prevent accidents and occupational diseases. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health (P2K3) every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the regular meetings to assess effectiveness.

Certification unit have document of hazard identification, risk assessment and risk control (HIRAC) which issued on 02 February 2020 for SBNE/SBNA, 02 January 2021 for KILE and SBNM. It will be reviewed if any occupational accident happens. The document describes the description/activity, potential hazards, risk assessment and risk control. Based on site observation at boiler and engine room in SBNM, harvesting and spraying activity in estate (SBNE, SBNA and KILE) it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, the company has been reducing the potential risk by routine socialization about OHS, providing PPE, and OHS signboard are available in workplace.

Interviews with estate workers (harvester and sprayer) and mill workers (mill operators). Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work. For example, mill employees exposed to high noise such as boiler employees and engine rooms who have used a complete hearing protection device according to risk analysis, namely ear muff and ear plug. There are no complaints from employees exposed to high noise exposure. To ensure that every worker is in good health then certification unit do the medical checkup. The results of each employee's health examination have been properly stored. Last medical checkups conducted in January 2020. The result of medical test showed that workers were in good health and fit to work.

The results of field visits, document review and interviews with workers at SBNE, SBNA and KILE revealed that there were HCV monitoring activities, area security patrols, fire patrols, and aerial fertilization. With regard to OHS risk mitigation, these activities have been contained in work procedures, and the results of interviews were also obtained that workers had understood the procedures regarding OHS such as the use of PPE, safety riding, OHS inspection and safety induction before doing activities. However, the HIRAC review document on February 2, 2020 at SBNE / SBNA and January 2, 2021 at KILE, the risk analysis of these activities has not been explained in detail. Based on the explanation above, the certification unit has the opportunity to carry out a comprehensive evaluation to identify and mitigate all plantation operational activities and the mill has been listed in the HIRAC document. (OFI)

##### 3.6.2

Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health (P2K3) every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the regular meetings to assess effectiveness. The following are examples of the realization by the certification unit in 2019 until March 2021 including:

- OHS inspection of PPE compliance of workers and other equipment that has been every month since 2019 until now. For example, the inspections on December 2019, December 2020 and March 2021 were conducted inspection in work locations found that there were all workers whose has been using an appropriate PPE.
- Dissemination of the dangers of drugs/child workers to workers and residents of housing by installing warnings of the dangers of drugs in every employee's housing, office and other areas.
- Identification of areas with potential emergency hazards such as areas prone to fire, explosion, land / water pollution, and workplace accidents and the results of monitoring conducted every month. The last examination was in December 2019, December 2020 and March 2021.
- Inspection of the availability and condition of first aid boxes conducted since 2019 until March 2021 (every month) with the results of all first aid boxes carried by each field foreman, first aid kit in the office and in the warehousing, area is still in good condition and available in 21 types of items in accordance with applicable laws and regulations. If there is item that had not available, the first aid officer will immediately be added new item.
- Unit certification always holds routine *P2K3* meetings every month to monitor and evaluate the implementation of OHS that has been carried out. The last *P2K3* Meeting in 01 February and 04 march 2021 on which discussed the evaluation of the annual evaluation of OSH implementation, preparation of inspection, and others attended by *P2K3* officers.
- Based on interview & Observed with pesticide applicator in Estate and process operators at Mill, certification unit has been providing adequate and appropriate protective equipment available to all workers at the place of work to cover all potentially hazardous operations. For example, Sterilizer and Boiler Operators that has been provide PPE such as safety shoes, helmet, ear plug, & gloves.
- The certification unit has carried out the socialization of Safety induction on 30 October 2019 to all workers in the plantation and mill units. In addition, there are also warnings related to safety induction in several locations of offices, mills, housing and also oral delivery during muster morning to all workers every day. Guests and outside parties (including auditors) who will visit each operational area at PT Satya Kisma Usaha, will be given a safety briefing and given PPE before making a visit.
- Identify and monitor the needs of workers who need special competence / expertise to operate heavy equipment or machines in the plantation or mill unit. Monitoring in 2019 it is known that there are 2 workers with special competencies that have expired and in 2020 have completed their extension arrangements at the relevant agencies.

Based on the results of the document review, it is known that the certification unit has carried out routine annual OHS evaluations in each unit by carrying out RSPO internal audit activities in 2019 and 2020, the result is that there are several records related to the implementation carried out in these years but in less than a month have completed those records.

Based on the results of interviews with workers (harvester, pesticide applicator, and process operator) at SBNM, SBNE, SBNA and KILE, it is known that every day when the morning muster is carried out, the supervisor will check the completeness of the PPE of the workers and will deliver a safety briefing. Meanwhile, every month an OHS inspection is held to see how it applies to all units.

Based on the explanation above, it can be concluded that the certification unit has monitored the effectiveness of the OHS plan to handle OHS risk in people.

<b>Status: Comply</b>
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### 3.7

**All staff, workers, Scheme Smallholders, out growers, and contract workers are appropriately trained.**

#### 3.7.1 and 3.7.2

Certification unit has training identification and program for workers for period of 2019, 2020 and 2021 for operational training, OHS training, and policy socialization. The aspect in the training program is such as certification, internal refreshment, internal operational, and others. For Mill training have 26 activities and Estate have 16 activities in period of 2019, 2020 and 2021, some of training program, namely:

- Training for manuring, harvesting and spraying activity
- Socialization of company's (GSEP)
- First aid training.
- Training for Environment and hazardous waste handling.
- Simulation of emergency responses and firefighting management

In addition, the certification unit has been giving a training/socialization for relevant stakeholders (contractors, contractors workers, suppliers, local communities and smallholders). These programs include the following:

- Socialization of PPE and OHS.
- Socialization of company policies such as code of conduct, human rights, no child worker and others.
- Socialization of emergency response.

The certification unit has properly documented every training activity and socialization that has been carried out to workers and related stakeholders. The following is an example of training/socialization documentation that has been carried out, namely:

- RSPO and SCCS socialization on 21 January 2020 which was attended by 11 participants from suppliers and contractors.
- RSPO and SCCS socialization on 18-21 January 2020 which was attended by 90 participants.
- GSEP, communication and grievance/complain procedure socialization on 09 October 2020 which was attended by 40 participants.
- Emergency response simulation and first aid for mill workers on 08 October 2020 which was attended by 58 participants.
- First aid training for first aid officer on 10 May 2019 which was attended by 36 participants.
- GSEP, communication and grievance/complain procedure socialization to surrounding community (Betung Bedarah Barat dan Betung Bedarah Timur Village) on 05 March 2020 which was attended by 52 participants
- GSEP, communication and grievance/complain procedure socialization to surrounding community (Sungai Keruh Village) on 18 January 2020 which was attended by 6 participants
- GSEP, communication and grievance/complain procedure socialization to local contractor on 26 March 2020 which was attended by 33 participants from contractors and local community (Betung Bedarah Barat Village).
- Emergency response simulation and first aid for estate workers on 03 January 2020 which was attended by 56 participants.

Based on field observations and interviews with workers (harvesters, sprayers and mill operators), it is known that workers have understood their work in accordance with the procedures set by the company and their understanding of the duties and responsibilities for each job has been carried out quite well, because the certification unit has routinely conducted training every year according to the type of work each. Meanwhile, the results of interviews with representatives of contractors, contractor workers in field and the surrounding community (Betung Bedarah Barat and Sungai Keruh Village) revealed that they had received routine socialization related to company policies, code of conduct, PPE, communication procedures and complaints were routinely provided by the certification unit which causes stakeholders to understand the procedures and work methods that already exist in the company's operational area.

Based on the foregoing, it can be concluded that the certification unit has a training program for all workers including stakeholders (contractors, suppliers, local communities and smallholders) related to the RSPO P&C and all of them have been well documented.

### 3.7.3

Company provided an understanding of SCCS to weighbridge operators, sorting, sustainability, security, and logistics on 03 January 2020. The materials discussed included the definition of RSPO SCCS, new standards for RSPO SCCS, principles for compliance with RSPO SCCS.

Based on interviews with weighbridge operators and security, it is known that they understand the supply chain process starting the acceptance of FFB, separation between certified and non-certified FFB and the procedure relating SCCS. Furthermore based on interviewed with administrative staff, the personnel's can described regarding separation between certified and non-certified CPO and PK; mass balance records as well as the procedure relating SCCS

	<b>Status: Comply</b>	
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## 3.8

### Supply Chain Requirements for Mills

#### 3.8.1, 3.8.2; 3.8.15

Based on document verification, SBNM implements the MB Module, since accepted FFB from certified and uncertified sources (own Estates and third party FFB suppliers). Verification of Mass Balance record, the Mill has been recorded well the separation of FFB and products (CPO and PK) from certified and uncertified sources. The Mill only claims certified products from certified sources.

#### 3.8.3

Estimated certified product recorded in the last Assessment Report and Certificate, and updated in the RSPO Palm Trace. Actual certified produced has been verified during this assessment, and not exceed the estimate. The estimates of certified production for the next license period also have been set, in reasonable amount taking into account the last year's production. The data are shown in the following table:

Product	Estimate Production period of 28 May 2019 – 27 May 2021	Actual Production of 24 months (MT) previous audit (April 2019 to March 2021)	Estimate Production of 12 month (MT) further
FFB	179,392.41	176,141.52	94,000
CSPO	36,432.97	35,659.10	19,270
CSPK	10,188.38	9,939.62	5,170

Since the last period of assessment, SBNM applied scenario 4 in accordance with RSPO Contingency Audit Procedures and there is no new license since ASA 4 assessment. Normally recertification of this audit shall be conducted in early 2020 however due to Covid 19 pandemic the recertification assessment postponed and conducted in 2021. with there is no new license since the expired period, palm trace id of SBNM extended every three months since the license expired (27 May 2020) and the volume of certified products will be added according to the request of the certification unit. throughout 2020 there are several additional RSPO Product as follows:

Dated	Additional Volume (MT)			
	FFB Estate	FFB scheme or associated	CSPO	CSPK
26 December 2019	25,323		3,830	1,328
21 May 2020	11,682	10,490	4,098	1,320
23 January 2021	30,874	6,839	7,994	2,044
04 March 2021	15,800	4,165	4,158	1,134

### 3.8.4

Sungai Bengkal Mill has registered as RSPO member under Golden Agri Resources Ltd (No. 1-0096-11-000-00), and registered in RSPO Palm Trace as PT Satya Kisma Usaha – Sungai Bengkal Mill with License ID CB85441, and Member ID RSPO\_PO1000001722.

All transaction has been announced to RSPO IT Platform and confirmed shipped. The Mill has conducted SCCS mechanism such as announcement in Palm Trace of RSPO CSPO and CSPK sold as certified and confirming the shipping announcement, as well as remove of certified stock for products sold as other scheme or as non-certified/conventional as described in indicator 3.8.8 and 3.8.16

### 3.8.5

The Mill has had procedures related supply chain, such as SOP of RSPO Supply Chain Model of Mass Balance (No. SMART-SBNM/SOP/25 dated 17 March 2020), SOP of FFB Processing (No. SOP/SMART/MCMD/I/TM-PKS), SOP of Reporting of Certified Product (No. SOP-SMART/CERS-EHSD/SADV/003), and SOP of Document and Record Controlling (No. SOP/SMART/UMUM/SADV/I/001).

These procedures have referred to the RSPO Supply Chain System and Standard of RSPO 2020. The procedure has covered all aspects in SCCS MB model, such as receiving and recording that identify the traceability of RSPO certified and uncertified source and products, FFB processing, the announcement in RSPO Palm trace, key persons such as security, weight bridge clerk, dispatch/kernel officer, production clerk, Administration Head, as well as the training. the results of interviews with Head of Administration and weighbridge operator showed that workers have already known the duties and responsibilities of each in the implementation of SCCS.

### 3.8.6

Procedure for internal audit ruled in the SOP internal audit (SOP/SMART/UMUM/SADV/I/009) issued on July 2014, audit is planned twice a year and conducted by the trained internal auditor. Internal audit carried out by the unit of certification to ensure if the mill and its supply base comply to the requirements in the RSPO Supply Chain requirements for mills and the RSPO Rules on Market Communications and Claims.

Last internal audit was carried out in 31 August – 14 September 2020 through remotely due to pandemic covid-19 situation. Internal audit conducted by internal team auditor RSPO GAR. Based on internal audit it was known all indicator / requirements in supply chain aspect are comply.

Management Review including of RSPO SCCS implementation conducted on 15 November 2020. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback and process Performa.

### 3.8.7

The Mill has maintained the record of Mass Balance data, that informed amount and sources of FFB certified and uncertified received, as well as the certified products (CSPO and CSPK), as described in the next two following table:

#### 1. Period April 2019 – March 2020

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Apr-19	4,740.06	6,701.62	11,441.68
May 19	6,488.25	11,456.04	17,944.29
Jun-19	6,209.14	5,230.79	11,439.93
Jul-19	9,472.51	5,141.58	14,614.09
Aug 19	8,650.66	4,629.28	13,279.94
Sep-19	9,527.26	4,107.38	13,634.64
Oct 19	9,887.64	5,880.79	15,768.43
Nov-19	8,988.01	3,352.29	12,340.30
Dec 19	8,242.52	2,587.85	10,830.37
Jan-20	6,136.85	2,298.00	8,434.85
Feb-20	5,931.60	3,152.19	9,083.79
Mar-20	4,421.80	1,816.56	6,238.36
<b>Total</b>	<b>88,696.30</b>	<b>56,354.37</b>	<b>145,050.67</b>

#### 2. Period April 2020 – March 2021

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Apr-20	5,618.17	2044.79	7,662.96
May 20	4,644.69	2115.12	6,759.81
Jun-20	5,940.15	1754.39	7,694.54
Jul-20	4,979.53	2650.09	7,629.62
Aug 20	9,392.03	4909.55	14,301.58
Sep-20	9,158.92	3770.85	12,929.77
Oct 20	9,530.18	3468	12,998.18
Nov-20	10,177.00	4614.63	14,791.63
Dec 20	4,428.32	1743.99	6,172.31
Jan-21	8,902.25	3703.6	12,605.85
Feb-21	6,516.92	2147.33	8,664.25
Mar-21	8,157.06	3037.92	11,194.98
<b>Total</b>	<b>87,445.22</b>	<b>35,960.26</b>	<b>123,405.48</b>

Total Certified FFB that accepted in Period April 2019 – March 2020 are 176,141.52 MT.

Since the last period of assessment, SBNM applied scenario 4 in accordance with RSPO Contingency Audit Procedures and there is no new license since ASA 4 assessment. Normally recertification of this audit shall be conducted in early 2020 however due to Covid 19 pandemic the recertification assessment postponed and conducted in 2020. with there is no new license since the expired period, palm trace id of SBNM extended every three months since the license expired (27 May 2020) and the volume of certified products will be added according to the request of the certification unit. throughout 2020 there are several additional RSPO Product as follows:



Dated	Additional Volume (MT)			
	FFB Estate	FFB_scheme_or_associated	CSPO	CSPK
26 December 2019	25,323		3,830	1,328
21 May 2020	11,682	10,490	4,098	1,320
23 January 2021	30,874	6,839	7,994	2,044
04 March 2021	15,800	4,165	4,158	1,134

Related for handling non-conforming oil palm products, has been set in the SOP of Complaints and Grievance Handling (No SOP/SMART/GIMS-SCMD/USDV/I/001 dated 11 April 2017,). This procedure is generally applied to all complaint aspects. . During the audit, there is no written complaint from stakeholders related to nonconforming products.

### 3.8.8

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

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

Document's verifications and interview with management units obtained information if in last 24 months before audit (April 2019 - March 2021) it was known if the certified product sold under RSPO, ISCC, and conventional as described in the table below:

Notes	Dispatch period (MT)		
	April 2019 – March 2020	April 2020 – March 2021	Total
CSPO sold under RSPO Scheme	-	3,666.58	3,666.58
CSPO sold under another scheme	17,734.29	14,153.85	31,888.14
CSPO sold as conventional	-	-	-
CSPK sold under RSPO Scheme	5,119.67	2,247.25	7366.92
CSPK sold under another scheme	-	-	-
CSPK sold as conventional:	287.96	906.5	1,194.46

Supporting documents shown were contract agreement, delivery order, delivery ticket, report of loading, weighing minutes, weighing card, and delivery note. Those documents cover information's of delivery date, description of product and supply chain model, product quantity, identification number, certificate number, sender's name and address of the seller. Based on documents verifications the unit of certification can present if the Shipping announcement is announced no longer than three months, for example

- Shipping announcement No TR-f2716ac6-c0a2 with volume of CSPK 203.91 MT, module of SCCS MB, buyer reference number 4300024568 dated 12 August 2020, the mill can present Delivery Order No 1350/KER/1350/21/L005 to PT. Kresna Duta Agroindo - Pelakar Kernel Crushing Plant and shipping period on 10 August 2020 and with RSPO certificate number is MUTU-RSPO/052
- Shipping announcement No TR-8ce83693-e60c with volume of CSPO 203.91 MT, module of SCCS MB, buyer reference number 4800053231 dated 05 March 2021, the mill can present Delivery Order No 033/IP/1350/08/2020 to PT Sumber Indah Perkasa and shipping period on 09 February – 09 March 2021 and with RSPO certificate number is MUTU-RSPO/052

Furthermore, the unit of certification can present information related minimum requirement or RSPO certified products, for example:

- The name and address of the buyer;
- The name and address of the seller;
- The loading or shipment / delivery date;
- The date on which the documents were issued;
- RSPO certificate number;
- A description of the product, including the applicable supply chain model



**3.8.9**

The Mill outsources CSPO product transportation to the third parties and has contractual agreements, whereas for CSPK transported by the buyers themselves. CSPO contractor is PT Satrindo Jaya Agropalma (Agreement No. 001/LWI/LWSM/01/2020-CPO dated 2 December 2019, valid thru 31 December 2022), and CSPK transportation handled by PT EMKL Tiga Berdikari (Agreement No. 005/SKU/SBNM/01/2020-CPO dated 2 January 2020, valid thru 31 December 2022).

To ensure the contractors complies with the RSPO Supply Chain, in the agreement, there were clauses that set obligations of the contractor to comply with the supply chain rules. For instance, the responsibility to deliver products only from Sungai Bengkal Mill, as well as the willingness to observe by Certification Body in order to verify the compliance. Other than that, the Mill has had SOP of Contractor Control (No. SOP/SMART/UMUM/SADV/I/006 dated 1 July 2014).

One of the mechanisms to ensure that the products delivered only from Sungai Bengkal Mill, in the vehicle is mounted on a seal that can only be opened at the buyer's location.

**3.8.10**

The Mill has the record of details of the contractor, covers the contractor's company profile, address, contact person, email and phone number, activities, contract agreement and period, and list of vehicles.

**3.8.11**

There are no new contractors and transporter used for the physical handling of RSPO certified oil palm products since ASA 4 until this assessment. It will be verified in the next assessment if any new contractors that used by the unit of certification.

**3.8.12**

The Mill has maintained accurate, complete, and up to date records related RSPO Supply Chain implementation that kept at least 2 years in accordance with Mill's procedure, such as mass balance data, announcement and remove of stock. The records cover FFB received from certified and uncertified sources, production of CPO and PK (certified, noncertified, total), products dispatch (as RSPO certified, sold in another certified scheme, sold as noncertified, total sold), as well as balance/stock of certified products. However, related mass balance record, the certified products that sold conventionally recorded in separate data, even though the product can be traced and the balance can be monitored.

The Mill balancing the certified products and dispatch on a three-monthly basis. Based on the Mass Balance record, the Mill only sells certified products from a positive stock in three monthly periods.

The summary of Mass Balance data 12 months previous the audit can be seen on the table below:

**FFB Received**
**1. Period April 2019 – March 2020**

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Apr-19	4,740.06	6,701.62	11,441.68
May 19	6,488.25	11,456.04	17,944.29
Jun-19	6,209.14	5,230.79	11,439.93
Jul-19	9,472.51	5,141.58	14,614.09
Aug 19	8,650.66	4,629.28	13,279.94
Sep-19	9,527.26	4,107.38	13,634.64
Oct 19	9,887.64	5,880.79	15,768.43
Nov-19	8,988.01	3,352.29	12,340.30
Dec 19	8,242.52	2,587.85	10,830.37
Jan-20	6,136.85	2,298.00	8,434.85
Feb-20	5,931.60	3,152.19	9,083.79
Mar-20	4,421.80	1,816.56	6,238.36
<b>Total</b>	<b>88,696.30</b>	<b>56,354.37</b>	<b>145,050.67</b>

**2. Period April 2020 – March 2021**

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
Apr-20	5,618.17	2044.79	7,662.96
May 20	4,644.69	2115.12	6,759.81
Jun-20	5,940.15	1754.39	7,694.54
Jul-20	4,979.53	2650.09	7,629.62
Aug 20	9,392.03	4909.55	14,301.58
Sep-20	9,158.92	3770.85	12,929.77
Oct 20	9,530.18	3468	12,998.18
Nov-20	10,177.00	4614.63	14,791.63
Dec 20	4,428.32	1743.99	6,172.31
Jan-21	8,902.25	3703.6	12,605.85
Feb-21	6,516.92	2147.33	8,664.25
Mar-21	8,157.06	3037.92	11,194.98
<b>Total</b>	<b>87,445.22</b>	<b>35,960.26</b>	<b>123,405.48</b>

Total Certified FFB that accepted in Period April 2019 – March 2020 are 176,141.52 MT.

**Mass Balance record of CPO**
**1. Period April 2019 – March 2020**

Period	All CPO Production (MT)			CSPO Dispatch (MT)			
	CSPO	Non-Cert CPO	Total	RSPO	Other Scheme (ISCC)	As Non-Cert	Total CSPO Dispatch
<b>Balance from previous period</b>							
Apr-19	797.09	1,257.15	2,054.24	-	785.53	-	785.53
May 19	1,281.82	2,116.04	3,397.86	-	1,032.37	-	1,032.37
Jun-19	1,162.44	1,004.34	2,166.78	-	1,271.98	-	1,271.98
<b>Closing 3 Monthly</b>	<b>3,241.35</b>	<b>4,377.53</b>	<b>7,618.88</b>	<b>-</b>	<b>3,089.88</b>	<b>-</b>	<b>3,089.88</b>
Jul-19	1,955.70	1,051.46	3,007.16	-	2,091.67	-	2,091.67
Aug 19	1,767.62	939.17	2,706.79	-	1,738.37	-	1,738.37
Sep-19	1,828.15	825.67	2,653.82	-	1,640.51	-	1,640.51
<b>Closing 3 Monthly</b>	<b>5,551.47</b>	<b>2,816.30</b>	<b>8,367.77</b>	<b>-</b>	<b>5,470.55</b>	<b>-</b>	<b>5,470.55</b>
Oct 19	2,021.40	1,176.05	3,197.45	-	2,187.48	-	2,187.48
Nov-19	1,935.31	693.54	2,628.85	-	1,954.53	-	1,954.53
Dec 19	1,698.31	536.22	2,234.53	-	1,505.45	-	1,505.45
<b>Closing 3 Monthly</b>	<b>5,655.02</b>	<b>2,405.81</b>	<b>8,060.83</b>	<b>-</b>	<b>5,647.46</b>	<b>-</b>	<b>5,647.46</b>
Jan-20	1,226.97	470.72	1,697.69	-	1,569.90	-	1,569.90
Feb-20	1,160.35	610.80	1,771.15	-	1,123.79	-	1,123.79
Mar-20	853.69	356.17	1,209.86	-	832.71	-	832.71
<b>Closing 3 Monthly</b>	<b>3,241.01</b>	<b>1,437.69</b>	<b>4,678.70</b>	<b>-</b>	<b>3,526.40</b>	<b>-</b>	<b>3,526.40</b>
<b>Total</b>	<b>17,688.85</b>	<b>11,037.33</b>	<b>28,726.18</b>	<b>-</b>	<b>17,734.29</b>	<b>-</b>	<b>17,734.29</b>

**2. Period April 2020 – March 2021**

Period	All CPO Production (MT)			CSPO Dispatch (MT)			
	CSPO	Non-Cert	Total	RSPO	Other	As Non-	Total CSPO

		CPO			Scheme (ISCC)	Cert	Dispatch
<b>Balance from previous period</b>	<b>54.67</b>						
Apr-20	1,035.64	377.99	1,413.63	-	1,271.25	-	1,271.25
May-20	891.04	412.19	1,303.23	76.22	711.57	-	787.79
Jun-20	1,213.79	355.91	1,569.70	127.24	1,499.47	-	1,626.71
<b>Closing 3 Monthly</b>	<b>3,140.47</b>	<b>1,146.09</b>	<b>4,286.56</b>	<b>203.46</b>	<b>3,482.29</b>	<b>-</b>	<b>3,685.75</b>
Jul-20	955.88	503.94	1,459.82	126.83	993.18	-	1,120.01
Aug-20	1,691.11	918.30	2,609.41	177.69	1,803.97	-	1,981.66
Sep-20	1,894.26	756.47	2,650.73	-	2,185.03	-	2,185.03
<b>Closing 3 Monthly</b>	<b>4,541.25</b>	<b>2,178.71</b>	<b>6,719.96</b>	<b>304.52</b>	<b>4,982.18</b>		<b>5,286.70</b>
Oct-20	2,086.01	760.04	2,846.05		2,439.87	-	2,439.87
Nov-20	2,118.06	983.85	3,101.91	197.69	2,387.39	-	2,585.08
Dec-20	1,018.11	382.6	1,400.71	203.05	862.12	-	1,065.17
<b>Closing 3 Monthly</b>	<b>5,222.18</b>	<b>2,126.49</b>	<b>7,348.67</b>	<b>400.74</b>	<b>5,689.38</b>	<b>-</b>	<b>6,090.12</b>
Jan-21	1,844.00	777.45	2,621.45	803.59	-	355.6	1,159.19
Feb-21	1,490.99	486.95	1,977.94	533.03	-	317.86	850.89
Mar-21	1,731.36	659.23	2,390.59	1,421.24	-	321.49	1,742.73
<b>Closing 3 Monthly</b>	<b>5,066.35</b>	<b>1,923.63</b>	<b>6,989.98</b>	<b>2,757.86</b>	<b>0</b>	<b>994.95</b>	<b>3,752.81</b>
<b>Total</b>	<b>17,970.25</b>	<b>7,374.92</b>	<b>25,345.17</b>	<b>3,666.58</b>	<b>10,671.56</b>	<b>994.95</b>	<b>18,815.38</b>

**Mass Balance Record of PK**

1. Period April 2019 – March 2020

Period	All PK Production (MT)			CSPK Dispatch (MT)			
	CSPK	Non-Cert PK	Total	RSPO	Other Scheme (ISCC)	As Non-Cert	Total CSPK Dispatch
<b>Balance from previous period</b>	<b>330.97</b>						
Apr-19	215.92	307.21	523.13	204.40	-	-	204.40
May-19	370.8	520.39	891.19	285.56	-	-	285.56
Jun-19	372.4	253.35	625.75	265.91	-	-	265.91
<b>Closing 3 Monthly</b>	<b>959.12</b>	<b>1,080.95</b>	<b>2,040.07</b>	<b>755.87</b>	<b>-</b>	<b>287.96</b>	<b>1043.83</b>
Jul-19	518.82	278.93	797.75	497.43	-	-	497.43
Aug-19	479.35	254.69	734.04	671.18	-	-	671.18
Sep-19	534.85	241.56	776.41	423.34	-	-	423.34
<b>Closing 3 Monthly</b>	<b>1,533.02</b>	<b>775.18</b>	<b>2,308.20</b>	<b>1,591.95</b>	<b>-</b>	<b>-</b>	<b>1,591.95</b>
Oct-19	658.59	355.94	1,014.53	772.06	-	-	772.06
Nov-19	547.89	199.49	747.38	489.18	-	-	489.18
Dec-19	481.96	152.29	634.25	539.55	-	-	539.55
<b>Closing 3 Monthly</b>	<b>1,688.44</b>	<b>707.72</b>	<b>2,396.16</b>	<b>1,800.79</b>	<b>-</b>	<b>-</b>	<b>1,800.79</b>
Jan-20	355.24	137.07	492.31	448.60	-	-	448.60

Feb-20	365.99	192.66	558.65	362.21	-	-	362.21
Mar-20	264.5	110.35	374.85	160.25	-	-	160.25
<b>Closing 3 Monthly</b>	<b>985.73</b>	<b>440.08</b>	<b>1,425.81</b>	<b>971.06</b>	<b>-</b>	<b>-</b>	<b>971.06</b>
<b>Total</b>	<b>5,166.31</b>	<b>3,003.93</b>	<b>8,170.24</b>	<b>5,119.67</b>	<b>-</b>	<b>287.96</b>	<b>5407.63</b>

### 3. Period April 2020 – March 2021

Period	All PK Production (MT)			PK Dispatch (MT)			
	CSPK	Non-Cert PK	Total	RSPO	Other Scheme (ISCC)	As Non-Cert	Total CSPO Dispatch
<b>Balance from previous period</b>	<b>89.64</b>						
Apr-20	312.13	113.92	426.05	-	-	-	-
May-20	216.87	100.32	317.19	-	-	-	-
Jun-20	329.17	96.52	425.69	361.37	-	-	361.37
<b>Closing 3 Monthly</b>	<b>858.17</b>	<b>310.76</b>	<b>1,168.93</b>	<b>361.37</b>	<b>0</b>	<b>-</b>	<b>361.37</b>
Jul-20	257.02	135.5	392.52	120.63	-	-	120.63
Aug-20	468.73	254.53	723.26	200.57	-	-	200.57
Sep-20	521.51	208.26	729.77	189.56	-	-	189.56
<b>Closing 3 Monthly</b>	<b>1,247.26</b>	<b>598.29</b>	<b>1,845.55</b>	<b>510.76</b>	<b>0</b>	<b>-</b>	<b>510.76</b>
Oct-20	542.11	199.32	741.43	239.8	-	-	239.8
Nov-20	545.71	253.48	799.19	336.91	-	-	336.91
Dec-20	246.82	92.83	339.65	-	-	-	-
<b>Closing 3 Monthly</b>	<b>1,334.64</b>	<b>545.63</b>	<b>1,880.27</b>	<b>576.71</b>	<b>906.5</b>	<b>-</b>	<b>1,483.21</b>
Jan-21	478.95	201.93	680.88	278.47	-	-	278.47
Feb-21	389.92	127.34	517.26	208.98	-	-	208.98
Mar-21	464.38	176.82	641.2	310.96	-	-	310.96
<b>Closing 3 Monthly</b>	<b>1,333.25</b>	<b>506.09</b>	<b>1,839.34</b>	<b>798.41</b>	<b>0</b>	<b>0</b>	<b>798.41</b>
<b>Total</b>	<b>4,773.32</b>	<b>1,960.77</b>	<b>6,734.09</b>	<b>2,247.25</b>	<b>906.5</b>	<b>0</b>	<b>3153.75</b>

### 3.8.13; 3.8.14

Based on document verifications and interview with management it was known if there is no conversion rate of production of CPO (OER) and PK (KER) that applied by the mill. The production of CPO (OER) and PK (KER) are based on actual daily, monthly, and yearly production. Then the Mill set the target of OER and KER, even though the actual may vary. Based on production data 12 months previous audit the average OER is 20.58 %, while KER is 5.47 %. The target of OER and KER reviewed annually based on Management Review Meeting.

### 3.8.16

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

Documentation for the Sustainable Palm Kernel (Sustainable PK), consist of: FFB dispatch record, which further will be counted the daily production of the Sustainable PK, daily production record of the PK, which classified as the Sustainable PK, monthly recapitulation of the Sustainable PK's sale, stock record, which has been reconciliation with the FFB acceptance record, monthly sale production and annual recapitulation. Based on documents verifications the unit of certification can present if the Shipping

announcement is announced no longer than three months, for example

- Shipping announcement No TR-f2716ac6-c0a2 with volume of CSPK 203.91 MT, module of SCCS MB, buyer reference number 4300024568 dated 12 August 2020, the mill can present Delivery Order No 1350/KER/1350/21/L005 to PT. Kresna Duta Agroindo - Pelakar Kernel Crushing Plant and shipping period on 10 August 2020 and with RSPO certificate number is MUTU-RSPO/052
- Shipping announcement No TR-8ce83693-e60c with volume of CSPO 203.91 MT, module of SCCS MB, buyer reference number 4800053231 dated 05 March 2021, the mill can present Delivery Order No 033/IP/1350/08/2020 to PT Sumber Indah Perkasa and shipping period on 09 February – 09 March 2021 and with RSPO certificate number is MUTU-RSPO/052

Document's verifications and interview with management units obtained information if in last 24 months before audit (April 2019 - March 2021) it was known if the certified product sold under RSPO, ISCC and conventional as described in the table below:

Notes	Dispatch period (MT)		
	April 2019 – March 2020	April 2020 – arch 2021	Total
CSPO sold under RSPO Scheme	-	3,666.58	3,666.58
CSPO sold under another scheme	17,734.29	14,153.85	31.888.14
CSPO sold as conventional	-	-	-
CSPK sold under RSPO Scheme	5,119.67	2,247.25	7366.92
CSPK sold under another scheme	-	-	-
CSPK sold as conventional:	287.96	906.5	1,194.46

All CSPO and CSPK products sold as conventional or other scheme. Related to that's matter the unit of certification can presented evidence that CSPO that sold has been allocated as credit, following:

Stock Transaction ID	Date	Product	Supply Chain Model	Transaction Type	Volume
ST-TR-82bf48d4-2121	08-07-2019	CSPO	Mass Balance	Remove From Certified Stock	2,800.12
ST-TR-5db6c208-a732	08-07-2019	CSPK	Mass Balance	Remove From Certified Stock	287.96
ST-TR-d9247916-3f11	30-12-2019	CSPO	Mass Balance	Remove From Certified Stock	6,545.99
ST-TR-a63e2113-ff6b	22-01-2020	CSPO	Mass Balance	Remove From Certified Stock	6,669.5
ST-TR-a25bc91b-01e8	08-04-2020	CSPO	Mass Balance	Remove From Certified Stock	4,099.03
ST-TR-c8803428-4a94	30-10-2020	CSPO	Mass Balance	Remove From Certified Stock	1,411.37
ST-TR-27ecd0c7-ac95	31-03-2021	CSPO	Mass Balance	Remove From Certified Stock	5,443.49
ST-TR-6ecea99c-8f0c	31-03-2021	CSPO	Mass Balance	Remove From Certified Stock	402.86
ST-TR-dd0ec0f5-44da	31-03-2021	CSPK	Mass Balance	Remove From Certified Stock	906.5

\*Volume in MT

### 3.8.17

the products are claims as mass balance. The Mill does not use RSPO logo on product or off product.

**Status: Comply**

## PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

### 4.1

**The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.**

#### 4.1.1

The unit of certification policy regarding respect to Human Rights described in the GAR of Social and Environmental Policy (GSEP) in point 2.2.3 which stated that the company committed to stand and promote statement of the human right of UN for all workers, contractor, customary society, the local community in all company operation. furthermore on those policy also described about prohibiting retaliation against Human Rights Defenders (HRDs) as well as prohibits intimidation and harassment by the unit of

certification and contracted services, including contracted security forces. During the audit carried out, the team auditor has been trying to ensure this policy has been communicated and implemented through stakeholder consultation. Based on interviews with workers, the surrounding community (village head, community leaders, smallholder's representative), and contractors known that the company has socialized company policies regularly including policies on human rights. Socialization is done by sticking to the policy in offices, socializing in the housing, and socializing with workers during the morning briefing before the activities started. Based on document verification the unit of certification can presented the policy has been disseminated to stakeholders for example example on 18 – 21 January 2020 for KILE workers, 05 March 2020 to representative village of Betung Berdarah Barat, 12 October 2020 for SBNM Mill, 21 January 2020 for FFB Suppliers.

#### 4.1.2

The unit of certification has a policy to circumvent instigated violence to maintain peace and order in current and planned operations described in GAR Social and Environmental Policy, issued date 8 September 2015. In section 2.1.2 stated "To refuse the use of confrontation and intimidation in land disputes". Based on field visits and interviews with surrounding communities, it is known that there was no intimidation or use of mercenaries in maintaining peace and order in the company's area. Until this assessment, there were no conflicts and land disputes within the PT SKU area (SBNE, SBNA and KILE). This is also in line with the results of interviews with surrounding communities and related agencies during a public consultation, which stating that there were no land conflicts in the company's operational area.

<b>Status: Comply</b>
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#### 4.2

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

##### 4.2.1; 4.2.3

Procedure of complaint and grievance delivery was presented in document No. SOP/SMART/GIMS-SCMD/USDV/II/001 (Rev. 02) dated April 11<sup>th</sup> 2017. The procedure has guaranteed the anonymously and whistle-blower. PIC of this procedure was Chief of Administrative (KTU), Procedure is available in *Bahasa Indonesia* and if there is any complaints/grievances that the resolution that has not found mutually, the complainants can brought that compliance to RSPO Complaints System. Based on interview with workers in, as well as information from Labour Union and Gender Committee of those units, it was known that all complaints and grievances have satisfactory responded by management unit directly or less than one month officially. There is no intimidation and pressure for whistle-blower.

Complaints and grievances were recorded by Chief of Administration on the Logbook of "Keluh Kesah". Based on logbook review in mill and all estate units. Confirmed to sample stakeholders during the public consultation with village communities, government agencies, local contractors and FFB suppliers who stated that the SOP was understood by all parties. All complaints conveyed to the mill and estates have been recorded and followed up by the company in accordance with the SOP.

##### 4.2.2

To ensure the system related grievances is un is understood by affected parties, including by illiterate parties, the unit of certification has been developed Communication and Consultation Procedures (No. SOP/SMART/UMUM/SADVI/004, dated 1 July 2016). Communication and consultation have considered differential access to information for male/ female, workers, villagers' representative both old and new villagers including ethnics. Those procedure has been disseminated to workers and stakeholders, for example on 18 – 21 January 2020 for KILE workers, 05 March 2020 to representative village of Betung Berdarah Barat, 12 October 2020 for SBNM Mill, 21 January 2020 for FFB Suppliers. Based on interview with stakeholders (internal and external) it was known during period of 2019 and 2020 there was no complaints or grievance from stakeholders,

##### 4.2.4

GAR as parent company of PT Satya Kisma Usaha has had policy of Social and Environment, stated that the unit of certification committed to actively promoting and supporting the responsible resolution of any conflicts involving GAR operation with legitimate concerned at the time underlaying events occurred. This will include working with relevant stakeholders to ensure that a balanced, accountable, mutually agreed and documented conflict resolution system is accessible to smallholders, indigenous peoples, rural communities and other affected parties based in order to deal with complaints, grievances and resolve conflicts to the mutual satisfaction of the parties based on respect for their legal and costumery rights, including to lands and resources and their right to give or withhold their free, prior and informed consent to operation planned on their lands. The system will include the mapping of all



conflicts in GAR's operations, the development of action plans to address identified conflicts, transparent monitoring and reporting, the option to local community and or customary groups for accessing independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers as well as the option of a third-party mediator.

**Status: Comply**

### 4.3

#### **The unit of certification contributes to local sustainable development as agreed by local communities.**

##### **4.3.1;**

The company has compiled a CSR budget estimates for the period 2020 and 2021, categorize into five groups of items, namely: education program, donations, health, infrastructure and development, economic empowerment. In the preparation for CSR program has involved the local community, when company determined CD/CSR priorities

Based on public consultation with local community obtained information that the company has made efforts to develop the surrounding community through CSR programs, acceptance of local workers, scheme smallholders, etc. sample of realization of CSR program are:

- Heavy equipment assistance to repair the Betung Village road on November 30, 2020
- Assistance for the commemoration of Islamic Holidays (Maulid Nabi) on 18 November 2020 in Betung Bedarah Timur Village and Betung Bedarah Barat Village
- Donation for orphans at Al Hariri Islamic Boarding School on September 8, 2020, Betung Bedarah Barat Village
- Covid-19 groceries assistance in Rantau Api and Penapalan Villages on August 24, 2020

In addition, it is known that so far, the relationship between the company and the community has run quite well and harmoniously. Interview with representative of Betung Bedarah barat, Penapalan, and Sungai Keruh Village obtained information that affected parties surrounding company are participated and involved based on consultation with local communities.

**Status: Comply**

### 4.4

#### **Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their Free, Prior and Informed Consent (FPIC).**

##### **4.4.1**

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

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

Land use for an area of 3,535.53 ha is currently still in process, which up to this assessment has been demarcated cadastral on all areas requested. Based on interview with D & L coordinator, the progress of the HGU of these areas will be continued with the assessment process of committee B. The company can show supporting documents for the Committee's evaluation, including reference letter of land fire free area, reference letter of spatial conformity, and reference letter of non-forest area and indicative map. The last update related HGU process is in 26 January 2021 with the statement letter from regent of Tebo (No525/140/Disbunnakan/2021) which informed the land of PT Satya Kisma Usaha are free from disruptions and does not include public interest. Related HGU Process its became OFI in accordance RSPO Statement on April 2021 that mentioned For Recertification (RC) audits, the UoC can continue with their certification provided that adequate genuine evidence that the company is taking actions to move towards obtaining the HGU is available and it must comply with all the requirements at the time **(OFI)**

##### **4.4.2; 4.4.3; 4.4.4; 4.4.5; 4.4.6**

PT Satya Kisma Usaha formerly named PT Telentam Bungo Raya (Tebora), in 1993 half of shareholders take over by Sinarmas group and in period of 2000 totally owned (100 %) by Sinarma Group. in 2003 there are merged between PT Telentam Bungo Raya with PT Satya Kisma Usaha subsidiary of GAR with deed merger of company No 23 year of 2003.

There were no land expansion and new developments carried out by PT SKU (SBNE, SBNA and KILE) since ASA-4. The FPIC process is explained in the SOP no.: SOP / SMART / SENS-CSR / SADV / I / 003 dated 1 July 2014, which explains that the

procedure applies to the development of oil palm plantations and / or factories on new permits and existing permit.

Based on field observation, interview with managements and community leaders (village head / smallholders) it was known the compensation process for the community cultivated area was completed company in 2010, all records of land compensation evidence were verified by the auditor. The unit of certification can present the recapitulation of the results of the inventory of community arable land, a statement of ownership, a statement of release of land rights, and a receipt for compensation. Based on interviews with ex-landowners when the public consultation stated that the company had negotiated and paid for land compensation in accordance with the agreement, there was no coercion and witnessed by government representatives.

Based on interview with community as well as documents verifications obtained information there are no customary and traditional land in the company operational area. For full smallholders' area the land is originated from community that given to the company with a share of 70%: 30% with 70 % owned by smallholders and 30 % owned by the company. Smallholders land fully managed by company with profit sharing system. It's confirmed through interview head of cooperatives, members of smallholders as well as review the agreement.

**Status: Comply**

#### 4.5

**No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.**

##### 4.5.1; 4.5.2; 4.5.4; 4.5.5; 4.5.6; 4.5.7; 4.5.8

PT Satya Kisma Usaha formerly named PT Telentam Bungo Raya (Tebora), in 1993 half of shareholders take over by Sinarmas group and in period of 2000 totally owned (100 %) by Sinarma Group. in 2003 there are merged between PT Telentam Bungo Raya with PT Satya Kisma Usaha subsidiary of GAR with deed merger of company No 23 year of 2003.

There were no land expansion and new developments carried out by PT SKU (SBNE, SBNA and KILE) since ASA-4. The FPIC process is explained in the SOP / SMART / SENS-CSR / SADV / I / 003 dated 1 July 2014, which explains that the procedure applies to the development of oil palm plantations and / or factories on new permits and existing permit.

Based on field observation, interview with managements and community leaders (village head / smallholders) it was known the compensation process for the community cultivated area was completed company in 2010, all records of land compensation evidence were verified by the auditor. The unit of certification can present the recapitulation of the results of the inventory of community arable land, a statement of ownership, a statement of release of land rights, and a receipt for compensation. Based on interviews with ex-landowners when the public consultation stated that the company had negotiated and paid for land compensation in accordance with the agreement, there was no coercion and witnessed by government representatives.

**Status: Comply**

#### 4.6

**Any negotiations concerning compensation for loss of legal, customary or user 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.**

##### 4.6.1; 4.6.2

A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, are available in the following documents:

- The procedure of "SOP Ganti Rugi Tanah/Lahan (SOP/NP/SMART/VII/D&L002, dated 1 Juli 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.
- 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 transmigrate communities, ethnic groups or communal land ownership, etc.

##### 4.6.3; 4.6.4

Based on field observation, interview with managements and community leaders (village head / smallholders) it was known the compensation process for the community cultivated area was completed company in 2010, all records of land compensation evidence were verified by the auditor. The unit of certification can present the recapitulation of the results of the inventory of community arable land, a statement of ownership, a statement of release of land rights, and a receipt for compensation. Based on interviews with ex-landowners when the public consultation stated that the company had negotiated and paid for land compensation in accordance with the agreement, there was no coercion and witnessed by government representatives.

Based on interview with community as well as documents verifications obtained information there are no customary and traditional land in the company operational area. For full smallholders' area the land is originated from community that given to the company with a share of 70%: 30% with 70 % owned by smallholders and 30 % owned by the company. Smallholders land fully managed by company with profit sharing system. It's confirmed through interview head of cooperatives, members of smallholders as well as review the agreement.

	<b>Status: Comply</b>
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#### 4.7

**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 FPIC and negotiated agreements.**

##### 4.7.1; 4.7.2; 4.7.3

There were no land expansion and new developments carried out by PT SKU (SBNE, SBNA and KILE) since ASA-4. The FPIC process is explained in the SOP / SMART / SENS-CSRD / SADV / I / 003 dated 1 July 2014, which explains that the procedure applies to the development of oil palm plantations and / or factories on new permits and existing permit

All compensation documents such as letter of affirmation (agreement), right extrication act, receipt of payment and picture documentation has signed by land owner(s), Head of Village and Head of Sub-Regency (*Camat*), as government representative. All document mentioned has sighted and observed during re-certification assessment. Based on interviews with ex-landowners when the public consultation stated that the company had negotiated and paid for land compensation in accordance with the agreement, there was no coercion and witnessed by government representatives.

Based on interview with community as well as documents verifications obtained information there are no customary and traditional land in the company operational area. For full smallholders' area the land is originated from community that given to the company with a share of 70%: 30% with 70 % owned by smallholders and 30 % owned by the company. Smallholders land fully managed by company with profit sharing system. It's confirmed through interview head of cooperatives, members of smallholders as well as review the agreement.

	<b>Status: Comply</b>
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#### 4.8

**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.**

##### 4.8.1

GAR as parent company of PT Satya Kisma Usaha has had policy of Social and Environment, State that the unit of certification committed to actively promoting and supporting the responsible resolution of any conflicts involving GAR operation with legitimate concerned at the time underlying events occurred. This will include working with relevant stakeholders to ensure that a balanced, accountable, mutually agreed and documented conflict resolution system is accessible to smallholders, indigenous peoples, rural communities and other affected parties based in order to deal with complaints, grievances and resolve conflicts to the mutual satisfaction of the parties based on respect for their legal and customary rights, including to lands and resources and their right to give or withhold their free, prior and informed consent to operation planned on their lands. The system will include the mapping of all conflicts in GAR's operations, the development of action plans to address identified conflicts, transparent monitoring and reporting, the option to local community and or customary groups for accessing independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers as well as the option of a third-party mediator.

As the implementation that's policy GAR developed procedure conflict resolution mechanism (SOP/SMART/SENS-CSRD/SADV/I/002, dated 1 July 2014), In the procedure explained related to the stages of conflict resolution.

**4.8.2; 4.8.3; 4.8.4**

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

**Status: Comply**

**PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION**
**5.1**
**The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.**
**5.1.1; 5.1.2; 5.1.3 and 5.1.6**

The Certification Unit also received FFB supplies from plasma plantations, namely SBNA (Sungai Bengkal KKPA) and KILA (Muara Kilis KKPA) as well as 8 FFB suppliers from outside. In accordance with the MoU between the company and the FFB supplier, the purchase price of FFB by PT SKU follows the price fixing by the Jambi Provincial Plantation Office which is carried out every week through a joint meeting between the government and representatives of plantation companies in Jambi. The FFB price is set based on the consideration of CPO price, CPO yield, kernel price and kernel yield and "K" index. The price fixing is contained in the Minutes of the Results of the Meeting to Fix the Price of Palm Oil FFB.

The Certification Unit has made a fair price determination that has been agreed upon with the supplier farmers, which is documented in the Cooperation Agreement Letter, in the document there is a statement that the price set to determine the FFB selling price is the price set by the Jambi Province Plantation Agency Pricing Team, so that the party hereby declares that it will follow the price fixing so that one party and the other party is not entitled to request an increase or decrease in price. There are also specifications and implementation requirements as well as sanctions that must be met by the second party.

Based on the results of document review and interviews with the company, information was obtained that the results of the price fixing could be accessed by farmers directly from the Plantation Office or from the Plasma Assistant through communication media. In addition, the company also has a mechanism to convey prices to farmers in the form of direct information by the Plasma Assistant who visits farmers every day which is conveyed directly to the Cooperative Management.

Based on the results of the review of the FFB payment recap documents dated 28-31 December 2020 for FFB production and November 2020 pricing to outside FFB suppliers (BSAX, NHKX, PSSX). The report explains the pricing and price period, the amount of FFB, reductions / costs, and the total payment that are made within one month. it can be concluded that the company has paid the FFB price according to the price set by the Plantation Office. The document also explains information such as gross production, grading, net production, gross income, and deductions for each farmer group as well as other information that is presented in a complete and clear manner.

**5.1.4**

Unit certification can show evidence that parties from the organization's representatives, both plasma and independent smallholders, have been involved in the decision-making process and understand the contents of the contract. This is stated in the Work Agreement document (SPK) signed by all representatives of the cooperative management and farmer groups. The Work Agreement (SPK) contains a FFB sale and purchase agreement to independent smallholders and a partnership agreement with plasma farmers, including financing, loans / credit, and repayment through a cut in the FFB price for replanting programs and / or other supporting mechanisms. the contract document also describes gender equality; representative; as well as a detailed process for determining clauses on finance, loans, etc.

the initiation of the involvement of smallholders in company activities because many people from the area around the company have independent oil palm plantations. this can increase the productivity of the company as well as improve the economy of the surrounding community. Therefore, the company took the initiative to recruit smallholders as FFB suppliers and collaborate with them. This form of cooperation is also part of the program and endorsed by the Regent.

**5.1.5**

Document verification and public consultation with community representatives and contractors during the Surveillance 1.1 audit

showed that the contracts made between the company and FFB suppliers and local contractors were fair, legal and transparent. The plasma cooperative and local FFB suppliers have understood the contract agreement they made as evidenced by an agreement signed by both parties (the company and the cooperative or the plasma contractor).

The agreement (MoU) or contract regulates completely and clearly the rights and obligations of both parties, the technical provisions of the agreement / work to a fair payment method agreed by both parties. In the document, there is a statement that the price set to determine the FFB selling price is the price set by the Jambi Provincial Plantation Agency Price Fixing Team, so the parties hereby declare that they will obey and obey the price fixing so that one party and the other party are not entitled to request an increase or decrease in price. There are also specifications and implementation requirements as well as sanctions that must be met by the second party. Some examples of these documents, among others:

#### **Plasma**

**Sungai Bengkal KKPA (SBNA):** Partnership Agreement Between Joint Business Cooperatives and No. 003 / Kop-SKU / VI / 2004, dated June 10, 2004 and the Cooperation Agreement of PT SKU No. 006 / Kop.UB-SKU / IV / 2007, dated April 20, 2007 in the context of the development and management of oil palm plantations with a revitalization pattern in the district. Tebo Ilir, Tebo Tengah and Tengah Ilir, Kab. Tebo, Prop. Jambi. It is known by the District Plantation Office. Tebo and the Regent of Tebo. In the partnership agreement, there are several information as follows:

- The community surrenders land to the company through the cooperative, where 70% of the land transferred becomes the property of the cooperative and 30% of the land that is handed over becomes the property of the company.
- The maximum area of the plasma estates under the guidance of the Company to be developed is determined to be 1,200 Ha.
- The price of FFB is based on a regulation from the minister of agriculture regarding guidelines for purchasing FFB produced by smallholders and Article 2 states that the partnership between companies and cooperatives lasts for 1 oil palm planting cycle.
- The period of cooperation between the cooperation and CU is 30 years, until April 14, 2034.
- Area of initial land surrender for the Bengkal River KKPA: 1,531.59 Ha. (Recapitulation of Land Acquisition Data for Plasma. Total area of 1,062.58 Ha with details of Embedded 977.15 Ha, the area that cannot be planted is 85.43 Ha. The proportion of area is 75.22% of the total cultivated by nucleus (1,412.50 Ha).

**Muara Kilis KKPA (KILA):** Partnership Agreement between Sukma Bersatu Cooperative and PT SKU No. 002 / Kop.SB-SKU / VIII / 2009, dated August 12, 2009 in the context of the development and management of oil palm plantations with a revitalization pattern in the district. Tebo Tengah and Tengah Ilir, Kab. Tebo, Prop. Jambi. It is known by the District Plantation Office. Tebo and the Regent of Tebo. In the partnership agreement, there are several information as follows:

- Core and cooperative cooperation patterns: The community or members of the cooperative hand over  $\pm$  2,500 Ha of openable land. Proportion of cooperation: 50% will be cooperative land and 50% will be nucleus land. Article 2: The duration of cooperation is 2 cycles of oil palm life.
- The area of KKPA Muara Kilis based on the area of April 2014 Statement: Total area of 1,063.92 Ha with details of planted 930.85 Ha, area that cannot be planted 55.04 Ha, reserve area (fields / rubber plantations) 78.03 Ha. The proportion of the area of 72.84% of the total cultivated by Inti (1,460.54 Ha).

#### **External FFB supplier**

The certification unit has cooperation contracts with 8 outside FFB suppliers, here are some examples of SPKs held, including:

- **Bina Makmur Sejahtera (BMSX):** Sale and Purchase Agreement number 007 / TBS / SBNM-BMSX / I / 2020 between the first party (PT SKU) and the second party (BMSX) which was ratified on January 15, 2020 and is valid for 2 years.
- **Slamet Riyadi (SLRX):** Sale and Purchase Agreement number 004 / TBS / SBNM-SLRX / I / 2020 between the first party (PT SKU) and the second party (SLRX) which was ratified on January 2, 2020 and is valid for 2 years.
- **Benture Sinurat (BSNX):** Sale and Purchase Agreement with number 003 / TBS / SBNM-BSNX / I / 2020 between the first party.

In the document, there is a statement that the price set to determine the FFB selling price is the price set by the Jambi Provincial Plantation Agency Price Fixing Team, so the parties hereby declare that they will obey and obey the price fixing so that one party and the other party are not entitled to request an increase or decrease in price.

#### **5.1.7**

The results of observations and interviews with weigh bridge operators obtained information that the certification unit has routinely performed the calibration of weighing equipment by third parties. The certification unit has also shown a weighbridge calibration document carried out on February 24, 2021 carried out by the Legal Metrology UPTD, DPPTK Tebo Regency number 510.3 / 05 /



DISPERINDAGNAKER-MET / SKHP / II / 2021 on the Electronic weighbridge with serial number AVERY, L225, 04300367 with a capacity of 50,000 kg.

### 5.1.8

The certification unit also obtains FFB supplies from independent smallholders and smallholder schemes. Currently, independent smallholders are only at the stage of socialization and consultation with FFB suppliers but have not yet obtained an agreement on which suppliers will carry out RSPO certification. As for the smallholder Scheme, the certification unit has collaborated and established a partnership with Sungai Bengkal KKPA and Muara Kilis KKPA with a mutually agreed contract. The distribution of the proceeds from the sale of FFB, management of funds and remittances are also described in the contract. The management of the smallholder scheme is fully managed by the company by applying the principles of oil palm plantations according to the RSPO regulations.

Referring to the Agricultural Ministerial Regulation Number 26 of 2007 concerning Guidelines for Plantation Business Licensing, the obligation for PBS and Large State Plantations to develop plasma plantations is around 20 percent of the total concessions it owns, then the certification unit has fulfilled this obligation and is in accordance with laws and regulations applicable.

**Status: Comply**

## 5.2

**The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.**

### 5.2.1; 5.2.2; 5.2.3 and 5.2.5

The certification unit has conducted consultations with farmers who are suppliers of FFB to the Sungai Bengkal Mill as shown by evidence of the RSPO and SCCS socialization minutes on January 18, 2020 which was attended by 11 people. This activity contains, among others:

- Code of ethics policy
- Communication and Consultation SOP Policy
- Contractor and FFB supplier compliance with labor regulations
- Explanation of SOPs for complaints and grievances
- Company policies related to social and environment
- Waste management, OSH policy and PPE
- Contractor control SOP
- Certification and Mitigation Program

In an effort to support the improvement of farmers' livelihoods and their participation in the sustainable palm oil value chain, the certification unit has conducted this consultation where one of the issues discussed, among others, is related to the certification program run by the company, including its benefits, but in the minutes of this activity, it has not yet been discussed. In detail discussing the RSPO certification program including interest in following RSPO certification (including the RSPO standard for independent smallholders). Based on this explanation, the certification unit has the **Opportunity for Improvement** related to efforts to encourage the interest of farmers who are suppliers of FFB (both directly and indirectly) in participating in RSPO certification.

### 5.2.4

When the audit was carried out, the certification unit had collaborated with the smallholder scheme (SBNA) since 2007 and until now the overall operational activities were carried out by PT Satya Kisma Usaha. All workers who work at SBNA are PT Satya Kisma Usaha workers so that pesticide handler training is only provided to company workers, not to smallholder schemes. For training that has been carried out is the Integrated Pest Management Training (including pesticide handling) in 17 October 2019 which was attended by 121 participants and Pesticide Handling Training in 21 October 2020 which was attended by 15 participants.

Based on the results of interviews with pesticide applicators (SNBNA, SBNE and KILE), it is known that workers have received routine training every year by the certification unit and during field visits the workers have applied good and correct use of pesticides according to the procedures owned.

**Status: Comply**

**PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS**



**6.1**
**Any form of discrimination is prohibited.**
**6.1.1, 6.1.2 and 6.1.3**

Unit certification have GAR Social Environment Policy dated September 2015 which explained that Sinarmas did not discriminate against gender, race or ethnicity, disability, sexual orientation, age, or belief. Based on the employee registration document, unit certification has provided equal opportunities and treatment in employment opportunities. In addition, in job vacancies that have been published by the company, there are no requirements that refer to discriminate against gender, race or ethnicity, disability, sexual orientation, age, or belief, so indirectly the certification unit has implemented a non-discrimination policy and also equal opportunity. This is evidenced by the diversity of ethnic accepted to work. The results of interviews with workers during field visits and interviews with labor unions and representatives of the Gender Committee also obtained information that there was no indication of acts of discrimination based on religion, ethnicity, gender and regional origin in the process of accepting work.

The results of the employment document review prove that certification unit does not discriminate and treat all workers equally, the following is evidence that can be shown by the company:

- The composition of workers consisting of various ethnic groups (11 ethnic), religions (5 religion), gender (2 gender) and workers' origins. The existing workers do not only come from one area but come from several areas spread throughout Indonesia such as Java, Sumatra, Kalimantan and Nusa Tenggara. During the audit, there was no information regarding AKAD workers (Angkatan Kerja Antar Daerah) in company.
- Recruitment of workers based on the results of selection, performance appraisal, ability and expertise of workers. For example, harvesting worker who have permanent contract No. 096/KILE/01/06/2020 dated 01 August 2020 received based on the results of the selection of job application files, results of health checks and results of interviews that based on procedure that certification unit owned. The worker also passed the assessment and has been accepted as permanent worker.
- Worker placement and training are carried out in accordance with their expertise / type of work, such as prospective harvest workers are placed as harvest workers and receive regular harvest training.
- Women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example there are several maintenance foremen who are female workers.

Based on the results of interviews with workers (harvester, pesticide applicator, and process operator) at SBNM, SBNE, SBNA and KILE, it is known that workers have never felt that the company has discriminated against since 2019 until now. This is because all activities from recruitment, performance appraisal, promotion, and union, each worker is given the same opportunity regardless of ethnicity, caste, nationality, religion, disability, gender, sexual orientation, gender identity, membership in trade unions, affiliations, politics, or age. There is no difference between the communication between superior and workers because of the things mentioned above, so that the workers do not feel isolated or discriminated against by the superiors. This has resulted in the absence of discrimination issues from 2019 to the present.

These explanations can conclude that the certification unit has treated all workers equally without discrimination based on gender, ethnicity, religion, health conditions or others.

**6.1.4**

A pregnancy test for workers is carried out every month just to ensure that pregnant workers are not allowed to do work with chemicals, not as a basis for discriminating against these workers. If declared pregnant, the worker will be transferred to a safer job but still equal in terms of wages and other benefits, so that there is no discriminatory action. This is made clear by the results of interviews with women workers in the SBNE, SBNA and KILE in spraying activities stating that female workers are required to have monthly pregnancy testing at the clinic to ensure that no female workers working with chemicals are pregnant / breastfeeding and testing the pregnancy is not a discriminatory measure given by the certification unit.

**6.1.5**

Gender committees have been formed and are still active until today in the certification unit which is chaired by the committee chairperson along with coordinators in several sections and there are representatives in each unit. The structure of the gender committee not only consists of female workers but also includes male workers. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations / complaints of workers (especially women), as company partners in carrying out the activities of socialization related to gender and other policies related to workers' reproductive rights. In carrying out its activities

this gender committee always collaborates with the labor union so that the socialization of matters related to women's rights can be conveyed properly and there is no discrimination in terms of gender. The workers also knew of the existence of the gender committee because it had been routinely socialized by its management, the last socialization related to the gender committee (gender bias and equality) and the activity was carried out on 06 April 2020 and 08 September 2020 which was attended by female workers and housing residents. The results of this socialization can be seen with the absence of differences in company operational activities such as promotional activities, the same status of workers without gender bias because overall are given equal opportunities for all genders (male or female) in work.

The results of interviews with maintenance workers (male and female workers) and representatives of the gender committee revealed that until now there were no reports / issues / complaints related to gender reported by the workers and at the moment the activities carried out were gender meetings during children healthcare (posyandu), women recitation weekly and others. Currently the certification unit is more focused on gender bias and equality for women because the most vulnerable parties in plantation operational activities are women, but this does not mean that the company does not focus on other genders. This is evidenced by the absence of any issues or incidents related to this from 2019 until now.

#### 6.1.6

Equal payment of wages has been made by certification unit properly, taking into account the ability, performance, expertise, length of work and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with the burden / duties / types of work respectively. For example, care workers with Employee Number 20014 (below 1 year working) and 14013 (above 5 years working) who get wages in December 2019, December 2020 and March 2021 whose value is above the minimum wage, but with different amounts based on years of service, ability, attendance and job performance (structure and scale wage). This is in line with statements from workers who were interviewed with types of work as harvesters and sprayers who have the same type of work but have different wage scales based on their performance, length of work in the company, productivity and other factors.

In addition, based on the results of review of payments, structure and scale wage, it was found that the certification unit already has a wage scale structure for each worker based on position, class, work performance, and not based on gender differences or origins. For example, the lowest wage scale is for permanent worker (PT Class) is PT 4 Class T1 and the highest wage is PT 1 Class A5. For female workers who are the head of the family, they still get benefit equality with other workers such as rice allowance, BPJS, and other benefits.

The results of interviews with workers (harvesting, spraying and mill operators) in SBNM, SBNA, SBNE, and KILE note that workers already know that there is a wage scale structure for each level of workers and this has been proven by the difference in the monthly wage income presented on the pay slip. The monthly wages received are in accordance with the grade owned by each worker and so far, there have been no complaints / errors regarding this matter.

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

**Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).**

##### 6.2.1

The certification unit has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labor Agreement period 2018-2020 written in Bahasa. This Collective Labor Agreement explains the working conditions and rights / obligations of workers such as, recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions. The company regulation has been routinely disseminated by the certification unit to all employees, one example of the socialization that was carried out was on 15 October 2019 which was attended by 149 participants.

The certification unit still have workers with contract status for daily worker (BHL) in SBNA, for the other employee status is Contract Workers (PKWT), Regular Workers (worker PT class 1-4) and Staff (above worker PT class). All the rights for each employment status have been distinguished. For workers with contract status for daily worker (BHL) and contract status (PKWT), certification unit also registered the worker with to Manpower and Transmigration Agency of Jambi Province in 04 February 2020 for plantation workers and 12 September 2019 for mill workers.

The results of interviews with workers (harvesters, sprayers, fertilizers and mill operators) and union representatives know that workers have a sufficient understanding of their rights (wages, overtime, incentives, fines, etc.) listed in the Collective Labor Agreement and in accordance with routine socialization provided by the certification unit. Workers' wages in 2019, 2020 and 2021 have been above the minimum wage set by the government, wage based on years of service, ability, attendance and job performance (structure and scale wage) and there are no late payments every month.

A review of the December 2019, December 2020 and March 2021 wage document for harvest workers, pesticides, sprayers and mill operators proves that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2019, 2020 and 2021. For example, workers' wages with the Employee Number 19004 (SBNM worker), 20014 (SBNE worker), 21158 (SBNA worker) and 14003 (KILE worker) have a different based on wage scale structure 2019/2020.

Based on the above explanation it can be concluded that the workers have understood the work requirements that have been socialized by the certification unit in an understandable language.

### **6.2.2 and 6.2.3**

The certification unit has Collective Labor Agreement are made in a Bahasa that explains the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, working hours, remuneration, discipline, deduction, overtime, sick leaves, holiday entitlement, maternity leave and other provisions. Explanations related to the contents of the Collective Labor Agreement include:

- Article II concerning Employee Acceptance (recruitment, selection, transfer, promotion, performance appraisal) which explains that all workers wishing to join the company must follow the specified requirements including: being over 18 years old, having a health certificate, taking a selection exam, and other requirements.
- Article IV concerning Working Time which explains that there are 2 types of working time in the company, namely by working 8 hours per day or 5 working days in a week and 7 hours per day or 6 working days in a week, in which the total working hours are 40 hours in a week. a week.
- Article V concerning Wages which explains the wage that cannot be lower than the minimum wage set by the government every year, granting rice allowance to all workers according to its calculation, and other explanations.

In addition to being generally stated in Collective Labor Agreement, the certification unit also has a decree, policy, memorandum and work contract for workers in orientation period that specifically explain these matters. An example is:

- Decree of the Board of Directors No. 294 / CEO.JAMBI / HR.PSM.SUMJAM / 12/2019 concerning Minimum Wage Determination & Wage Scale Structure in 2020 is Rp. 2,630,662 / month (minimum) determined based on Jambi Province Minimum Wage Determination in 2020. For workers with the lowest wages are employees with PT 4 class 1 T status and the highest wages for workers with PT 1 class 5A status.
- Decree of the Jambi Province established by the Governor of Jambi in October 2019 about the implementation of the minimum wage in 2020 and Decree of the Jambi Province established by the Governor of Jambi in November 2020 about the implementation of the minimum wage in 2021.
- Employment contract for five (4) contract workers (PKWT), which explains the hours of work, wages, BPJS, leave, overtime, and others.
- December 2019, December 2020 and March 2021 salary slips with the Employee Number 19004 (SBNM worker), 20014 (SBNE worker), 21158 (SBNA worker) and 14003 (KILE worker) have a different based on wage scale structure 2019/2020 and all wages above the minimum wage.
- Overtime payment in December 2019, December 2020 and March 2021 that has been accordance with applicable laws for workers with Employee Number 14025 (KILE security), 20016 (SBNE/SBNA security) and 5032 (boiler operator).
- List of women workers that has been given maternity leave and pregnant workers in 2019, 2020 and until March 2021.
- Unit certification has provisions related to deduction / penalty which have been stated in the Collective Labor Agreement and further explanation is set out in an internal memo.
- In the payroll document, there is information that states the results of the worker's wages in one month according to the work performance of each worker. Payroll has also been accurate for each worker, for example the number of days worked in a month, premium payments, fines, deductions from workers' wages and other information that is in accordance with facts in the field.
- Etc.

Since 2019-2021 there has been no change in policy, but what has changed is the decision related to the minimum wage which has

changed every year following the government's decision. Regarding the change in the minimum wage decision, it has been routinely submitted annually to workers at the beginning of the year and this is reinforced by the results of interviews with field workers and trade union representatives who are clear about any changes in the minimum wage every year. Based on the description above, the certification unit has demonstrated legal compliance related to working conditions, such as compliance with minimum wage, working hours, overtime, maternity leave and other compliance.

The results of interviews with workers (harvesters, sprayers, and mill operators) and union representatives know that workers have a sufficient understanding of their rights (wages, overtime, incentives, deductive, fines, etc.) listed in the Collective Labor Agreement and in accordance with routine socialization provided by the certification unit. Workers' wages in 2019, 2020 and 2021 have been above the minimum wage set by the government and there are no late payments every month, working hours is seven (7) hour a day with 6 days in a week and for the overtime has been paid in accordance with applicable regulations.

A review of the December 2019, December 2020 and March 2021 wage document for harvest workers, pesticides, sprayers and mill operators proves that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2019/2020. For example, workers' wages with the Employee Number 19004 (SBNM worker), 20014 (SBNE worker), 21158 (SBNA worker) and 14003 (KILE worker) have a different based on wage scale structure 2019/2020 and all wages above the minimum wage.

Based on these explanations, it can be concluded that the certification unit has carried out work requirements in accordance with applicable laws and regulations in Indonesia.

#### **6.2.4**

The certification unit has provided welfare facilities to occupants in the form of housing, clinics, water supply, electricity, education, transportation and other facilities. The results of the field visit in the housing area revealed that workers were provided with adequate housing facilities with 2 bedrooms, 1 bathroom and there was daycare for children. The house is inhabited by 1 family and specifically for workers who are not married then 1 house will be filled by 2 workers. This is in line with the results of interviews with housing residents stating that the facilities provided by the certification unit are houses, electricity, availability of clean water, transportation of school, elementary & middle school (for high schools located in Betung Berdarah Barat – 30-minute travel), child daycare, places of worship (mosque & church), sport facilities and others. In general, the facilities provided by the certification unit are good / suitable for use by workers and their families. The certification unit has also conducted monitoring for the condition of the feasibility of the facilities provided every year, such as housing that is repaired if there is damage (usually if there is damage the worker will inform it and it will be handled directly by the repair company), the availability of electricity that has been provided by the company in the form of PLN or a generator, and the availability of clean water which is always monitored for its feasibility every 6 months (the results of monitoring clean water in the residential area do not show any test parameters that exceed the threshold).

#### **6.2.5**

Certification unit 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 workers' housing area. In addition, there are also workers who open small business stalls to sell daily necessities in each housing.

Based on interviews with workers (harvesters, sprayers, maintenance and mill operators), housing residents, labor 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 the existence of vegetable sellers given access to sell at home. In addition, workers can buy these needs into markets around the area of the company with less difficult access.

#### **6.2.6**

In Indonesia there is no set standard of living wage, so the certification unit still applies the national minimum wage for all workers. In addition to the payment of the minimum wage, the unit of certification has an assessment of the implementation of applicable wages and benefits in kind provided to workers in the unit of certification which are in line with the RSPO Guidelines for Implementing Living Wages.

Referring to the provisions of the Jambi Province minimum wage in 2021, it is known that it is 2,630,162 while the minimum wage set in the company's PKB refers to the BKS-PPS minimum wage, which is 2,637,000. based on the results of the document review the

company has conducted a simulation of the applicable wage assessment and all types of benefits for the DLW (Decent Living Wage) simulation in 2021. This calculation is shown in the Prevailing Wage Calculation document for Fiscal Year 2021 PT SKU compiled by HROPS 1 Head and approved by CEO Jambi on March 1, 2021. From the calculations carried out the types of allowances in the form of goods that are included in the calculation include rice allowances, housing facilities, electricity facilities, water facilities, schools and health facilities (polyclinics) and Child Care Centers.

Referring to the calculations simulated by the management unit, it is known that the DLW standards currently provided / simulated by the certification unit are above the minimum wage provisions (BKS PPS in 2021 IDR 2,637,000) IDR 3,078,499 (lowest for PKWT) - IDR 4,067,129 (highest for PT 1). The simulation will be implemented in stages in 2020 pending the adoption of the RSPO DLW benchmark for Indonesia.

### 6.2.7

The certification unit still have workers with contract status for daily worker (BHL) in SBNA, for the other employee status is Contract Workers (PKWT), Regular Workers (worker PT class 1-4) and Staff (above worker PT class). All the rights for each employment status have been distinguished. For workers with contract status for daily worker (BHL) and contract status (PKWT), certification unit also registered the worker with to Manpower and Transmigration Agency of Jambi Province in 04 February 2020 for plantation workers and 12 September 2019 for mill workers. Currently, the total number of workers available is 1.046 workers with a composition of permanent workers as much as 83.08%, contract workers (PKWT) as much as 9.08% and daily contract workers (BHL) as much as 7.84 %.

In the 2019 assessment, the certification unit still has workers with contract status (PKWT) for the SBNE, SBNM and KILE units for main jobs, but there is a program to recruit workers from contract worker status (PKWT) to permanent workers. Based on the results of the study of the program realization documents in 2020 and 2021, it is known that up to March 2021 all contract workers (PKWT) working in main jobs have all become permanent workers and currently contract workers are only done for work that is not the main job such as maintenance activities only. However, their performance is still being monitored to be appointed as permanent workers.

The results of interviews with spray workers, harvester and mill operators found that workers understood the recruitment system, the status of workers and the orientation period that had to be passed before the worker was appointed as a permanent worker. These processes are stated to be fair enough and provide equal opportunities to work according to the abilities, expertise and achievements of the workers during the contract period.

There are still daily contract workers (BHL) in the SBNA unit, this is because all operational activities in the unit have been suspended from the Scheme Smallholders so that there are not many workers with this status. However, in terms of wages, it is still in accordance with the stipulated minimum wage. Based on the results of a document review of daily contract workers (BHL), it is known that from 2019 to March 2021 there were no workers who worked more than 21 consecutive days for 3 months and their wages were above the minimum wage in 2019 and 2020.

Based on the results of interviews with daily contract workers (BHL) in the SBNA unit, it is known that workers do not care about their status as casual workers because workers can work freely on the days they want, and are not obliged to enter every day. In terms of wages, it is in accordance with the minimum wage standard and workers have also received BPJS and PPE from the certification unit.

<b>Status: Comply</b>
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### 6.3

**The unit of certification respects the rights 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.**

#### 6.3.1

In the Circular Letter No. 094/CEO2-SE/12/2010 on December 14<sup>th</sup>, 2010 and GAR Social Environment Policy dated September 2015 there is a statement of recognition of freedom of association. The document is published in Bahasa which can be understood by all employees. In addition, the certification unit has a Collective Labor Agreement which states that employees have the right to establish trade unions and become members / leaders of trade unions in accordance with applicable regulations. The information on freedom of association listed in the Collective Labor Agreement was carried out regularly and the last socialization was held on 09



October 2020.

Based on interviews with labor union representatives who explained that the company had given freedom of association and at present labor unions have been formed. The establishment of the union is in accordance with the applicable laws and regulations and has been recorded at the Manpower Office. Certification unit is giving freedom for worker to express their opinion and also, certification unit did not give any intervention related to labor union activity. Labor union has registered to Manpower Agency of Tebo Regency with register No. 01/SP-SB/HISK/2016 for labor union in mill and No. 04/SP-SB/PPTK-HISK/2013 for labor union in estate.

### 6.3.2

The certification unit has a list of workers who have joined the union and the last update was carried out in February 2020, totaling 1,151 workers. In addition to properly documenting the list of members, the certification unit also has records of meetings between trade unions and management representatives as well as with internal unions. The following are examples of records of meetings conducted by labour unions in 2019, namely:

- The meeting between the union with management representative on 06 January 2020 a discussion about existing labor issues and industrial relations issues, but these issues do not exist and only discuss COVID-19.
- The meeting between the union management on 07 February 2020 to discuss the preparation of changes to the labor union organizational structure for the next period.
- The meeting between the union and management representative on December 7, 2020 discussed employment activities during 2020 and preparation for religious activities.
- The meeting between the union and management representative on November 9, 2020, discussed sports activities, mutual cooperation and preparation for religious activities.

Based on the results of interviews with labor union representatives and their members who are workers in each unit, it is known that the union lobby holds meetings every month with those accommodated in Bipartite LKS meetings between worker representatives and management representatives and since 2019 until now there has been no labor issue. which exists. This is also supported by the results of a review of worker complaint documents and the absence of complaints submitted to trade union representatives.

### 6.3.3

The absence of unit certification interference in the selection or operation of labor union activities, this is evidenced by the results of interviews with workers and union representatives stating that in the process of selecting / making decisions and planning activities, members provide input / aspirations to their representatives each to make an election / decision-making and no management has a position as staff / managerial (assistant and above). The employee who currently serves as the Chairman of the Labour Union is Foreman at mill and estate, then there will be no conflict of interest that occurs with the company because there are no workers who have the authority as decision makers (staff class and above). The explanation has reinforced the fact that management did not interfere directly / indirectly with the taking decisions and activities carried out by labor unions.

Based on interviews with labor union representatives who explained that the company had given freedom of association and at present labor unions have been formed. The establishment of the union is in accordance with the applicable laws and regulations and has been recorded at the Manpower Office. Certification unit is giving freedom for worker to express their opinion and also, certification unit did not give any intervention related to labor union activity.

**Status: Comply**

## 6.4

### **Children are not employed or exploited.**

#### **6.4.1, 6.4.2, 6.4.3 and 6.4.4**

Certification unit has policy regarding the age requirements of workers is contained in Collective Labor Agreement states that the requirement for accepting workers is at least 18 years old. Policies regarding the age of workers are also available in GAR Social Environment Policy concerning which states that it is forbidden to employ child labor and under the age of 18 (eighteen) years, this is evidenced by the Identity Card (KTP) at the time of employee recruitment. The results of the verification of documents revealed that there were no workers under the age of 18. In addition to having a policy governing the minimum age for workers for workers, the certification unit also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement with the contractor. The policy was socialized to workers on 09 October 2020 and to the contractor when signing the work agreement.



Based on field visits and interviews with workers in the fields of SBNM, SBNE, SBNA and KILE, it is known that the minimum age for work is 18 years, and no workers found below the minimum age specified. This is supported by the results of a review of company and contractor workers' document which proves that there are no workers under the age of 18 at the time of entering work, the youngest age of workers is 21 years when entering work.

Based on the results of the review of the cooperation agreement document with the contractor for the transportation of FFB (Agreement No. 005 / SKU / JKTO-I / XII / 2019) and CPO (Agreement No. 005 / SKU / SBNM / 01/2020-CPO), it is known that in the agreement has a separate clause to ensure that the contractor does not employ minors (under 18 years old) and complies with the prevailing laws and regulations in Indonesia.

Based on this, it can be concluded that the unit of certification has a policy on child protection including the prohibition of child labor and has been well documented and known to all workers.

<b>Status: Comply</b>
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## 6.5

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

### 6.5.1 and 6.5.2

The certification unit has a Circular Letter No. 003 / CEO2-SE / 01/2011 dated January 10<sup>th</sup>, 2011, which explains that the company prevents sexual harassment and how it is handled. Policies regarding the sexual harassment and violence are also available in GAR Social Environment Policy. It explains that every worker is entitled to receive protection against sexual harassment in the workplace and Sexual harassment is an offense and if convicted of sexual abuse offenders will be penalized in accordance with applicable regulations. The committee gender & certification unit has socialized to the employees (including the management), for example on 09 October 2020 and the representatives of the committee gender are available in each division.

Based on interview with workers and committee gender, the policy had disseminated to workers through gender committee meetings with workers and in the last year period, that hasn't any issue/incident related to sexual harassment, violence at work/reproductive rights.

### 6.5.3

The certification unit has Policy No. KHI-SMART/005-00 dated 01 August 2017 concerning Pregnant and Breastfeeding Women Workers. The policy explains about giving mothers special time to breastfeed their children, prohibiting pregnant / breastfeeding women workers from working with chemicals, providing light work / which does not endanger the mother / obstetric / child, and providing a special room for breastfeeding her child.

For now, the certification unit has recorded employees who have experienced pregnancy conditions in each unit by recapitulating the total number of female workers who were pregnant in 2020 as many as 6 workers, 6 breastfeeding worker and all of them were confirmed not to work in chemical-related work. Meanwhile, in 2021 as of March 2021, there are 4 workers who are pregnant and 10 workers who are breastfeeding. From the monitoring results, the company has provided special needs for the future such as the availability of a midwife / doctor at the company clinic as preparation for birth, providing a special room for breastfeeding in childcare and transferring workers who are pregnant from work related to chemicals (however there are no workers who are pregnant at the job).

Based on interviews with women workers and gender committee representatives, it is known that the certification unit has provided a special place for breastfeeding at child daycare with special time to breastfeed. There is no prohibition from supervisors in the field related to this matter and specifically workers in the field who do not bring a vehicle will be delivered / picked up by the foreman at these times.

The certification unit has specifically provided the need for new mother or breastfeeding workers to breastfeed by setting a special time for breastfeeding at work, the availability of a special room for breastfeeding and other supporting facilities.

### 6.5.4

Complaint mechanism of workers was contained in Procedure No. SOP/SMART/SIGS-CSR/SADV/003, valid date 01 July 2014. The procedure aims to accommodate complaints and grievance from employees. In the procedure described that if requested, the

company guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistleblower).

The results of interviews workers for example spraying teams, warehouse officers, and weighbridge are known to be aware of the grievance mechanism. Related complaints of sexual harassment (women's issues) can be submitted to the gender committee. In the last year period, that hasn't any complaint related to sexual harassment, violence at work/reproductive rights. This is in line with the results of interviews with gender committee officials who stated that if there were complaints of sexual harassment (women's issues) they could be submitted to the gender committee and the explanation given by the representative was clear enough and had the qualifications to conduct complaint and victim handling; anonymity protection and whistleblower; pregnancy test; jobs accessible for gender.

**Status: Comply**

## 6.6

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

#### 6.6.1 and 6.6.2

The certification unit have policy related prohibits forced or bonded labor or debt bondage and take steps to prevent it. The procedures related to human resources management shows that every worker has a work agreement that describe specific job description. Based on employee list and observation in field known that there is no migrant workers, forced labor. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker, for example:

- There is no retention for identity, because all labor documents for individuals are in the form of photocopies and not original items such as ID cards, diplomas, family cards and others.
- There is no contract substitution, because all existing contract workers currently work in accordance with existing contracts such as contract workers for maintenance activities only doing maintenance activities and do not employ workers other than those stated in the contract.
- The freedom of workers in resigning, because if the worker wants to resign there is no understanding or prohibition from the company to the worker concerned. This is evidenced by the presence of workers who resigned to move to work and the company gave all their rights as fully resigned workers without any shortcomings.
- There is no coercion in doing overtime work, workers who do overtime at the company can refuse if ordered to do overtime activities because overtime is not the worker's obligation and the company also does not prohibit this.

Based on employee data and interview with workers, most of the workers came from local communities. They have the recruitment process in the company and is in accordance with applicable employee acceptance procedures. Based on the results of interviews with workers in plantation and mill, it is known that currently there are no migrant workers, retention of identity, payment recruitment fees, contract substitution, involuntary overtime, lack of freedom of workers to resign, penalty for termination, debt bondage, and withholding. bondage. This is because the certification unit has carried out its operations in accordance with applicable regulations.

There are no significant obstacles related to employment or violations of company regulations. For example, for the harvesters works daily based in 7 working hours. Certification unit provides output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the harvest premium payment. No penalty is given to the harvester if it does not get output due to natural factors such as rain. Based on payment list, the harvesters have earned above the minimum wage.

**Status: Comply**

## 6.7

### The unit of certification ensures that the working environment under its control is safe and without undue risk to health.

#### 6.7.1

The certification unit have persons that responsible for the OHS program within the organizational structure of Committee of Occupational Health and Safety (*P2K3*) established in each management unit. The *P2K3* team has received approval from the Head of Manpower and Transmigration of the Province of Jambi and the *P2K3* secretary is a certified occupational health and safety expert. This is the OHS Committee that has been ratified by related agencies:

- The establishment of the *P2K3* (OHS Committee) for PT Satya Kisma Usaha (SBNM) which were registered / approved by the Manpower and Transmigration Agency of Jambi Province in 14 November 2019 (Decree No. 560/67/UPTD II/Nakertrans 3.1/XI/2019).

- The establishment of the P2K3 (OHS Committee) for PT Satya Kisma Usaha (SBNE & SBNA) which were registered / approved by the Manpower and Transmigration Agency of Jambi Province in 06 February 2019 (Decree No. 560/11/UPTD II/Nakertrans 3.1/II/2019).
- The establishment of the P2K3 (OHS Committee) for PT Satya Kisma Usaha (KILE) which were registered / approved by the Manpower and Transmigration Agency of Jambi Province in 21 December 2018 (Decree No. 531/DISNAKERTRANS-3.1/2018).

OHS committee routinely conducts monthly meetings on OHS issues in the workplace. The documentation of the meeting was recorded and stored well. Based on interviews to workers who are members of the P2K3 organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident analysis, report, firefighting simulation, checking of emergency response equipment, OHS sign board, safety patrol, etc. The last *P2K3* Meeting in 01 February and 04 March 2021 on which discussed the evaluation of the annual evaluation of OSH implementation, preparation of inspection, and others attended by *P2K3* officers. The certification unit has also routinely reported *P2K3* reports to relevant agencies, such as the following example:

- *P2K3* KILE unit reports for the 1st Quarter of 2021 which have been reported to the Manpower and Transmigration Agency of Jambi Province on April 1, 2021.
- *P2K3* SBNE/SBNA unit reports for the 1st Quarter of 2021 which have been reported to the Manpower and Transmigration Agency of Jambi Province on March 31, 2021.
- *P2K3* SBNM unit reports for the 1st Quarter of 2021 which have been reported to the Manpower and Transmigration Agency of Jambi Province on March 23, 2021.

#### **6.7.2**

The certification unit has a Procedure Emergency Preparedness, Response and Recovery (SOP/SMART/UMUM/SADV/II/005), Management of Accidents and Occupational Diseases Procedure (SOP/SMART/HESS-EHSD/SADV/II/005) has been ratified by certification unit. In that procedure has explained the handling of accidents from reporting to coordination. Simulation was performed regularly to ensure the preparedness of emergency response equipment in the certification unit. The routinely emergency simulation that has been conducted by certification unit for example:

- Emergency response simulation and first aid for mill workers on 08 October 2020 which was attended by 58 participants.
- First aid training for first aid officer on 10 May 2019 which was attended by 36 participants.
- Emergency response simulation and first aid for estate workers on 03 January 2020 which was attended by 56 participants.

Based on the results of field observations in the mill and plantation, it is known that the certification unit has carried out the procedures that have been well related to the emergency response, such as the evacuation route in the mill / office / housing area, the availability of first aid kits in the room or those carried by the first aid officer. in field, and every personnel that have responsibility related to this has understood well the procedures that are owned.

The last first aid training has been conducted in 08 October 2020 and certification unit has 58 workers with licensed first aid officers. Certification unit also has a first aid box in each unit and based on document review, it's concluded that the contents in the first aid box are sufficient (21 items) and certification have total of 83 first aid kit. There is also a checklist of observations of the contents of first aid boxes routinely performed every month by first aid officers. There were zero accidents in PT Satya Kisma Usaha since 2019 until March 2021.

Based on interviews with workers in the fields of SBNM, SBNE, SBNA and KILE, it is known that since 2019 there has never been a work accident in all PT Satya Kisma Usaha units and if an accident occurs in the field, the certification unit has provided first aid services at PT Satya Kisma Usaha. each foreman as first aid before a follow-up examination is carried out at the nearest clinic or hospital. The first aid officer (foreman) in the field states that training has been routinely carried out by the company and there are also several officers who have received certificates as First Aid Officers from government agencies and at the time the explanation of the use of each item is quite clear.

#### **6.7.3**

Based on the results of field visits and interviews with workers (harvester, pesticide applicator and mill operators) in the SBNM, SBNE, SBNA, and KILE units, it is known that workers have received PPE for free every year according to their respective types of work and if there is PPE damaged, it can be immediately reported to the direct supervisor for replacement. At the time of the audit, all workers were seen to have used PPE in accordance with existing standards and the level of risk, such as pesticide applicators using aprons,

masks, face shields, gloves, boots, and others. In addition, the certification unit also has proof of the delivery of PPE to all workers every year and replacement of PPE that is damaged, for example the delivery of PPE in the form of safety shoes and masks on September 23, 2020 for 20 workers, and replacement of PPE in the form of safety shoes on the 14 September 2020 to 19 workers. Every PPE given to all workers (all level workers) is in accordance with the needs, types of work, risks and conditions of the PPE, this has been well documented from the PPE award records kept by the OHS Department. This has been regulated in the hazard identification document, risk assessment and risk control (HIRAC) as well as the PPE For Job Specification document.

The certification unit also has a sanitation facility for a pesticide applicator in each unit which is used as a storage, cleaning and replacement area when coming from work to home from work. This is done to ensure that workers arrive clean and come home clean without bringing hazardous chemicals to the home location. Based on the results of field visits to pesticide sanitation facilities in SBNE, SBNA and KILE, it was found that the facilities were clean and well organized, there were room which were used for bathing and cleaning PPE separately.

#### 6.7.4

Certification unit have Collective Labor Agreement that describe about workers have the right to receive medical care and be protected by the accident insurance company. The management unit show proof of payment of BPJS. Payments are made every month by percentage according to the regulation. The last payment that has been paid by certification unit is on 06 April 2021 for "BPJS Ketenagakerjaan" period of March 2021 and on 06 April 2021 for "BPJS Kesehatan" period of April 2021. All proof of payment shown and payment details for the "BPJS Health and Employment" program are in accordance with the current actual conditions / in accordance with the number of existing workers. There is no claim for work accidents because since 2019 until March 2021 there is no accidents (zero accidents) that happen in certification unit.

Based on the interview with SBNM, SBNE, SBNA and KILE workers, concluded that all employees were aware of the medical service procedures in the event of an accident or illness. All employees interviewed also claimed to have a health BPJS card, if they went to a company clinic there was no fee at all. Based on interview with contractor representative, it is known that the accident insurance for contractor's workers is covered by the head of contractor itself.

#### 6.7.5

The company is still consistent in monitoring the recording of occupational accidents by calculating the lost time accident (LTA). Recapitulation of work accidents with a formula to find the level of severity and frequency of accidents. This document informs the time period, the number of working days, the number of no effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year. Calculation of Severity Rate and Frequency Rate is reviewed regularly and monitoring will be evaluated at the monthly meeting of Committee of Occupational Health and Safety. For examples in period of 2019 until March 2021 certification unit have doesn't have any accident, zero lost time, Severity Rate and Frequency Rate is zero.

**Status: Comply**

### **PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT**

#### 7.1

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

##### 7.1.1

The activity budgeted on the program were consist of detection, census and monitoring of pests and diseases attack, biological control such as barn owl nest installation and planting of beneficial plants. According to IPM activity records for January 2019 to December 2020 such as program and realization of rat census, leaf eating caterpillar census, and termite census, it could be concluded that all the census results were still under its economic threshold. There is no invasive species attack. This may lead to zero use of pesticides for pests and diseases control. It could be concluded that IPM techniques implemented by biological methods is effective to control pests and diseases, and also to minimize the use of chemicals. Furthermore, according to pesticides used record in 2019 & 2020, agrochemical uses was only implemented for weeds control purposes.

The Certification Unit has a good commitment to improve the use of pest natural predator as part of integrated pest control. One of natural predator development is the reproduction and the construction of barn owl box as a mechanism to control rat. It monitoring

barn owl box occupation at least once a month. The monitored parameter is the existing of barn owl in the boxes, left food, and sign of reproduction such as egg or owl. Currently, there are total 70 barn owl boxes in PT SKU and inhabited 60 barn owl boxes. Based on the results of the field visits, it is known that the actual conditions in the field are in accordance with the results of document verification.

### 7.1.2

Based on document review, the company implement some biological control practices to suppress pest and diseases infestation such as white buttercup flower (*Turnera subulata*), *Antigonon leptopus* and barn owl (*Tyto alba*). Verification result on website of cabi.org known that those species stated as not invasive in Indonesia.

### 7.1.3

Based on the review of the PT SKU's IPM document for the last 2 years, there were no extraordinary circumstances requiring pest control with fire, the results of the document review show that the pest condition is still under control every year and below the threshold so that no chemical control or fire control has been carried out so far. Based on the results of field visits to KILE, SBNE and SBNA, there were no indications of burn marks.

Status: Comply

## 7.2

**Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.**

### 7.2.1

The certification Unit has SOPs and work instructions for weed management, guidelines covering the selection, storage, application, handling of contaminants, knowing signs and symptoms of pesticide poisoning and first aid for poison cases. To ensure that the pesticides used are in accordance with the target, the company identifies the types of weeds found in the operational area. Based on field visits and interviews with 2 pesticide users in Block A08 Division 1 SBNE and 2 pesticide users in Block E5 Division 2 SBNE, it was concluded that workers knew about the function of the chemicals used and were selective in spraying, while the example of glyphosate was used for circle spraying. and harvest lines only, while weeds in the delivery row are not sprayed. The company uses *Isopropyl amine glyphosate* and *Methyl metsulfuron* which have received permission from the government. Based on document verification and observation of pesticide storage, no use of chemicals is prohibited.

### 7.2.2

The Certification Unit has documented records of pesticide toxicity in the document of Monthly Pesticide Toxicity Data from January 2019 to December 2020. The document is recorded product name, active ingredients, LD50, area treated, amount of active ingredients applied per Ha, and total application. This document is constantly recorded and updated by Estate Sustainability Officer each month.

### 7.2.3

The certification unit has program to reduce the pesticide usage by replacing pesticides with biological controls such as using natural predators to control rat and planting the beneficial plant. Based on document review and field observation, several IPM program with biological approach that has been implemented such as rat control by *Tyto alba*, and leaf eater caterpillar by planting beneficial plant such as *Turnera subulata* and *Casia cobanensis*. Moreover, it has also conducted early detection routinely listed in the monthly report of early warning system. Based on the study of the UPDKS and rat pest census documents, it is known that there are no pest attacks that exceed the threshold, this is in line with the results of the study of pesticide use documents and visits to pesticide warehouses where the use of pesticides for animal pest control was not found.

### 7.2.4

Based on the results of the study of the pest census documents and pesticide use documents, it is known that there is no use of pesticides for animal pest control with the aim of preventive measures. The company can also demonstrate the use of selective pesticides for weed control, for example as follows:

Pesticide	Active Ingredients	Target
Roll Up 480 SL	Isopropil Amina Glifosat	Broadleaf weed: <i>Borreria alata</i> Narrow-leaved weeds: <i>Ottlochloa nodusa</i> , <i>Imperata cylindrica</i> , <i>scleria sumatensis</i>



Starane 290 EC	Floroksipir Meptil Heptil Ester 295 g/l	Broadleaf weeds: <i>Agregatum conyzoides</i> , <i>Borreria latifolia</i> , <i>Mikania micrantha</i>
Erkafuron 20 WG	Metil Metsulfuron 20%	Broadleaf weeds: <i>Borreria sp</i> , <i>Clidemia hirta</i> , <i>Mikaria micrantha</i> , <i>Diodia sarmentosa</i>
Garlon 670 EC	Triklopir Butoksi Etil Ester 670 g/l	Broadleaf weeds, <i>Borreria latifolia</i> , <i>Calopogonium mucunoides</i> , <i>Centrosema pubescens</i> , <i>Pueraria javanica</i> , and <i>Eupatorium odoratum</i>

### 7.2.5

On the August 2015, President Director of SMART Tbk issued a memorandum not to use paraquat in 2016. Regarding to Pesticides that are categorized as WHO Class 1A or 1B, there is Social and Environment Policy that stated minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances. Based on document verification and field visit to pesticide storage, there is no paraquat and WHO Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions application from January 2019 until December 2020.

### 7.2.6

The Certification Unit can show the evidence that Pesticides are only handled, used, or applied by persons who have completed the necessary training. The Certification Unit can show the integrated pest control training, integrated weed control and fertilizer training events which will be held on October 21, 2020 in the SBNE meeting room and attended by 20 participants. Based on document verification and interviews conducted with spray workers in the SBNE, SBNA and KILE, it was concluded that those who applied the chemical spray application were employees who had attended the training, while the employees understood the dangers and risks related to the chemicals used.

The results of field observation in warehouse and interview with pesticide applicator in block A08 Div 1 SBNE and block E05 Div 2 SBNE, it is known that the employees have been given regular training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures including how use and handling the risks in accordance with material safety sheets. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse. The pesticide applicator also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as respirator mask, gloves, safety shoes, apron and googles. In addition, employees are also informed about the steps of secure work in each roll call in the morning before work. Meanwhile, the spraying workers interviewed also claimed that after spraying they will be washing up and drying up the PPE and spraying tools (sprayer tank, jerry, etc), and taking shower/changing clothes in special place near pesticide store of the division office. Therefore, based on field observation to mixing area in SBNE, SBNA and KILE known there are storage for keeping all PPE's and spraying tools after use.

### 7.2.7

The company has had SOP Waste Management (document No. SOP/SMART/LEMS-EHSD/SADV/II/002). The procedures related to management of agrochemical ex-container comprising of collecting, washing, recording, documenting, storage, returned to vendor, and rinse water usage. The Company also has SOP of Plant Upkeep (SOP/SMART/MCAR/XII/TA-PTM), authorized on 12 June 2012. In the SOP also explained about the storage of pesticides.

Based on field observations to chemical warehouse in SBNE, SBNA and KILE; there are MSDS and it was available also pesticide mixing places, PPE washing basin and spray equipment, water trap (tub to hold water used for ashing), water tap, storage room for APD, the appropriate ventilation, bathrooms, sedimentation basin, and water tank.

- SBNE: Has very good ventilation / air circulation holes, there are symbols, such as danger symbols, there are ducts and a container for pesticide spills. Pesticide stock data for each type is listed on the label. There are pesticide stocks arranged on the shelf according to the trademark and MSDS, namely Roll Up 1020 liter, Erkafuron 145 kg, sterane 91 liter, Garlon mix 405 liters.
- CLIE: Has between channels and storage tanks for pesticide spills, Agrochemical Warehouse IK and MSDS for each pesticide product, good air circulation (well-functioning ventilation and exhaust fans). Pesticide stock data for each type is listed on the label. There are pesticide stocks arranged on the shelf according to the trademark and MSDS, namely Roll Up 266 liter, Erkafuron 101 kg, sterane 37 liter, Garlon mix 142 liters.



**7.2.8**

Based on documents and interviews with management related to Waste Management SOP No. SOP / SPO / SMART / LH-09 Document dated July 1, 2010 at point 6.3.B, it is known that there are work instructions for washing and cleaning pesticide and fertilizer packages. Wash the used pesticide packaging 3 times (according to the MSDS) and reuse the used washes for spraying. Washing the sack is done by soaking it for 30 minutes and using used water to pour it over oil palm plants or plants in the yard.

The results of field observations at the Chemical Warehouse in SBNE and KILE, found the following conditions:

- Chemical warehouse to store pesticides that will be and are being used in good condition, there is a special room for chemicals
- Storage of chemicals placed on special shelves and arranged properly
- The company can also show the results of monitoring the expiration limit for pesticides in the SBNE and KILE chemical warehouse for 2020-2021, so that they can guarantee that the pesticides to be used do not exceed the time limit for use.

Field observations also show that the certification unit has managed pesticide packaging properly, namely direct delivery of unused pesticide packaging in the chemical warehouse directly to Hazardous Waste Storage. There is a special place at Hazardous Waste Storage to store used pesticide packaging and not mix it with other wastes. The certification unit also collaborates with a second party to transport used waste pesticides because they are no longer used. Evidence that the used pesticide packaging has been stored and disposed of and is not used for other purposes, namely based on the results of field observations to the Sungai Bengkal and Muara Kilis Estate, employee housing and around the POM, there was no found waste of used pesticide packaging.

Based on the results of interviews with the head of the chemical warehouse and workers in the herbicide application activity, it is known that pesticide mixing is carried out in the Chemical Warehouse, the used pesticide packaging is cleaned and immediately collected in the licensed chemical warehouse located in the estate and used water used for washing work tools and PPE. back for mixing the spray material or discharged into the irrigation channel that has been provided which flows directly into the reservoir. The results of interviews with employees also stated that they already knew the regulations not to use used pesticide waste packaging.

**7.2.9**

Based on the explanation from the company's management, it is known that the company does not carry out spraying through the air.

**7.2.10**

The certification unit regularly have a medical examination for manuring and pesticide operator. SBNE, SBNA and KILE has a list of the latest manuring and pesticide operator as many as 244 workers. All spraying workers has examined health through inspection types of medical checkup, cholinesterase and spirometry, to ascertain the condition of workers in good health. The last examination in semester 2 was conducted in 15-18 December 2019 for all units. Examination results stating that all workers spray is in a healthy condition. Auditor conduct interviews with spraying workers in SBNE, SBNA and KILE and they admit that they have not been exposed to skin disease and itches because they always use PPE while working.

**7.2.11**

Based on field observation and interview with pesticide operator in SBNE, SBNA and KILE, known that there was no worker age under 18 years old that worked in chemical activity. The pregnant and breastfeeding women prohibited to work in chemical. The monitoring conducted through monthly pregnancy test. If founded expectant mother, she will be transferred to light non-chemical activity.

<b>Status: Comply</b>
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**7.3**

**Waste is reduced, recycled, reused and disposed of in ways that are environmentally and socially responsible manner.**

**7.3.1**

The Certification Unit can show the hazardous waste management procedure, which refers to the SOP for waste management with document number SOP / SMART / LEMS-EHSD / SADV / I / 002 dated July 2, 2014. The procedure has explained in detail the stages of hazardous waste management. In addition, all chemicals used are stored and inventoried in chemical warehouses estate and mills and an MSDS is available for each type of chemical.

The Certification Unit has 3 licensed hazardous waste storage warehouses located at Sungai Bengkal Estate, Sungai Bengkal Mill, and Muara Kilis Estate with the date the permit was issued, which is December 28, 2018, and valid until December 28, 2023. Based on the results of field visits to all hazardous waste storage warehouses, no discrepancies were found. All compulsory components that must be fulfilled are available such as PPE, eyewash, fire extinguisher, and others, fully available and functioning properly. the company has also made mandatory reporting to related agencies in the form of Report on the management of hazardous and toxic waste for the fourth quarter of 2020 to the Environmental and Transportation Agency of Tebo Regency and the Environmental Service of Jambi Province on February 10, 2021 which is indicated by proof of handover with the signature and name of the recipient as well as a bottom stamp.

The certification unit manages hazardous waste in collaboration with transporters and users who have permits for hazardous waste management, namely PT Primanru Jaya. the company can show the MOU as well as supporting evidence of legality which shows that the third party is a legal and licensed company. The certification unit also manages hazardous waste by recording it in a logbook, and the manifest is updated every month. From the results of the document review in January - March 2021 by comparing the data in the logbook and manifest, and comparing with the warehouse conditions during field observations, it shows that the company has recorded waste properly and in accordance with actual conditions.

In addition, the certification unit also manages domestic waste by dumping it into landfills and then burying it when it is full. The company does not incinerate domestic waste, there are several warning boards on residential, factory and estate locations to prohibit burning waste. The results of the field visits also show that the company has managed domestic and hazardous waste quite well. not found the location of the burn marks around the housing. as well as placing hazardous waste based on the classification of the type of waste in a licensed hazardous waste warehouse.

### 7.3.2

Based on interviews with company management and the Head of the Hazardous Material Warehouse, it is known that they already understand the handling of waste disposal, especially hazardous waste and domestic waste as well as management of hazardous waste in accordance with the procedures owned by the management unit The company has also conducted several trainings related to hazardous material waste, such as what was carried out on October 2, 2020 for all SBNM staff and employees at the Estate office. As for other socialization and training activities as support, namely the socialization of the use of PPE, occupational health and safety policies and the Emergency Response Preparedness Flow which were carried out on October 8, 2020 to all staff and employees. Based on the results of field observations to the housing of employees of SBNE, KILE, and around the Mill, there were no used pesticide packaging waste.

### 7.3.3

Unit of Certification already have SOP for waste management with document number SOP / SMART / LEMS-EHSD / SADV / I / 002 dated July 2, 2014. The company does not carry out open burning for waste culling, this can be proven from a field visit to the Temporary Waste Disposal Site where there have been no encounters of incinerated waste. The results of interviews by factory employees also stated that there was no burning of rubbish, because they were aware of the prohibition of burning activities and the sanctions, they would receive for burning.

The results of field observations in the employee housing area also showed that there were no traces of burning activities, besides that there were also many warnings to prohibit waste burning activities as well as the dangers that could arise from burning activities. Interviews with employees who live in the housing also stated that they never burnt garbage because of the sanctions. In addition, the company has scheduled a truck to collect garbage every week.

<b>Status: Comply</b>
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## 7.4

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

### 7.4.1

The Certification Unit has SOP of Manuring (SOP/SMART/MCAR/IX/TA-PPK) to maintain soil fertility. The SOP approved by SMD Ops on 12 June 2012. The company has implemented practices to optimize production results in accordance with established procedures, including:

- Routine soil and leaf sampling by SMARTRI to ensure the elements needed by plants to be able to produce optimally. The results of soil and leaf analysis tested will be the basis for determining the dose of fertilizer in each Estate.
- Fertilizing activities that prioritize the principles of being on time, on target, on the right dosage and on application. In addition, marginal (sandy) soils are given extra fertilization in the form of empty bunch at a dose of 40 tons / Ha.
- Application of palm oil wastewater (POME) to improve soil fertility. There is an application area of 160 Ha area listed on the permit with a total discharge of liquid waste applied during January - December 2020 of 137,804 m3.
- Maintenance of ground cover plants to reduce evaporation (maintain soil moisture). For example, planting legumes (*Mucuna bracteata*) and maintenance of soft fern (*Nephrolepis bisserata*). To all spraying employees are always conveyed at the morning apple to not spray the plant.
- The company's commitment to no longer use herbicide-based active ingredients since 2016. Based on the information from managers and staff, this is to show the company's commitment to support RSPO guidelines on reducing / not using herbicide groups 1A and 1B as well as parcels.
- monitoring of the implementation of SOPs, among others, is carried out through an internal audit mechanism conducted by the OIA Department every semester.

At the time of the audit, the auditors made observations on liquid waste application activities in the Land Application area block C4 SBNE Division 1, it was found that POME had been applied to the land in accordance with the permits and recommendations held. This activity showed the company's efforts to increase soil organic content thereby increasing soil nutrients needed roots especially on marginal soils.

#### 7.4.2

The Certification Unit has routinely monitored the changes on the nutrient status based on the regular soil sampling unit (SSU) and leaf sampling unit (LSU) analysis to determine fertilizers recommendation. The sampling spot has been determined in each division and block routinely by SMART Research Institute (SMARTRI) and it's supported by well-trained census officer in each estate. SSU is conducted every 5 year for trees with age of 3, 8, 18 and 23, meanwhile LSU is conducted annually. The last LSU result was issued on 19 March 2020 and the last SSU result was issued on 27 April 2019. Visual observations performed every year at the time of leaf analysis activities. Visual observation is a consideration in determining the fertilizer recommendations, deficiency of nutrients and analyze the potential of disease which is likely to become endemic of a particular disease.

#### 7.4.3

The Certification Unit has a strategy of recycling nutrients, such as the use of the frond (pruning), application of effluent. In addition, the company can show data on palm oil mill effluent (POME) applications to improve soil fertility. The company also utilizes liquid waste (POME) in the SBNE area of 160 Ha. The total discharge of liquid waste applied during January - December 2019 was 125,879 M3 and January to December 2020 was 137,804 M3. Visually, there is no symptom of nutrient deficiency at the blocks that have been visited. Until the recertification, the company has not carried out replanting activities, so there was no use of the palm residue after replanting.

#### 7.4.4

SBNE, SBNA, and KILE shown the plan and the realization of fertilization for period January to December 2019 and January – December 2020. Based on document review and interviews with staff, the realization of fertilization in the three estates reached 100% in 2019 and 97% in 2020 was completed according to the program. For example, the realization of fertilization in 2020 at KILE is as follows:

Fertilizer	Budget/plan 2020	Actual Application 2020
Urea	166,050	161,069
MOP	483,000	468,510
Super Dolomite	147,400	142,978
DAP	62,300	60,431
Kieserite Granular	44,950	43,602
RP	325,750	315,978
Kieserite	7,950	7,712
HGFB	6,200	6,014
Total	1,243,600	1,200,278

Fertilization targets that have not been implemented in 2020 will be carried out in early 2021. The cause of not being 100 percent fertilizer implementation in 2020 is bad weather so that fertilization with air cannot be carried out optimally.

**Status: Comply**

## 7.5

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

#### 7.5.1

The Certification Unit has a soil suitability map report issued by Plantation Monitoring and Planning Division year 2006 which included a description of the soil types, topography, soil texture, drainage condition, land suitability level, and the limiting factor. The map is available on a 1: 50,000 scale. Soil types in PT SKU such as Typic endoaquept, Typic dystrodept, Typic hapludults, Typic haplorthods, and Typic udiccamments. This type has a texture of sandy and sandy clay with land suitability values in the S2 and S3 classes. The limiting factors are soil texture, drainage, topography, and rocks in the root zone. The strategy made by the company to optimize the potential of the land with the limiting factor is by providing extra organic fertilizer (empty fruit bunch) at a dose of 40 tons/ha.

#### 7.5.2, 7.5.3

Based on the PT SKU area statement, it is known that the youngest planting year was in 2010. There was no new planting since previous assessment (ASA-4) until this audit carried out

**Status: Comply**

## 7.6

### 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.

#### 7.6.1, 7.6.2, 7.6.3

The certification unit has conducted a semi-detailed study for all areas of PT SKU within the scope of certification. Meanwhile, until the Audit Activities were carried out in 2021, the management unit had not yet carried out any replanting or new development activities. Likewise, with the replanting plan. Based on the results of the document review, it is known that until 2024 there are no plans for replanting activities within the scope of PT SKU's certification.

**Status: Comply**

## 7.7

### No new planting on peat, regardless of depth after November 15<sup>th</sup>, 2018 and all peatlands are managed responsibly.

#### 7.7.1, 7.7.2, 7.7.3, 7.7.4, 7.7.5, 7.7.6 & 7.7.7.

The Certification Unit has a soil suitability map report issued by Plantation Monitoring and Planning Division year 2006 which included a description of the soil types, topography, soil texture, drainage condition, land suitability level, and the limiting factor. The map is available on a 1: 50,000 scale. Soil types in PT SKU such as Typic endoaquept, Typic dystrodept, Typic hapludults, Typic haplorthods, and Typic udiccamments. This type has a texture of sandy and sandy clay with land suitability values in the S2 and S3 classes. The limiting factors are soil texture, drainage, topography, and rocks in the root zone. According to semi detail soil survey report, there is no peat indicated in all company operational area. Hence, no peat management that planned.

**Status: Comply**

## 7.8

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

#### 7.8.1

The unit of certification already has the results of the identification of water sources in the company's operational areas. Based on the HCV identification, it was stated that the PT SKU area of the SBNE, SBNA, SBNM, KILE and KILA plantations was a watershed area (Batang Hari watershed). Within the SBNE area, there are several rivers, including the Bungin River, Langli River, Api River, Penapalan River and two rivers whose names are not locally identified, namely the river that passes through the oil palm plant blocks A10-A06 and D02-E04. Meanwhile, in the SBNA area, there are several rivers, including the Penapala River, Api River, Langli River and an unidentified river, namely rivers that pass through the oil palm plant blocks in J01-J04. Meanwhile, the river area in KILE is between the Killis Besar / Selinggur rivers. The river is part of the Batang Hari watershed (DAS) and empties into the Batang Hari River. The results of the identification of water sources have been mapped at a scale of 1: 55,000.

The management unit also has a Water Resources Management and Monitoring procedure (SOP No. SOP / SMART / BCOS-EHSD / SADV / I / 004, dated 1 July 2014) which regulates in detail the management and monitoring of water resources, including delineation activities, river and river border protection. The document also describes maintaining and restoring proper boundary buffer zones, prohibition of agrochemical application activities of nearby rivers or streams. Other regulations that refer to the UKL-UPL document are required to carry out management and monitoring in rivers. Management plans that have been carried out by the company include:

- Testing the quality of river water and boreholes as stated in the RKL / RPL report
- Take care of the plantation treatment manually on the river border area.
- Identification of water sources contained in the RKL-RPL document and identification of HCV areas
- Management of surface water erosion and runoff, water management in low-lying areas and monitoring of surface water quality as stipulated in the implementation of the RKL-RPL per semester.
- River border management and water sources in the form of reservoirs.
- Waste water management using IPAL and utilizing it in a licensed application area as well as monitoring the quality of wastewater and monitoring wells
- Monitoring the use of water for oil palm processing and evaluating its use.

Another effort of the Certification Unit in anticipating environmental pollution is to analyze surface water and groundwater every 6 months to determine the level of quality standards that have been set. For this reason, the company in conducting the analysis collaborates with an accredited laboratory. The results of monitoring the quality of groundwater, none of them passed the quality standard based on KEPMENLH Number 29 of 2003.

For surface water test results based on the quality standards of Government Regulation Number 82 of 2001 concerning water quality, there are parameters whose values are above the environmental quality standards, namely BOD in the upper reaches of the Betung Bedarah River while all other parameters are below the required environmental quality standards. However, if a comparison is made between the upstream and downstream test results, it can be seen that the BOD value which was originally above the quality standard at the upstream river, the downstream location is in accordance with the specified threshold. In this regard, the company has conducted a critical level evaluation and established several treatments related to surface water management. The company also keeps the river from potential / polluting activities such as prohibiting chemical applications around river boundaries, monitoring the quality of liquid waste and implementing BMP activities in accordance with the instructions / procedures.

Based on the data from the surface water test results for semester 2 of 2020, and when compared to semester 2 of 2019, it can be seen that there is an improvement. For example, the downstream BOD value of the Betung Bedarah River in 2019 is above the threshold (14 mg / l), while for 2020, the BOD value downstream of the river is in accordance with the specified threshold value (3 mg / l). This shows that environmental management efforts, especially river boundaries have been successfully carried out.

## 7.8.2

The certification unit can show documents related to records of river border management as an effort to maintain water sources in the RKL-RPL document and management of the HCV Area, including:

- The marking of the spray limit on the river bank with red paint is 50 meters from the riverbank.
- Outreach to the public and employees about the river border protection policy on March 6, 2020 which was held in Betung Bedarah Village attended by 47 participants and March 26, 2020 to employees. (available minutes, attendance list and photos of activities).
- The company shows the recapitulation of planting river border seedlings for the Sungai Bengkal Estate for the period 2020.
- Maintenance of warning boards that are carried out every 3 months for the boundaries of the Langli, Bunut, Api and Penapalan rivers.
- Monitoring of endangered, threatened and protected species, primary monitoring is carried out every 3 months, while secondary monitoring is carried out every month.

Based on the results of field visits to blocks I-5, I-7 and J-4 division 2 SBNA, blocks H-4 and F-4 division 2 SBNE and Block A-19 Sungai Selingur division 1 KILE which contains the HCV area, it can be seen that the company has committed to managing the riverbank area by providing signboards related to the protection of riparian areas such as prohibition of logging, applying chemicals and marking area boundaries and spray boundaries. For several HCV locations in the form of river boundaries, succession has been seen with the natural growth of local plants. In addition, the company also carried out vetiver plantations along the canals to prevent landslides and erosion as well as maintenance of the canals with a washing / dredging program to protect them from silting.



**7.8.3**

POME management is carried out in the Sungai Bengkal Mill (SBNM) WWTP pond from the processing of oil palm with a capacity of 30 tons of FFB / hour located in the area of PT. Satya Kisma Usaha (PT. SKU). Before being distributed to the Land Application, all liquid waste is put into the WWTP which is then processed to reduce pollutants so that will suitable for application to the land. The certification unit has 4-unit WWTP pools consisting of 3 anaerobic ponds and 1-unit reserve pool with a capacity of 10,000 m3 each with a depth of 5 meters. Until the 1-1 Surveillance field visit to the WWTP pond, the reserve pool had never been used so that only 3 ponds were actively used with the Multi feeding system.

POME is managed in accordance with applicable national regulations, namely KepmenLH No.28 & 29 of 2003 regarding Technical Guidelines for Assessing Oil Palm Plantation Wastewater Utilization for Land Applications. The certification unit has a permit in the form of an extension of the Permit for Utilization of Wastewater by Application to the Land in accordance with the Decree of the Head of the Investment Service, One Stop Integrated Service, Cooperatives, Small and Medium Enterprises, Tebo Regency No. 01 of 2020 dated 21 January 2020 which is valid for 5 years. The area allowed for the land application is 160 hectares, which is located at the coordinates S01° 35' 20" E120° 36' 20". The document explains that the Biochemical Oxygen Demand (BOD) and pH parameters are monitored periodically every month.

The certification unit can also show the results of wastewater quality testing from January to December 2020. POME quality monitoring at the WWTP Outlet is carried out by the UPTD Environmental Laboratory, Environmental Service, Jambi Province. Based on the test results at the 2nd semester WWTP Outlet (July-December 2020), it shows that all the parameters measured are in accordance with the required quality standards, which means that the use of wastewater for the land application is in accordance with the applicable regulations.

The certification unit also conducts routine reports on Liquid Waste management every quarter, such as an example of Receipt of Report on the Implementation of Liquid Waste Management and Liquid Waste Application for the 4th Quarter of 2020 for the Bengkal River unit, which is sent to the Environment and Transportation Service of Tebo Regency Number 02 / SBNM-A / II / 2020 dated 10 February 2020, as well as the Jambi Province Environmental Service Number 01 / SBNM-A / I / 2020 dated 16 February 2020). The document contains a wet stamp, date of receipt, signature and the name of the recipient.

The certification unit also monitors the environmental quality of monitoring wells and boreholes for the second semester of 2020. Of the 28 parameters monitored at the Monitoring Well 1 which is located before LA, Monitoring Well 2 which is located on LA land, and Monitoring Well 3 which is located at the location after LA is below the quality standard value based on Minister of Health Regulations 416 of 1990. Likewise for the results of the tests carried out on Drilling Well 1 which is in cottage 1, and Drilling Well 2 in cottage 2 also none of which exceed the quality standard because the levels of BOD and COD has met the quality standard of KepmenLH No. 28 of 2003 and the quality standard of Minister of Health Regulations 416 of 1990.

Based on the results of field visits to WWTP and LA, it also shows that there is no pollution in the environment such as leakage or flooding, so that the LA implementation at PT SKU does not cause a significant negative impact on the surrounding environment. Based on the results of interviews with WWTP officers, it was also stated that every liquid waste flowed to LA was always recorded, the flowmeter used was functioning properly and there had never been any leaks or flooding in the WWTP area.

<b>Status: Comply</b>
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**7.9**
**Efficiency of fossil fuel use and the use of renewable energy is optimized.**
**7.9.1**

In increasing the efficiency of using fossil fuels and optimizing renewable energy, the company has managed solid waste in the form of fiber and shells which are used as fuel for boilers / turbines. Based on the results of interviews with company employees and data verification, it is known that the use of all fiber and shells is used for fuel. The following is the solid waste data generated:

Month	Processed FFB (Ton)	Solid waste (Ton)		
		EFB	Fiber	Shell
January	8,287.92	1,740.46	1,035.99	476.56
February	9,140.44	1,919.49	1,142.56	525.58



March	6,170.66	1,295.84	771.33	354.81
April	7,647.18	1,605.91	955.90	439.71
Mei	6,554.97	1,376.54	819.37	376.91
June	7,922.20	1,663.66	990.28	455.53
July	7,676.75	1,612.12	959.59	441.41
Augustus	13,950.76	2,929.66	1,743.85	802.17
September	13,213.36	2,774.81	1,651.67	759.77
October	13,062.52	2,743.13	1,632.82	751.10
November	14,549.18	3,055.33	1,818.65	836.58
December	15,078.80	3,166.55	1,884.85	867.03
<b>TOTAL</b>	<b>123,254.74</b>	<b>25,883.50</b>	<b>15,406.84</b>	<b>7,087.15</b>

The total use of fiber as a fuel substitution during the January-December 2020 period is 15,406.84 tons and shells of 7,087.15 tons. Energy efficiency efforts by using non-processing turbines can produce 86,303 kWh of electricity and saving 24,658 liters of diesel usage or 4.29% of the total use of diesel required by the factory.

**Status: Comply**

### 7.10

**Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimize GHG emissions.**

#### 7.10.1

There have been no new developments since 2014 in the PT SKU area, which is included in the current certification scope area of 4361.06 Ha. Identification of significant sources of GHG emissions that have been identified and mitigated by companies that include mills and plantations. Significant GHG emissions include land use change, processing of POME, use of fertilizers and pesticides, use of fossil fuels for operations and transportation. The mitigation plans include the proper use of fertilizers and application as recommended, reduce reuse and recycling actions, limit electricity use, transport and maintain machines, and periodic air quality tests. The company has also reported the GHG calculation results to the public with a summary report which can be viewed on the RSPO website.

The results of identification of pollution and emission sources for SBNE, SBNA, SBNM and KILE can be shown, recorded and reported in the identification document and management plan for pollution sources for the period January - December 2020, for example:

- Emissions (CO<sub>2</sub>, CO) are generated from the activity of generators and vehicle exhausts. Managed by performing machine maintenance, tree planting.
- Noise is generated by the activity of vehicles and generator engines, managed by regulating transport routes, periodic machine maintenance, and provision of PPE
- Chemical waste is generated from chemist activities, managed with efficient management
- Organic and inorganic waste originating from housing, offices and public facilities, is managed by separating the types of waste and not burning it.
- Hazardous and infectious waste from the clinic is managed by regularly collecting it to authorized collectors.

The reduction of fossil fuels in SBNM has been implemented with the use of fiber and shells for boiler fuel. The company also utilizes POME with test results from the January - December 2020 monitoring period, showing that all wastewater test parameters have met the applicable quality standards.

Based on the review of documents for example: monitoring of pesticide use, monitoring of diesel fuel, identification of HCV and others it was found that accurate data had been entered into the RSPO oil palm GHG Calculator. GHG calculation using palm GHG Calculator 4.0 which has been submitted to RSPO. The summary of GHG emissions for SBNM and the basis of supply for the period from January to December 2020 is listed as follows:

#### Summary Emissions

Description	Value	Unit	Description	Value	Unit
CPO	-0.14	tCO <sub>2</sub> /tProduct	Oil palm planted on mineral soil	5291.89	Ha
PK	-0.14	tCO <sub>2</sub> /tProduct	Oil palm planted area on peat	0.00	Ha
PKO	0	tCO <sub>2</sub> /tProduct	Total oil palm planted area	5291.89	Ha

PKE	0	tCO <sub>2</sub> e/tProduct	Conservation area (Forested)	0.00	Ha
OER	20.24	%	Conservation area (Non-Forested)	823.63	Ha
KER	5.53	%	FFB Production per hectare	23.45	t/ha

**Mill Emissions and Credits & Emissions from Palm Kernel Crusher**

Mill Emissions and Credits			Emissions from Palm Kernel Crusher	
Emission Source and Credits	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB	Emission Source	tCO <sub>2</sub> e
POME	24160.02	0.20	PK from own mill	0.00
Fuel Consumption	597.47	0.00	PK from other sources	0.00
Grid Electricity Utilization	0	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0	0.00	Total Crusher Emissions	0.00
Sale of PKS	0	0.00		
Sale of EFB	0	0.00		
Total	24757.48	0.20		

**Estate / Plantation Field Emissions and Sinks**

Description	Emission (tCO2e)			TOTAL
	Own	Group	3rd Party	
Emission Source				
Land Conversion	19028.18	0.00	0.00	19028.18
CO2 Emissions from Fertilizer	3603.02	0.00	0.00	3603.02
N2O Emissions from Peat	0.00	0.00	0.00	0.00
N2O Emissions from Fertilizer	2439.79	0.00	0.00	2439.79
Fuel Consumption	1555.17	0.00	0.00	1555.17
Peat Oxidation	0.00	0.00	0.00	0.00
Sinks				
Crop Sequestration	-48128.37	0.00	0.00	-48128.37
Sequestration in Conservation Area	0.00	0.00	0.00	0.00
Total	-21502.21	0.00	-7843.15	-29345.37

**FFB Supplier**

No	Supplier Name	FFB Production by Estate/Plantation (t)	FFB Supplied by Estate/Plantation (t)	Percentage of FFB supplied by Estate/Plantation (%)
1	SBNE	45372.34	44950.39	99.07
2	KILE	23330.91	23071.16	98.89
3	SBNA	18660.26	18485.00	99.06
4	KILA	16108.31	16108.31	100.00
5	Third Party	20639.88	20639.88	100.00

**Palm Oli Mill Effluent Treatment**

POME Treatment	Unit	Value
POME Produce	t/yr	82888.81
CH <sub>4</sub> (Total)	t/yr	1085.84
Applied N in POME	t/yr	37.30
Total N <sub>2</sub> O emission from POME	tCO <sub>2</sub> e/yr	0.25
POME Diverted to Compost	%	0
POME Diverted to anaerobic digestion	%	100
• POME to anaerobic pond	%	100
• POME to methane capture (flaring)	%	0

• POME to methane capture (electricity generation)	%	0
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*\*All POME is processed in WWTP and nothing is used as compost*

From the GHG calculator data, it can be seen that the value of CPO and PK has decreased from previous years where currently (in 2020) the value is -0.14 tCO<sub>2</sub>e / tProduct, while for 2019 the value is 0.10 tCO<sub>2</sub>e / tProduct. This shows that the certification unit has been able to reduce emissions resulting from plantation activities well, even for 2020 the company is able to absorb emissions. Based on the results of interviews and document review, this is because the age of the oil palm plants at PT SKU is an old plant (20-25 years) with a tight canopy cover that is able to absorb more emissions. This also has an effect on the lack of use of chemicals for the treatment of oil palm plantations.

### 7.10.2

There have been no new developments since 2014 in the PT SKU area that is included in the current certification scope. However, the company continues to identify and manage GHG with the results of identification of pollution and emission sources for SBNE, SBNA, SBNM and KILE can be shown, recorded and reported in the identification document and management plan for pollution sources for the period January - December 2020, for example:

- Emissions (CO<sub>2</sub>, CO) are generated from the activity of generators and vehicle exhausts. Managed by performing machine maintenance, tree planting.
- Noise is generated by the activity of vehicles and generator engines, managed by regulating transport routes, periodic machine maintenance, and provision of PPE
- Chemical waste is generated from chemist activities, managed with efficient management
- Organic and inorganic waste originating from housing, offices and public facilities, is managed by separating the types of waste and not burning it.
- Hazardous and infectious waste from the clinic is managed by regularly collecting it to authorized collectors.

The reduction of fossil fuels in SBNM has been implemented with the use of fiber and shells for boiler fuel. The company also utilizes POME with test results from the January - December 2020 monitoring period, showing that all wastewater test parameters have met the applicable quality standards.

### 7.10.3

The company already has activity records that can be used to identify significant sources of pollutants such as the Mill unit, namely the use of diesel for boiler fuel and transportation. As for the estate unit, such as the use of fertilizers, pesticides, domestic waste, electricity use and use of diesel fuel for transportation. Based on the identification results, the unit of certification has carried out a GHG plan and mitigation.

The GHG emission reduction mitigation plan developed by the company is the use of renewable fuels in the form of shells and fiber as a substitute for diesel, maintaining operational equipment such as boilers regularly (every week), conducting greening around factory and residential areas, and applying liquid waste to LA. Records of GHG mitigation for Estate and Plasma units, for example the use of fertilizers according to dosage, routine maintenance of operational vehicles, socialization of prohibitions on burning waste activities, implementing efficient use of electricity and integrated pest control to minimize pesticide use

The plan has a clear timeline, PIC and targets. What is being carried out is routine emission level testing for air emissions, noise, odor and ambient air, fertilization according to the recommendations and routine engine maintenance. Monitoring of pollution and emissions is carried out by the factory laboratory division and measurements are carried out periodically according to applicable regulations such as noise and odors, measurements are carried out every 6 months and the quality of factory waste is carried out every month. The measurement itself is carried out by a nationally accredited testing laboratory. Monitoring results show that all pollution and emissions resulting from the company's activities still meet the established threshold for each type of emission and pollution.

The company conducts environmental pollution analysis in collaboration with national accredited laboratories so that they can find out the quality standards that exist in plantation activities. The results of the analysis of ambient air monitoring in the factory area based on the quality standard of PP. 41 of 1999 shows that all parameters measured in September 2020 are below the required environmental quality standards. Likewise for the test results of Boiler Emissions and Genset Emissions, it shows that all the parameters measured in value meet the required quality standards.

However, the results of the analysis of noise quality monitoring in the factory area based on the benchmarks of the Minister of Environment Decree Number 48 of 1996 concerning Noise Level Standards, exceed the required quality standards. To overcome this, the certification unit mitigates risks by providing personal protective equipment to employees in the form of earplugs (ear muffs or ear plugs), so that the high noise does not endanger the health of employees.

Based on the explanation above, it can be seen that there is no value that passes the quality standard for the emission and odor test results, while for noise risk mitigation has been carried out. The company has also taken several actions in managing emissions and disturbance from immovable sources, including:

- Measure the stack height according to the required height standards
- Planting reforestation trees as a green belt in the factory area
- Educating employees on the importance of using PPE for workers in machine parts
- Emplacement is far from the generator engine
- Testing is carried out with a frequency of 2 (two) times a year
- Monitoring points for changes in air quality are carried out in residential areas / emplacements that are frequently traversed by transport trucks and generators
- Carry out respiratory health checks on factory employees

**Status: Comply**

#### 7.11

**Fire is not used for preparing land and is prevented in the managed area.**

##### 7.11.1

The certification unit has conducted a semi-detailed study for all areas of PT SKU within the scope of certification. Meanwhile, until the Audit Activities were carried out in 2021, the management unit had not yet carried out any replanting or new development activities. Likewise, with the replanting plan. Based on the results of the document review, it is known that until 2024 there are no plans for replanting activities within the scope of PT SKU's certification.

##### 7.11.2

The certification unit has carried out fire prevention and control activities by:

- Earthquake, Housing and Land Fire emergency response simulations carried out on 23 July 2020 are available along with evaluation and documentation.
- Report on Fire Management Unit and Facilities and Infrastructure for Land Fire Management to the Plantation Service on August 24, 2020.
- The most recent list of KTD tools available in the August 2020 period
- Available maps of fire prone locations, identification of fire prone levels and patrol of land fires for the period of July 2020.
- KILE KILA simple fire extinguishing equipment and equipment monitoring documents are available for the period July 2020.

##### 7.11.3

The unit of certification engages stakeholders in adjacent locations for fire prevention and control measures. One of the examples of activities carried out is that the management unit routinely conducts outreach to stakeholders for fire prevention and control activities, several examples of activities that have been carried out include documentation in the form of an official report on the implementation of socialization of prevention and control of land, land and forest fires as a result of cooperation between Muspika Kecamatan Tebo Ilir, Manggala Agni Daops Tebo, and PT SKU on March 5, 2020 with 50 participants.

**Status: Comply**

#### 7.12

**Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.**

##### 7.12.1

The certification unit shows the evidence of communication to RSPO regarding the LUCA follow up of PT SKU, the communication is done through email on January 28, 2019 and February 1, 2019, respectively. And on February 20, 2019 the compensation panel has response the email with statement that the RSPO is on process to review the LUCA. Until now, the LUCA process is still in the review stage by the RSPO, as this is described in detail in indicator 7.12.8.

### 7.12.2

The certification unit did not do land clearing after 15 November 2018. Therefore, the company has no obligation to conduct an HCS study. The management unit already has the PT SKU SBNE & SBNA Unit's HCV Identification Result Report for the February 2011 period, and for KILE it was carried out in 2010. Field activities for HCV identification were carried out in October 2010 by the Sinarmas Internal Team. Each HCV identification report for the farm has been reviewed by the independent consultant Resit Sozer. Based on these reports, in the SBNE and SBNA working areas, the areas identified as HCV were 156.60 Ha (SBNE), 89.04 Ha (SBNA), and 338.10 Ha (KILE).

Most of the CU's HCV areas are riparian zones because they have identified value for ecosystem services. The Riparian area that becomes HCV Most of the land cover is in the form of oil palm trees, but some of it is in the form of shrubs. Its existence as a provider of ecosystem services, either directly or indirectly, cannot be separated. The location of the riverbank is considered an important riparian ecosystem as a water provider and flood control for downstream communities. The results of document review and interviews with stakeholders showed that there were no HCV areas that overlapped with local community rights (no HCV 5, and only HCV 6). The HCV 6 area located in the company's operational area is a public cemetery especially used by company employees and field observations in the HCV 6 area division 1 SBNE block B05 show that the company has demarcated and installed a warning board related to the conservation area guarded by the company.

The HCV identification activities at KILE and KILA which were carried out for the vegetation study identified 33 species of vegetation. For the results of the survey, there were identified 8 species of mammal groups, 17 species from the aves group and 4 species from the Herpetofauna group. Meanwhile, the identification results in SBNA found 16 species of fauna with a composition of 9 species of aves, 3 types of reptiles and 4 species of mammals and 13 species of flora which are dominated by understorey. For identification in SBNE, it was obtained 18 species of fauna with a composition of 9 species of aves, 4 types of reptiles, 5 species of mammals. For flora, it is dominated by undergrowth with 12 types of understorey. Protected species and species that are of concern to the world in their protection status (CITES and IUCN) are found, among others, *Buceros rhinoceros*, *Macaca nemestrina*, *Panthera tigris sumatrae* and *Elephas maximus*.

### 7.12.3

Indicator 7.12.3. until now irrelevant to Indonesia, until a further decision by the RSPO.

### 7.12.4

The company has prepared and established an HCV management plan in the Annual High Conservation Value Management Plan document for the period 2020 for the entire scope of certification. The management and monitoring plan consists of:

- River border management by maintaining boundary markers every 3 months, direct socialization to crew and stakeholders every 4 months, maintenance of HCV warning boards every 3 months, rehabilitation of river borders for 7000 meters, maintenance of rehabilitation plants every 3 months, protection of HCV every 2 weeks once, conserve water resources every month
- Management of endangered and / or protected species, through indirect socialization through 4 warnings, maintenance of HCV warning boards 4 times a year, safeguarding HCV twice a month.
- HCV monitoring (monitoring of HCV attributes; quarterly HCV condition monitoring and monitoring of HCV rehabilitation, and monthly monitoring of RTE species).

Implementation of HCV management and monitoring for 2020 is carried out in accordance with the 2020 HCV management plan, for example:

- The marking of the spray limit on the river bank with red paint is 50 meters from the riverbank.
- Outreach to the public and employees about the river border protection policy on March 6, 2020 which was held in Betung Bedarah Village attended by 47 participants and October 10, 2019 to employees attended by 83 employees. (available minutes, attendance list and photos of activities).
- The company showed a recapitulation of planting river border seedlings for the Sungai Bengkal Estate for the period of 2019, the recapitulation was made on December 31, 2019 which explained that erosion prevention plants had been planted in the Sungai Bengkal Estate
- Inspections to ensure safety and implementation of HCV management mitigation are carried out weekly by the HCV officers of each estate, and are included in the HCV patrol reports.

The certification unit has carried out HCV management in accordance with the management plan and procedures that are compiled every year. The management plan is always updated every 2 years referring to the results of the SIA study, where it aims to make an integrated management plan which are developed in consultation with relevant stakeholders and cover both directly managed areas and considering to broader landscape level.

#### **7.12.5**

The SKU management unit is an acquired plantation from the previous owner, so the initial information on land clearing is unknown. The oldest planting year in Sungai Bengkal Estate was 1996, in Muara Kilis Estate in 2008 and in Sungai Bengkal KKPA in 2006. Development of new plantations / planting in the period 2006-2010, land preparation was carried out in 2005. Based on the results of HCV identification, it was found that there was no area needed by the community to fulfill basic needs. In addition, based on interviews with the Head of Betung Bedarah Barat village, Muara Kilis village head and Rantau Api village head, it was found that the community had not fulfilled their basic needs from the forest but from local markets. The livelihoods of the surrounding community include farming with rubber or oil palm plants.

The results of the HCV assessment for each plantation were consulted through a public consultation activity on 19 December 2012 which was attended by 36 participants (community leaders, residents of Betung Bedarah village, other villages, and employees) (SBNE / A), while public consultations for assessment activities HCV KILE / KILA was conducted in 2011. The results of document verification, the results of field visits and interviews with village communities, obtained information that there are no HCV areas that are related to and affect the local community. Based on the document review in the 2011 HCV identification report document, field observations and the results of consultations with relevant agencies and the surrounding community, it is known that there is no community cultivated land that is made into conservation areas so there is no need for an agreement that has been negotiated to protect HCV areas and the rights of local communities.

The certification unit has also collaborated with NGO stakeholders such as OFI (Orangutan Foundation International), PT Ekologika Consultant, TFT (The Forest Trust), ZSL (Zoological Society of London) and BICONS (Biodiversity and Conservation - Migrant Bird Conservation). For Academic Affairs, GAR has collaborated with IPB Bogor, UGM Yogyakarta, Tanjung Pura University Pontianak and Padjajaran University Bandung. The approach that has been taken internally by PT. Satya Kisma Usaha and its stakeholders are:

- Submit a list of protected species found in the area to BKSDA.
- Socialization about HCVs is carried out periodically to determine the extent of community understanding of the presence of HCVs in the PT. Satya Kisma Usaha.

#### **7.12.6**

The company has developed an HCV management plan and is implementing it accordingly. Regular patrol records show that the company has been monitored for illegal hunting, and other illegal activity. All records for daily patrols at each plantation are available and reports by auditors. The socialization that has been carried out to the community regarding the existence of endangered plants and animals is carried out simultaneously with the socialization of protected areas, for example the socialization of the existence of protected animals and plants to the Betung Bedarah Village community on March 6, 2020 was attended by 47 participants. This can be proven by an official report in which there is documentation and a list of attendees.

Based on interviews with employees and public consultations with the surrounding community by telephone, it was found that the company had understood the existence of rare flora and fauna, both employees and the community could mention the types of protected species. is in the plantation area of PT SKU. The company has conducted outreach to employees and the public regarding the steps that must be taken if there is a meeting with wild / rare animals. The results of the interviews and the RKL-RPL documents have also never been hunting in the company area.

#### **7.12.7**

Based on the monitoring result of HCV in previous surveillance until this current audit process, there has been no indication of poaching of protected animals because they are rarely found around HCV areas bordering rivers. The unavailability of animal corridors between designated HCV areas and production forests and / or other protected forests is one of the reasons why wildlife species are rarely seen in HCV areas.

Avoid and prevent illegal hunting and / or encroachment of HCV areas that have been determined by PT. SKU, several warning boards have been installed regarding the prohibition of poaching and encroachment. Routine monitoring of HCV areas is carried out by



several personnel appointed by the company. The results of field observations also indicate that there are signs that prohibit hunting of protected animals, burning, and marking the boundaries of conservation areas.

Monitoring of protected areas is carried out periodically every month to ensure the safety of the area. Examples of monitoring at Sungai Bengkal Estate on 10 March 2021 for monitoring of warning boards and on 14 March 2021 for monitoring of stake boundary of HCV areas and spraying. The results of field visits to several conservation areas show that the company has carried out protected area management in the form of not logging and replanting, not using chemicals, and installing Protected Area signage and prohibiting hunting.

The management plan is implemented effectively based on the results of monitoring which is carried out regularly every month, and the management plan is updated every year if needed. updates are determined based on the results of evaluated HCV monitoring. The results of the evaluation and updating of the HCV management plan will then be disseminated to all stakeholders within the scope of certification and will be applied in the next period.

#### 7.12.8

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

The management unit shows the evidence of communication to RSPO regarding the LUCA follow up of PT SKU, the communication is done through email on January 28, 2019 and February 1, 2019, respectively. And on February 20, 2019 the compensation panel has response the email with statement that the RSPO is on process to review the LUCA. The RSPO has explained through email on April 25, 2019, stated that "based on RSPO internal discussion, agreed that NC raised on PT SKU can be left open until the next audit next year. We do hope that the process of completing the RaCP can be completed by then. Monitoring of the progress needs to be conducted closely to ensure you can meet the timeline."

On March 26, 2021 RSPO sent an email to CB along with the RSPO Compliance Advisory letter No: 0002/03/21 Assurance - Integrity dated 25 March 2021. The document shown explains that the company units under GAR are going through the LUCA review process or the concept of Note RaCP, whether units that have been certified or not yet certified, the validity period of the advisory Note and others. Compliance Advisory was recommended by Wan Muqtadir Wan Abdul Fatah as Senior Manager of Integrity on March 24, 2021 and approved by Tiur Rumondang as Assurance Director on March 25, 2021. Briefly the contents of. Compliance Advisory as follows:

The approval to continue with certification can only be done for the unit of certification that will be expiring in the next six months from the issuance of this Advisory Note. **The NC that is raised will be allowed to be open until the next surveillance/recertification audits.**

- For the other units that have expiring license from October 2021 onwards would need to continue its follow-up with RSPO on the RaCP status and completion continuously. Those units will be evaluated again on its progress.
- For any unit that is at the initial certification stage, issuance of a certificate can only be done after the compensation plan has been approved.

Based on the evidence above, this will be re-verified during the ASA-1.1 audit.

<b>Status: Comply</b>
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**3.2 Conformity Checklist of Certificate and Trademark Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or √</b>
<b>RC</b>	PT Satya Kisma Usaha do not use RSPO trademark and CB Logo.	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or √</b>
<b>RC</b>	PT Satya Kisma Usaha do not use RSPO trademark and CB Logo.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or √</b>
<b>RC</b>	PT Satya Kisma Usaha do not use RSPO trademark and CB Logo.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or √</b>
<b>RC</b>	PT Satya Kisma Usaha do not use RSPO trademark and CB Logo.	√
	<b>Status: Comply</b>	

### 3.3 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 5.5.3. A summary of findings is as stated below.

Golden Agri-Resources, Ltd Time Bound Plan (TBP) is explained in table 1.5. Golden Agri-Resources run forty-seven (47) mills and one hundred and thirty-six (166) estates (own and smallholders) in Indonesia and has achieved RSPO certified for thirty-one (31) 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 21 January 2021 made by Head of Sub Div SPO Certification and Low GHG Strategy.

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

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company Group/Holding Statement:</b></p> <p>The company has carried out a Compliance Audit / Internal Compliance Verification (ICV) to see compliance with RSPO standards and also the Set up System in the Company's units to be certified.</p> <p>There are Compliance Audit (ICV) reports for each company including:</p> <ol style="list-style-type: none"> <li>1. PT Sawitakarya Manunggul – Sawita Mill : Pre Audit 2015, Compliance Audit 15 June 2020</li> <li>2. PT Smart Tbk – Bukit Kapur Mill: Pre Audit 2015, Compliance Audit 05 October 2020</li> <li>3. PT Sinar Kencana Inti Perkasa – Kasuari Mill: Pre Audit 2015, Compliance Audit 19 October 2020</li> <li>4. PT Agrolestari Mandiri – Pekawai Mill: Pre Audit 2015, Compliance Audit 06 July 2020</li> <li>5. PT Binasawit Abadi Pratama – Perdana Mill: 08 June 2020 <i>Compliance Audit By System GSIS</i></li> <li>6. PT Agrokarya Prima Lestari – Kuayan Mill: Pre Audit 2014, Compliance Audit 21 September 2020</li> <li>7. PT Mitrakarya Agroindo – Tangar Mill: Pre Audit 2015, Compliance Audit 13 July 2020</li> <li>8. PT Paramita Internusa Pratama – Belian Mill: Pre Audit 2015, Compliance Audit 13 July 2020</li> <li>9. PT Kresna Duta Agroindo – Rantau Panjang Mill: Compliance Audit 09 November 2020</li> </ol>

	<p>10. PT Kresna Duta Agroindo – Gunung Kombeng Mill: Compliance Audit 10 February 2020</p> <p>11. PT Sawit Mas Sejahtera – Sungai Kikim Mill: <i>Setup System</i>. Compliance Audit 02 March 2020</p> <p>12. Sinar Kencana Inti Perkasa – Sungai Magalau Mill: Compliance Audit 14 September 2020.</p> <p>13. PT Bahana Karya Semesta – Sungai Air Jernih Mill: Compliance Audit 07 December 2020</p> <p>14. PT Agrolestari Sentosa – Jalemo Mill: <i>Setup System</i> : Compliance Audit 20 January 2020</p> <p>15. PT Adi Tunggal Mahajaya – Sako Mill: Compliance Audit 17 November 2020.</p> <p>16. PT Bangun Nusa Mandiri – KNRM: Akan diaudit tahun 2021 (the Mill still in Commisioning process)</p> <p><b>Auditor Verification:</b></p> <p>Internal Audit report available for uncertified management unit:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base) compliance audit on 19-30 October 2020.</li> <li>2. PT Agrolestari Mandiri (Pekawai Mill and supply base) compliance audit on 6-15 July 2020.</li> <li>3. PT Binasawit Abadi Pratama (Perdana Mill and supply base) compliance audit on 8-16 June 2020.</li> <li>4. PT Agrokarya Prima Lestari (Kuayan Mill and supply base) compliance audit on 21 September 2020 – 2 October 2020.</li> <li>5. PT Mitra Karya Agroindo (Tangar Mill and supply base) compliance audit on 13-23 July 2020.</li> <li>6. PT Paramitra Internusa Pratama (Belian Mill and supply base) compliance audit on 13-24 July 2020.</li> <li>7. PT Sawit Mas Sejahtera (Sungai Kikim and supply base) compliance audit on 2-11 March 2020.</li> <li>8. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) compliance audit on 14-18 September 2020.</li> <li>9. PT Agro Lestari Sentosa (Jalemo Mill and supply base) compliance audit on 20-24 January 2020.</li> <li>10. PT Adi Tunggal Mahajaya (Sako Mill and supply base) compliance audit on 17-27 November 2020.</li> <li>11. PT SMART (Bukit Kapur Mill and supply base) compliance audit on 5-9 October 2020.</li> <li>12. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) compliance audit on 9-13 November 2020.</li> <li>13. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base) compliance audit on 1-15 February 2020.</li> <li>14. PT Sawitakarya Manunggul (Sawita Mill and supply base) compliance audit on 15-26 June 2020.</li> <li>15. PT Bahana Karya Semesta (Sungai Air Jernih Mill and supply base) compliance audit on 7-21 December 2020.</li> </ol>
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		<p>There is 1 management unit which under system development i.e PT Bangun Nusa Mandiri. PT Bangun Nusa Mandiri is on process to construct the mill (Kenari Mill), so an internal audit has not been carried out because the Mill is still in commissioning.</p>
2.2.2	<p>No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.12</p>	<p><b>Company Group/Holding Statement:</b>  Several companies under GAR were planted above November 2005, while the HCV assessment process was conducted in the period 2010 – 2013.</p> <p>GAR and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 29, 2014.</p> <p>25 companies have been developed after November 2005, from 25 companies made to 29 reports and are currently following the RaCP process with progress as of January 18, 2021 as follows:</p> <p>a) 5 concept notes have been accepted by RSPO including:</p> <ol style="list-style-type: none"> <li>1. PT Kresna Duta Agroindo – Kalimantan Timur</li> <li>2. PT Agrolestari Sentosa – Kalimantan Tengah</li> <li>3. PT Sumber Indah Perkasa – Papua</li> <li>4. PT Kencana Graha Permai – Kalimantan Barat</li> <li>5. PT Buana Arta Sejahtera – Kalimantan Tengah</li> </ol> <p>b) 1 LUCA report has been accepted by RSPO the report is PT Tapian Nadenggan – Kalimantan Tengah with a total Compensation Liability covering an area of 1428.43 ha and HCV Remediation covering an area of 1009.87 ha. Submission of the revised Concept Note to RSPO will take place on 2 December 2019</p> <p>c) 16 LUCA report still in the process of being reviewed by the RSPO:</p> <ol style="list-style-type: none"> <li>1. PT Cahaya Nusa Gemilang – Kalimantan Barat</li> <li>2. PT Bumi Sawit Permai – Sumatera Selatan</li> <li>3. PT Satya Kisma Usaha (Sungai Bengkal Estate) - Jambi</li> <li>4. PT Satya Kisma Usaha (Batang Gading Estate) - Jambi</li> <li>5. PT Satya Kisma Usaha (Kilis Estate) – Jambi</li> <li>6. PT Satya Kisma Usaha (Sungai Bengkal KKPA) – Jambi</li> <li>7. PT Tapian Nadenggan (JLYE, BSRE, LBLE) – Kalimantan Timur</li> <li>8. PT Tapian Nadenggan (BSRE) – Kalimantan Timur</li> <li>9. PT Paramitra Internusa Pratama – Kalimantan Barat</li> <li>10. PT Sawita Karya Manunggul – Kalimantan Selatan</li> <li>11. PT Bangun Nusa Mandiri – Kalimantan Barat</li> <li>12. PT Kartika Prima Cipta – Kalimantan Barat</li> <li>13. PT Binasawit Abadi Pratama – Kalimantan Tengah</li> <li>14. PT Aditunggal Mahajaya – Kalimantan Tengah</li> <li>15. PT Mitrakarya Agroindo – Kalimantan Tengah</li> <li>16. PT Agrokarya Primalestari – Kalimantan Tengah</li> </ol>

		<p>d) 6 reports are in the process of being revised and will be sent to RSPO:</p> <ol style="list-style-type: none"> <li>1. PT Tapan Nadenggan (Hanau Mill) – Kalimantan Tengah</li> <li>2. PT Agrolestari Mandiri – Kalimantan Barat</li> <li>3. PT Persada Graha Mandiri – Kalimantan Barat</li> <li>4. PT Satya Kisma Usaha – Kalimantan Barat</li> <li>5. PT Buana Adhithama – Kalimantan Barat</li> <li>6. PT Sinar Kencana Inti Perkasa – Kalimantan Selatan</li> </ol> <p>e) 1 LUCA report is proposed to be postponed until the HCV HCS Integrated Report gets a Satisfactory status from the HCVRN, namely PT Sawit Mas Sejahtera - Sumateara Selatan.</p> <p>HCV assessment for 28 report from 24 companies was conducted in the period of 2010 - 2012, mostly carried out by external parties. HCV assessments are carried out by assessors who have been approved RSPO. reference to the HCV assessment using the Toolkit HCV 2008. peer review is carried out by an independent consultant who has also been approved by the RSPO. 1 HCV-HCS Assessment report still in progress review by HCVRN.</p> <p>The company always takes action on the RaCP process, but only the RSPO for uncertified units can be realized immediately.</p> <p><b>Auditor Verification:</b></p> <p>Based on auditor verification, not all uncertified unit conduct new clearing after Nov 2005, but for uncertified unit with land clearing after Nov 2005 has follow RaCP. Detail information of uncertified unit are:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base): no new land clearing after Nov 2005 and company already disclose to RSPO.</li> <li>2. PT Agrolestari Mandiri (Pekawai Mill and supply base): LUCA review and the last review from RSPO received on 30 November 2020.</li> <li>3. PT Binasawit Abadi Pratama (Perdana Mill and supply base): LUCA review and the last revision was sent to RSPO on 9 December 2020</li> <li>4. PT Agrokarya Prima Lestari (Kuayan Mill and supply base): LUCA review and the last revision was sent to RSPO on 30 December 2020</li> <li>5. PT Mitra Karya Agroindo (Tangar Mill and supply base): LUCA review and the company on process to response the second review. The last revision was sent to RSPO on 30 December 2020.</li> <li>6. PT Paramitra Internusa Pratama (Belian Mill and supply base): LUCA review and last revision was sent to RSPO on 22 July 2020.</li> <li>7. PT Sawit Mas Sejahtera (Sungai Kikim and supply base): LUCA review and last review from RSPO received on 12 January 2020. (LUCA Hold) until HCV-HCS Satisfactory on HCVRN</li> </ol>
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2.2.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>Company Group/Holding Statement:</b></p> <p>GAR and its subsidiaries planted oil palm plantation after January 2010. There were 18 companies that had conducted NPPs and had gone through a public consultation process in April 2014. The companies were:</p> <ol style="list-style-type: none"> <li>1. PT Satya Kisma Usaha – Jambi</li> <li>2. PT Bumi Sawit Permai – Sumatera Selatan</li> <li>3. PT Tapian Nadenggan – Kalimantan Timur</li> <li>4. PT Kresna Duta Agroindo – Kalimantan Timur</li> <li>5. PT Mitra Karya Agroindo – Kalimantan Tengah</li> <li>6. PT Binasawit Abadipratama – Kalimantan Tengah</li> <li>7. PT Aditunggal Mahajaya – Kalimantan Tengah</li> <li>8. PT Agrolestari Sentosa – Kalimantan Tengah</li> <li>9. PT Agrokarya Primalestari – Kalimantan Tengah</li> <li>10. PT Buana Adhitama – Kalimantan Tengah</li> <li>11. PT Buana Artha Sejahtera – Kalimantan Tengah</li> <li>12. PT Agrolestari Mandiri – Kalimantan Barat</li> <li>13. PT Paramitra Internusa Persada – Kalimantan Barat</li> <li>14. PT Persada Graha Mandiri – Kalimantan Barat</li> <li>15. PT Bangun Nusa Mandiri – Kalimantan Barat</li> <li>16. PT Kartika Pria Cipta – Kalimantan Barat</li> <li>17. PT Kencana Graha Mandiri – Kalimantan Barat</li> <li>18. PT Cahaya Nusa Gemilang – Kalimantan Barat</li> </ol> <p><b>Auditor Verification:</b></p> <p>Based on auditor verification, not all uncertified unit conduct new clearing after January 2010 but for all uncertified unit with land clearing after January 2010 has follow NPP. Detail information of uncertified unit are:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base): there is no new land clearing after January 2010</li> </ol>

		<ol style="list-style-type: none"> <li>2. PT Agrolestari Mandiri (Pekawai Mill and supply base): NPP on 26 April 2014</li> <li>3. PT Binasawit Abadi Pratama (Perdana Mill and supply base): NPP on 8 July 2014</li> <li>4. PT Agrokarya Prima Lestari (Kuayan Mill and supply base): NPP on 26 April 2014 and PT Buana Adhitama (supply base) conduct NPP on 4 June 2014.</li> <li>5. PT Mitra Karya Agroindo (Tangar Mill and supply base): NPP on 26 April 2014</li> <li>6. PT Paramitra Internusa Pratama (Belian Mill and supply base): NPP on 3 June 2014, PT Kartika Prima Cipta (supply base) conduct NPP on 8 July 2014 And PT Persada Graha Mandiri (Supply base) conduct NPP on 6 June 2014.</li> <li>7. PT Sawit Mas Sejahtera (Sungai Kikim and supply base): there is new planting after January 2010 in Sungai Kikim Estate and Sungai Saling Estate, the company not conduct NPP. <b>This is become subject of sanction.</b> For PT Buana Sawit Mas (supply base) conduct NPP on 8 July 2014.</li> <li>8. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base): there is no new land clearing after January 2010.</li> <li>9. PT Agro Lestari Sentosa (Jalemo Mill and supply base): NPP on 26 April 2014</li> <li>10. PT Adi Tunggal Mahajaya (Sako Mill) (under construction): NPP on 25 April 2014, PT Agrokarya Prima Lestari (supply base) conduct NPP on 26 April 2014 and PT Mitra Karya Agroindo (supply base) conduct NPP on 26 April 2014.</li> <li>11. PT SMART (Bukit Kapur Mill and supply base): there is no new land clearing after January 2010.</li> <li>12. PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base): NPP on 8 July 2014</li> <li>13. PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base): NPP on 8 July 2014</li> <li>14. PT Sawitakarya Manunggul (Sawita Mill and supply base): there is new land clearing after January 2010 in Sawita KKPA and company not conduct NPP. <b>This is become subject of sanction.</b></li> </ol>
2.2.4	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8	<p><b>Company Group/Holding Statement:</b></p> <p>No land conflicts. The company has a land conflict resolution mechanism in accordance with the RSPO criteria 4.2, 4.6, 4.7 and 4.8. This procedure is contained in the SOP for handling social conflicts with the registration number SOP/SMART/SCRD/NSDV/II/002 revision 1 dated 18 May 2016 and SOP for Handling Complaints and Dissatisfaction no SOP/SMART/GIMSSCMD/USDV/II/001 revision 2 dates April 11, 2017. This procedure regulates mutually agreed upon social conflict resolution. Conflict resolution can be done in a participatory manner and can also be done with a third party (mediator).</p>

		<p>The company also has a procedure for handling complaints before they develop into conflict. The process in question is SOP/SMART/GIMS-SCMD/USDV/I/001 revision 2 dated 11 April 2017, handling complaints appropriately and quickly. GAR has initiated to become a member of the RSPO DSF as a "Grower" category.</p> <p>Here recap of complaint progress related to GAR which publish in RSPO Website:</p> <ol style="list-style-type: none"> <li>1. PT Kartika Prima Cipta: Complaints by FPP regarding the FPIC process Another 6 issues in 2014: RSPO with the approval of GAR and FPP divides the conflict resolution verification process into 5 phases. Currently it has been completed until phase 3 (phase 1 related to NPP, maximum land holding and new land development, phase 2 related to legality, phase 3 related to smallholders). As of January 3, 2021, GAR has sent additional explanations and supporting evidence related to the fulfillment of the related issues. Phases 4 and 5 will begin in February 2021.</li> <li>2. Kapuas Hulu Region (PT KPC, PT PGM and PT PIP) regarding the legality of 2018: that the legal review process is still ongoing. Until January 15, 2021 there has been no progress from the RSPO regarding the results of the legal review.</li> <li>3. Eight company in Central Kalimantan (PT TN, PT BAP, PT BAS, PT ATM, PT AKPL, PT BAT, PT MKA, PT ALS): complaint from FPP in 2020 regarding land legality and bribery case that GAR has replied to the RSPO email related to GIS analysis of the location of the land on 22 December 2020. Until now, it is still waiting for further decisions from the RSPO.</li> <li>4. The results of the Compliance Audit carried out in the 2020 period in the uncertified unit had no land conflicts and the unit had disseminated the SOP for handling complaints and grievances, Human Rights Policies and SOPs for handling social conflicts both internal and external, in general the FPIC process has been carried out according to procedures, so that there is no land or social conflicts.</li> </ol> <p><b>Auditor Verification:</b></p> <p>Auditor has verified the supporting evidence of above the company statement. There is no land conflicts in the following uncertified management unit:</p> <ol style="list-style-type: none"> <li>1. PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base)</li> <li>2. PT Agrolestari Mandiri (Pekawai Mill and supply base).</li> <li>3. PT Mitra Karya Agroindo (Tangar Mill and supply base)</li> <li>4. PT Sawit Mas Sejahtera (Sungai Kikim and supply base)</li> <li>5. PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base)</li> <li>6. PT Adi Tunggal Mahajaya (Sako Mill and supply base)</li> <li>7. PT SMART (Bukit Kapur Mill and supply base)</li> </ol>
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2.2.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 4.2	<p><b>Company Group/Holding Statement:</b></p> <p>The company has a procedure for handling employee complaints before they develop into conflicts. The process in question is SOP / SMART / SCRD / NSDV / I / 002 revision 1 dated 18 May 2016.</p> <p>Procedures related to employee problems are regulated in the internal flow form because employees are included in the category of internal stakeholders. The complaint medium used is an official letter submitted through the union or put in the suggestion box provided in strategic locations.</p> <p>Here recap of complaint progress related to GAR which publish in RSPO Website:</p> <ol style="list-style-type: none"> <li>1. PT AMNL, West Kalimantan, complained by the Ketapang Regency Indonesian Prosperity Labor Union (<i>Serikat Buruh Sejahtera Indonesia</i>) on August 30, 2018, Complaints related to the company allegedly dismissing workers in violation of Indonesian labor law. Current status complaint is closed (Based on a letter from RSPO No. RSPO / 2018/15 / SW dated 11 August 2020 in response to the Complaints Panel's decision on PT Agrolestari Mandiri "to reject the complaint" in accordance with the available evidence and sent to RSPO - Attached Letter).</li> <li>2. PT SMART, North Sumatra, Complaints by 56 PT SMART Workers and local communities in Dusun Belongkut I, II and III, dated 18 October 2018, regarding</li> </ol>

		<p>a. The company is suspected of not paying severance pay in accordance with labor law No. 13 of 2003 to 56 former workers.</p> <p>b. Workers suspect that the company does not comply with regulations related to CSR, especially in the environmental sector. Current status complaint is closed (Based on a letter from RSPO No.RSPO / 2018/22 / SW dated 1 October 2020 against complaints directed by Dusun X, Belongkut Village to PT SMART TBK and based on a decision from the RSPO Complaints Panel and existing evidence it is decided that the complaint has been declared "reject the complaint")</p> <p>3. PT SMART Tbk, PT MPLWI North Sumatra, Complaints from the Branch Consulate of the Federation of Indonesian Metal Workers Union (KC-FSPMI) regarding Discrimination against female workers and workers who are not provided with safety equipment and do not get maternity and maternity leave. Current status complaint is closed (Based on a letter from the RSPO dated January 29, 2020, addressed to the Branch Consulate of the Indonesian Metal Workers Union Federation (KC-FSPMI) regarding the complaint addressed to PT SMART TBK that the complaint has been followed up by both parties and has received agreement on October 5, 2019. In accordance with the letter stated that the complaint has been declared closed "closed")</p> <p><b>Auditor Verification:</b></p> <p>There is information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries, consist of:</p> <ul style="list-style-type: none"> <li>Complaints from the Indonesian Prosperity Labor Union to PT Agrolestari Mandiri through the RSPO complaint panel and as explained by the company above that the case has been closed. Based on a letter from RSPO No. RSPO / 2018/15 / SW dated 11 August 2020.</li> <li>PT Sawitakarya Manunggul: <a href="https://dutatv.com/buruh-pt-sawita-karya-manunggul-mengadu-ke-dprd/">https://dutatv.com/buruh-pt-sawita-karya-manunggul-mengadu-ke-dprd/</a>. Regarding the news, the company explained that it was about reducing employees in terms of company efficiency policies. The company also showed evidence that it had attended an invitation to a hearing regarding the matter from the Kotabaru Regency Regional House of Representatives (DPRD) on 10 February 2020. From this meeting the company decided to proceed to the industrial relations court so that the matter could get legal certainty but until now part of the employee's party did not continue the problem to the industrial relations court.</li> </ul> <p>There is no labor issue in other uncertified management unit.</p>
2.2.6	Legal non-compliance, if any, is being addressed through measures consistent with the	<p><b>Company Group/Holding Statement:</b></p> <p>Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 where there is no violation of the rules that</p>

	<p>requirements of RSPO P&amp;C criterion 2.1</p>	<p>are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/I/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p>Subsidiaries of GAR which still on going to process HGU consist of:</p> <ol style="list-style-type: none"> <li>1. PT Djuanda Sawit Lestari (Muara Wahau Estate / Muara Tawas Estate)</li> <li>2. PT Sawit Mas Sejahtera (Sawit Mas Estate)</li> <li>3. PT Bumi Sawit Permai (Bumi Sawit Estate)</li> <li>4. PT Forestralestari Dwikarya (Tanjung Rusa Estate)</li> <li>5. PT Sumber Indah Perkasa (Sungai Buaya Estate, Sungai Merah Estate)</li> <li>6. PT Ivo Mas Tunggal (Samsam Estate, Kandista Estate, Nenggala Estate, Sei Rokan Estate, Ujung Tanjung Estate)</li> <li>7. PT Buana Wiralestari Mas (Nagasakti Estate; Nagamas Estate and Kijang Estate)</li> <li>8. PT Ramajaya Pramukti (Ramarama Estate)</li> <li>9. PT Binasawit Abadipratama (Perdana Estate, Lenggana Estate, Semandau Estate, Muara Dua Estate, Perdana Mill)</li> <li>10. PT Agrokarya Prima Lestari (Mentaya Estate, Kuayan Estate, Bukit Santuhai Estate, Tajur Beras Estate, Seranau Estate)</li> <li>11. PT Buana Adhitama (Sapiri Estate)</li> <li>12. PT Agrolestari Sentosa (Manuhing Estate, Kajui Estate)</li> <li>13. PT Mitra Karya Agroindo (Sungai Nusa Estate)</li> <li>14. PT Aditunggal Mahajaya (Sako Mill, Sungai Ayawan Estate)</li> <li>15. PT Satya Kisma Usaha (Medang Sari Estate)</li> <li>16. PT Agrokarya Prima Lestari (Kuayan Mill)</li> <li>17. PT Buana Adhitama (Bukit Dua Estate)</li> <li>18. PT Agrolestari Sentosa (Jalemo Mill, Jalemo Estate)</li> <li>19. PT Agrokarya Prima Lestari (Kuayan Mill)</li> <li>20. PT Mitrakarya Agroindo (Tangar Mill)</li> <li>21. PT SMART Tbk (Sungai Cantung Estate, Bukit Kapur Estate, Bukit Kapur Mill)</li> <li>22. PT Bangun Nusa Mandiri (Gaharu Estate, Kenari Estate, Keranji Estate, Gaharu Plasma, Kenari Plasma)</li> </ol> <p>Beside that, there are some unit still on process the land certificate (SHM) consist of:</p> <ol style="list-style-type: none"> <li>1. PT Kresna Duta Agroindo (Gunung Kombeng Mill, Gunung Kombeng KKPA)</li> <li>2. PT Ramajaya Pramukti (Ramarama KKPA)</li> <li>3. PT Kresna Duta Agroindo (Tiga Serumpun Estate)</li> <li>4. PT Satya Kisma Usaha (Batang Gading KKPA, KILA)</li> <li>5. PT Agrokarya Prima Lestari (Sungai Sambon Plasma)</li> <li>6. PT Djuanda Sawit Lestari (Pandawa KKPA)</li> <li>7. PT Forestra Lestari Dwikarya (Tanjung Rusa KKPA)</li> </ol>
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		<ul style="list-style-type: none"> <li>- PT SMART Tbk (Bukit Kapur Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base, doesn't have land use title (SHM), the SHM is still on process. Supply base for Gunung Kombeng Mill is communities plantation.</li> <li>- PT Bangun Nusa Mandiri (Kenari Mill and supply base), doesn't have land use title (HGU), the HGU is still on process.</li> <li>- PT Djuanda Sawit Lestari: there is an area is still in process for HGU in Muara Wahau Estate (574.58 Ha)</li> <li>- PT Satya Kisma Usaha – Kalimantan Tengah: there is an area is still in process for HGU in Medang Sari Estate (24,41 Ha)</li> <li>- PT Sawit Mas Sejahtera: there is an area is still in process for HGU in Sawit Mas Sejahtera Estate (2,291 Ha)</li> <li>- PT Bumi Sawit Mas: there is an area is still in process for HGU in Bumi Sawit Mas Estate (773 Ha)</li> <li>- PT Sumber Indah Perkasa: there is an area is still in process for HGU in Sungai Buaya Estate (155.46 Ha) and Sungai Merah Estate (241.54 Ha)</li> <li>- PT Ivomas Tunggal: there is an area 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)</li> <li>- PT Buana Wiralestari Mas: there is area is still in process for HGU Naga Mas Estate (253.39 Ha), Naga Sakti Estate (59.79 Ha), Kijang Mas Estate (56.07 Ha)</li> <li>- PT Ramajaya Pramukti: there is an area still in process for HGU Rama Rama Estate (318.76 Ha)</li> <li>- PT Bumipalma Lestari Persada: there is an area still in process for HGU Bumi Palma Estate (39.21 Ha)</li> </ul> <p>There are companies that already comply with regulation, consist of:</p> <ul style="list-style-type: none"> <li>• PT Agrolestari Mandiri (Pekawai Mill and supply base).</li> <li>• PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base).</li> <li>• PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base).</li> <li>• PT Sawitakarya Manunggul (Sawita Mill and supply base).</li> <li>• PT Paramitra Internusa Pratama (Belian Mill supply base)</li> </ul>
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### 3.4 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

#### 3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-4 Certification Assessment

NCR No.	: 2019.01	Issued by	: Steve Mualim
Date Issued	: 26 January 2019	Time Limit	: ASA-1.1
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).		
Non-Conformance Description & Evidence observed (filled by auditor):			
PT Satya Kisma Usaha has conducted disclosure of liability and LUC analysis in accordance with RSPO template on December 14, 2015. During 2016-2019 periods, company shown intensive communications to RSPO compensation panel. Until ASA-4. Company is not able to shown evidence that RaCP for PT SKU has been approved by RSPO.			
Root Cause Analysis (filled by organization audited):			
PT SKU has followed up the RaCP procedure since 2015 namely conduct the disclosure of liability, LUC analysis on 2016 – present. Intense communication with the reviewer of RSPO also has been done by the company, last communication is on 2 Jan 2019 by sending email to RSPO regarding the LUC analysis and concept note, the RSPO has been response on 8 Jan 2019 with statement of “will reviewed immediately”			
In the previous surveillance audit, against the PT SKU has raised an observation namely to confirm the RaCP process to RSPO and it was mentioned that the P.7.3 were comply and can be continued the certificate. Up to ASA – 4, since the company has do confirmation to RSPO, then the management are confident to conduct the surveillance audit.			
Correction (filled by organization audited):			
The management unit was sent the email to RSPO on 28 Jan 2019 to gather information and statement related to P.7.3 compliance.			
Corrective Action (filled by organization audited):			
Continuously communication to RSPO in regards of RaCP process, the confirmation should done at least one month before next audit.			
Assessor Evaluation and Conclusion (filled by auditor):			
Verification on 25 Feb 2019. The management unit shows the evidence of communication to RSPO regarding the LUCA follow up of PT SKU, the communication are done through email on 28 Jan 2019 and 1 Feb 2019, respectively. And on 20 feb 2019 the compensation panel has response the email with statement that the RSPO is on process to review the LUCA.			
Verification on 26 April 2019 The RSPO has explained through email on 25 April 2019, stated that “based on RSPO internal discussion, agreed that NC raised on PT SKU can be left open until the next audit next year. We do hope that the process of completing the RaCP can be completed by then. Monitoring of the progress needs to be conducted closely to ensure you can meet the timeline.”			
Verification on Recertification & ASA-1 (9 April 2021)			

On March 26, 2021 RSPO sent an email to CB along with the RSPO Compliance Advisory letter No: 0002/03/21 Assurance - Integrity dated 25 March 2021. The document shown explains that the company units under GAR are going through the LUCA review process or the concept of Note RaCP, whether units that have been certified or not yet certified, the validity period of the advisory Note and others. Compliance Advisory was recommended by Wan Muqtadir Wan Abdul Fatah as Senior Manager of Integrity on March 24, 2021 and approved by Tiur Rumondang as Assurance Director on March 25, 2021. Briefly the contents of Compliance Advisory as follows:

The approval to continue with certification can only be done for the unit of certification that will be expiring in the next six months from the issuance of this Advisory Note. **The NC that is raised will be allowed to be open until the next surveillance/recertification audits.**

- For the other units that have expiring license from October 2021 onwards would need to continue its follow-up with RSPO on the RaCP status and completion continuously. Those units will be evaluated again on its progress.
- For any unit that is at the initial certification stage, issuance of a certificate can only be done after the compensation plan has been approved.

**Based on the evidence above, this non-conformity is allowed to open until Next ASA and will be re-verified during the ASA-1.1 audit.**

<b>Verified by</b>	<b>:</b>	<b>Moh Arif Yusni</b>
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**3.4.2. Identification of Findings, Corrective Actions and Observations at Re-Certification Assessment**

<b>NCR No.</b> :		<b>Issued by</b> :	
<b>Date Issued</b> :		<b>Time Limit</b> :	
<b>NC Grade</b> :		<b>Date of Closing</b> :	
<b>Standard Ref. &amp; Requirement</b> :			
<b>Evidence observed</b> (filled by auditor):  <i>DURING THE AUDIT RC, THE AUDITOR TEAM DOES NOT IDENTIFY ANY NC WITH THE RSPO REQUIREMENTS</i>			
<b>Non-Conformance Description</b> (filled by auditor):  			
<b>Root Cause Analysis</b> (filled by organization audited):  			
<b>Correction</b> (filled by organization audited):  			
<b>Corrective Action</b> (filled by organization audited):  			
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):  			
<b>Verified by</b> :			

**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	3.4.3 (C)	<p><b>Social and environmental management and monitoring plans are implemented, monitored and updated periodically in a participatory manner.</b></p> <p>The results of document verification and interviews with management show that SIA management and monitoring review activities are carried out every 2 years and the last one was carried out in October 2019. One of the objectives of the review is to propose improvements to the social impact management and monitoring plan to be implemented by PT SKU's units in the next period.</p> <p>Based on the results of document review, field visits and interviews with management, it was found that there were several notes / issues in the area / around the company's operations that could have a social impact but had not yet been included in the social planning and management documents, for example:</p> <ul style="list-style-type: none"> <li>• Unlicensed gold mining activities around the Kelola KILE area</li> <li>• Existence of enclaves / community areas within or around the company's operational areas, for example in SBNE Division 4 and KILE division 1</li> <li>• Productivity of BHB (Borongan Daily Workers) with regard to compliance with the minimum wage regulations in the SBNA</li> <li>• Limited external respondents in the review of the social impact management plan (only involving village officials)</li> </ul> <p>Related to this, the company will be encouraged to ensure that all identified issues / records in the area / surrounding of the company's operations have been managed and monitored as well. and representation of samples for wider external parties, such as involving local communities, migrants, enclaved land owners, women, age representatives and affected parties.</p>
2	3.6.1 (C)	<p><b>All operational activities risks assessed to identify the H&amp;S issues. Mitigation plans and procedures are documented and implemented.</b></p> <p>The results of field visits, document review and interviews with workers at SBNE, SBNA and KILE revealed that there were HCV monitoring activities, area security patrols, fire patrols, and aerial fertilization. With regard to OHS risk mitigation, these activities have been contained in work procedures, and the results of interviews were also obtained that workers had understood the procedures regarding OHS such as the use of PPE, safety riding, OHS inspection and safety induction before doing activities. However, the HIRAC review document on February 2, 2020 at SBNE / SBNA and January 2, 2021 at KILE, the risk analysis of these activities has not been explained in detail. Based on the explanation above, the certification unit has the opportunity to carry out a comprehensive evaluation to identify and mitigate all plantation operational activities and the mill has been listed in the HIRAC document.</p>
3	4.4.1 (C)	<p><b>There are documents that show legal ownership or lease, or customary land use permits granted by customary landowners (ulayat) through an FPIC process. There are documents relating to the history of land ownership and actual legal or customary use.</b></p> <p>The total certification area at PT SKU is 4,887.61 Ha, consisting of 3,825.03 Ha of core area and 1,062.58 Ha of smallholder scheme area with a full-managed scheme. Of the total area, up to this assessment only 1,412.55 hectares have land rights documents (HGU) and an area of 3,535.53 hectares is currently in process. The latest development presented to the auditors was the issuance of Certificate No. 525/140 / Disbunnakan / 2021 dated January 26, 2021 from the Regent of Tebo Regency regarding the information on uncontrolled land and not in public interest, which explained that following up the letter from the company No. / SKU / JMBO / II / 2020 dated March 20, 2020. In this regard, according to the RSPO announcement dated April 1, 2020 concerning the RSPO Update: Statement on Business Use Rights, it is explained that for Recertification and Surveillance audits, the Certification Unit can continue their certification as long as</p>



		there is sufficient concrete evidence that the company has taken steps to obtain HGU and must comply with all requirements at that time. In this regard, the positive developments in the acquisition of HGU will be verified again in the following year.
4	5.2.1	<p><b>The certification unit consults with interested farmers (regardless of farmer type), including women smallholders or other supply partners, to assess their need for support for improved livelihoods and their interest in pursuing RSPO certification.</b></p> <p>In an effort to support the improvement of farmers' livelihoods and their participation in the sustainable palm oil value chain, the certification unit has conducted consultations with farmers who are suppliers of FFB, for example on 18 January 2020 and 21 January 2020 where one of the issues discussed was related to the program. The certification carried out by the company includes its benefits, but in the minutes of the activity, it has not yet discussed in detail the RSPO certification program, including the interest in following RSPO certification (including RSPO standards for independent smallholders). Based on this explanation, the certification unit has the opportunity to make improvements related to efforts to encourage the interest of farmers who are suppliers of FFB (both directly and indirectly) in participating in RSPO certification.</p>

#### 3.4.4. Noteworthy Positive Components

No	Description
1	The Company's commitment to implementing sustainable palm oil management
2	Teamwork and presentation of documents that are quite good during the audit process
3	Has received RSPO, ISPO and ISCC certificates
4	Since 2019-2020 there have been no zero accidents in all PT Satya Kisma Usaha units.



**3.5 Summary of Arising Issues from Public and Auditor Verification**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Manpower and Transportation Agency of Jambi Province.</b>  During the past year there has been no case related to industrial relations disputes that occurred in the certification unit. The certification unit submitted the daily contract (BHL) and contract worker (PKWT) employee registration documents to the agency with the complete the supporting documents such as the employment contract. Certification unit has been implemented minimum wage, overtime and others labor standard in accordance with government regulation. Every labor union has been verified by agency and still active in certification unit.	The certification unit has paid minimum wages, overtime and others labor standard in accordance with the government regulations. Since 2019 until now there is no issues related to industrial relation dispute and other worker welfare issue.
<b>National Land Agency of Tebo Regency</b>  The CH complied with applicable regulations related land legality, among others has had location permit, plantation business permit (IUP), land title (HGU). There are no complaints from stakeholder related land disputes.  However, the CH there are several areas still on progress of land tittle	Based on document review and field observations, the CH has demonstrated legal compliance related land legality, and no indications of land disputes, the progress of land tittle has been verified on indicator 4.4.1
<b>Department of Environment and Transportation</b>  There are no environmental issues that occur in the company. The company has made regular reports every quarter and semester in accordance with applicable obligations and is officially recorded at the Agency. During the past year, there were no cases of conflict with animals or environmental issues from the community.  The unit of certification has received PROPER BIRU in February 2021.	There are no issues that need further clarification.
<b>Plantation Agency of Tebo Regency</b> <ul style="list-style-type: none"> <li>• The newest PUP (<i>plantation business assessment</i>) in 2020 was carried out in February 2020 SK 657 received the lowest class 2 subsystem related to social aspects.</li> <li>• LPUP is regularly reported, but sometimes there are delays.</li> <li>• No fires in 2019/2020.</li> <li>• Plasma follows the price from Disbun while the Cooperative is outside the market price.</li> <li>• Firefighting facilities are quite good, and have complied with applicable regulations and continue to be improved each year in accordance with the existing improvement plan.</li> </ul>	There are no issues that need further clarification, PUP ( <i>plantation business assessment</i> ) documents have been verified, the information submitted by the agency is in accordance with existing facts.

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Previous land owner on Sungai Keruh (2 Person)</b>  The land compensation process has been carried out with a negotiation process, good administration, involving witnesses and mediation of the traditional leader, village head, sub-district head and police.	The CH has shown land compensation documentary evidence carried out referring to the concept of FPIC. Described in detail in criteria 4.4;4.5;4.7
<b>Previous land owner on Betung Bedarah Village</b>  The land compensation process has been carried out with a negotiation process, good administration, involving witnesses and mediation of the traditional leader, village head, sub-district head and police.	The CH has shown land compensation documentary evidence carried out referring to the concept of FPIC. Described in detail in criteria 4.4;4.5;4.7
<b>Gender Committee of SBNA/ SBNE, SBNM, KILE</b>  <ul style="list-style-type: none"> <li>Members of the Gender Committee in each estate and Mill</li> <li>Program activities include <i>Posyandu</i> activities, socialization of the needs of young mothers for breastfeeding. (provision of lactation room).</li> <li>Regular meetings of the Company and SPSI of the Gender committee are included. During 2020 there will be no regular monthly meetings across the estate and Mill units.</li> <li>Outreach to members regarding the routine reporting and submission of complaints procedures carried out.</li> <li>During 2019 and 2020 there were no issues related to gender.</li> <li>There are no problems with H1-H2 and maternity leave.</li> <li>Female employees participate in reporting.</li> </ul> During pandemic activities, the focus is more on disseminating health protocols both at work and at home.	There are no issues that need further clarification, the information conveyed by the gender committee is in accordance with the documentation shown by the complaint-related management. There are no complaints about harassment or other complaints related to gender.
<b>KILE Employee Cooperative.</b>  <ul style="list-style-type: none"> <li>Name of cooperative is cooperative Tunas Baru.</li> <li>Cooperative is engaged in Savings and Loans.</li> <li>3 members consisting of the chairman, treasurer and members.</li> <li>Current members as of March 2021 are 290 people.</li> <li>Mandatory contribution of 50 thousand per month.</li> <li>From the company supporting the existence of the cooperative, the company facilities are loaned.</li> </ul>	There are no issues that need further clarification.
<b>Plasma Cooperative (SBNA) Usaha Bersama Cooperative (2001).</b>  <ul style="list-style-type: none"> <li>SBNA consists of one cooperative, namely Usaha Bersama cooperative with a fully managed system by the company.</li> <li>The cooperative was formed in 2001 and the first planting was carried out in 2006</li> </ul>	There are no issues that need further clarification. based on the study of the realization of the payment, it is known that the payment has been made according to the applicable contract and the price is in accordance with the price of the Plantation Service.

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>The total area of cooperative is 1100 Ha.</li> <li>The total members of the Joint Usaha Cooperative are 370 people, with the area of each individual differing from one another depending on the area given to be managed.</li> <li>the cooperative area is still in the cadastral area under the name of the cooperative (while the HGU is still being processed).</li> <li>Estimated Credit will be paid off in 2022 First Quarter.</li> <li>Payments on every dated 10-20, there have never been any payment problems until now, payments are made directly by transfer to cooperative members.</li> <li>The price used is the price set by the plantation agency.</li> <li>STDB doesn't exist yet.</li> <li>There had never been a fire so far.</li> <li>The savings for replanting have been prepared and have been running for 2 years.</li> </ul>	
<b>Bintang Selatan Agro (FFB Supplier)</b> <ul style="list-style-type: none"> <li>PT BSA is a legal entity that already has location permits, plantation business permits &amp; HGU.</li> <li>The collaboration for sending FFB has been going on since 2017.</li> <li>The last agreement was made in 2020 in September and is valid for 1 year.</li> <li>There were no incidents of late payment.</li> <li>When sending FFB, the operator / driver who delivers FFB is required to use PPE and the fruit is covered by a net.</li> </ul>	<p>There are no issues that need further clarification. based on the study of the realization of the payment, it is known that the payment has been made according to the applicable contract.</p>
<b>West Betung Bedarah Village</b> <ul style="list-style-type: none"> <li>The relationship between the company and the village is going well.</li> <li>The company has been listening to the aspirations of the village.</li> <li>The positive impacts that arise include employee absorption. There are jobs for the community.</li> <li>CSR in the form of heavy equipment assistance and proposals submitted by the Village.</li> <li>There is no negative environmental impact caused.</li> <li>So far there have been no fires around PT SKU.</li> <li>There are no land conflicts between the company and the community.</li> <li>It is hoped that the ratio of the number of workers is increased so that it can absorb new employees due to the increasing time the number of unemployed in the village increases.</li> <li>Related to road maintenance during the dry season which is considered ineffective / inadequate.</li> </ul>	<p>There are no issues that need further clarification. As explained by community representatives from Sungai Keruh Village. The expectations of the community to increase the number of employee ratios have been explained by company representatives to community representatives. The number of employees of PT SKU has now exceeded the ratio it should have made it difficult to increase. What companies can do is for certain temporary jobs. Information submitted by representatives of the same village and company.</p> <p>Regarding road watering that is deemed less than optimal, the company will try to improve it, however, if the hope is to be carried out by a 3rd party, where the 3rd party comes from the village, the management unit has not conducted a study on this, the use of a 3rd party for road watering needs further study. .</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Sungai Keruh Village</b> <ul style="list-style-type: none"> <li>The relationship between the company and the village is going well, the company has been listening to the aspirations of the village.</li> <li>The positive impacts that arise include employee absorption. There are jobs for the community, CSR in the form of heavy equipment assistance and proposals submitted by the Village, there is no negative environmental impact caused. So far there have been no fires around PT SKU, there are no land conflicts between the company and the community.</li> <li>It is hoped that the ratio of the number of workers is increased so that it can absorb new employees due to the increasing time the number of unemployed in the village increases.</li> </ul>	<p>There are no issues that need further clarification. As explained by community representatives from Sungai Keruh Village. The expectations of the community to increase the number of employee ratios have been explained by company representatives to community representatives. The number of employees of PT SKU has now exceeded the ratio it should have made it difficult to increase. What companies can do is for certain temporary jobs. Information submitted by representatives of the same village and company.</p>
<b>Labour Union (SPSI) of SBNE, SBNM, KILE.</b> <p>The relationship between the certification unit and the union is well established, the certification unit supports the existence of the union and gives freedom to unionized employees and facilitates the union by giving room as an office. In the past one-year period there were no work relationship disputes found, all employee rights were fulfilled by the certification unit in accordance with applicable regulations.</p>	<p>There are no negative issues that need further verification. The certification unit has ensured that the employee's rights have been fulfilled in accordance with the regulations.</p>
<b>Worker cooperative (SBNE, SBNM, KILE)</b> <p>Worker cooperative are available in each unit audit. The company support the establishment of worker cooperative. currently the cooperative is engaged in the savings and loan business</p>	<p>There are no negative issues that need further verification.</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-between; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>PT Satya Kisma Usaha Head of SPO Certification &amp; Low GHG Emissions Strategy</p>  <p><b><u>Yahya Mustakim</u></b> Thursday, 15 April 2021</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Moh Arif Yusni</u></b> Thursday, 15 April 2021</p> </div> </div>



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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Manpower and Transportation Agency of Jambi Province.	Jambi, Jambi Province		Communication by Phone	05 April 2021	✓	
2	National Land Agency	Regent of Tebo		Communication by Phone	05 April 2021	✓	
3	Plantation Agency	Regent of Tebo		Communication by Phone	05 April 2021	✓	
4	Department of Environment and Transportation	Regent of Tebo		Communication by Phone	05 April 2021	✓	
5	Sungai Keruh Village	Regent of Tebo	-	Communication by Phone	7 April 2021	✓	
6	West Betung Bedarah	Regent of Tebo	-	Communication by Phone	6 April 2021	✓	
7	Bintang Selatan Agro (FFB Supplier)	Regent of Tebo	-	Communication by Phone	05 April 2021	✓	
8	Usaha Bersama Cooperative	PT Satya Kisma Usaha	-	Communication by Phone	06 April 2021	✓	
9	Tunas Baru Cooperative	PT Satya Kisma Usaha	-	Communication by Phone	05 April 2021	✓	
10	Gender Committee SBNE, SBNA, SBNM, KILE	PT Satya Kisma Usaha	-	Communication by Phone	05 April 2021	✓	
11	WALHI	Indonesia	informasi@walhi.or.id	Questionnaire			✓
12	Sawit Watch	Indonesia	info@sawitwatch.or.id	Questionnaire			✓
13	Sungai Bengkal Mill: <ul style="list-style-type: none"> <li>• Grading personnel</li> <li>• 1 loading ramp operator</li> <li>• 2 sterilizer operators</li> <li>• 2 press operators</li> <li>• 1 clarification operator</li> <li>• 1 kernel operator</li> <li>• 2 boiler operators</li> <li>• 1 engine room operator</li> <li>• 2 WWTP Operators</li> <li>• 1 workshop personnel</li> <li>• 1 weighbridge operators</li> <li>• 3 security</li> <li>• WWTP Operator</li> <li>• Workshop officer</li> <li>• Genset Operator</li> </ul>	PT Satya Kisma Usaha			05-04-2021		

14	Sungai Bengkal Estate: <ul style="list-style-type: none"> <li>• 4 harvesting foremen</li> <li>• 4 spraying foremen</li> <li>• 6 harvesters</li> <li>• 4 pesticide applicators</li> <li>• 6 pickers</li> <li>• 1 LA Operators</li> </ul>	PT Satya Kisma Usaha			06-04-2021		
15	Sungai Bengkal Plasma: <ul style="list-style-type: none"> <li>• 2 harvesting foremen</li> <li>• 2 spraying foremen</li> <li>• 6 harvesters</li> <li>• 6 pesticide applicators</li> <li>• 6 pickers</li> <li>• 2 clerks</li> <li>• loaders</li> </ul>	PT Satya Kisma Usaha			07-04-2021		
16	Muara Kilis Estate: <ul style="list-style-type: none"> <li>• 2 warehouse personnel</li> <li>• 2 security</li> <li>• 2 residents</li> <li>• 1 generator operator</li> <li>• 2 harvesting foremen</li> <li>• 2 spraying foremen</li> <li>• 3 harvesters</li> <li>• 4 pesticide applicators</li> <li>• 3 manual wedding operators</li> <li>• 6 pickers</li> <li>• 2 clerks</li> <li>• loaders</li> </ul>	PT Satya Kisma Usaha			08-04-2021		

**Appendix 2. Assessment Program**
**1. Recertification Remote Audit**

13 – 15 April 2020		
Audit Program	Clauses To Be Audited	Auditor
<b>Monday, 13 April 2020</b>		
08.00 – 09.00	<b>Opening Meeting (recorded Video Conference)</b> <ul style="list-style-type: none"> <li>Opening speech and discussion of remote audit mechanism</li> <li>Presentation of audit objective, audit scope, audit plan discussion, determine of audit sample, transparency and confidentiality clarification)</li> </ul>	<b>Auditor Team</b>
09.00 – 12.00	<b>Document verification</b>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 16.30 16.30 – 17.00	<b>Document verification</b> <b>Presentation of daily audit progress</b>	<b>All Auditor</b>
<b>Tuesday, 14 April 2020</b>		
08.00 – 12.00	<b>Document verification</b>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 16.30 16.30 – 17.00	<b>Document verification</b> <b>Presentation of daily audit progress</b>	<b>All Auditor</b>
<b>Wednesday, 15 April 2020</b>		
08.00 – 12.00	<b>Document verification</b>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 16.00	<b>Auditor internal discussion for closing meeting preparation</b>	<b>All Auditor</b>
16.00 – 17.00	<b>Closing Meeting (recorded Video Conference)</b> <ul style="list-style-type: none"> <li>Presentation of audit findings (noteworthy positive component, non conformities, OFI, timeline of CAR's, conclusion)</li> <li>Comments, responses and questions</li> </ul>	<b>All Auditor</b>

## 2. Recertification Onsite Audit

DATE	04 – 11 April 2021	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Sunday, 04 April 2021		
10.50 – 11.00	JAKARTA → Jambi	All Auditor
11.30 – 15.00	Jambi → PT Satya Kisma Usaha	
Monday, 05 April 2021		
08.00 – 09.00	<b>Opening meeting</b> <ul style="list-style-type: none"><li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li><li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li></ul>	All Auditor
09.00 - 12.00	<ul style="list-style-type: none"><li>Verification of Basic Information Mill and Estate</li><li>Confirmation of Time Bound Plan</li><li>Review of Partial Certification</li><li>Stakeholder consultation to affected communities surrounding the plantations and previous land owner</li><li>public consultation with stakeholder to relevant agency in Tebo Regency (by Phone)</li></ul>	
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	<b>Field observation to Sungai Bengkal Mill:</b> <ul style="list-style-type: none"><li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li><li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li><li>Implementation of Employment Procedure and Mechanism Aspect</li></ul> <p>Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier</p>	All Auditor
Tuesday, 06 April 2021		
08.00 – 12.00	<b>Field Observation to Sungai Bengkal KKPA,</b> <b>Aspect to be verified:</b> <ul style="list-style-type: none"><li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li><li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li><li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li><li>Implementation of Occupational Health &amp; Safety Aspect</li><li>Implementation of Employment Procedure and Mechanism Aspect</li><li>Observation of Workers Facilities (Housing, School, Worship Place).</li></ul>	All Auditor
12.00 – 14.00	Break	
14.00 – 15.00	<ul style="list-style-type: none"><li>Interview with related personnel's during field observation (teleconference) review and completing audit checklist.</li></ul>	All Auditor

DATE	04 – 11 April 2021	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
15.00 – 16.15	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> </ul>	
16.15 – 17.00	<ul style="list-style-type: none"> <li>Presentation of Daily Progress.</li> </ul>	
<b>Wednesday, 07 April 2021</b>		
08.00 – 12.00	<b>Field Observation to Sungai Bengkal Estate,</b> <b>Aspect to be verified:</b> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	All Auditor
12.00 – 14.00	Break	
14.00 – 15.00	<ul style="list-style-type: none"> <li>Interview with related personnel's during field observation (teleconference) review and completing audit checklist.</li> </ul>	All Auditor
15.00 – 16.15	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> </ul>	
16.15 – 17.00	<ul style="list-style-type: none"> <li>Presentation of Daily Progress.</li> </ul>	
<b>Thursday, 08 April 2021</b>		
08.00 – 12.00	<b>Field Observation to Muara Kilis Estate,</b> <b>Aspect to be verified:</b> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	All Auditor
12.00 – 14.00	<ul style="list-style-type: none"> <li>Break</li> </ul>	All Auditor
14.00 – 15.00	<ul style="list-style-type: none"> <li>Interview with related personnel's during field observation (teleconference) review and completing audit checklist.</li> </ul>	All Auditor
15.00 – 16.15	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> </ul>	
16.15 – 17.00	<ul style="list-style-type: none"> <li>Presentation of Daily Progress.</li> </ul>	
<b>Friday, 09 April 2021</b>		
08.00 – 11.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Continued field observation and interview with stakeholders (if needed).</li> </ul>	All Auditor
11.00 – 14.00	<ul style="list-style-type: none"> <li>Break</li> </ul>	All Auditor

DATE	04 – 11 April 2021	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
14.00 – 15.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> </ul>	All Auditor
16.15 – 17.00	<ul style="list-style-type: none"> <li>Presentation of Daily Progress.</li> </ul>	
<b>Saturday, 10 April 2021</b>		
08.00 – 09.30	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
09.30 – 11.00	Closing Meeting: <ul style="list-style-type: none"> <li>Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion)/</li> <li>Comments, Responses and Questions</li> </ul>	
12.00 – 16.00	PT Satya Kisma Usaha → Jambi	
<b>Sunday, 11 April 2021</b>		
11.00 – 12.00	JAMBI → JAKARTA	