

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

**[ ✓ ] Surveillance**

Name of Management Organisation : **Mulia Oil Mill – PT Sepanjang Intisurya Mulia subsidiary of Genting Plantations**

Plantation Name : **PT Sepanjang Intisurya Mulia : Mulia 1-2 Estate, Mulia 3-4 Estate, Mulia 5-6 Estate**  
**PT Sawit Mitra Abadi : Sawit Mitra Abadi 1-2 Estate, Sawit Mitra Abadi 3-4 Estate**

Location : **Pangkalan Teluk Village, Sub District of Nanga Tayap, District of Ketapang, Province of Kalimantan Barat, Indonesia**

Certificate Code : **MUTU-RSPO/119**

Date of Certificate Issue : 10 August 2018      Date of License Issue : 10 April 2021

Date of Certificate Expiry : 09 August 2023      Date of License Expiry : 09 August 2021

Assessment	Assessment Date	PT Mutuagung Lestari Auditor	Reviewed By	Approved by
ASA-2	03 to 06 November 2020	Mohamad Amarullah (Lead Auditor), Briyogi Shadiwa, Rindu Galih Rezza Rachmansyah, Rahmat Abdiansyah	Ardiansyah	Octo H.P.N Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	16 March 2021

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Figure 1. Location Map of PT Sepanjang Intisurya Mulia

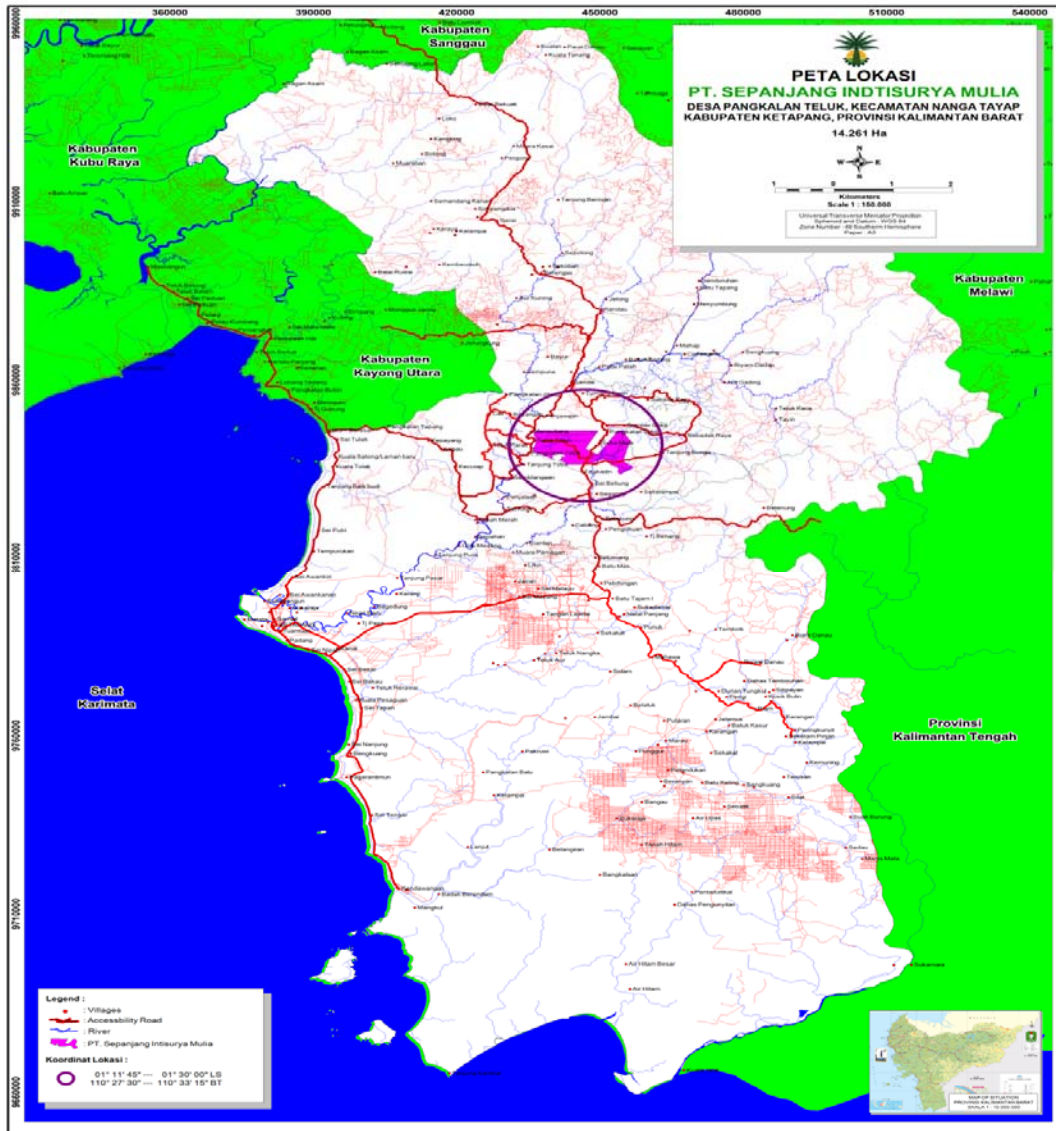


Figure 2. Location Map of PT Sawit Mitra Abadi

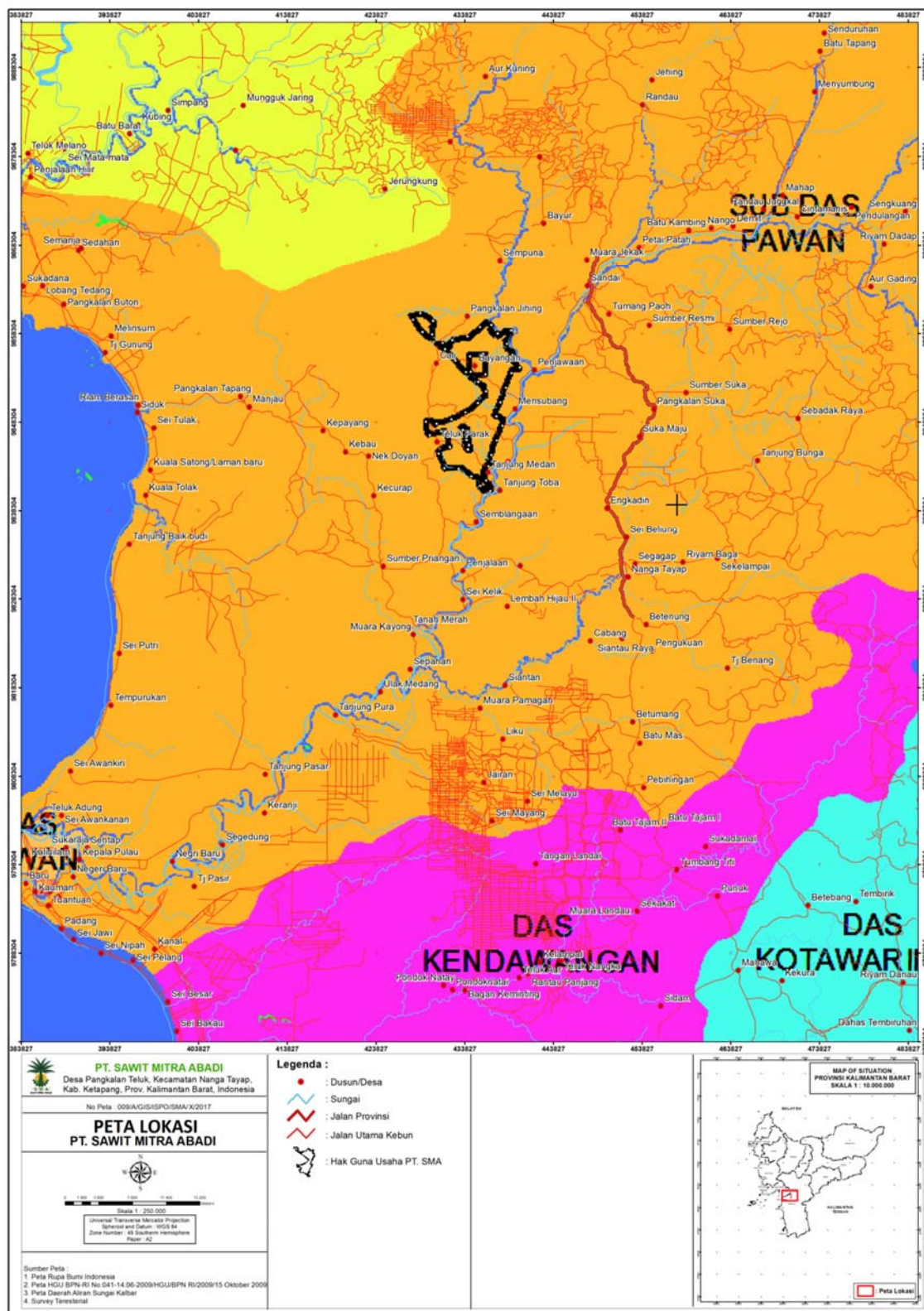




Figure 3. Operational Map of PT Sepanjang Intisurya Mulia

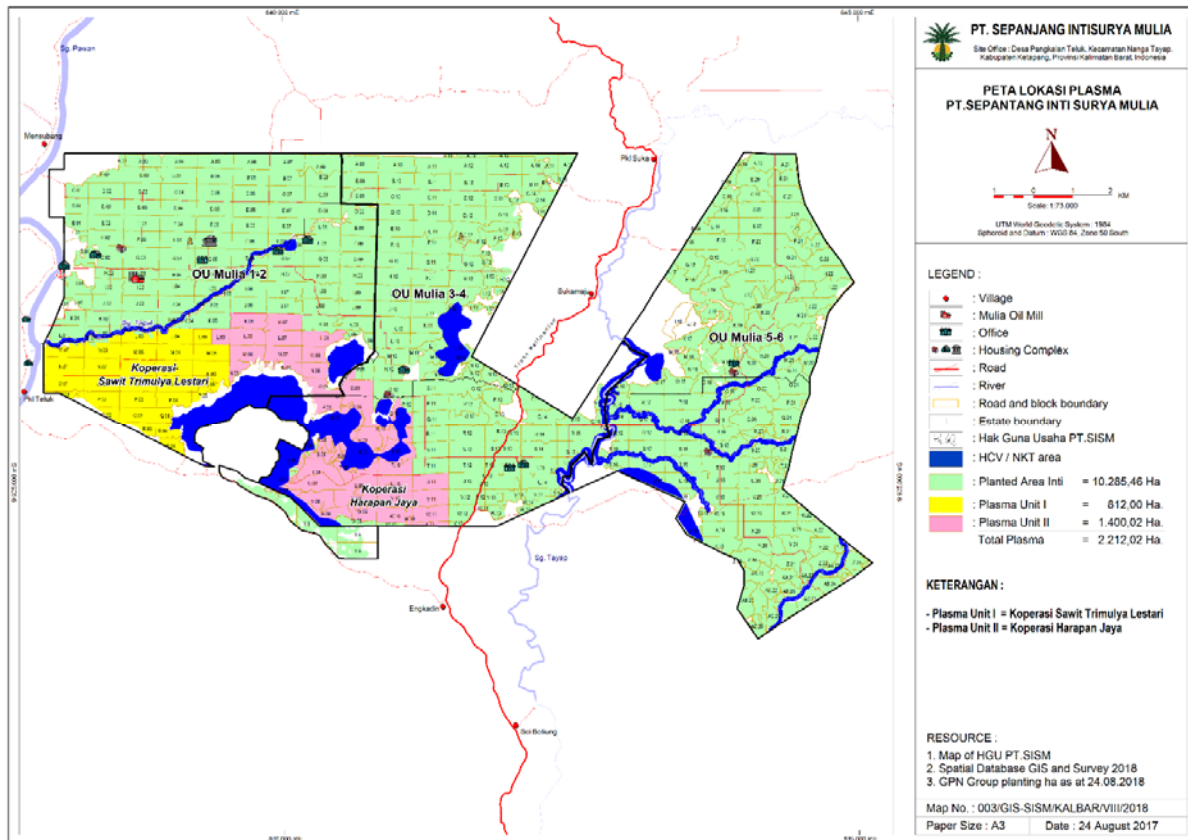
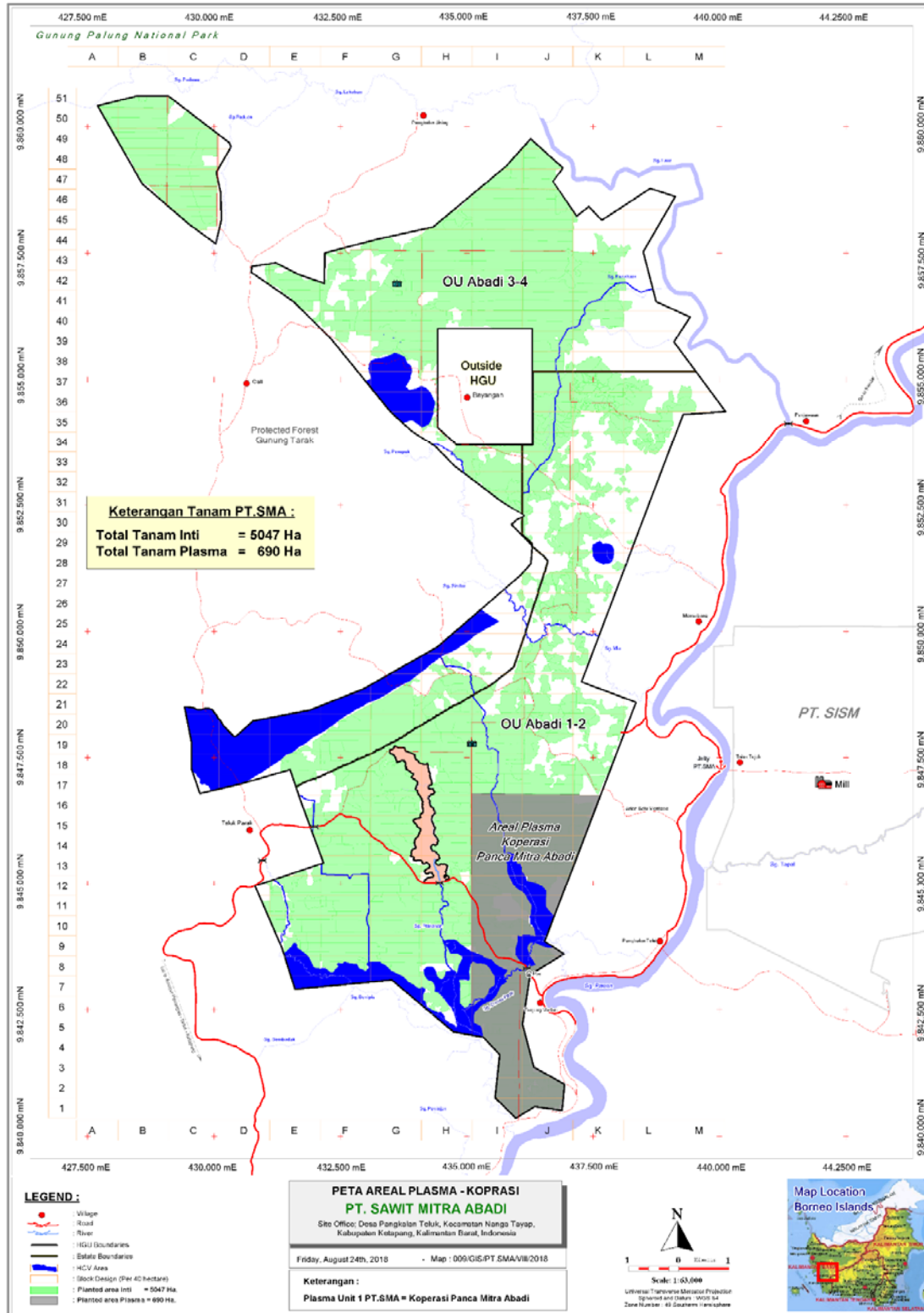


Figure 4. Operational Map of PT Sawit Mitra Abadi



**Abbreviations Used**

APL	:	<i>Area Penggunaan Lain</i> other land use
B3 Waste	:	Hazardous/schedule waste
BOD	:	Biological Oxygen Demand
BP	:	<i>Badan Pertanahan Nasional</i> or National Land Agency
BAPEDAL	:	<i>Badan Pengendali Dampak Lingkungan</i> or Environment Impact Management Agency
BKSDA	:	<i>Balai Konservasi Sumber Daya Alam</i> or Conservation and Natural Resources Board
CD	:	Community Development
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CLA	:	Collective Labor Agreement
CSR	:	Corporate Social Responsibility
CV	:	<i>Commanditaire Vennootschap</i>
EFB	:	Empty Fruits Bunch
EIA	:	Environment Impact Assessment
FGD	:	Forum Group Discussion
FFB	:	Free Fruit Bunch
FPIC	:	Free Prior Inform Consent
GHG	:	Green House Gases
GIS	:	Geographic Information System
GPRC	:	Genting Plantation Research Centre
HCV	:	High Conservation Value
HGB	:	<i>Hak Guna Bangunan</i> or Building Title
HGU	:	<i>Hak Guna Usaha</i> or Land Title
HRD	:	Human Resources Development
IDR	:	<i>Indonesian Rupiah</i>
IUP	:	<i>Izin Usaha Perkebunan</i> or Plantation Business Permit
IPM	:	Integrated Pest Management
IK	:	<i>Instruksi Kerja</i> or Work Instruction
ISPO	:	Indonesian Sustainable Palm Oil ( <i>Perkebunan Kelapa Sawit Berkelanjutan Indonesia</i> )
K3	:	<i>Keselamatan dan Kesehatan Kerja</i> or Occupational Safety and Health
KER	:	Kernel Extraction Rate
LC	:	Land Clearing
LCC	:	Legume Cover Corp
LA	:	Land Application
LD	:	Lethal Dose
LTA	:	Loss time accident
MOM	:	Mulia Oil Mill
NPP	:	New Planting Procedure
NK Mix	:	Nitrogen Kalium Mix
OER	:	Oil Extraction Rate
OPM	:	Oil Palm Manual
Permentan	:	<i>Peraturan Menteri Pertanian</i> or Minister of Agriculture Regulation
PK	:	Palm Kernel
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> or Occupational Safety and Health Committee
PPE	:	Personal Protective Equipment
POME	:	Palm Oil Mill Effluent
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> or Environment Management Plan /

	:	Environment Monitoring Plan
RTRW-K	:	<i>Rencana Tata Ruang Wilayah – Kabupaten</i> or District Spatial Plan
RTRW-P	:	<i>Rencana Tata Ruang Wilayah – Provinsi</i> or Province Spatial Plan
SIA	:	Social Impact Assessment
SISM	:	Sepanjang Intisurya Mulia
SOP	:	Standard Operating System
SPMA	:	<i>Serikat Pekerja</i> or Labour Union of Mitra Andalan
SMA	:	Sawit Mitra Abadi
UKL/UPL	:	<i>Upaya Pengelolaan Lingkungan / Upaya Pemantauan Lingkungan (Environmental Management Efforts/ Environmental Monitoring Efforts)</i>
WTP	:	Water Treatment Plant



<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>				
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li><i>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</i></li> <li><i>RSPO Certification System for Principles and Criteria, 14 June 2017</i></li> </ul>			
<b>1.2</b>	<b>Organisation Information</b>				
1.2.1	Organisation name listed in the certificate	<b>PT SEPANJANG INTISURYA MULIA</b>			
1.2.2	Contact person	Dr. Faizal Amri Amran (Head of Sustainability Genting Plantation Indonesia)			
1.2.3	Organisation address and site address	<b>Head Office</b> 10 <sup>th</sup> Floor, Wisma Genting, Jalan Sultan Ismail Kuala Lumpur 50250 24 <sup>th</sup> Floor, Wisma Genting, Jalan Sultan Ismail, Kuala Lumpur 50250, Malaysia  <b>Liaison Office</b> Jl. Jendral Sudirman Kav. 52-53, Jakarta 12910			
1.2.4	Telephone	Malaysian Head Office: Tel: (603) 2178 2288 (603) 2333 2288 Fax: (603) 2161 5304  Indonesian Liaison Office: 0534-303 6320/21			
1.2.5	Fax	(603) 2161 5304			
1.2.6	E-mail	<a href="mailto:faizal.amri@genting.com">faizal.amri@genting.com</a>			
1.2.7	Web page address	<a href="http://www.gentingplantations.com">www.gentingplantations.com</a>			
1.2.8	Management Representative who completed the application for certification	Dr. Faizal Amri Amran (Head of Sustainability Genting Plantation Indonesia)			
1.2.9	Registered as RSPO member	1-0086-06-000-00, dated 14 November 2006			
<b>1.3</b>	<b>Type of Assessment</b>				
1.3.1	Scope of Assessment and Number of Management Unit	Mulia Mill supplied by PT Sepanjang Intisurya Mulia or PT SISM (Mulia 1-2 Estate, Mulia 3-4 Estate, Mulia 5-6 Estate) and PT Sawit Mitra Abadi or PT SMA (Sawit Mitra Abadi 1-2 Estate, Sawit Mitra Abadi 3-4 Estate).			
1.3.2	Type of certificate	Single			
<b>1.4</b>	<b>Locations of Mill and Plantation</b>				
1.4.1	Location of Mill				
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b> <table border="1"> <tr> <td><b>Latitude</b></td> <td><b>Longitude</b></td> </tr> </table>	<b>Latitude</b>	<b>Longitude</b>
<b>Latitude</b>	<b>Longitude</b>				

	Mulia Oil Mill	Pangkalan Teluk Village, Sub-District of Nanga Tayap, District of Ketapang, Province of Kalimantan Barat, Indonesia	S 01° 22' 58"	E 110° 28' 37"
1.4.2	Location of Certification Scope of Supply Base			
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>	
			<b>Latitude</b>	<b>Longitude</b>
	PT Sepanjang Intisurya Mulia (PT SISM)			
	Mulia 1-2 Estate	Village of Pangkalan Teluk and Mensubang, Sub-District of Nanga Tayap, District of Ketapang, Province of Kalimantan Barat, Indonesia	S 01° 22' 52"	E 110° 30' 52"
	Koperasi Sawit Trimulya Lestari (406 members)			
	Mulia 3-4 Estate	Village of Sepakat Jaya, Sub-District of Nanga Tayap, District of Ketapang, Province of Kalimantan Barat, Indonesia	S 01° 25' 35"	E 110° 33' 49"
	Koperasi Sawit Harapan Jaya (700 members)			
	Mulia 5-6 Estate	Village of Sepakat Jaya, Sub-District of Nanga Tayap, District of Ketapang, Province of Kalimantan Barat, Indonesia	S 01° 24' 17"	E 110° 36' 59"
	PT Sawt Mitra Abadi (PT SMA)			
	Abadi 1-2 Estate	Pangkalan Teluk and Mensubang Village, Sub-District of Nanga Tayap, District of Ketapang, Province of Kalimantan Barat, Indonesia	S 01° 22' 38"	E 110° 24' 56"
	Koperasi Jasa Panca Mitra Abadi (597 members)			
	Abadi 3-4 Estate	Pangkalan Teluk and Mensubang Village, Sub-District of Nanga Tayap, District of Ketapang, Province of Kalimantan Barat, Indonesia	S 01° 17' 40"	E 110° 24' 14"
<b>1.5</b>	<b>Description of Area Statement</b>			
1.5.1	Tenure			
	• State		22,635.39	ha
	• Community		-	ha
1.5.2	<b>Area Statement</b>			
		<b>Own Estate</b>	<b>Scheme Smallholders</b>	<b>Total</b>
	• <b>Total area</b>	19,733.37	2,902.02	22,635.39 ha
	• <b>Mature area</b>	15,257.21	2,902.02	18,159.23 ha
	• <b>Mill</b>	38.40	-	38.40 ha
	• <b>Infrastructure (Road, Bridge and Ditch)</b>	1,096.36	-	1,096.36 ha
	• <b>HCV</b>	2,090.63	-	2,090.63 ha
	• <b>Occupation</b>	1,250.77	-	1,250.77 ha
	<i>Note: The unit certification made a request for a reduction in scope certification due to HGU No. 9 of 2011 (100 ha) and HGU No. 148 of 2016 (199.31 ha) has not conducted a conservation area (HCV) assessment (Memo by Head of Sustainability on 6 November 2020). The location is on PT SISM, especially on occupation area.</i>			

1.6	Planting Year and Cycles									
1.6.1	Age profile of planting year									
	Planting Year	Hectarage (Ha)								
		Mulia 1-2 Estate	Plasma 1 (STL)	Mulia 3-4 Estate	Plasma 2 (HJ)	Mulia 5-6 Estate	Abadi 1-2 Estate	Plasma (PMA)	Abadi 3-4 Estate	Total
	2007	1,839.39	19.5	-	19.17	-	-	-	-	1,878.06
	2008	848.63	788.8	1,318.03	1,056.13	-	-	-	-	4,011.59
	2009	14.57	3.7	1,301.59	231.72	2,771.59	756.00	187.71	-	5,266.88
	2010	-	-	267.8	-	726.55	522.00	227.93	-	1,744.28
	2011	57.99	-	19.9	-	-	864.00	217.53	-	1,159.42
	2012	-	-	-	-	-	411.00	40.40	275.00	726.40
	2013	-	-	11.22	93.00	37.23	652.38	16.43	525.57	1,335.83
	2014	-	-	82.95	-	-	54.69	-	1,069.62	1,207.26
	2015	13.05	-	51.46	-	-	56.84	-	547.20	668.55
	2016	2.52	-	100.79	-	57.65	-	-	-	160.96
	TOTAL	2,776.15	812.00	3,153.74	1,400.02	3,593.02	3,316.91	690.00	2,417.39	18,159.23
1.6.2	New Planting area after January 2010				7,002.70 ha					
1.6.3	Planting Cycle				1 <sup>st</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 (%)			
	Mulia Oil Mill	60	364,325.64	80,683.30		22.14	11,809.10	3.24		
	<i>*Production data source from 12 months before assessment (November-19 to October-20)</i> <i>**The difference between FFB supplied to the mill and processed FFB is because the mill leaves FFB for preparation for the next day's processing (572.5 tonnes).</i>									
1.7.2	Description of Certification Scope of Supply Base									
	Name of Estates	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill				
						FFB (tonnes/year)	%			
	Mulia 1-2 Estate	3,841.64	2,776.15	56,972.84	20.52	56,972.84	100			
	Koperasi Sawit Trimulya Lestari	812.00	812.00	9,437.90	11.62	9,437.90	100			
	Mulia 3-4 Estate	3,899.08	3,153.74	48,670.38	15.43	48,670.38	100			
	Koperasi Sawit Harapan Jaya	1,400.02	1,400.02	16,358.33	11.68	16,358.33	100			
	Mulia 5-6 Estate	4,308.53	3,593.02	57,932.41	16.12	57,932.41	100			
	Abadi 1-2 Estate	4,225.51	3,316.91	26,828.71	8.09	26,828.71	100			
	Koperasi Jasa Panca	690.00	690.00	7,254.87	10.51	7,254.87	100			

	Mitra Abadi						
	Abadi 3-4 Estate	3,458.61	2,417.39	21,129.79	8.74	21,129.79	100
	<b>TOTAL</b>	<b>22,635.39</b>	<b>18,159.23</b>	<b>244,585.23</b>	<b>13.47</b>	<b>244,585.23</b>	<b>100</b>
	<i>*Production data source from 12 months before assessment (November-19 to October-20)</i>						
1.7.3	FFB description from other source						
	<b>Name of sources/Organisation</b> (RSPO certified / non-certified)	<b>Type of Organisation</b>	<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b> <b>FFB</b> (tonnes/year)		
	PT. SAP (Non-certified)	Associated outgrower - Genting Plantations Group	-	6,825.85	35,213.07		
	PT. SAP Plasma (Non-certified)	Genting Plantations Group	-	-	5,248.68		
	PT. CSC (Non-Certified)	Associated outgrower - Genting Plantations Group	-	4,724.99	31,194.93		
	PT. CSC Plasma (Non-certified)	Genting Plantations Group	344	317.30	3,182.61		
	PT. Agro Abadi Cemerlang (Non-certified)	Associated outgrower - Genting Plantations Group	-	3,546.88	44,953.90		
	PT. AAC Plasma (Non-certified)	Genting Plantations Group	643	1.029,35	519.72		
	<b>TOTAL</b>					120,312.91	
	<i>*Production data source from 12 months before assessment (November-19 to October-20)</i>						
1.7.4	Product categories		FFB, CPO, PK				
<b>1.8</b>	<b>Tonnage of Product</b>						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (November 2019 to October 2020) (MT)		
	FFB Processed Own Estates		328,749		244,585		
	FFB Processed Smallholders		57,920				
	CPO Production		84,806		54,134		
	Palm Kernel (PK) Production		12,873		7,952		
1.8.2	Product selling						
	Type of selling product		Actual selling product for last year (November 2019 to October 2020) (MT)				
	CSPO sold as RSPO certified product		53,261				
	CSPK sold as RSPO certified product		0				
	CSPO sold under other scheme		0				
	CSPK sold under other scheme		0				
	CSPO sold as conventional		55.17				
	CSPK sold as conventional		7,729.54				
1.8.3	Estimate of Certified FFB Claim						

	Name of Estate		Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Mulia 1-2 Estate		3,841.64	2,776.15	60,000	21.61		
	Koperasi Sawit Trimulya Lestari		812.00	812.00	10,000	12.32		
	Mulia 3-4 Estate		3,899.08	3,153.74	50,000	15.85		
	Koperasi Sawit Harapan Jaya		1,400.02	1,400.02	20,000	14.29		
	Mulia 5-6 Estate		4,308.53	3,593.02	60,000	16.70		
	Abadi 1-2 Estate		4,225.51	3,316.91	28,000	8.44		
	Koperasi Jasa Panca Mitra Abadi		690.00	690.00	9,000	13.04		
	Abadi 3-4 Estate		3,458.61	2,417.39	22,000	9.10		
	TOTAL		22,635.39	18,159.23	259,000	14.26		
	*volume in palmtrace is a proportion of the remaining four months of license time (FFB own estates is 73,300 MT and FFB smallholders is 13,000 MT)							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Mulia Mill	60	259,000	59,570	23.00	9,065	3.50	MB
	*volume in palmtrace is a proportion of the remaining four months of license time (CSPO is 20,000 MT and CSPK is 3,100 MT)							
1.9	Other Certifications							
	ISO 9001:2008				-			
	ISO 14001: 2004				-			
	OHSAS 18001:2007				-			
	ISCC				-			
	Others							
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						
	Genting Ayer Item Oil Mill, Johor, Malaysia	2014	Genting Sri Gading Estate	Dec 2014	Johor, Malaysia	Certified		
			Genting Sungei Rayat Estate	Dec 2014				
			Genting Kulai Besar Estate	Dec 2014				
			Genting Tanah Merah Estate	Dec 2015				
			Genting Tebong Estate	Jul 2015	Johor, Malaysia	Certified		
			Genting Sepang Estate	2020	Johor, Malaysia	"Extension of Scope" audit due to merger with Genting Tanah Merah Estate.		
			Genting Cheng Estate			"Extension of Scope" audit due to merger with Genting Tebong Estate.		



		Genting Selama Estate	To be re-certified in July 2019	Kedah, Malaysia	Voluntary Suspension of the Certificate w.e.f 1 Sept 2017
Genting Sabapalm Oil Mill	2015	Genting Sabapalm Estate	Aug 2015	Sabah, Malaysia	Certified
Genting Tanjung Oil Mill	2016	Genting Tanjung Estate	Aug 2016	Sabah, Malaysia	Certified
		Genting Tenegang Estate			
		Genting Layang Estate			
		Genting Bahagia Estate			
		Genting Landworthy Estate			
Genting Indah Oil Mill	2021	Genting Indah Estate	2021	Sabah, Malaysia	The remediation and compensation procedures is pending for Genting Kencana Estate, LUCA has been passed. Concept Note (CN) for RaCP has been submitted to RSPO. CN being revised and to be re-submitted in 1Q2019.
		Genting Permai Estate			
		Genting Kencana Estate			
Genting Jambongan Oil Mill	2019	Genting Jambongan Estate	Sep 2019	Sabah, Malaysia	Certified
Genting Trushidup Oil Mill	2017	Genting Sekong Estate	2017	Sabah, Malaysia	Certified
		Genting Suan Lamba Estate			
Mulia Oil Mill	2017	Mulia Estate 1	2017	Kalimantan, Indonesia	Certified
		Mulia Estate 2			
		Mulia Estate 3			
		Mulia Estate 4			
		Mulia Estate 5			
		Mulia Estate 6			
		PT SMA Estate 1			
		PT SMA Estate 2			
		PT SMA Estate 3			
		PT SMA Estate 4			
Genting Mewah Oil Mill	2017	Genting Mewah Estate	2017	Sabah, Malaysia	Certified
	2017	Genting Bukit Sembilan Estate	2017	Kedah Malaysia	Certified
Globalindo Oil Mill	2023	Lamunti Barat Estate	2023	Kalimantan, Indonesia	In process of obtaining HGU
		Lamunti Timur Estate I & II			
		Mengkatip Estate I & II			
		Bakuta Estate			
		Plasma Timur & Barat			
		PT UAI 1 & 2	2023		NPP for PT UAI in progress. HCV report being reviewed by HCVRN. In the process of obtaining HGU for UAI.

		UAI Plasma			
Golden Hill Oil Mill	2022	Puroh Estate	2022	Kalimantan, Indonesia	In the process of obtaining Forest Release and Forest Exchange prior to HGU application
		Masaha Estate			
		Zircon Hill Estate			
		SP Plasma	2023		
		Waterfall Estate I & II	2022		
		Muhun Estate I & II			
		Talawang Estate I & II			
		KMJ Plasma	2023		
		Golden Hill Estate I	2022		
		Golden Hill Estate II			
		Diamond Hill Estate			
		DWK Plasma	2023		
Citra Sawit Cemerlang Oil Mill*	2021	CSC Estate	2021	Kalimantan, Indonesia	In process of obtaining HGU  HCSA report completed review
SAP Oil Mill*		SAP Estate 1 & 2	2021		In process of obtaining HGU  NPP in progress. HCV being reviewed by HCVRN. HCSA report under review by HCSA.
		SAP Estate 3 & 4			
		SAP Estate 5 & 6			
		AAC 1 & 2			
		AAC 3 & 4			
Palma Agro Lestari Jaya Oil Mill*	2023	PALJ Estate	2023	Kalimantan, Indonesia	In process of obtaining HGU.  HCSA report completed review
		PALJ Plasma			
KIU Oil Mill	2021	KIU 1 & 2	2021	Kalimantan, Indonesia	NPP in progress. HCV report being reviewed by HCVRN.
		KIU 3 & 4			
		KIU Plasma	2022		HCSA report to be reviewed by HCSA.

\*Oil Palm Mill planned for construction.

There are POM & Plantations is still progress, consist of:

1. Genting Indah Oil Mill: The remediation and compensation procedures is pending for Genting Kencana Estate. LUCA has been passed. Concept Note for Remediation and Compensation has been resubmitted to RSPO.
2. Globalindo Oil Mill: In process of obtaining HGU (Estate: Lamunti Barat, Lamunti Timur, Mangkatip, Bakuta dan Plasma). NPP for PT UAI in process of obtaining HGU for UAI.
3. Golden Hill Oil Mill: In the process of obtaining Forest Release and Forest Exchange prior to HGU application. (Estate: Puroh, Masaha, Zircon, Waterfall, Muhun, Talawang, Golden Hill, Diamond, SP Plasma, KMJ Plasma and DWK Plasma).
4. CSC Oil Mill: In process of obtaining HGU and Oil Mill planned for construction. Furthermore, HCSA report completed review.
5. SAP Oil Mill: In process of obtaining HGU and Oil Mill planned for construction. Furthermore, HCSA report completed review.
6. PALJ Oil Mill: NPP in progress. HCSA report completed review
7. KIU Oil Mill: NPP in progress. HCV report being reviewed by HCVRN and HCSA report to be reviewed by HCSA.

	The commitment regarding to the plan of certification proses of uncertified unit has been signed by the management representative on 04 November 2020.
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>
	The smallholder under PT SISM and PT SMA are included in this certification scope.

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-2	<ul style="list-style-type: none"> <li> <b>Mohamad Amarullah (Lead Auditor).</b> Indonesian Citizen. Master of Wood Science and Technology from UPM Malaysia and Bachelor of Forestry from IPB University Indonesia, with major in Forest Product Technology. Has experiences as Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014, and very good in conducting RSPO, MSPO and ISPO audit scheme since 2014 on any aspect. Has attended several trainings such as Lead Auditor of ISPO, RSPO, RSPO Supply Chain, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, SA 8000, HCV, life cycle analysis, etc. Fluent in Malay and English. During this Surveillance-2 assessment has verify BMP, long term management plan, information transparency and TBP. </li> <li> <b>Briyogi Shadiwa (Auditor).</b> Indonesian citizens. Associate degree of Oil Palm Plantation, Bogor Agricultural University. He has work experience since 2009 in several private oil palm plantation companies in Indonesia as Assistant Agronomy and Agronomy Quality Control. The trainings that have been attended include: RSPO Lead Auditor Course by Checkmark, ISPO Auditor Training by LPP, Lead Auditor ISO 9001: 2015, RSPO Supply Chain Certification Training Course by Checkmark, Lead Auditor ISO 14001: 2015, SMK3 Awareness, OHSAS 18001 Awareness: 2007, SA 8000 Awareness, ISO 45001: 2018 Awareness and General OHS Expert Training. In this audit, he verified the Legal and Supply Chain. </li> <li> <b>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 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, ISPO, RSPO, RaCP and NPP Awareness and OHSAS 18001:2007. Has involved in several audit activities related to sustainable palm oil since 2017 on BMP, OHS, and worker welfare aspect. During this assessment has verified worker welfare and OHS. </li> <li> <b>Rahmat Abdiansyah (Auditor Trainee).</b> Indonesian citizen, Bachelor of Forestry from the Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has experience working in the Indonesian Palm Oil Farmers Organization and Indonesian private oil palm plantation companies. Participate in ISPO and RSPO Internal Auditor training in 2018, ISPO and P&amp;C Certification Systems IHT in 2019, IHT ISO 19011, ISPO Auditor Training in 2020, RSPO Lead Auditor Training in 2020, ISO 14001 and ISO 9001 Lead Auditor Training in 2020, and awareness of the RSPO Certification System and the RSPO P&amp;C in 2019 and 2020. During this audit it was conducted as an Observer under supervised by Lead Auditor to verify environmental and GHG aspect. </li> </ul>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-2	Number of auditors: 3 auditors & 1 Trainee Auditor Number of days for <b>ASA-2</b> at site: 4 days Number of working days for <b>ASA-1</b> at site: 12 Working days
2.2.2	Assessment Process
ASA-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Sepanjang Inti Surya Mulia, included smallholders which fully managed by the unit of certification, to the requirements of <b>Principles and Criteria for the Production of Sustainable Palm Oil 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria, 14 June 2017.</b></p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>ASA-2</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase <b>ASA-3.</b></p>

Improvement of findings from main assessment findings were observed by auditors at this **ASA-2** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-2**. The assessment program please find Appendix 2

<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>ASA-2</b>	<p><b>Mulia Oil Mill (03 November 2020)</b></p> <ul style="list-style-type: none"> <li>• <b>Security.</b> Observation and interview with operator related to technical procedure and OHS aspect.</li> <li>• <b>Weigh-bridge.</b> Observation and interview with operator related to technical procedure and SCCS aspect.</li> <li>• <b>Central Warehouse/Store.</b> Observation on environment and safety aspect management.</li> <li>• <b>Chemical Store.</b> Observation on environment and safety aspect management.</li> <li>• <b>Lubricant Store.</b> Observation on environment and safety aspect management.</li> <li>• <b>Workshop.</b> Observation and interview with Foreman on his understanding towards technical, environment, safety and manpower aspect, as well as facilities provided by company management.</li> <li>• <b>Scheduled/Hazardous Waste Store.</b> Observation on environment and safety aspect management.</li> <li>• <b>Water Treatment Plant.</b> Observation and interview with 1 Operator on his understanding towards technical, environment, safety and manpower aspect, as well as facilities provided by company management. Four flowmeters were still works and satisfactory maintained. The water is taken from Tapal River.</li> <li>• <b>Laboratory.</b> Observation and interview with 3 Laboratory Assistant on his understanding towards technical, environment, safety and manpower aspect, as well as facilities provided by company management.</li> <li>• <b>Hydrant Simulation (located on Oil Storage).</b> Observation on readiness of emergency team and devices condition. Time of simulation is less than 1 minute.</li> <li>• <b>WWTP.</b> Observation and Interview operator related WWTP ponds and flowmeter condition.</li> <li>• <b>Land Application Block I2 Division 1</b> Observation and Interview related POME Management, PPE and working hours.</li> <li>• <b>Reservoir / water source Block H3 Division 1.</b> Observation and interviews of officers related to OHS and procedures.</li> <li>• <b>Housing Complex.</b> Observation about house condition and interview with residents about other facilities for worker, domestic waste management.</li> <li>• <b>Grading Station.</b> Observation and interview with 4 FFB Grader on their understanding towards technical, OSH, License, Labor and environment aspects, as well as facilities provided by the company.</li> <li>• <b>Loading Ramp Station.</b> Observation and interview with 1 Operators on their understanding towards technical, OSH, License, Labor and environment aspects, as well as facilities provided by the company.</li> <li>• <b>Sterilizer Station.</b> Observation and interview with 3 Operators on their understanding towards technical, OSH, License, Labor and environment aspects, as well as facilities provided by the company.</li> <li>• <b>Thresher Station.</b> Observation towards technical, OSH, License, and environment aspects.</li> <li>• <b>Press Station.</b> Observation and interview with 1 Operators on their understanding towards technical, OSH, License, Labor and environment aspects, as well as facilities provided by the company.</li> <li>• <b>Clarification Station.</b> Observation and interview with 1 Operators on their understanding towards technical, OSH, License, Labor and environment aspects, as well as facilities provided by the company.</li> <li>• <b>Kernel Station.</b> Observation and interview with 1 Operators on their understanding towards technical, OSH, License, Labor and environment aspects, as well as facilities provided by the company.</li> <li>• <b>Boiler Station.</b> Observation and interview with 2 Operators on their understanding towards technical, OSH, License, Labor and environment aspects, as well as facilities provided by the company.</li> <li>• <b>Engine Room.</b> Observation and interview with 1 Operators on their understanding towards technical, OSH, License, Labor and environment aspects, as well as facilities provided by the company.</li> </ul> <p><b>Estate Mulia 1-2 (04 November 2020)</b></p> <ul style="list-style-type: none"> <li>• <b>Boundary pole BPN PT. SISM No. 121.</b> Observation of availability and maintenance of boundary poles.</li> <li>• <b>Boundary pole BPN PT. SISM No. 122.</b> Observation of availability and maintenance of boundary poles.</li> <li>• <b>Division 2 Block G7.</b> Observation to <b>EFB mulching</b> area that mulched on the inter-rows or inter-palm. Dosage given was 300 kg/palm/year or about 40 ton EFB/ha/year.</li> </ul>



- **Division 2 Block G7.** Observation to **riparian of Tapal River** management.
- **Division 1 Block K9.** Observation to **Glyphosate application** activities and interview with Foreman, Tractor Driver and 4 Pesticide Applicators (all male), on their understanding towards technical, environment, conservation, safety and manpower aspects, as well as facilities provided by company management.
- **Division 1 Block K8.** Observation to terraces area management.
- **Division Plasma 1 (Cooperative of Tri Mulya Lestari) Block L5.** Observation to **harvesting activities** and interview with Foreman and 2 Harvesters, on their understanding towards technical, environment, conservation, safety and manpower aspects, as well as facilities provided by company management.
- **Clinic.** Observation and interview towards health facilities provided by company, infectious or medical waste management, housing health condition and manpower aspect.
- **Material Warehouse.** Field observations and Interview related to condition of the storge, symbols, MSDS, channels and pesticide spill containers, and pesticide stock, and management of hazardous and toxic materials.
- **Solar tank.** Observation Hazardous waste management, MSDS, Symbols and the others.
- **Workshop.** Observation and interviews with employees related to management of hazardous.
- **Temporary storage of hazardous waste.** Observation and interview related management of hazardous waste.
- **Interviews and Simulations with Emergency Response Groups** Observations related to the preparedness of the emergency response team, the ability and understanding of members, the completeness of the fire prevention equipment.
- **Pesticide Warehouse.** Observations related to condition of the storge, symbols, MSDS, channels and pesticide spill containers, and pesticide stock, and management of hazardous and toxic materials.
- **Oil Warehouse.** Observation Hazardous waste management, MSDS, Symbols and the others.

#### Estate Mulia 5- 6 (04 November 2020)

- **Boundary pole BPN PT. SISM No. 48.** Observation of availability and maintenance of boundary poles.
- **Boundary pole BPN PT. SISM No. 49.** Observation of availability and maintenance of boundary poles.
- **Adat Membuya Lake (Conservation Area).** Observation related to conservation area.
- **Udan Riparian (Conservation Area).** Observation related to conservation area.
- **Pekawai Omas Cemetery (Conservation Area).** Observation related to conservation area.
- **Watch tower / fire tower Blok T18 Division 2.** Field observations related to condition of fire tower.
- **Daycare.** Interview related to worker welfare, complain mechanism, and feasibility of facilities
- **Housing Complex.** Observation about house condition and interview with residents about other facilities for worker, domestic waste management.
- **Landfill area Block N20 Division 3.** Observation and interview to supervisor anorganic and organic management, and OHS aspect.
- **Harvesting at Block G20 Division 1.** Observation to harvesting activities and interview with Foreman and 4 Harvesters, on their understanding towards technical, premium calculation, daily work base, OSH, Labor, environment and conservation aspects, as well as facilities provided by the company.
- **Manuring at Block H20 Division 2.** Observation to manuring activities and interview with Foreman and 3 fertilizer applicators, on their understanding towards technical, premium calculation, daily work base, OSH, Labor, environment and conservation aspects, as well as facilities provided by the company.
- **Manual Weeding at Block O19 Division 1.** Observation to manual weeding activities and interview with Foreman and 9 workers which also Manuring Applicators, on their understanding towards technical, premium calculation, daily work base, OSH, Labor, environment and conservation aspects, as well as facilities provided by the company.
- **Pest Census at Block R17 Division 1.** Observation related to IPM and census activity.

#### Estate Abadi 1-2 (05 November 2020)

- **Division 1 Block H18.** Observation to **fertilizer application** and interview with Foreman and 3 Fertilizer Applicators (1 male and 3 female), on their understanding towards technical, environment, conservation, safety and manpower aspects, as well as facilities provided by company management.
- **Division 1 Block H17.** Observation to **harvesting activities** and interview with Foreman and 2 Harvesters, on their understanding towards technical, environment, conservation, safety and manpower aspects, as well as

	<p>facilities provided by company management.</p> <ul style="list-style-type: none"> <li>• <b>Division 1 Block H20.</b> Observation to terraces area management.</li> <li>• <b>Boundary pole BPN PT. SISM No. 52.</b> Observation of availability and maintenance of boundary poles.</li> <li>• <b>Boundary pole BPN PT. SISM No. 51.</b> Observation of availability and maintenance of boundary poles.</li> <li>• <b>Boundary pole BPN PT. SISM No. 70.</b> Observation of availability and maintenance of boundary poles.</li> <li>• <b>Boundary pole BPN PT. SISM No. 69.</b> Observation of availability and maintenance of boundary poles.</li> <li>• <b>Kelampai Hill (Conservation Area).</b> Observation related to conservation area.</li> <li>• <b>Mio Riparian (Conservation Area).</b> Observation related to conservation area.</li> <li>• <b>Majo Riparian (Conservation Area).</b> Observation related to conservation area.</li> <li>• <b>Workshop.</b> Observation and interviews with employees related to management of hazardous.</li> <li>• <b>Pesticide Warehouse.</b> Observations related to condition of the storage, symbols, MSDS, channels and pesticide spill containers, and pesticide stock, and management of hazardous and toxic materials.</li> <li>• <b>Fertilizer Warehouse.</b> Field observations related to condition of the storage, symbols, MSDS, channels and pesticide spill containers, and pesticide stock, and management of hazardous and toxic materials.</li> <li>• <b>Material Warehouse.</b> Field observations and Interview related to condition of the storage, symbols, MSDS, channels and pesticide spill containers, and pesticide stock, and management of hazardous and toxic materials.</li> <li>• <b>Oil Warehouse.</b> Observation Hazardous waste management, MSDS, Symbols and the others.</li> <li>• <b>Landfill area Block H20 Division 1.</b> Observation and interview to supervisor anorganic and organic management, and OHS aspect.</li> <li>• <b>Housing Complex.</b> Observation about house condition and interview with residents about other facilities for worker, domestic waste management.</li> <li>• <b>Clinic.</b> Observation and interview towards health facilities provided by company, infectious or medical waste management, housing health condition and manpower aspect.</li> <li>• <b>Interviews and Simulations with Emergency Response Groups</b> Observations related to the preparedness of the emergency response team, the ability and understanding of members, the completeness of the fire prevention equipment.</li> <li>• <b>Harvesting at Block J15.</b> Observation to harvesting activities and interview with Foreman and 6 Harvesters, on their understanding towards technical, premium calculation, daily work base, OSH, Labor, environment and conservation aspects, as well as facilities provided by the company.</li> <li>• <b>Pesticide Application at Block G16.</b> Observation to spraying activities and interview with Foreman and 7 Pesticide Applicators, on their understanding towards technical, premium calculation, daily work base, OSH, Labor, environment and conservation aspects, as well as facilities provided by the company.</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>ASA-2</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT SISM was held by:</p> <ul style="list-style-type: none"> <li>• Public Announcement at Mutuagung website <a href="http://www.mutucertification.com">www.mutucertification.com</a> on 11 November 2019</li> <li>• Consultation with Government Agency on 5 November 2020.</li> <li>• Consultation with local stakeholders (community surround/village) on 3 November 2020.</li> <li>• Consultation with Internal Stakeholders on 3 November 2020.</li> <li>• Consultation with Local Contractor on 3 November 2020.</li> <li>• Consultation with NGO via email on 22 October 2020.</li> </ul>
<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-3) will be determined eight (8) until twelve (12) months after this assessment

### 3.0 ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of Mulia Oil Mill – PT Sepanjang Intisurya Mulia operation consisting of one (1) mill and five (5) oil palm estates.

During the assessment, there were five (5) Nonconformities were assigned against Major Compliance Indicators; seven (7) nonconformities were assigned against Minor Compliance Indicators ; and four (4) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences. Those corrective actions taken had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Mulia Oil Mill – PT Sepanjang Intisurya Mulia 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 System for Principles and Criteria, 14 June 2017.*

Therefore, MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification																																								
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY																																									
1.1																																									
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.																																									
1.1.1																																									
List of documents or information which available for public and/or relevant stakeholder is presented in Form No. GPN-CER-06 (Rev. 0) dated 01 January 2020 about Information Type Data, that consist of 31 type of documents such as Location Permit, Business Permit, Land Title, Company Act, Licenses or Permit related to environment management, Environment Permit, HCV, OSH Committee matters, internal and external audit, financial report, procedures, lab analysis, BMP matters, Labour Union matters, etc. Several compulsory information or report that shall periodically delivered to the respective Agency of Ketapang District and/or Kalimantan Barat Province is summarized as follows:																																									
<table><tr><th rowspan="2">Agency</th><th rowspan="2">Report</th><th colspan="2">Date of Delivery</th></tr><tr><th>PT SIsM</th><th>PT SMA</th></tr><tr><td>BPN</td><td>Land Title Utilization 2019</td><td>14 Jan 2020</td><td>14 Jan 2020</td></tr><tr><td rowspan="3">Environment Agency</td><td>Land Application Qtr 3 2020</td><td>09 Oct 2020</td><td>n.a.</td></tr><tr><td>RKL/RPL Sem 1 2020</td><td>09 Oct 2020</td><td>03 Sep 2020</td></tr><tr><td>Hazardous Waste Qtr 3 2020</td><td>03 Oct 2020</td><td>07 Oct 2020</td></tr><tr><td rowspan="2">Plantation Agency</td><td>LKUP/LPUP 2019</td><td>25 Aug 2020</td><td>25 Aug 2020</td></tr><tr><td>Fire Monitoring Qtr. 3 2020</td><td>08 Oct 2020</td><td>05 Jul 2020</td></tr><tr><td rowspan="2">Manpower</td><td>WLTK 2019</td><td>07 Aug 2020</td><td>18 Feb 2020</td></tr><tr><td>P2K3 Qtr. 3 2020</td><td>09 Oct 2020</td><td>05 Jul 2020</td></tr><tr><td>BKPM</td><td>LKPM Qtr. 3 2020</td><td>09 Oct 2020</td><td>07 Oct 2020</td></tr></table>				Agency	Report	Date of Delivery		PT SIsM	PT SMA	BPN	Land Title Utilization 2019	14 Jan 2020	14 Jan 2020	Environment Agency	Land Application Qtr 3 2020	09 Oct 2020	n.a.	RKL/RPL Sem 1 2020	09 Oct 2020	03 Sep 2020	Hazardous Waste Qtr 3 2020	03 Oct 2020	07 Oct 2020	Plantation Agency	LKUP/LPUP 2019	25 Aug 2020	25 Aug 2020	Fire Monitoring Qtr. 3 2020	08 Oct 2020	05 Jul 2020	Manpower	WLTK 2019	07 Aug 2020	18 Feb 2020	P2K3 Qtr. 3 2020	09 Oct 2020	05 Jul 2020	BKPM	LKPM Qtr. 3 2020	09 Oct 2020	07 Oct 2020
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Based on explanation above, it could be concluded that compulsory report has satisfactory delivered to the relevant institutions as required by applicable regulations.

#### 1.1.2

Based on information from Environment Agency and Manpower Agency of Ketapang District, as well as document review on Letter In-Out Logbook and Report Delivery Evidence Record, it was known that unit of certification has considered cooperative satisfactory in providing information and data for the relevant stakeholders. Furthermore, representative from Village of Mesubang and Pangkalan Suka, it was known that information was transparently delivered immediately in Bahasa by Public Relation Officer.

#### 1.1.3 and 1.1.4

Procedure of consultation and communication with stakeholders, included information request and response is presented in document No. SISM/CDP-03-00.01 dated 01 June 2015 and No. SMA-CPD-06-00 dated 01 March 2015 for PT SIsM and PT SMA, respectively. The procedure mentioned that information request shall be responded less than 1 month. Recording, disposition and monitoring of information request was conducted by Community Development (CD) Staff. The procedure was available in Bahasa and had delivered through socialization, as mentioned by the representative of Mesubang and Pangkalan Suka Village and Local Contractor of FFB transporter. For refreshment, the procedure related to information request has also delivered through daily muster morning by Division Assistant. Based on interview with sampled workers from PT SIsM (estate and mill) and PT SMA, it was known that the interviewee mentioned that request of information is handled by CD Staff, and immediately responded if not classified as confidential information. Record of information request and its response is presented in Letter In and Out Logbook, for example as follows:

- Letter from KPU of Ketapang District No. 102/PP.03.1-30/6104/KPU-KAB/I/2019 dated 12 January 2019 about employees data for National Election Purposes had immediately responded by HRD and Legal Department on 02 February 2019.
- Letter from Mensubang Village No. 140/076/Pem/2020 dated 03 April 2020 about Covid-19 Protocol had responded immediately on 06 April 2020.

As reviewed through Logbook Letter-In and Letter Out, it was known that all information requested was responded immediately by the respective company representative(s) less than 1 month, in accordance with procedure.

#### 1.1.5

Unit of certification has list of relevant stakeholder that updated on 01 July 2020, summarized as follows:

##### PT SIsM

- 64 representatives from Government institutions of Nanga Tayap.
- 3 representatives from Safety Officer of Nanga Tayap.
- 70 representatives from surrounding villages (Nanga Tayap, Sepakat Jaya, Pangkalan Teluk, Mensubang, Penjawan, Pangkalan Suka and Sebadak Raya).
- Cooperative: 477 from Cooperative of Sawit Trimulya Lestari and 757 from Cooperative Sawit Harapan Jaya.
- 39 representatives from Labour Union (SPSI and SBSI).
- 21 representatives from Gender Committee.
- 20 contractors/vendors.
- Hundreds of previous land owner from PT SIsM and PT SMA.

##### PT SMA

- 180 representatives administrative and elders of surrounding villages (Mensubang, Tanjung Medan and Pangkalan Teluk).
- 10 representatives from Government Agencies in Ketapang District and Kalimantan Barat.
- 2 representatives from NGO.
- 1 contractor.

Based on explanation above, it could be concluded that unit of certification has identified any affected parties that positively and negatively affected by company operational activities.

Status: Comply



**1.2**
**The unit of certification commits to ethical conduct in all business operations and business transactions.**
**1.2.1**

Unit of certification mentioned that there is no revision of code of conduct (COC) that issued by President Director of Genting Plantations, Bhd. on 01 November 2015. The COC mentioned that the company has strongly committed to implement business ethics with good integrity all the time, which covers fair business behavior, anti-corruption, bribery and misapplication, based on fact, honest and on time, just, in accordance with applicable regulations, respecting each other and protecting whistleblower. Socialization has been conducted to all employees and contractors since 2017. For refreshment, the COC has also delivered through daily muster morning by Division Assistant. Based on interview with contractor, it is known that they understand about the ethical conduct of the company.

**1.2.2**

Unit of certification has several systems which aims to monitor compliance towards code of conduct and business ethics, presented in several documents, as follows:

- Annual RSPO and/or ISPO Internal Audit report by Internal Auditor dated 17 April 2020.
- Monthly report by Estate or Factory Manager for period August to October 2020.
- Financial Audit report by Independent Public Accountant dated 08 June 2020. Based on auditor opinion, it was stated that the accompanying financial statements present fairly, in all material aspects, the financial position of the company as at 31 December 2019, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.
- Socialization of company code of conduct to contractors, followed by put several critical points such as transparency, as well as safety and manpower commitments on work agreement, work checking official report, etc.

**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**

CH has complied with laws and regulations such as:

**Legal**

The company shows the land ownership and environment documents like HGU (Land Use Title) and AMDAL document.

**BMP**

In term of BMP. Several regulation pursuance towards applicable regulation conducted by the unit of certification is presented as follows:

- Has conduct zero burning for land preparation.
- Has committed to reduce and avoid the use of pesticide, especially those that classified on WHO 1A, 1B and paraquat. Furthermore, all pesticides used were registered in Pesticide Commission of Department of Agriculture.
- Has used seeds from producers recognized by Government of Indonesia.
- Unit of certification has adopted integrated pest management which consist of early warning system, census, biological control, chemical control with justification and evaluation.

**Environment Aspect**

The company has complied with environmental regulations, this has been proven by having permits related to the environment such as:

- The company already has an environmental study document, namely the AMDAL Addendum.
- The company has an environmental permit in accordance with the Decree of the Regent of Ketapang Number: 031 / DPMPSTSP-D.B / 2018 regarding environmental permits to increase the capacity of the Oil Palm Processing Plant from 60 tons of FFB / hour to 90 tons of FFB / hour by PT. Sepanjang Intisurya Mulia.
- The company has an environmental permit in accordance with the Decree of the Regent of Ketapang Number: 206 / DPMPSTSP-D.B / 2018 regarding the environmental permit for oil palm plantation activities by PT. Sawit Mitra Abadi.

- PT. SISM has a temporary storage permit for hazardous and toxic waste based on the Ketapang Regent Decree No. 58 / KLH-B / 2015 Concerning the temporary storage permit for hazardous and toxic waste to PT. SISM dated 15 January 2015 and for 5 years. The company has applied for the additional permit and has complied with the report on the fulfillment of the operational permit for hazardous and toxic waste from the Ketapang Regency Government. Then on October 27 there was a letter from the Public Housing Service, Residential Area and the Environment of Ketapang Regency to carry out a technical supervision of hazardous and hazardous materials operations which will be carried out on November 11, 2020. Until the ASA 2 assessment was carried out the company had not received an additional permit for temporary storage of waste hazardous and toxic materials. This becomes OFI because the Public Housing Service, residential areas and the environment will carry out technical supervision of the temporary storage place for hazardous and toxic waste of PT SISM before issuing the extension of the permit for temporary storage of hazardous and toxic waste, this will be re-observed in the next assessment. **(OFI Number 1)**.
- PT. SMA has a permit for temporary storage of hazardous and toxic waste in accordance with the Decree of the Regent of Ketapang Number: 208.2 / DPMPTSP-D.B / 2018 on June 22, 2018 with a validity period of 5 years from the date of stipulation.
- The company has a waste utilization permit based on the Ketapang Regent Decree No. 446 / KLH-B / 2015 regarding Permit for utilization of wastewater for application to the ground on 24 June 2015 for 5 years. The company has made an application for the addition of the permit and has carried out a field lever by the Public Housing, Settlement Area and Environment Agency on July 23, 2020. Then on October 30, 2020, the company has submitted a repair report from the results of the field lever by the Public Housing Service for residential areas and environment and has been accepted by the service. Until the ASA 2 audit, the additional Land Application permit has not been issued. This becomes OFI because at the time of field supervision carried out by the public housing office, residential areas and the environment there are several things that must be fixed by the company and these improvements have been submitted to the agency and there has been no response from the agency, so the process of extending the waste utilization permit has not can be published. this will be observed again in the next assessment. **(OFI number 1)**

### **Compliance with Manpower Regulation**

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

- Reporting of Labor Report for PT SISM in 07 August 2020 and for PT SMA in 18 February 2020.
- The implementation of the minimum wage in 2020 is in accordance with the Minimum Wage Decree of the Ketapang Regency established by the Governor of Kalimantan Barat in November 2019.
- 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.
- Based on the results document verification for determining the structure of wages and overtime to observe the consistency of management, it is known that the certification unit already has a wage structure for the 2020 period, overtime and has applied it to all levels of existing workers. This has been detailed in indicator 6.1.6 and indicator 6.2.2. The result is a unit of certification that consistently implements these improvements from previous assessment to the time the audit was conducted.

### **Compliance with OHS Regulation**

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

- The establishment of the P2K3 (OHS Committee) for PT SISM which were registered / approved by the Manpower and Transmigration Agency of Kalimantan Barat Province in May 2020 (SK No. 34/P2K3/WASNAKER/2019 dated 02 May 2019).
- 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 May 2019).
- Has a license / competency for some special jobs that require more expertise such as OHS experts, hiperkes, welder, wheel loader operators and others in accordance with the requirements contained in the legislation. Based on the results of the review of the monitoring license document and the competence of the OHS certification unit, it is known that the license for the heavy lifting equipment operator has been monitored and is still entirely valid. Meanwhile, the management

of paramedic STR extension has been owned and renewed for the next 5 years.

- Has carried out a general health check (Medical Check Up) every year for all workers and special checks (cholinesterase, spirometry and audiometry) according to the level of risk / danger for certain jobs.

### **2.1.2**

The company already has documents related to legal compliance in the Law Register Document, divided into several aspects, such as:

- List of Manpower Regulations and Regulations (No. : 001 / HRD-SISM / LR / I / 2020)
- List of Legal Provisions and Legislation in the Environmental Sector (No. LR04 / SISM / 2020)
- List of Legal Provisions and Legislation Related to Plantation Company Activities (No. LR01 / SISM / 2020)

The person who responsibility to update and evaluate the list of regulation is SHE (Social Health & Environment) Representative. SHE department are responsible for identifying, inventorying and evaluating the fulfillment of all legal and regulatory requirements related to aspects and impacts of operations. The company has made a revision regarding the latest list of regulations in April 2020. Companies are encouraged to make the latest updates regarding the latest list of regulations, especially the latest regulations that came out in semester 2 of 2020, for example Law No. 11/2020 which issued in November 2020. **OFI**

### **2.1.3**

The position of all legal boundaries already describes in the HGU map issued by BPN. Consistently with corrective action on previous assessment, based on field observations, the all HGU poles are available on place and maintained. It is also known that there are no indications of land disputes. The positions were checked using GPS, such as observation in PT SISM (HGU Pole No. BPN 121, BPN 122, BPN 48, BPN 49) and PT SMA (HGU Pole No. BPN 57, BPN 58, BPN 69, BPN 70). Land boundaries have been demarcated with boundary trenches or clear control roads.

Certificate holder also had program for repairing the HGU pole. The program agreement with Koperasi Panca Mitra abadi (No.SPK-008/SMA/A-4/VIII/2020) with period of contract until 31 December 2020.

<b>Status: Comply</b>
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### **2.2**

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

**2.2.1; 2.2.2 and 2.2.3**

Certificate holder has shown contractor list for each unit, for examples:

- PT SMA has 14 contractors for FFB transports and infrastructure construction. (e.g PT Tenaga Inti Global, PT Bumi Beam Center, CV Restu Ibu)
- PT SISM has 25 contractors for FFB transport (e.g CV Kapar Betindih Petrus Rudi, CV Karya Petinggi Sembilan, Blian Usaha Mandiri).
- Mulia oil Mill has 5 contractors for CPO and PK transports (e.g PT Talenta Lestari Abadi, PT Ponti Sarana Utama, Kooperasi Panca Mitra Abadi).

The list consists of various types of contractors such as FFB transporter, infrastructure development and many more. The list updated when there's a new contract.

The results of document verification work agreements with contractors, for example the Panca Mitra Abadi Cooperative and CV Restu Ibu, there is a clause that "Must comply with and obey all the provisions of the competent authorities as well as applicable government regulations". Based on management representative explanation, the clause including related to prohibition of child worker, forced and trafficked labor.

In addition, to ensure compliance with regulations by contractors, the company has SOP for OHS Procedures for Visitor Contractors and New Employees (No. SOP/SMA/SHE19 & No. SOP/SISM/SHE19 dated February 1<sup>st</sup> 2020). Here are the things that must be obeyed :

- General Regulations for Occupational Health and Safety
- Driving Regulations and Accident Emergency Response
- BPJS (Insurance)
- Remuneration
- Minimum age worker (18 years old)
- And others.

The procedure also explains that the unit management (SHE Department and related departments) will carry out periodic monitoring of the contractor to find out the extent to which the contractor complies with the safety and health regulations of the company's work environment.

However, there is not enough evidence that all contracts have fulfilled the applicable legal obligations as stated in the work contract and company procedures. In addition, the company has not shown the contractor any periodic monitoring records.

Raised **NCR No. 2020.01 with minor category**

<b>2.2.2 Non-critical</b>	<b>Status: NCR No./ 2020.01 with minor category</b>
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**2.3**

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

**2.3.1 and 2.3.2**

From the results of the document review on the weighing card and also the results of the examination of the FFB receipt documents for the past year, all outside FFB are FFB originating from the Genting Plantation BHD group. MOM mill does not receive FFB from parties other than Genting Plantation management bhd.

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

it of certification has a Long-term Business Plan for Period 2019 to 2025 that arranged by Mill and/or Estate Manager, approved by Senior Vice President (SVP), presented in several document such as Forecast and Projection 2020-2025 for PT SISM and Budget and Projection 2019-2024 for PT SMA. The budget included FFB production, CPO and PK production, price estimation (FFB, CPO and PK), estate cost, oil and kernel extraction rates, processing cost, production cost, maintenance cost,

conservation, revenue, etc. For example, budget of FFB production, CPO production PK production, extraction and product price for Period 2020-2023 is presented in the following Table:

Parameter	2020	2021	2022	2023
TBS Production (mt)	583,706	513,497	563,351	613,963
CPO Production (mt)	13,171	120,672	132,387	144,281
PK Production (mt)	23.348	20.540	23.661	25.786
OER (%)	23.50	23.50	23.50	23.50
KER (%)	4.00	4.00	4.20	4.20
CPO Price (RM/mt)	2,500	2,500	2,500	2,500
PK Price (RM/mt)	1,100	1,100	1,100	1,100

Estates and mill management unit stated that those long-term business plan mentioned above are subjected to be changed and reviewed annually by the respective management such as Factory or Estate Manager, Senior Manager, General Manager (GM) and Senior Vice President through considering actual trends and dynamic situation which predicted could be changed in the future. Furthermore, management unit stated that there was no presence of peat within estate operational areas. Department of Sustainability together with Estate and Factory Management has responsibility to ensure that all technical implementation has in accordance with procedure, which aims to reach optimum output for budget fulfillment purposes through monitoring, training and socialization.

### 3.1.2

Unit of certification management explained that criteria of replanting could be due to several consideration, such as age of palms (>25 years old), low productivity (<10 ton FFB/ha/year), palm height (>12 m) and recommendation from Agronomist or other management consideration. However, based on year of planting data, it was known that palms in PT SIsM and PT SMA were planted from 2007 to 2016. Thus, based on year of replanting only, it was known that replanting activities will be conducted as early in 2032. Hence, there is no replanting programme the near future.

### 3.1.3

Management review has shows through several documents, for example as follows:

- Annual public accountant report, prepared by Auditor (Reg. No. AP.0234) from Tanudiredja, Wibisana, Rintis and partner Accountant Public Office, for company and consolidation finance position up to 31 December 2019 which stated that company finance report was comply with Indonesian Accountancy Standard.
- Key Performance Index 2020 which informs name of worker, position, unit, super coordinate, location, work parameter and indicators, score of previous month, score of current month, average score, achievement and notes.
- Annual Agronomy visit report of PT SIsM and PT SMA period 2019 that describes field finding, picture evidence and Agronomist comments.
- Monthly Estate or Mill Manager Report that presented in document of Executive Summary Report that approved by General Manager. The report consist of FFB production statement, FFB forecast, hectare statement and land compensation, land clearing and planting, area affected due to flooding, land claim, blockade and parthenocarpic, rainfall, harvester index summary, fertilizer status delivery, fertilizer application, plasma issue, etc.
- Internal Audit of RSPO dated 17 April 2020 has conducted by five internal auditor in 13-21 April 2020, resulting compliance rate for about 87.22 % (23 NCR's) and 86.67 % (24 NCR's) for PT SIsM and PT SMA, respectively. All NCR's has closed on 22 October 2020.
- Management review on RSPO, ISPO, SCCS and Fire Management has conducted on 07 January 2020 in PT SIsM, attended by 31 relevant representative from PT SIsM, PT SMA, GPRC, Team of Sustainability and . There were seven points being discussed. The review contains point of review, description of findings, output, recommendation of correction or action plan, PIC, supporter from management and time schedule. Management review process has refers to procedure No. SOP/SISm/SSTA01 (Rev. 01) dated 01 February 2020, while attendance evidence is presented in document Form No. GPN-CER-11 (Rev. 0).

**Status: Comply**

## 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**

- Internal Audit of RSPO dated 17 April 2020 has conducted by five internal auditor in 13-21 April 2020, resulting compliance rate for about 87.22 % (23 NCR's) and 86.67 % (24 NCR's) for PT SIsM and PT SMA, respectively. All NCR's has closed on 22 October 2020.
- Management review on RSPO, ISPO, SCCS and Fire Management has conducted on 07 January 2020 in PT SIsM, attended by 31 relevant representative from PT SIsM, PT SMA, GPRC, Team of Sustainability and . There were seven points being discussed. The review contains point of review, description of findings, output, recommendation of correction or action plan, PIC, supporter from management and time schedule. Management review process has refers to procedure No. SOP/SISm/SSTA01 (Rev. 01) dated 01 February 2020, while attendance evidence is presented in document Form No. GPN-CER-11 (Rev. 0).
- Key Performance Index 2020 which informs name of worker, position, unit, super coordinate, location, work parameter and indicators, score of previous month, score of current month, average score, achievement and notes.
- Annual Agronomy visit report of PT SIsM and PT SMA period 2019 that describes field finding, picture evidence and Agronomist comments.
- The company has collaborated with BKSDA for monitoring and education about protected wild plants and animals in 2019.
- The company is collaborating with the Foundation for Natural Rehabilitation Initiation (YIAR) in terms of assistance for HCV monitoring in 2018 for a 5-year collaboration. (PT SMA).
- Unit certification has set minimum wage regulations for all workers based on the stipulation of minimum wages by the Governor of Kalimantan Barat for 2020.
- 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**

To date, the RSPO metric template format is not available. The company has reported its ACOP Report for 2019 to the RSPO.

**Status: Comply**

**3.3**

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

**3.3.1**

Unit of certification informed that there is no revision of procedures related to oil palm agronomy, oil palm processing and safety aspect, summarized as follows:

- Oil Palm Agronomy aspect consist of 44 procedures that presented in documents No. SOP SIM-AGRI-XX-YY-ZZ. Procedures has covers relevant activities in oil palm cultivation activities such as planing, nursery, planting, field upkeep and sanitation, manuring, soil fertility management, integrated pest and disease management, transportation, infrastructure maintenance, harvesting, field monitoring and vehicle maintenance.
- Oil palm processing aspect consist of 16 procedures that presented in documents No. SOP SIM-PKS-XX-YY-ZZ. Procedures has covers relevant activities in oil palm processing activities such as processing scenarion, work instruction on technical matters on each processing stations, quality control, FFB grading, waste management, water treatment, effluent for land application, transportation, monitoring and maintenance.
- Safety aspect consist of 24 procedures that presented in documents No. SISM-SHE XXX dated 01 July 2013. Procedures has covers relevant matters related to safety such as risk analysis and mitigation, accident investigation, safety management, victim handling, health monitoring, PPE management, safety inspection and safety evaluation. Furthermore another reference related to safety matters were derived from Material Safety Data Sheet (MSDS) of chemical products and Hazard Identification Risk Assessment Control (HIRAC).

Based on procedure documents review, it could be concluded that the oil palm agronomy, processing and safety procedures are still relevant with current situation and covers all main aspects from the field to the factory. All procedures are available in Bahasa. However, estates and mill employees understanding towards technical and safety matters is considered very satisfactory.



**3.3.2 and 3.3.3**

The unit of certification is able to shows record of monitoring as well as its follow up, for example as follows:

- Internal Audit of RSPO dated 17 April 2020 has conducted by five internal auditor in 13-21 April 2020, resulting compliance rate for about 87.22 % (23 NCR's) and 86.67 % (24 NCR's) for PT SIsM and PT SMA, respectively. All NCR's has closed on 22 October 2020.
- Management review on RSPO, ISPO, SCCS and Fire Management has conducted on 07 January 2020 in PT SIsM, attended by 31 relevant representative from PT SIsM, PT SMA, GPRC, Team of Sustainability and . There were seven points being discussed. The review contains point of review, description of findings, output, recommendation of correction or action plan, PIC, supporter from management and time schedule. Management review process has refers to procedure No. SOP/SISm/SSTA01 (Rev. 01) dated 01 February 2020, while attendance evidence is presented in document Form No. GPN-CER-11 (Rev. 0).
- Key Performance Index 2020 which informs name of worker, position, unit, super coordinate, location, work parameter and indicators, score of previous month, score of current month, average score, achievement and notes.
- Annual Agronomy visit report of PT SIsM and PT SMA period 2019 that describes field finding, picture evidence and Agronomist comments. Monthly Estate or Mill Manager Report that presented in document of Executive Summary Report that approved by General Manager. The report consist of FFB production statement, FFB forecast, hectare statement and land compensation, land clearing and planting, area affected due to flooding, land claim, blockade and parthenocarpic, rainfall, harvester index summary, fertilizer status delivery, fertilizer application, plasma issue, etc.
- Furthermore, monitoring has also conducted everyday by respective Foreman and Assistant.

<b>Status: Comply</b>
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**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 & 3.4.2**

Until the ASA 2 assessment was carried out, the company had not carried out any new plantings. PT. SISM already has environmental documents in the addendum document for environmental impact analysis and environmental management plans - environmental monitoring plans for activities to increase the capacity of palm oil mills from 60 tons of FFB / hour to 90 tons of FFB / hour by PT Sepanjang Intisurya Mulia which is located in the Village Pangkalan Teluk, Nanga Tayap District, Ketapang Regency in 2016. The environmental document has been approved in accordance with the Decree of the Ketapang Regent Number 031 / DPMPTSP-DB / 2018 dated January 23, 2018. The environmental management plan and monitoring plan are as follows:

- Decreased air quality
- Increased noise
- Decreasing water quality
- Increase business opportunities
- Increase in community income
- Attitudes Changes and Public Perception
- Public health problems
- Work accident

PT SMA already has an Environmental Permit in the form of an Environmental Impact Analysis Document (AMDAL) which has been approved by the Governor of West Kalimantan in accordance with Decree No. 108 of 2006 dated April 4, 2006 concerning the Environmental Feasibility of Plantation Activities (Area + 15,800 Ha) and a palm oil processing factory (Factory Capacity 60 TBS / Hour) by PT Sepanjang Intisurya Abadi in Nanga Tayap District, Ketapang Regency, West Kalimantan Province. Currently PT SMA has an Addendum for Environmental Impact Analysis (ANDAL) and RKL-RPL for PT. Sawit Mitra Abadi in 2018. This addendum was made due to the addition of an area of ± 1,000 Ha. PT SMA also has an environmental permit in accordance with the Decree of the Regent of Ketapang Number: 206 / DPMPTSP-D.B / 2018 regarding environmental permits for oil palm plantation activities by PT. Sawit Mitra Abadi on June 8, 2018. The management plan and environmental monitoring plan are as follows:

- Decreasing surface water quality

- Increase in community income
- Employment Opportunity
- Attitudes and perceptions of society
- Decreased air quality
- Increased noise
- Decreased public health
- Business opportunities
- Public attitudes and perceptions of replanting activities.

Based on the document review, it is known that all operational areas and the impact of the company's operational activities have been covered in the environmental documents that are owned. Based on interviews with the Public Housing, Settlement and Environmental Services Office of Ketapang Regency, it is known that the company already has an environmental permit from the Ketapang Regency Government for PT. SISM and PT. SMA.

PT SISM has conducted social impact identification (SIA) which was carried out in December 2010 by consultants Aksenta. Data collection was carried out in November-December 2010. Then the company evaluated the implementation and revision of the SIA document in December 2016. After that, the company re-identified the social impacts in June 2019. This re-identification was carried out to see the strategic conditions that developed from the company's impact carried out by the Consultant SAN. This re-identification process has been carried out with FGDs with affected parties such as the surrounding village community, for example Mensubang Village, Pangkalan Teluk Village, Dusun Bayangan, Tanjung Medandan Village Dusun Pangkalan Jihing Subdistrict Nanga Tayap District Ketapang which was conducted on May 14 2019. PT. SISM also has an SIA management and monitoring plan for 2019-2021 based on the results of the SIA re-identification which was carried out based on consultation with the surrounding community, namely:

- Social sector, namely in the field of work.
- Social sector, namely the impact of CSR.
- Ecological and Environmental Sector, namely in Public Health.
- Employment, namely workers' welfare.

PT SMA has carried out social impact identification (SIA) which was carried out in 2009 by consultant Aksenta. Data collection was carried out in March-April 2009. Then the company evaluated the implementation and revision of the SIA document in December 2016. After that the company re-identified its social impacts in June 2019. This re-identification was carried out to see the strategic conditions that developed from the company's impact carried out by SAN Consultants. . This re-identification process has been carried out with FGDs with affected parties such as the surrounding village community, for example Mensubang Village, Pangkalan Teluk Village, Bayangan village, Tanjung Medandan Village Subdistrict Nanga Tayap District Ketapang which was conducted on May 14 2019. PT. SMA also has an SIA management and monitoring plan for 2019-2021 based on the results of the SIA re-identification which was carried out based on consultation with the surrounding community, namely:

- Tenure and land acquisition, namely communication with land owners.
- Social sector, namely employment.
- Ecological and environmental fields, namely public health.
- Field of Cooperation, namely the issue of Regional Treasury Land.

Based on interviews with nearby villages, it is known that the social impacts of company operations have been included in the Corporate Social management and monitoring plan.

### **3.4.3**

PT SMA has implemented the results of the environmental permit listed in the RKL-RPL Implementation Report document for semester 1 of 2020. Based on the review of the RKL-RPL implementation document for semester 1 of 2020, it is known that PT. SMA has implemented RKL / RPL in accordance with the direction of the environmental documents it has. PT. SMA has also conducted trend evaluation, critical level evaluation and compliance evaluation. In addition, the implementation of the RKL-RPL semester 1 of 2020 has been reported to the Public Housing Service for Settlement Areas and the Environment of Ketapang Regency on September 3, 2020.

PT. SMA has also implemented a social management and monitoring plan for 2020 which was carried out based on consultation with the surrounding community, for example:

- Tenure and land acquisition. The company has established communication with the land owners this is evidenced by the company being able to show a list of land owners.
- Social Sector. The impact that is managed is employment. Until 2020 there are 1126 local people who work at PT SMA.
- Ecology and Environment. The managed impact is public health. The company has monitored the surrounding river water to ensure that the company does not pollute river water.
- Field of Cooperation. The impact of the problem is the problem of Regional Treasury Land. The company has initiated a plan related to the Regional Treasury Land. Until now, there have been no technical instructions from the local government regarding Regional Treasury Land. In 2020 the company has made a plan to settle village treasury lands with CSR funds, namely by providing 6 ha of land / village outside the HGU. Then at this time the company has also compiled a memorandum of understanding between the village and the company. The plans that have been made are scheduled to be implemented in 2021.

Environmental results that are in accordance with the directions of the environmental documents held and related regulations, for example, are monitoring of air quality, water quality and noise with results that are in accordance with the quality standards set out in the relevant regulations.

PT. SISM has implemented a social management and monitoring plan for 2020 which is based on consultation with the surrounding community, for example:

- Social Sector. The impact on being managed is on employment. Based on interviews with the village, it was found that the company had provided information to the village when there were job vacancies. Companies can show local workers who work in the company.
- Social Sector. The impact that is managed is on the impact of CSR. The company has implemented / realized CSR for the village. Some of the CSR programs that have been realized in 2020 include Teacher Honor incentive assistance for nearby villages on January 10, 2020. Road repair assistance in Tanjung Bunga village, Sebedak Raya village on March 20, 2020. Funding for facilities and infrastructure for the Al-Quran Education Park in Pangkalan Telok Village on October 31, 2020.
- Ecology and Environment. The managed impact is public health. The company has conducted river water quality testing to ensure that the river is not polluted by the company's operations.
- Employment. The impact that is managed is worker welfare. The company has provided housing for employees as well as other facilities such as clean water etc.

PT. SISM has implemented the results of the environmental permit listed in the RKL-RPL Implementation Report document for semester 1 of 2020 and has been reported to the Public Housing Service of the Ketapang Regency Residential and Environmental Areas on October 9, 2020. Based on the document review, the following evidence is obtained:

- AMDAL Addendum (RKL / RPL) documents related to the additional processing capacity of PT Sepanjang Intisurya Mulia's Mulia Oil Mill from 60 tons of FFB / hour to 90 tons of FFB / hour in 2016 have been approved based on the Decree of the Regent of Ketapang No. 031 / DPMPSTP-D.B / 2018 dated 23 January 2018. Some of the management and monitoring plans required by the addendum document include:
  - Decreased air quality
  - Increased noise
  - Decreasing water quality
  - Increase business opportunities
  - Increase in community income
  - Attitudes Changes and Public Perception
  - Decreased public health
  - Work accident
- Based on the results of the PT SISM Semester I 2020 RKL / RPL implementation document review, it is known that there are several types of environmental impact management and monitoring activities that have not been carried out by the company, including: Increase in Community Income, as well as changes in community attitudes and perceptions.

Based on this evidence, the unit of certification has not been able to show evidence that all environmental management and

monitoring plans have been implemented in accordance with the RKL / RPL matrix it has. This became **NCR No 2020.02 indicator 3.4.3 with Major / Critical category.**

**3.4.3 Status: NCR No 2020.02 indicator 3.4.3 with Major / Critical category.**

### 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 2019-2022 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 Company Regulations, 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. For example some procedures that are owned by the company include:

- Procedure concerning Employee Recruitment
- Procedure concerning Employee Agreement
- Procedure regarding Employee Promotion & Transfer
- Procedure concerning Employee Ratings

The results of interviews with workers (harvesting, spraying and mill operators) in PT SISM and PT SMA 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), the current employee status is permanent workers and staff. All the rights for each employment status has been distinguished. From this explanation it can be concluded that the certification unit have procedures for recruitment, selection, employment, promotion, retirement and termination of employment must be documented / available to workers and their representatives.

##### 3.5.2

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

- Harvesting Worker at Mulia 3-4 Estate with employee number 10006429 have the complete document of recruitment requirements such as employee identity (KTP), family card (KK), job application letter, and other supporting documents. This worker is permanent worker that on 26 August 2012 and before worker has received decree of permanent worker, he has performance evaluation by certification unit.
- Performance Evaluation for employee number 10006585 who was declared to have gotten good results during the last time and was promoted to a promotion from permanent worker (EHS staff) to staff (foreman) with Decree No. 032H / HR / SMA / SKPKG / IX / 2020 dated 01 September 2020.

The explanation above proves that the certification unit has implemented labor procedures properly and is documented for each employee.

**Status: Comply**
**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 November 2020. It will be reviewed if any occupational accident happen. The document describes the description/activity, potential hazards, risk assessment and risk control. Based on site observation at boiler and engine room in Mulia Oil Mill, it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, the company has been reduce the potential risk by routine socialization about OHS, providing PPE, and OHS signboard are available in workplace.

Interviews with estate workers (harvester and sprayer) and mill workers (mill operators) 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 is no complaints from employees exposed to high noise exposure. To ensure that every workers are in good health then certification unit do the medical check up. The results of each employee's health examination have been properly stored. Last medical checkups conducted in October 2020. The result of medical test showed that workers were in good health and fit to work.

Based on the results of field visits for estate and mill operational activities and review of HIRAC documents, it is known that all activities carried out by the certification unit have been listed in the HIRAC document which has been evaluated annually. The evaluation carried out on the HIRAC document is carried out by the SHE Officer which is then carried out further review by the Senior Manager, Manager and Assistant Manager to ensure that all activities have been carried out a risk assessment. This proves that the certification unit has consistently implemented evaluations for HIRAC documents every year.

For the follow-up of 19 workers who experienced hearing loss from the results of the audiometric examination, the previous assessment was carried out by the certification unit in October 2019 with the results of these workers being advised to comply with the use of PPE (earplug / earmuff) regularly. The unit of certification also shows the provision of PPE in the form of earplugs & earmuffs to the 19 workers. The results of the interview with the generator operator at Mulia Oil Mill found that workers who experienced disturbances in the results of the previous inspection had been subjected to further checks and workers had known the results by applying the use of the PPE.

**Non Conformity No. 2020.03 with Major / Critical Category**
**Evidence Observed**

- Mulia Oil Mill has two (2) turbine engines and three (3) genset engines with respective capacities above 200 kVA at the Engine Room Station. There are three (3) operators on duty at the station and work for three (3) shifts every day. However, only one (1) person has an SIO of Power and Production Operators. This is not in accordance with the Minister of Manpower Regulation No. 38 of 2016.
- Mulia Oil Mill has two (2) turbine engines and three (3) genset engines with each capacity above 200 kVA at the Engine Room Station. However, there is no OHS Electricity Expert in accordance with the Minister of Manpower Regulation No. 12 of 2015.
- PT Sepanjang Inti Surya Mulia (plantation) has six (6) generator sets and PT Sawit Mitra Abadi has one (1) generator set with a capacity of 30 kVA - 135 kVA. However, workers who have an SIO for Power and Production Aircraft Operators have not been appointed in accordance with the Minister of Manpower Regulation No. 38 of 2016.



- Mulia Oil Mill has two (2) Boiler (steam boiler) machines with a capacity of 35 tons / hour (standby) and 45 tons / hour (used) at the Boiler Station. There are six (6) operators on duty at the station and work for two (2) shifts every day. However, there are only two (2) workers who have a Class 1 Boiler Operator SIO. This is not in accordance with the Minister of Manpower Regulation No. 01 of 1988.

**Non-Conformance Description**

The unit of certification has not been able to show evidence that operators with specific OHS qualifications / competencies have been identified as stipulated in Government Regulation No. 50 of 2012 Article 12.

**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 2020, including:

- Dissemination of the dangers of drugs 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 months.
- Inspection of the availability and condition of first aid boxes in for the in 2020 conducted in October 2020 with the results of all first aid boxes carried by each field foreman, first aid kit in the office and in the warehousing area are 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 added new item.
- The P2K3 meeting of PT Sepanjang Inti Surya Mulia for the period of October 2020 on 26 October 2020 which was attended by 20 participants by discussing 6 discussions including a discussion on updates of infrastructure, results of inspections, health performance, work accidents and others.
- The P2K3 meeting of PT Sawit Mitra Abadi for the period of October 2020 on October 12, 2020 which was attended by 18 participants by discussing as many as 5 discussions including the proposal for the procurement of PPE to be on time, OHS socialization, fire patrol team, housing improvement and others.
- Based on interview & Observed with pesticide applicator in Estate and process operators at Mill, certification unit has been provide adequate and appropriate protective equipment available to all workers at the place of work to cover all potentially hazardous operations. For example, Steriliser Operators that has been provide PPE such as safety shoes, helmet, ear plug, & gloves.
- Safety induction on 28, 29 and 30 September 2020 for contractor workers.
- Safety induction for all auditors when audit in every unit (estate and mill)
- Based on the results of the review of the contractor evaluation documents for FFB transportation in all units (PT SISM and PT SMA), it is known that the feasibility of a vehicle that is included in the OHS aspect is also regularly evaluated, but in this case this evaluation has not been carried out by the certification unit and this is has become a non-conformity in indicator 2.2.2.

3.6.1	<b>Status: Non Conformity No. 2020.03 with Major / Critical Category</b>
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**3.7**

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

**3.7.1**

Certification unit has training identification and program for workers for period of 2020 for operational training, OHS training, and policy socialization. The aspect in the training program are such as certification, internal refreshment, internal operational, and others. Some of training program, namely:

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



**Non-Conformity No. 2020.04 with Major / Critical Category**
**Evidence observed**

The certification unit has an identification and training program for all workers (Staff and Employees) for the 2020 period, but for plasma farmers and outgrowers it cannot yet be shown.

**Non-Conformance Description**

The unit of certification has not been able to prove that a documented training program for plasma smallholders and outgrowers that takes specific gender-related needs into account and covers aspects of the RSPO principles and criteria in a form they can understand and includes an assessment of the training has been implemented.

**3.7.2**

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 during 2020, namely:

- Fire department socialization and simulation on August 8, 2020 which was attended by 19 participants.
- Child Protection Policy for staff, workers and contractors on September 28, 29 and 30, 2020.
- Gender policy to all workers and staff on 05-06 October 2020.
- Employment Opportunity Policy for all staff and workers on September 16, 2020.
- Employee Age and Decency Policy for all staff and workers on 17 September 2020.
- Human rights policy to all staff and workers on 17 September 2020.

Interviews with estate workers (harvester and sprayer) and mill workers (mill operators) can be concluded that workers has been given the proper training and socialization related to policy, work procedure and others. Based on review with contractors and their workers, it is known that training or socialization to them are carried out regularly every year and are usually carried out in relation to OHS, company policies and code of conduct. From the training or socialization, the contractor and its workers understand the main procedures and policies that are owned by the certification unit.

**3.7.3**

Company has done latest SCCS training on July 25<sup>th</sup> 2020. The training is about new SCCS procedure on RSPO principal and criteria 2018. The training attended by mill workers such as weighbridge operators, sustainability staff and administration officer. Based on interview with 2 weighbridge operators, they can demonstrate the SCCS procedure based on company regulation.

3.7.1 | **Status: Non-Conformity No. 2020.04 with Major / Critical Category**

**3.8**
**Supply Chain Requirements for Mills**
**3.8.1, 3.8.2**

The mill is receiving and processing FFB from certified and uncertified sources, hence, the RSPO SCCS Mass Balance are applied.

**3.8.3.**

The Organization has estimated the amount of tonnage from FFB, CSPO & CSPK produced during the 12 months for the period November 2019 – October 2020 with details:

Item	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (November 2019 to October 2020) (MT)	Estimate Production for next 12 Months
FFB Processed Own Estates	328,749	244,585	220,000
FFB Processed Smallholders	57,920		39,000
CSPO	69,806	54,134	59,570
CPK	10,873	7,952	9,065

**3.8.4**

The mill has met the requirement regarding to the reporting of its supply chain, as it has been registered as RSPO member and on RSPO IT Platform:

Sub License ID	CB93476
Member Name	Mulia Oil Mill
Member ID	RSPO_PO1000004458
RSPO Membership Number	1-0086-06-000-00
Issued On	11/10/2019
Issued By	PT Mutuagung Lestari
Status	Active

**3.8.5.**

Certificated holder have a procedure of RSPO SCCS which are explained in the document SOP/GPN/32, revision 1 issued on December 1, 2018 which covers supply chain, traceability and mass-balance. The SOP has explained the elements of implementing SCCS, including:

- Key personnel and their duties and responsibilities:
  - Weigh bridge operators: check and ensure FFB DO (from certified suppliers must be stamped with a valid RSPO, deliver sustainable products based on contract in the Microsoft Dynamic System (SMD) and put a valid RSPO stamp for product delivery documents in accordance with the contract.
  - Head of administration: coordinate sustainable product shipments, mass balance updates based on data from SMD according to sustainable and unsustainable categories, examine available contracts for sustainable products, coordinate and monitor product shipments, ensure RSPO requirements are met, carry out relevant monitoring and reconciliation at the end of every month, ensure that product delivery documents contain the required information
  - Assistant and mill manager: obtain weekly and monthly FFB estimates, provide input to MPP regarding estimated CPO and PK production
  - Palm product marketing department: make sales and input into the CXC according to product categories, conduct sales procedures, provide information to the mill according to the sales contract
  - Sustainability
  - Sustainability Dept.: provides a valid RSPO stamp
- MB requirements - Supply chain models: preparation of mass balance reports, product shipments from positive stock, information on production that exceeds to CB, reporting through RSPO IT Platform
- Annual SCCS training (refreshment)

**3.8.6**

The SOP of SCCS audit activities is explained in Internal Audit (No. SOP/SISM/SSTA03, dated February 1<sup>st</sup> 2020), the audit is carried out by a designated and trained team. The procedure informs about:

- Company done internal audit once a year.
- Management representative create a program audit and evaluate every year.
- Audit based on RSPO SCCS principle and criteria.
- Record of report maintained by internal auditor.
- Result of audit will be basis for management review.

The last management review conducted on January 7<sup>th</sup> 2020. Based on the Management Review Report, known that the review has consider information on the previous management review, result of internal and external audits (including SCCS aspect), status of preventive and corrective actions, other changes to management system and recommendation for improvement.

**3.8.7.**

Production data for certified and non-certified CPO & PK for the period November 2019 – October 2020 with details:

Months 2019-2020	CPO Production (ton)			PK Production (ton)		
	Cert	Non-Cert	Total	Cert	Non-Cert	Total

November	4,806.77	1,456.72	6,263.49	697.52	211.33	908.85
December	4,636.89	2,329.29	6,966.18	588.36	295.55	883.91
January	4,013.69	2,488.02	6,501.71	613.72	380.44	994.16
February	3,846.72	1,225.43	5,072.15	754.17	240.25	994.42
March	3,923.56	1,592.29	5,515.85	626.23	254.14	880.37
April	4,449.88	2,421.11	6,870.99	632.45	344.11	976.56
May	4,235.13	2,106.67	6,341.80	588.92	292.94	881.86
June	3,609.66	1,390.12	4,999.78	520.15	200.31	720.46
July	3,572.34	2,165.10	5,737.44	510.67	309.50	820.17
August	4,814.64	2,665.72	7,480.36	674.38	375.96	1050.34
September	5,845.79	3,498.90	9,344.69	777.40	465.55	1242.95
October	6,379.61	3,209.25	9,588.86	968.94	486.11	1455.05
<b>Total</b>	<b>54,134.68</b>	<b>26,548.62</b>	<b>80,683.30</b>	<b>7,952.91</b>	<b>3,856.19</b>	<b>11,809.1</b>

### 3.8.8

The company shows documentation of certified products, such as sales contracts, shipping announcements, delivery orders, etc. These documents explain the name and contact person of the buyer and seller, date of delivery, product description, quality, quantity, member ID, and others. During the license period there were several buyers such as:

Product	Buyer	Transaction ID
CSPO	PT Steelindo Wahana Perkasa	TR-c5ef3ff4-c1ad
CSPO	PT Wilmar Nabati Indonesia Gresik	TR-32ff42db-3a3f
CSPO	PT Musim Mas - Batam	TR-487485cd-dd8c

### 3.8.9, 3.8.10, 3.8.11

The physically handling of product are conducted by mill itself since FFB receive in grading station and processed to CPO and PK, except the transportation of product and storage tank at bulking are sourced to third party, which bonded by the agreement. The product is legally owned by the mill since it produced and delivered to specific buyer, and / or the product shipped from bulking. The contractors have been bound in a work agreement, for example work agreement with PT Ponti Sarana Utama (No. 004/SISM-MOM/II/2018) valid till 31 December 2020.

The list of contractors of CPO and PK transporter for Mulia Oil Mill are :

- PT Talenta Lestari Abadi
- PT Ponti Sarana Utama
- Koperasi Sawit Tri Mulia Lestari
- Koperasi Sawit Haraoan Jaya
- Koperasi Sawit Panca Mitra Abadi

### 3.8.12

All records of the RSPO SCCS requirements are updated and can be accessed by the auditor, all records are kept in the factory office. In accordance with company SOPs, document retention is carried out for 10 years. Book keeping mass balance since November 2019 – October 2020 are verified by the auditor, can be seen below:

	FFB RSPO (MT)	FFB Non RSPO (MT)	CPO RSPO (MT)	CPO Non RSPO (MT)	PK RSPO (MT)	PK Non RSPO (MT)	CSPO dispatch as RSPO (MT)	CSPO dispatch as conventional (MT)	CSPK dispatch as RSPO (MT)	CSPK dispatch as conventional (MT)
<b>TOTAL</b>	<b>244,585.23</b>	<b>120,312.91</b>	<b>54,134.68</b>	<b>26,548.62</b>	<b>7,952.90</b>	<b>3,856.20</b>	<b>53,261.52</b>	<b>55.17</b>	<b>0</b>	<b>7,729.54</b>

*Note: \*Unit management still has a previous opening stock in October 2019 of 138.66 MT (CSPK) and opening stock of CSPO as much as 2,560.46 MT.*

### 3.8.13, 3.8.14 & 3.8.15

The mill has been defined the extraction rate dividing CPO or PK production by the total FFB process. Based on that explanation, extraction rate calculated by industry average. The product volume rate always done every morning by sounding on storage Tank.

**3.8.16**

Based on transaction data on August 9, 2019 – November 6, 2020 and Palm Trace it knows:

Products	License volume (Ton) Including Extension Volume August 10 <sup>th</sup> 2019 – November 9 <sup>st</sup> 2020.	Announced Volume (MT)	Conventional sales (MT)	Volume allocated as credits (MT)	Volume sold as physical (MT)	Remaining Volume (MT)
CSPK	12,873	-	6,395.31	-	-	6,477.69
CSPO	84,806	5,202	6,605.35	-	61,040.67	17,159.98

Based on a review of sales documents and interviews with POM representatives, it was stated that during the ASA-1 license there were sales of products with RSPO claims. Related to corrective action of previous assessment, the unit certification has consistently removed the certified stock of CSPK because of CSPK dispatch as conventional (has been informed on RSPO IT Platform).

From shipping announcement verification, known that shipping announcement carried out not more than 3 months after dispatch. For example, shipping announcement of CSPO as much as 3,294.93 MT, with shipping date 13 May 2020 and confirmation date on 15 May 2020.

**3.8.17**

Based on management representative interview and document review, the mill not use trademark on its sales activities and communication.

**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 & 4.1.2**

The certification unit has a commitment to respecting human rights and describe in the Social Policy Genting Plantation in November 2015 using Bahasa. The commitment of the certification unit in respecting human rights has been quite well implemented in the absence of issues and incidents of human rights violations that occurred in the operational area of plantations and factories. This is evidenced by statements from plantation workers (harvesters, sprayers and maintenance), factories (mill operators and warehouse workers) as well as contract workers who state that so far there have been no incidents or issues of human rights violations occurring in the operational area of the certification unit.

Based on the explanation above, during the past year there were no issues / incidents of human rights violations that occurred in the vicinity or the operational area of the certification unit so that there were no acts of intimidation / violence carried out by the certification unit including contracted services such as security services that were contracted and others.

**Status: Comply**

**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, 4.2.2, 4.2.3 & 4.2.4**

Certification unit already have Complaints SOP with document number SISM-HRD-04-00.00 dated December 1, 2013 and authorized by the Group Manager. The procedure informs about:

- Indirect delivery (by mail). Each complaint must be submitted in writing using the complaint form or Documentation of Grievance Form (SISM-HRD-04-01.00)

- Direct delivery. Employees who wish to submit a complaint to the party or their supervisor are also required to fill out a complaint form or Documentation of Grievance Form.
- Bipartite Settlement (SISM-HRD-04-05.00).
- If an employee feels that the answer to his complaint is unsatisfactory or that his employer is considered negligent in responding to the complaint within the specified time and the employee submits an objection, the HR manager is obliged to settle it bipartite and call the employee in writing.

Other than that, certification unit has SOP of Free, Prior and Informed Consent, No. Document: SOP / GPN-S / 01, effective from May 1, 2015, that FPIC process will be conducted through several steps, consisting of:

- Identification of land owners and customary rights
- Identification and Engagement of Representative Bodies
- Provision of Information
- Negotiation and Consensus Processes
- Documentation of the Agreement
- Monitoring of the Agreement
- Conflict Resolution Mechanism
- Verify Approval

The document regarding to land acquisition process such as land owner identification, minutes of meeting, negotiation and photos has been shown have been well documented and well stored by Legal Department. 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 Statutory Bodies in Ketapang Regency (Environment Agency and Manpower & Transmigration Agency), it is known that they understand how to communicate and consult with certification unit. However, the results of interviews with representatives of surrounding communities, the community has known about the communication procedures and to people who served as communicators between the company and community so that people who cannot read / write can be informed by the related communicators.

Based on explanations from representatives of the surrounding community, it is known that the process is still in agreement with the price that has not been reached. The complaint has been responded in FPIC and has had a mutual agreement in accordance with the time period between the claimant & certification unit. For examples, there was an agreement on compensation for land and planting growing on November 8, 2019 between PT SISM and Manorudin (land area of 2.39 hectares). The parties have agreed to make compensation by making a Land and Planting Growth Agreement No. 001 / SISM-SKRGLTT / XI / 2019 dated November 8, 2019. The agreement describes the background of the conflict, release & transfer of rights, compensation for compensation and other matters. The agreement letter has been signed by company representatives, land owners, the head of Sei Belitung Village, the Head of Sepakat Jaya Village and the Head of Nanga Tayap District. There are also supporting documents such as the status of the land submitted in the form of an official report and photo documentation carried out jointly between the company and the land owner.

Based on the results of interviews with workers and residents in residential areas, it is known that every complaint made to the supervisor during 2020 has been documented, responded to and has been resolved in its entirety. This is evidenced by the worker's complaint book, which in the 2020 period all complaints from workers have been responded to and realized. Among the complaints recorded in the book were related to damage to workers' housing.

<b>Status: Comply</b>
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### 4.3

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

#### 4.3.1

The company has contributed to community development based on the results of consultation with the community in the 2019-2020 CSR program. In addition, the company also realizes CSR based on proposals submitted by the community. The following are examples of company contributions to community development:

- Teacher Honor incentive assistance for nearby villages on January 10, 2020.

- Assistance for road repairs in the hamlet of Tanjung Bunga Sebedak Raya Village on March 20, 2020
- Funding for facilities and infrastructure for the Al-Quran Education Park in Pangkalan Telok Village on October 31, 2020.
- Assistance for the rehabilitation of the surau al-tawwabin terrace on March 8, 2020.

Based on interviews with nearby villages, it was found that the company had implemented several CSR programs for 2019 and 2020. In addition, the company also realized aid funds based on proposals submitted by the community.

**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).**

PT Sepanjang Intisurya Mulia and PT Sawit Mitra Abadi have own land use title and land building title for their entire area. PT SISM has had the land rights in the form of Land Use Title (HGU) for an area of 14,555 ha, Building Use Tittle (HGB) for an area 5.57 ha which consist of 3 certificate HGU and 1 certificate HGB and HGU of PT SMA for an area 8,374.13 ha which consist of 1 certificate HGU. The area of the certification area is 14,560.57 ha for PT SISM and 8,374.13 ha for PT SMA (in accordance with the HGU owned)

PT Sepanjang Intisurya Mulia and PT Sawit Mitra Abadi also have own plantation business permit (IUP). IUP of PT SISM issued of Ketapang Regent in accordance with Decree Letter No. 518/DISBUN – D/2015 dated July 29, 2015 and IUP of PT SMA issued of Ketapang Regent in accordance with Decree Letter No. 519/Disbun-D/2015 dated July 29, 2015 and Decree Letter No. 377/DPMPSTP-D.B/2019 related to change of land area of PT SMA.

The company made a request for a reduction in scope certification due to HGU No. 9 of 2011 (100 ha) and HGU No. 148 of 2016 (199.31 ha) has not conducted a conservation area (HCV) assessment.

#### 4.4.2; 4.4.3; 4.4.4; 4.4.5 and 4.4.6

There is no change / new development in the area of PT SISM and PT SMA. The latest and compensation process was carried out in 2010. Based on explanations from management representative and document review related to compensation progress in PT SMA (317 ha) it is known that the process is still in agreement with the price that has not been reached.

**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; 4.5.3; 4.5.4; 4.5.5; 4.5.6; 4.5.7 and 4.5.8

There has been no new development and planting by PT SISM and PT SMA since ASA 1. Total area under management of the company since ASA 1 is 14,261 ha for PT SISM and 8,374.13 ha for PT SMA. For now, there is still an occupied area of 1,250.77 ha and there are no new developments related to land compensation. Based on explanations from representatives of the surrounding community, it is known that the process is still in agreement with the price that has not been reached.

**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 and 4.6.4

In relation to conflict resolution, there are SOPs for Land Dispute Resolution Mechanisms (document No.: SISM-CDP-02.00.00) and SOPs for Free, Prior and Informed Consent (KBDD or FPIC), No. Document: SISM-CD-01.00.00, effective as of 1 May 2015. There was several step regarding to FPIC as follows:

- Identification of land owners and customary rights
- Identification and engagement with village representative bodies
- Provision of information
- Negotiation process and agreement



- Documentation of the agreement
- Monitoring of agreement
- Conflict resolution mechanism
- Improvement verification

Based on interviews with communities, it was explained that the certificate holder entirely from private land ownership of the community and compensation had been made for the land. The previous landowner explained that the compensation process was carried out without coercion

#### 4.6.4

There's evidence related to same opportunities for woman to have a land rights, for example, in the Document of Participating Farmers in Partnership, Members of the Sawit Harapan Jaya Plantation Cooperative, Nanga Tayap District, it is known that there are cooperative members from women representatives. For example, on behalf of Rosnira (No. 10601) and Seniwati (No. 10611) who are members of the Harapan Jaya Palm Plantation Cooperative. From this evidence, it is known that farmers have equal opportunities for both men and women in land ownership.

**Status: Comply**

#### 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 and 4.7.3

There has been no new development and planting by PT SISM and PT SMA since ASA 1. The total area under management of the company since ASA 1 is 14,261 ha for PT SISM and 8,374.13 ha for PT SMA.

For now, there is still an occupied area of 1550.08 ha and there are no new developments related to land compensation. Based on explanations from representatives of the surrounding community, it is known that the process is still in agreement with the price that has not been reached.

**Status: Comply**

#### 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; 4.8.2; 4.8.3 and 4.8.4

There has been no new development and planting by PT SISM and PT SMA since ASA 1. The total area under management of the company since ASA 1 is 14,261 ha for PT SISM and 8,374.13 ha for PT SMA.

For now, there is still an occupied area of 1550.08 ha and there are no new developments related to land compensation. Based on explanations from representatives of the surrounding community, it is known that the process is still in agreement with the price that has not been reached.

**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

The company has a FFB price document based on the results of a team meeting to determine the price of palm oil FFB produced by farmers by the West Kalimantan Provincial Plantation Office for the period II of September 2020. The FFB prices are as follows:

- 3 years: Rp. 1,447.38
- 4 years: Rp. 1,551.65
- 5 years: Rp. 1,661.11
- 6 years: Rp. 1,713.27

- 7 years: Rp. 1,774.65
- 8 years: Rp. 1,832.69
- 9 years: Rp. 1,864.76
- 10 until 20 years: Rp. 1,941.77
- 21 years: Rp. 1,905.13
- 22 years: Rp. 1,895.77
- 23 years: Rp. 1,847.84
- 24 years: Rp. 1,782.03
- 25 years: Rp. 1,720.29

Based on interviews with the Harapan Jaya Plantation Cooperative PT SISM and the Panca Mitra Abadi Plantation Cooperative PT SMA, it was found that the FFB price was determined by the West Kalimantan Provincial Plantation Office and the company also informed the plasma farmers about the price. The method of submitting FFB price information to plasma farmers is by directly submitting it to the management of the plasma farmer cooperatives through Short Message Service (SMS) and whats app messages, and through the information board listed on the Mill.

### 5.1.4

Based on interviews with the Harapan Jaya Palm Oil Plantation Cooperative PT SISM and the Panca Mitra Abadi Plantation Cooperative PT SMA, it is known that the plasma farmers understand the Cooperation agreement contract that has been agreed. Based on the interview, it was found that each payment was deducted for the operational costs of the plantation and the nominal discount was known by the plasma farmer.

### 5.1.5

The certification unit has a cooperation agreement with plasma farmers, namely the Harapan Jaya Palm Plantation Cooperative and Trimulya Lestari Plantation Cooperative (PT. SISM) and the Jasa Panca Mitra Abadi Cooperative (PT. SMA). The company can show the cooperation agreement document with the cooperative, namely:

- Cooperation Agreement between PT. Sepanjang Intisurya Mulia with the Harapan Jaya Palm Plantation Cooperative with Number 02 / SISM-JKT / Kemitraan / 2013 on May 10, 2013. The form of this agreement is the Cooperation Agreement for the Development of Oil Palm Plantations, a One-Stop Management Partnership, with a validity period of 30 year.
- Cooperation Agreement between PT. Sepanjang Intisurya Mulia with the Trimulya Lestari Oil Palm Plantation Cooperative with Number 001 / SISM-JKT / Kemitraan / 2011 on July 29, 2011. The form of this agreement is regarding the Cooperation Agreement for the Development of Oil Palm Plantations, a One-Stop Management Partnership, with a validity period of 30 year.
- Cooperation Agreement between PT. Sawit Mitra Abadi with Koperasi Jasa Panca Mitra Abadi with Number 02 / SMA-Koperasi JPMA / Legal / VIII / 2015 on 26 August 2015. The form of this agreement is regarding the Cooperation Agreement for the Development of Oil Palm Plantations, a One-Stop Management Partnership Pattern with the validity period of this agreement. lasts for 1 cropping cycle and can be extended based on agreement.

Based on the document review, it is known that this agreement has been made in accordance with applicable law, is transparent and has an agreed period of time. This is proven by the fact that the agreement has been approved by both parties and is recognized by the Regional Government of Ketapang Regency.

### 5.1.6

The company has paid the FFB to the plasma farmers. The company can show payment documents for the period September 2020 to the Harapan Jaya Palm Plantation Cooperative and Trimulya Lestari Plantation Cooperative. Based on the document review, it is known that the payment is in accordance with what has been agreed and has explained the weight of the FFB, the amount paid and the price cut. Based on interviews with the Chairman of the Sawit Harapan Jaya plasma Coooperative and Panca Mitra Abadi plasma Cooperative, it was found that payments made by the company were made on time and there were no complaints from plasma farmers.

### 5.1.7

The company has carried out the test results for electronic bridge scales with the number: 024 / SKHP / MET-THE / IV / 2020 on April 13, 2020. The electronic bridges being weighed are for example:

Brand No, Type, No. Series: Mettler Toledo, IND 560, B530212968

Hood. Max / Readability: 30,000 Kg / 10 Kg

Tested by: Legal Metrology UPT Type A, Office of Cooperatives, Trade and Industry of Ketapang Regency.

Result: Ratified based on the Law of the Republic of Indonesia Number 2 of 1981 concerning Legal Metrology.

#### 5.1.8

Until the ASA 2 assessment was carried out, the Company was only working with plasma farmers. The company has not collaborated with independent farmers.

#### 5.1.9

The company has an external complaint SOP, which is stated in the SOP for Complaints Resolution with SOP Number SISM-CDP.04 on December 1, 2013.

Based on the verification of the 2020 complaint book, no complaints have been received from plasma farmers. Based on interviews with the plantation cooperative Sawit Harapan Jaya, it was found that there had never been any complaints from plasma farmers regarding improper payments.

**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

Until the ASA 2 assessment was carried out, the Company was only working with plasma farmers. The company has not collaborated with independent farmers

#### 5.2.3

Based on document verification and public consultation, all FFB supplied to Mulia Oil Mill is from Genting Plantation Group. There's no FFB from independent smallholders.

#### 5.2.4

The certification unit has a full-run managed for scheme smallholders from operational activities to harvesting, so that the provision of pesticide handling are not done. The scheme smallholders only get the result of the production of FFB from the plantation. Pesticide handling activities include applications are conducted by certification unit workers who have regarded pesticide training on a regular basis.

**Status: Comply**

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

#### 6.1

**Any form of discrimination is prohibited.**

#### 6.1.1, 6.1.2 & 6.1.3

Unit certification have Social Policy Genting Plantation in November 2015 which explained that unit certification 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. 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, religions, gender and workers' origins.
- 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.

- There is a recruitment of workers in 2020, for example a work agreement No. 05 / HR-SMA / SPK-KHL / IX / 2020 dated 01 September 2020. The recruitment of these workers is based on an assessment of their performance and health condition, this is evidenced by the existence of a health certificate from a doctor which states the worker is in good health and the results of an assessment of recruitment. workers in accordance with the experience / ability (ownership of education diploma and work experience) to become a harvester. In addition, there are also other supporting documents such as job application letters, diplomas, Individual Data (KTP), etc. This is in accordance with the procedures owned by the certification unit.

These explanations can conclude that the company 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 PT SISM and PT SMA 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 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 and the activity was carried out on 05-06 October 2020 which was attended by female workers and housing residents.

The results of interviews with women 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.

### 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 10006719 (male) and 10006802 (female) who get wages in September 2020 and October 2020 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). The results of interviews with workers (harvesting, spraying and mill operators) in PT SISM and PT SMA 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.

Status: Comply

## 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 2019-2022 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 16 September 2020.

The certification unit still have workers with contract status for daily worker (BHL), the current employee status is permanent workers and staff. All the rights for each employment status have been distinguished. From this explanation it can be concluded that the certification unit have procedures for recruitment, selection, employment, promotion, retirement and termination of employment must be documented / available to workers and their representatives.

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 Company Regulations and in accordance with routine socialization provided by the certification unit. Workers' wages in 2020 have been above the minimum wage set by the government and there are no late payments every month.

A review of the September & October 2020 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 2020. For example, workers wages with the Employee Number 10006719 (7 years work) and 10006802 (12 years work) have a different based on wage scale structure 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 & 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, remuneration, discipline, deduction, overtime, sick leaves, holiday entitlement, maternity leave and other provisions. In addition to being generally stated in Company Regulations, 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 Kalimantan Barat Governor No. 1.377/DISNAKETRANS/2019 concerning Minimum Wage Determination & Wage Scale Structure Ketapang Regency in 2020 is IDR. 3,860,323.60 / month (minimum).
- Internal Memo No. 268/GPN/NB-GA/XII/2019 in 17 December 2019 concerning Minimum Wage Determination & Wage Scale Structure in 2020 is IDR. 3,860,323.60 / month (minimum) determined based on Ketapang Regency Minimum Wage Determination in 2020.
- Employment contract for five (5) contract workers (BHL), which explains the hours of work, wages, BPJS, leave, overtime, and others.
- September and October 2020 salary slips for workers with the Employee Number 10006719 (7 years work) and 10006802 (12 years work), who have a breakdown of wages in the form of basic wages, benefits, overtime, incentives, fines, and others.
- Overtime payment in October 2020 that has been accordance with applicable laws for workers with Employee Number 10037951 (boiler operator) and 10009109 (boiler operator).
- List of women workers that has been given maternity leave and pregnant workers in 2020.
- Etc.

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, deductive, fines, etc.) listed in the Collective Labor Agreement and in accordance with routine socialization provided by the certification unit. Workers' wages in 2020 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 September and October 2020 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. For example, workers wages with the Employee Number 10006719 (7 years work) and 10006802 (12 years work), have a different based on wage scale structure 2020.

Based on the review of work agreement documents in each unit, it is known that each contract worker has a work contract with the company, this is reinforced by the results of interviews with contract workers in maintenance and harvesting activities who state that they already have a work agreement with legal force (the same thing that is owned by the company).

Based on the results of interviews with harvest workers at PT SISM and PT SMA, it is known that workers have a clear understanding of the working hours each day (7 working hours in 6 days) and in one week the workers work for 40 hours with short days (5 working hours) are Friday. Meanwhile, periodic piece rate evaluations & price agreements established by the company have been evaluated regularly every year and are acknowledged by employee representatives. This is evidenced by the establishment of piece rate & price agreements for 2020 which were established by company leaders and known to all employees without any objections in terms of price.

For maintenance workers, working hours have been clearly defined on Friday as 5 hours of work while on Saturdays it is 7 hours of work, this is reinforced by the results of interviews with maintenance workers at PT SISM and PT SMA which stated that workers already know the stipulated working hours on these days.

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 were 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, 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.

#### **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**

##### **Non-Conformity No. 2020.05 with Minor / Non Critical Category**

The certification unit has not been able to show the Decent Living Wage (DLW) assessment document obtained by workers along with the calculation of prevailing wage and in-kind benefits in accordance with the provisions stipulated in the Guidelines for Calculating a Decent Living Wage (DLW) issued by the RSPO in June 2019.

#### **6.2.7**

##### **Non-Conformity No. 2020.06 Minor / Non Critical Category**

##### **Evidence observed**

- The results of reviewing the 2020 Budget document for the harvesting needs of PT Sepanjang Inti Surya Mulia are 617 people and PT Sawit Mitra Abadi is 368 people.
- The results of the study of the worker list document in October 2020 found that there were 6 daily contract workers (BHL)



harvesters and 510 permanen workers for PT Sepanjang Inti Surya Mulia, while for PT Sawit Mitra Abadi there were 169 daily contract workers (BHL) and 176 permanent workers.

- In Law no. 13 of 2003 it is known that casual daily laborers can only be employed in jobs that are not permanent or seasonal in nature. Harvesting work is a permanent job (work that is continuous in nature, not intermittent, not limited by time and is part of a production process in a company or work that is not seasonal).
- In GAPKI Circular Letter No. 073 / GAPKI / II / 2013 states that harvesting work is the main type of work.

**Non-Conformance Description**

The unit of certification has not been able to prove that casual daily workers are limited to work that is temporary or seasonal in nature.

6.2.6 6.2.7	<b>Status:</b> <b>Non-Conformity No. 2020.05 with Minor / Non Critical Category</b> <b>Non-Conformity No. 2020.06 with Minor / Non Critical Category</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 & 6.3.3**

In the Social policy Genting Plantation in November 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 16 September 2020.

Based on interviews with labor union representatives who explained that the certification unit 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 and Transmigration Agency. 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 and Transmigration Agency of Ketapang Regency.

The absence of certification unit 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 not from staff, assistant or manager. The explanation has reinforced the fact that management did not interfere directly / indirectly with the taking decisions and activities carried out by labor unions.

The results of interviews with workers (harvesting, spraying and mill operators) in PT SISM and PT SMA note that workers are aware of the existence of labor unions in PT SISM and PT SMA and there is no intimidation / coercion from the company or labor unions for workers to join or not in that case. Not all workers want to join the labor union because there is no willingness from the workers to join in it, but in terms of socialization it has been carried out by the company.

**6.3.2**

The certification unit has properly documenting records of meetings between labour unions and management representatives as well as with internal unions. The following are examples of records of meetings conducted by labour unions in 2020, namely:

- The meeting between the union and certification unit management on 21 October 2020 discussion about discussion Collective Labour Agreement attended by 6 participants.
- The meeting between the union and company management on 31 August 2020 to discuss the plans to form a new board in union attended by 6 participants.

	<b>Status: Comply</b>	
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**6.4**
**Children are not employed or exploited.**
**6.4.1, 6.4.2, 6.4.3 & 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 Recruitment Procedure 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 policy was socialized to workers on March 2020 and to the contractor when signing the work agreement.

Based on field visits and interviews with workers in the fields, 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 over 18 years when entering work.

Based on the results of a review of work agreement documents with contractors CV Usaha Sukses Abadi and CV Insan Gemilang Sehati (house construction activities), it is known that the existing work agreements do not include clauses related to the protection and prohibition of employing minors. However, there is evidence of socialization related to child protection policies to these contractors every year. Ensure that in addition to the implementation of the socialization of child protection to contractors, clauses related to this are also included in the next cooperation contract. (OFI)

<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 & 6.5.2**

The certification unit has a Social Policy Genting Plantation, which explains that the company prevents sexual harassment and how it is handled. Policies regarding the sexual harassment and violence are also available in Collective Labour Agreement. 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, for example on 05-06 October 2020 and the representatives of the committee gender are available in each unit.

Based on interview with 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.

Based on the results of interviews with female workers during maintenance and spraying activities at PT SISM and PT SMA, it is known that women workers are aware of the gender committee organization and know who its administrators are, especially the chairman. Apart from that, workers have known enough about the H-1 leave (menstrual leave) and the gender committee has socialized it during meetings at the company clinic and at the time of socializing company policies during the muster morning.

**6.5.3**

Employee policy which explains that the certification unit prohibits all forms of discrimination or violence against female workers or workers who are pregnant. From this interpretation, the company provides a verbal policy for workers who wish to breastfeed their children between work hours.

The certification unit has a company policy that allows female workers (young mothers) to breastfeed their children. This has been implemented in the operational environment by giving permission to female workers (young mothers) by filling out a Breastfeeding Permit with the name, part, time of leave and return information known to the worker leadership. For example, in September and October 2020 there were female workers (YVS) at PT Sepanjang Inti Surya Mulia who applied for permission to breastfeed their children for approximately 40 minutes starting at 09.30 to 10.10. and PT Sawit Mitra Abadi who applied for

permission to breastfeed their child for approximately 60 minutes starting at 08.00 to 09.00.

For female workers who are pregnant, the certification unit provides work relief and prohibitions from doing work related to chemicals. In addition, the certification unit has also provided maternity leave to female workers, for example providing maternity leave from 06 April 2020 to 06 July 2020 to workers with the initials IKE. The unit certification also shows the leave permit, the doctor's examination results and other documents.

#### 6.5.4

Complaint mechanism of workers was contained in Procedure No. SISM-HRD-04-00.00, valid date 01 December 2013. 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.

**Status: Comply**

#### 6.6

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

##### 6.6.1 & 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 in 2020 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.

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.

There is 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 Kalimantan Barat and the *P2K3* secretary is a certified occupational health and safety expert. The establishment of the *P2K3* (OHS Committee) for PT SISM which were registered / approved by the Manpower and Transmigration Agency of Kalimantan Barat Province in May 2020 (SK No. 34/P2K3/WASNAKER/2019 dated 02 May 2019). Based on the review of the documents for the approval of the structure of PT SMA, it is known that currently the approval of the *P2K3* structure structure and the extension of the *K3* Expert of PT SMA is still being handled in the relevant agency. The unit has proven other supporting evidence such as proof of the Issuance Management Letter of PT Sawit Mitra Abadi's *P2K3* Structure Change No. 001 / PTSMA / K3 / X / 2020 dated April 5, 2020 which was received by the UPT Regional 1 Labor Supervisory Agency of the Manpower and Transmigration Office of West Kalimantan Province. In addition, there is also evidence of the addition of the OHS Expert license a.n Yulianto which is still being endorsed by the Ministry of Manpower which is administered by PT Safetindo Gemilang Abadi. Ensuring the ratification of *P2K3* management changes and the issuance of the appointment of the *P2K3* secretary of PT SMA as an OSH expert are endorsed by the relevant agencies. **(OFI)**

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 meeting has been held in 12 October 2020.

#### **6.7.2**

Emergency Preparedness and Response Procedures (No. SHE.180), Management of Accidents and Occupational Diseases Procedure (No. SISM-SHE.223) 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 simulation was performed on hydrants located in the mill and water pump in Mulia Oil Mill, the result of the simulation was concluded that the emergency tool that certification unit have is ready for use. The routinely emergency simulation that has been conducted by certification unit in 08 August 2020 and have 19 participants.

The last first aid training has been conducted in 30 October 2020 and certification unit has licensed first aid officers. Certification unit also has a first aid box in each unit and based on observations, it's concluded that the contents in the first aid box are sufficient (21 items). There is also a checklist of observations of the contents of first aid boxes routinely performed every month by first aid officers.

The results of field visits in office, harvesting, maintenance and mill process activities show that there is an evacuation route and visitors are given an OHS briefing before conducting field visits or interviews. In addition, there is also a first aid kit at each foreman and at several points in the office and mill. The number and condition of each item in it is in accordance with the procedure, namely 21 items with all of them in good condition. As for the availability of MSDS, there is enough available for each chemical item in each warehouse at PT SISM and PT SMA, this is evidenced by the results of visits and interviews with warehouse officers who have understood well the functions and uses of these MSDS.

Based on the results of interviews with Agronomy, animal husbandry and plantation Agency of Ketapang Regency, it is known that the fire emergency preparedness and response equipment owned by PT SISM and PT SMA has referred to the Minister of Agriculture Regulation number 5 of 2018 and currently the condition of all the equipment is in good condition. this is in line with the results of document verification and field visits, it was found that fire facilities and infrastructure were properly stored and in accordance with regulations. The preparedness of the facilities and infrastructure are also ready for use. In addition, the company also monitors fire fighting facilities and infrastructure.

#### **6.7.3**

The certification unit has procedures related to PPE, namely:

##### **PT Sawit Mitra Abadi**

- SOP for Personal Protective Equipment with document No. SOP / SMA / SHE10 came into effect on February 1, 2020. It explains that each PPE has a lifetime of use and if the PPE is damaged before its lifetime ends, workers can replace it by showing the damaged PPE. Unit certification must have a minimum stock of PPE, which is 10% of the current amount needed.

##### **PT Sepanjang Inti Surya Abadi**

- SOP for Personal Protective Equipment with document No. The SOP / SISM / SHE10 came into effect since February 1, 2020. It explains that each PPE has a life time of use and if the PPE is damaged before the life time ends, the worker can replace it by showing the damaged PPE. Unit certification must have a minimum stock of PPE, which is 10% of the current amount needed.

Based on the results of the field visit at the chemical warehouse along with sanitation facilities for pesticides applicators, it is known that there are facilities for self-sanitation, equipment and PPE for pesticide applicators that are provided quite feasible by the company. This is done to ensure that no chemical residues that exist after work are carried home and can endanger family members. In the room there is a storage area for clean clothes that are used by workers when they come to work and come home after work.

**Non-Conformity No. 2020.07 with Major / Critical Category**

**Evidence observed****Personal Protective Equipment (PPE) - Mulia Oil Mill**

- One (1) safety shoe sorting worker is damaged and four (4) other sorting workers wear boots instead of safety shoes.
- One (1) loading ramp operator, the safety shoes are in a damaged condition so that boots are used.
- One (1) operator press uses boots instead of safety shoes and does not wear earplugs.
- One (1) kernel operator wearing boots instead of safety shoes.
- Two (2) boiler operators use earplugs instead of earmuffs.
- One (1) welder at work but not wearing leather gloves and face shield.

**Unsafty Condition**

- Three (3) FFB truck drivers do not use PPE when entering and are active in the sorting / loading ramp area.
- One (1) FFB truck driver smokes while in the sorting / loading ramp area.
- Unavailability of visitor routes in the factory operational area.
- There is a buildup of kernel and fiber around the engine room and kernel stations so that the area is difficult to pass.
- There are rotating wheels on the pumping machine in the unprotected area of the WWTP.

**Non-Conformance Description**

The certification unit has not been able to prove that all workers have used PPE that is in accordance with the SOP for Personal Protective Equipment (PPE) and HIRAC documents held along with the appropriate application of K3 in all operational areas.

**6.7.4**

Based on the results of the document review, there was a work accident fatality (death) on June 26, 2020 which occurred to the harvester a.n Stefen Mandoy with NIK 10026958 and BPJS Ketenagakerjaan No. 18061957710. It has been reported to the Nanga Tayap Sector Police, BPJS Ketenagakerjaan and Regional 1 Labor Inspection Unit of the Manpower and Transmigration Office of West Kalimantan Province. For reporting to the BPJS Ketenagakerjaan in the form of a complete KK1 report (work accident incident report), KK2 (after the worker recovers) and KK3 (a work accident claim submission report) that is complete.

In addition, due to the absence of family members who lived with the workers when the incident occurred, the company sent death documents and claims through JNE services to Art Sister Asnat Sissa (wife of Stefen Mandoy) in East Rote City, East Nusa Tenggara Province in October 26, 2020 with Receipt No. 160490001191220.

**Non-Conformity No. 2020.08 Minor / Non Critical Category****Evidence observed**

- The certification unit has registered 1,662 plantation workers (Mulia 1-6 Estate) in the BPJS Ketenagakerjaan program and for the September 2020 period, evidence of contributions has been paid on October 21, 2020. The results of a document review of the workers list found that the number of workers in that month was as much as 1,702 people (difference of 40 people).
- The results of a study on the list of workers in September 2020 found that the number of workers for Mulia Oil Mill was 124, but this has not been shown in relation to evidence that these workers have been registered in the BPJS Ketenagakerjaan program.

**Non-Conformance Description**

The certification unit has not been able to prove that all workers have been registered in the BPJS Ketenagakerjaan program.

**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 January-October 2020 certification unit have 6



incidents, 44 lost time, Severity Rate is 1.62 and Frequency Rate is 0.15.		
6.7.3	<b>Status:</b>	
6.7.4	<b>Non-Conformity No. 2020.07 with Major / Critical Category</b>	
	<b>Non-Conformity No. 2020.08 Minor / Non Critical Category</b>	
<b>PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT</b>		
<b>7.1</b>		
<b>Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</b>		
<b>7.1.1</b>		
<p>Strategy on pest integrated management has refers to procedure No. OPM 05 in 2012 which covers early warning system, census, economic threshold limit towards pest incidence, pest population control through chemical and biological method, etc. Among pest that need to be monitored are rat, termite, several leaf eating caterpillars, and rhino beetle (<i>Oryctes rhinoceros</i>). Estate management has a program of integrated pest management and its realization which presented in monthly committee meeting report, for example as follows:</p> <p><b>Census and Analysis</b></p> <p>Estate management are able to shows census results for leaf eating caterpillar (LEC), termites, oryctes, rats and ganoderma. For example, record of census is presented as follows:</p> <ul style="list-style-type: none"> <li>Based on census of <i>Oryctes</i> in Mulia 1 Estate in January 2020, it was known that level of incidence was 2.70 %, which significantly decreased from the previous period that recorded about 38.50 %. Thus, there is no continuation of pesticide application.</li> <li>Based on census of Rat in Mulia 5 Estate in March 2020, it was known severe incidence which reached 98.7 % on the respective Block. Thus, rat bait has recommended by GPRC to overcome the outbreaks.</li> <li>According to LEC census in May 2020, it was known that the incidence was varied from 0.20 to 2.6 %. Thus, there is no pesticide application recommended by GPRC.</li> </ul> <p><b>Biological Method for Pest Population Control</b></p> <ul style="list-style-type: none"> <li>The company has conducting beneficial plants such as <i>Cassia cobanensis</i>, <i>Antigonon leptopus</i> and <i>Turnera subulata</i> for leaf eating caterpillar and bagworm population control. New planting of beneficial plants has confirmed during field observation along main road and collection road, especially on replanting areas.</li> <li>Estate management has adopting pheromone trap which aims for <i>Oryctes</i> sp. population control.</li> </ul> <p>In order to avoid P&amp;D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control, the use of pesticide with active ingredient Methyl Metsulfuron could be substitute with pesticide with active ingredient Triclophyr Butoksi Ethyl Ester, Dimethyl Amine and Isopropyl Amine Glyphosate. Estate management has use paraquat which targeted for zero application in 2022. Furthermore, biological method has also adopted as mentioned above.</p> <p>Based on field observation, it was known that rat incidence was more obvious on the filed rather than another pest, such as <i>Oryctes</i>, and LEC. This is in accordance with census record.</p>		
<b>7.1.2</b>		
Unit of certification is not be able to identification of invasive species presence on the estate operational areas as refers to CABI and/or Minister of Forestry and Environment No. 94 in 2016. Thus, raised <b>NCR No. 2020.09 with minor category</b> .		
<b>7.1.3</b>		
Estate management informed that there is no use of fire for pest management purposes, and prefer to control pest population through biological chemicals and biological method. This is in accordance with information stated by Environment Agency of Ketapang District and representatives from Village of Sepakat jaya, Musubang and Pangkalan Suka.		
<b>7.1.2 Non-critical</b>	<b>Status: NCR No. 2020.09 with minor category</b>	



**7.2**
**Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.**
**7.2.1**

Pesticide usage justification has shown through census analysis. for example, as follows:

- Based on census of Oryctes in Mulia 1 Estate in January 2020, it was known that level of incidence was 2.70 %, which significantly decreased from the previous period that recorded about 38.50 %. Thus, there is no continuation of pesticide application.
- Based on census of Rat in Mulia 5 Estate in March 2020, it was known severe incidence which reached 98.7 % on the respective Block. Thus, rat bait has recommended by GPRC to overcome the outbreaks.

**7.2.2**

Estate management shows record of pesticide consumption for period 2019 to 2020. For example, summary of pesticide consumption for period 2020 is presented in the following Table:

**PT SIsM**

Active Ingredient (a.i.)	Consumption		LD-50 (mg/kg)
	(ltr)	(g a.i./ha)	
<b>Herbicide</b>			
2,4 Dimethyl Amine 865 g/l	339.50	1,081	375
Isoprophyl Amine Glyphosate 480 g/l	15,250.85	1,281	4,230
Methyl Metsulfuron 20 %	4,013.58	18	>5,000
Triklopir Butoksi Etil Ester 480 g/l	44.00	206	710
Paraquat Dichloride 276 g/l	2,223.00	579	150
<b>Rodenticide</b>			
Brodifacoum 0.005 %	2,746.30	1.26 x 10 <sup>-4</sup>	>5,000

**PT SMA Estate 1-2**

Active Ingredient (a.i.)	Consumption		LD-50 (mg/kg)
	(ltr)	(g a.i./ha)	
Herbicide			
Methyl Metsulfuron 20 %	-	-	>5,000
Isoprophyl Amine Glyphosate 480 g/l	7,048.00	408	4,230
Triklopir Butoksi Etil Ester 480 g/l	120.00	144	710
Paraquat Dichloride 276 g/l	380.00	950	150
Rodenticide			
Coumatetralyl 0.0375 %	2,885	0.01	>1,000

Based on the Table above, it was known that estate management has monitor the use of pesticides included its active ingredient consumption per hectare, as well as LD-50.

**7.2.3**

Unit of Certification shows Internal Office Memo of Agronomy Manager No. 003/GPRC (I)-/02/2018 dated 01 February 2018 (approved by Assistant Vice President) about minimizing/reduction of paraquat application for period 2018 to 2022, which targeted reduction from 2018 to 2022 were 75 %, 50 %, 30 %, 20 % and 0 % (zero Paraquat), respectively. Volume of paraquat consumption in 2019/2020 against paraquat reduction program 2019/2020 is presented in the following Table:

Period	PT SIsM		PT SMA	
	Program (ltr)	Actual (ltr)	Program (ltr)	Actual (ltr)
Jan – Dec 2019	4,324	4,445	3,650	580.00
Jan – Nov 2020	2,594	2,223	2,190	39.10

Based on the Table above, it could be concluded that estate management has reduce application of paraquat up to 50 % and 70 % in 2019 and 2020, respectively.

#### 7.2.4

In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control, the use of pesticide with active ingredient Methyl Metsulfuron could be substitute with pesticide with active ingredient Triclophyr Butoksi Ethyl Ester, Dimethyl Amine and Isopropyl Amine Glyphosate. Estate management has use paraquat which targeted for zero application in 2022. Furthermore, biological method has also adopted for pest population control such as planting of beneficial plants and pheromone.

#### 7.2.5

According to list of pesticide usage 2019 to 2020 in PT SIsM and PT SMA, it was known that there are three active ingredients of pesticides which categorized as Class 1A WHO, i.e. Paraquat Dichloride 276 g/l for weeding (field sanitation); and Brodifacoum and Coumatetralyl for rat population control. Application of those pesticides has considering outbreaks incidence that alized by GPRC Agronomist. Reduction on those chemical consumption is explained as follows:

- Paraquat dichlorode: Unit of Certification shows Internal Office Memo of Agronomy Manager No. 003/GPRC (I)-/02/2018 dated 01 February 2018 (approved by Assistant Vice President) about minimizing/reduction of paraquat application for period 2018 to 2022, which targeted reduction from 2018 to 2022 were 75 %, 50 %, 30 %, 20 % and 0 % (zero Paraquat), respectively. Based on paraquat consumption for period 2019/2020 in PT SIsM and PT SMA, it could be concluded that estate management has reduce application of paraquat up to 50 % and 70 % in 2019 and 2020, respectively. This is more that expectation as mentioned in the Internal Office Memo of Agronomy Manager.
- Brodifacoum and Coumatetralyl: There is no use on Racumin (Coumatetralyl) in 2018 and 2019. However, there were an outbreaks of rat incidence in 2020 causing ratbait application totaling for about 2,885 kg. estate management avoid prophylactic action for rat population control.

#### 7.2.6

Estate management in PT SIsM and PT SMA has provide safe working practices training and on pesticide application, for example as follows:

- Limited Pesticide (*Pestisida Terbatas*) Training has conducted on 11-12 April 2018 that provided in collaboration with paraquat producer, attended by 87 related participants from PT SIsM and 32 participants from PT SMA. Certificate of training dated 16 April 2018, valid for five years.
- Rat baiting training has conducted on 14-16 October 2019 for 40 related workers from PT SIsM and PT SMA.
- Training for field upkeep through chemical spraying on 16 January 2020, attended by 31 related participants from PT SMA.
- Training of upkeep and pesticide application on 20 September 2020, attended by 15 related participants from Estate 5-6 of PT SIsM.

Based on observation and interview with Foreman, Tractor for Pesticide Containers Driver and Pesticides applicators in Division 1 Block K9 Mulia 2 Estate of PT SIsM and in Block G16 of Panca Sawit Abadi of PT SMA, it was known that all workers were able to explain and demonstrate their technical matters in accordance with procedures such as to use proper PPE (respirator, apron, goggle or face shield, safety helmet, rubber gloves and boots); PPE management; considering wind flows; pesticide mixing; pesticide transportation to the field; type of medical testing; maximum time of application (5 hours); etc. Furthermore, clean water and soap are available on the field.

#### 7.2.7

Based on observation to Pesticide Store on the estate, it was known that all pesticides have properly stored on a warehouse, separated based on type, equipped with balance record, hazardous symbols, fire extinguisher, MSDS, first aid box, etc. Used pesticide containers will be used for pesticide mixing and distribution to the field. Meanwhile, the rest were sent to Hazardous Waste (Scheduled Waste) Store. Moreover, based on observation to employees housing complex, it was known that there is no use of used pesticide containers for domestic purposes.

#### 7.2.8

The company has SOP for handling hazardous and toxic waste with document number SISM-ENV 551). The SOP explains the categories of hazardous waste including domestic, broken glass, sharp objects, chemicals, general laboratory / operational waste. Hazardous and Toxic Wastes are stored in Temporary Storage Places Hazardous and toxic wastes are handled

according to their types and characteristics. Based on interviews with employees of Estate Mulia 1 and 2 Chemical Warehouse, it is known that the officers understand about waste disposal procedures such as used pesticide packaging to be collected at the Temporary Storage for Hazardous and Toxic Wastes which will then be transported by the hazardous and toxic waste transporters.

The company also has working agreements with third parties to handle hazardous and toxic waste. The company can show the Cooperation Agreement Letter between PT Sepanjang Intisurya Mulia and PT Indo Rudi Jaya (No 01 / SPK / SISM-IRJ / KLB3 / X / 2018) which was stipulated on 29 October 2018 for the handling, management and utilization of Hazardous and Toxic Wastes valid as long as three years (period ends October 31, 2021).

#### 7.2.9

Based on information from estate management, and previous reports, it was known that there was no pesticide application through aerial method by plane. All pesticides have applied through spraying both manually and mechanically.

#### 7.2.10

The certification unit regularly have a medical examination for pesticide operator. Certification unit has a list of the latest pesticide operator and all spraying workers has examined health through inspection types of medical checkup, cholinesterase and spirometry, to ascertain the condition of workers in good health. This semester examination was conducted in 13-16 October 2020 for all units. At the time the audit was carried out, the results of the medical examination carried out had not yet been issued by the Pontianak Farma Chemical Laboratory. Auditor conduct interviews with spraying workers in PT SISM or PT SMA and they admit that they have not been exposed to skin disease and itches. Other than that, the last examination results stating that all workers spray is in a healthy condition.

#### 7.2.11

The certification unit has an antenatal care program for all female workers who work with chemicals, this is made to ensure that no workers who are pregnant / breastfeeding work in these conditions. Currently, the number of female workers who work with chemicals (spraying, fertilization, etc.) for PT Sepanjang Inti Surya Mulia is 51 workers and PT Sawit Mitra Abadi is 43 workers. The results of the study of the 2020 pregnancy check-up documents at PT Sepanjang Inti Surya Mulia (January-October) are that none of these female workers are pregnant (pregnant), so it can be ascertained that female workers who are currently working with chemicals are not female workers who are currently pregnant. is pregnant. Whereas for the 2020 pregnancy check-up at PT Sawit Mitra Abadi (January-October), all of these female workers have 1 worker (IRM) who is pregnant (pregnant), the worker has been transferred from his previous job as a manuring worker to a manual care worker since April 1, 2020 in accordance with Decree No. 012 / HRD-SMA / SK / IV / 2020.

<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 & 7.3.2

The company has a waste management plan that includes the reduction, reuse and disposal of identified waste. The plans are:

##### **Solid Waste**

Solid waste is reused by the certification unit. The solid waste that is reused is EFB, Shells and Fiber. EFB is used back to the land as fertilizer. Then the shell and fiber are reused as fuel for the boiler. The amount of EFB usage for the period January - October 2020 was 598,299 MT. The total usage of Shells for the January - October 2020 period was 122,259 MT. while the amount of Fiber usage for the January-October 2020 period was 36,677 MT.

##### **Mill Effluent**

Mill Effluent management, namely by reusing it with land applications. Before being distributed to the Land Application, the mill effluent is first managed in the WWTP pond. The company can show a record of the utilization of liquid waste from January to September 2020 as much as 14,286 m3.

##### **Hazardous and Toxic Waste**

The company has an SOP for handling hazardous and toxic waste with number SISM-ENV 551 which regulates the management of hazardous and toxic waste in the company's area from production to delivery to the party who carries the waste. The company also has a temporary storage area for hazardous and toxic waste licensed both at PT SISM and PT SMA. In the

case of the transportation of hazardous and toxic waste, the company cooperates with a licensed carrier of hazardous and toxic waste, namely PT. Indo Rudy Jaya. The company can show the Minutes of the transportation of hazardous and toxic waste carried out on June 24, 2020 by PT Indo Rudy Jaya. The waste transported is:

a. PT. SISM:

- Expired Chemicals in the amount of 0.2 Tons with manifest ATU 0001843
- Clinical Waste with an amount of 0.0015 Tons with manifest ATU 0001842
- Used Packaging Dangerous and toxic materials in the amount of 0.2 Tons with manifest ATU 0001841
- Used filters with an amount of 0.55 tons with manifest ATU 0001840
- Used Oil in the amount of 3.6 Tons with manifest ATU 0001838

b. PT. SMA

- Clinical Waste with an amount of 0.0015 Tons with manifest ATU 0001848
- Used Packaging Hazardous and toxic materials with an amount of 0.104 tons with manifest ATU 0001847
- Used batteries with 0.12Ton with manifest ATU 0001845
- Used Oil with an amount of 0.5 tonnes with manifest ATU 0001844.
- Used filters with an amount of 0.05 tons with manifest ATU 0001846.

The company also records any hazardous and toxic waste that enters the temporary storage area of hazardous and toxic waste. Based on the results of the study of the hazardous and toxic waste logbook documents, it is known that the amount of hazardous and toxic waste stored in the temporary storage of hazardous and toxic waste is in accordance with the records carried out.

Based on interviews with the managers of PT SISM and PT SMA, it was found that in terms of waste management the company carried out socialization of waste management to employees, the manager also participated in socializing it to employees to provide understanding regarding waste management such as hazardous and toxic waste, domestic waste, etc.

Based on document review and field observations, the following evidences are obtained:

- In the procedure for handling hazardous and toxic waste No. SISM-ENV 551, explained that the waste of hazardous and toxic materials is stored in the Temporary Storage of Hazardous and Toxic Waste, and handling is carried out according to its type and characteristics.
- Based on the results of a field visit to the Mulia POM IPAL Pond, it is known that there are used oil drums that are used as water reservoirs.
- Based on the field visit to Mulia POM, it was found that there were 6 drums of the former Pertamina brand which were used as supports for the CPO Truck Tank Tub in the area in front of Mulia POM's entrance.
- Based on a field visit at POM's Mulia Chemical Warehouse, there are 4 used batteries that have not been submitted to the Temporary Storage for Hazardous and Toxic Waste.
- Based on a field visit to Block N20 landfill Division 3, Estate Mulia 5, there was a spill of used oil and 2 drums of used oil in the Inorganic landfill.

Based on this explanation, the company has not been able to show that the management of hazardous and toxic waste is in accordance with its procedures. This became **NCR No 2020.10 indicator 7.3.1 with Minor / Non-Critical category.**

### 7.3.3

Based on the results of field observations, the following evidence is obtained:

- The results of field visits to the landfill area in Block N20, Division 3, Kebun Mulia 5 and Final Waste Disposal Site in Block H20 Division 1 Kebun Abadi 2, it is known that domestic waste management carried out by the company is by separating organic and inorganic waste.
- The results of the field visit to the G8 Mulia POM Housing show traces of burning domestic waste in the garbage bins provided.
- The results of the field visit to the Estate Mulia 5 Daycare revealed that there were traces of burning domestic waste behind the Daycare.
- The results of a field visit to the Housing Division 1 Kebun Abadi 2 employees found that there were traces of burning

domestic waste behind the housing.

Based on this evidence, the company has not been able to show evidence of not using open burning for all waste disposal. This becomes **NCR 2020.11 indicator 7.3.3 with minor / non critical category**.

**7.3.1 & 7.3.3** | **Status: NCR No 2020.10 and NCR 2020.11 with Minor / Non-Critical category**

#### 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

Procedure (SOP) of soil fertility management is presented in document No. SISM-AGR-07-00-00 about manuring, which consist of several work instruction (WI), as follows:

- WI No. SISM-AGR-07-00-01 dated 01 December 2013 about fertilizer loading.
- WI No. SISM-AGR-07-00-02 dated 01 December 2013 about used fertilizer bag management.
- WI No. SISM-AGR-07-00-03 dated 01 December 2013 about fertilizer transportation and distribution to the field.
- WI No. SISM-AGR-07-00-04 dated 01 December 2013 about fertilizer application.

Furthermore, procedure of leaf and soil sampling are presented in document No. GPN-AGR-13-00.00 dated 01 August 2015 and No. GPN-AGR-14-00.00 dated 01 August 2015, respectively. Leaf sampling has conducted annually while soil sampling is conducted every five years. Those analysis is conducted by Genting Plantation Research Center (GPRC) Laboratory Analytical Selection where located in PT SIsM Ketapang. The procedure mentioned that manuring recommendation must be based on leaf and soil sampling analysis. Leaf sampling and soil sampling analysis should be carried out once and every five years, respectively. Moreover, visual assessment of palm vigour land field condition by Agronomist was also carried out annually to monitoring nutrient status change. Apart from fertilizer application, Estate management informed that several strategies that had implemented which aims to enhance soil fertility, such as by-products application (EFB and land application), planting of legume cover crops (LCC), and to keep soil moisture through selective weeding.

##### 7.4.2

Procedure of leaf and soil sampling are presented in document No. GPN-AGR-13-00.00 dated 01 August 2015 and No. GPN-AGR-14-00.00 dated 01 August 2015, respectively. Leaf sampling has conducted annually while soil sampling is conducted every five years. Those analysis is conducted by Genting Plantation Research Center (GPRC) Laboratory Analytical Selection where located in PT SIsM Nanga Tayap, Ketapang. Record of leaf and soil sampling is presented as follows:

##### **Leaf Sample Unit (LSU)**

LSU analysis results is presented in document of Plant Analysis Test Report, for example as shows in document No. PR01/2020 dated 05 February 2020 and No. PR08/2020 dated 29 February 2020 for PT SIsM and PT SMA, respectively. Among parameter measured are major element nutrients (Ash, N, P, K, Mg, Ca) and minor elements (B, Cu, Mn and Zn).

##### **Soil Sample Unit (SSU)**

GPRC shows latest soil analysis for PT SIsM that presented in document No. 01/SS/GPRC-SISM/XI/2015 dated 22 December 2015 that conducted by First Resources Limited and No. 735-740/XII/LKKT/2015 dated 16 December 2015 that conducted by Chemical and Soil Fertility Laboratory from Faculty of Agriculture – Tanjungpura University in Pontianak. SSU for period 2020 were still ongoing in the GPRC Laboratory testing. Furthermore, SSU for PT SMA is presented in document No. SR01/2019 dated 12 March 2020 that conducted by GPRC Laboratory. Among parameter measured are pH, C-Organic, N-Total, Bray, CEC, texture, and soil nutrient content (k, Na, Ca, Mg, Pb, Cd, Cu and Zn).

##### 7.4.3

Apart from chemical fertilizers, estate management has also implementing nutrient cycle strategy for soil fertility purposes, through application of by products, such as empty fruit bunch (EFB) mulching and land application by palm oil mill effluent (POME). Dosage of EFB mulched was 40 ton/ha/year (or about 250-300 kg/palm/year) in mature areas, which depends on field condition. Furthermore, dosage of POME applied were about 750 m<sup>3</sup>/ha/year. For example, record of by-product application is presented as follows:

- From January to October 2020, total of EFB applied in Mulia 1-2 Estate was 2,068.00 ton. Based on observation to Mulia 2 Estate Division 2 Block G7, it was known that EFB has applied on the inter-rows and inter-palms with dosage 150 kg/palm/semester.



- From January to September 2020, total of POME applied on the permitted areas were 14,286 m<sup>3</sup>. Based on observation to Mulia 1 Estate Division 1 Block I2, it was known that LA has satisfactory implemented. There is no overflow/spill to the field.

Furthermore, decomposition of pruned fronds has also considered as a part nutrient cycle process.

#### 7.4.4

Estate management shows record of fertilizer application for period 2019 and 2020. For example, summary of fertilizer application on 2020 (up to September 2020) in PT SIsM and PT SMA is summarized in the following Table

Fertilizer	PT SIsM (ton)	PT SMA (ton)
Compound 44 (12/6/22/3)	814	23
HGFB	140	55
MOP	1,115	390
Compound 45B (12/12/17/2)	-	6
NK Mix A (10.5/30)	1,311	470
Ammonia Sulphate	1,801	6
Kieserite	-	-
Compound 55 (15/15/6/4)	-	-
Compound Hikay (13/6/27/4+0.65 B)	67	-
RP	622	56

Based on the Table above, it was known that application of fertilizer has satisfactory recorded by estate management.

**Status: Comply**

#### 7.5

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

##### 7.5.1

Soil map was derived from document of "High Conservation Value" dated November 2014 and "Soil and Water Conservation Implementation of PT SIsM and PT SMA" Report dated April 2016. Unit of certification shows soil map and topography map with scale 1:45,000. According to report, topography and soil characteristic in PT SIsM and PT SMA is summarized as follows:

- Topography of PT Sepanjang Intisurya Mulia: according to the map, it was known that about 58.53 % of PT SIsM terrain were categorized as flat to undulating, following by 11.68 % and 24.00 % that categorized as rolling and hilly, respectively. The rest about 5.79 % was categorized as steep. According to Conservation map, it was known that area with slope more than 25 % were managed under conservation (HCV) area.
- Topography of PT Sawit Mitra Abadi: according to the map, it was known that about 88.14 % of PT SMA terrain were categorized as flat to undulating, following by 1.83 % and 8.52 % that categorized as rolling and hilly, respectively. The rest about 1.51 % was categorized as steep and managed under HCV area.

Based on information above, it could be concluded that there was presence of fragile soils due to steep slope areas which covers about 5.79 % and 1.51 % in PT SIsM and PT SMA, respectively. Both areas were managed under HCV area. Furthermore, to overcome other soil limitations such as rolling to hilly areas, estate management has implementing terraces planting pattern and frond stacking parallel to the contour line, as observed to Division 1 Block K8 Estate 1-2. Moreover, for low fertility areas, several strategies that has been implemented by estate management are fertilizer application that follows Genting Plantation Research Center (GPRC) Agronomist recommendation, adopting EFB mulching application, land application by POME, and to maintain soft grasses through selective weeding which aims to retain soil moisture on the field.

##### 7.5.2 and 7.5.3

According to year of planting data and information from estate management, it was known that there is no replanting activities up to 2032.

**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

Summary of land suitability study which carried out by GPRC in December 2014 for PT SISM and PT SMA are summarized as follows:

- PT SISM: based on the study, it was known that majority on soils in PT SISM (about 78.26 %) was categorized as slightly suitable (S2). The rest about 19,40 % were ranged from marginal to currently not suitable (S3 and N1), which potentially upgraded to become S2, after adopting terraces planting pattern and proper fertilizer input. Meanwhile, permanently not suitable (N2) area which about 2.34 % was currently managed under conservation area.
- PT SMA: based on the Table above, it was known that majority on soils in PT SMA (about 87.10 %) was categorized as S2. The rest about 12,27 % were ranged from marginal to currently not suitable (S3 and N1), which potentially upgraded to become slightly suitable (S2), after adopting terraces planting pattern and proper fertilizer input. Meanwhile, permanently not suitable (N2) area which about 0.64 % was currently managed under conservation area.

To overcome soil limitations as mentioned above, several strategies that has been implemented by estate management are: fertilizer application has follows GPRC agronomist recommendation, adopting EFB mulching application on low fertility areas, land application by POME, frond stacking parallel to the contour line on the hilly areas and/or U-shape on the flat to undulating areas, as well as to maintain soft grasses and selective weeding which aims to retain soil moisture.

### 7.6.2 and 7.6.3

According to year of planting data and information from estate management, it was known that there is no replanting activities up to 2032.

**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 and 7.7.7

Based on information from estate management, verification on HCV report dated November 2014 and Soil and Water Conservation Implementation of PT SISM and PT SMA Report dated April 2016, it was known that there is no presence of peat soils within PT SISM and PT SMA operational areas. Thus, this Indicator is not applicable.

**Status: Comply**

### 7.8

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

#### 7.8.1 & 7.8.2

The company has a water management plan to support continuous utilization of water sources and availability, the plans are as follows:

- Perform regular testing of river water and clean water quality. The company has tested the quality of river water upstream and downstream in the *Pawan*, *Tayap*, *Tapal*, *Engkadin* and *Benipis* rivers. The test results in semester 1 of 2020 are in accordance with the established Quality Standards, namely Government Regulation No. 82 of 2001 Class II. Clean water testing was carried out at locations in Estate Mulia 1-6 (PT SISM) and at Estate Abadi 1-2, Abadi Estate Office 3-4, Housing Estate Abadi 1-2 and Estate Abadi 3-4. The results of clean water testing in semester 1 of 2020 are in accordance with the established Quality Standards, namely the Minister of Health Regulation No. 32 of 2017.
- Supervise and afforestation in the watershed area. The company has carried out the rehabilitation of the riverbank by planting woody plant species. The types of plants planted were *Ketum*, *Pelanjau*, *Putat* and *Kemiri* which were carried out on June 24, 2020.
- Making a signboard related to river border protection. The company has installed warning boards and other signboards in HCV areas, especially in river border areas. Based on the results of a field visit to the Tapal Block G7 Riverfront Division 2 Estate Mulia 1-2 riverbank area and the Majo estate Abadi 1-2 river, it is known that a warning board has been installed in the riverbank area.
- Outreach to employees and the community. Based on the results of field visits and interviews with spray workers at PT SISM and PT SMA, it is known that these employees understand that there is a prohibition on the application of chemicals on riverbanks.

In addition, the company also has a river border management mechanism with document number SOP / GPN / 14 effective November 1, 2016. The procedure explains the determination of river width, determination of the boundary width and marking the boundary of the river bed. Based on the results of field visits to the Tapal River Blok G7 Division 2 Estate Mulia 1-2 and the Majo river in Estate Abadi 1-2, the riverborder conditions are still maintained and there are no traces of chemical applications.

Based on field visits and interviews with residents of employee housing at Estate Mulia 5 and Estate Abadi 1-2 Employees Housing, it is known that the company has provided clean water that can be accessed by employees.

### 7.8.3

The company has carried out periodic monitoring of the quality of mill effluent in accordance with applicable regulations. The results of testing the quality of wastewater for the period April - September 2020 where the pH and BOD parameters were still below the quality standard. The company has a mill effluent utilization permit based on the Ketapang Regent Decree No. 446 / KLH-B / 2015 concerning Permit for utilization of wastewater for application to the ground on 24 June 2015 is valid for 5 years. The company has submitted an application for the extension of the permit and field verification has been carried out by the Public Housing, Settlement Area and Environment Agency on July 23, 2020. Then on October 30, 2020 the company submitted a repair report from the results of field verification by the Public Housing Service for Settlement Areas and the Environment. alive and have been accepted for service. Until the ASA 2 audit, the Land Application permit extension has not been issued. This becomes OFI. (OFI number 1). Based on observations to the WWTP, it is known that there are no leaks and overflows in the WWTP pond and the waste recording flowmeter is functioning properly. Based on the results of field observations in the area of Land Application block I2 Division 1, it is known that the Land Application location is in accordance with the permitted location and there is no indication of pollution to the environment.

### 7.8.4

The company has recorded the use of water for processing FFB. The company can show records of water use for processing FFB for the period January-October 2020 where the average water use is 3,819 m3 with a total processed FFB of 305,649.6 MT. Based on the document review, it is known that the water use by the company is still below the water use budget set by the company.

The company has a water resources exploitation permit in accordance with the Decree of the Head of the Investment Service and one-stop integrated servant of West Kalimantan Province Number: 503/01 / SDA / DPMPTSP-C / 2017 concerning the granting of water resources exploitation permits to PT. Sepanjang Intisurya Mulia for palm oil mill production in Sungai Pawan, Ketapang Regency, West Kalimantan Province on March 6, 2017, it is valid for 10 years.

**Status: Comply**

## 7.9

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

### 7.9.1

The company is reusing shells and fiber for fuel as a plan to optimize the use of renewable energy. Companies can show records of shell and fiber usage for the period January-October 2020. The total usage of shells and fiber is as follows:

Total FFB: 305,649.60 MT

Usage of Shells: 122,259 MT

Fiber Usage: 36,677.95 MT

The efficiency of using shells and fiber until October 2020 is 0.4 mt / mtFFB Shell and 0.11 ton / tonFFB Fiber.

**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 minimise GHG emissions.**

### 7.10.1

The company has monitored GHG emissions through the Palm GHG Calculator for the January-December 2019 period. Based on the verification of GHG emission calculations through the Palm GHG Calculator and other document studies, the following evidence is obtained:

- FFB sources come from 2 sources, namely Own Estate (Mulia 1-2 Include Plasma 1, Mulia 3-4 Include plasma 2, and Mulia 5-6) and Group Plantation (Abadi 1-2 Include Plasma 1 and Abadi 3-4).
- The total area of HCV is 1,724.06 Ha with details of Abadi 1-2 amounting to 342.94 Ha; Abadi 3-4, amounting to 514.56 Ha; Mulia 1-2, amounting to 389.18 Ha; Mulia 3-4, amounting to 451.47 Ha; Mulia 5-6 in the amounting of 25.91 Ha.
- The planting year data for FFB sources consist of Abadi 1-2 only in 2009; Abadi 3-4 only in 2012; Mulia 1-2 only in the 2007 planting year; Mulia 3-4 only in the 2008 planting year; Mulia 5-6 only in the 2009 planting year.
- Based on the 2019 Mulia POM FFB Supply data, it is known that Mulia POM receives FFB from several sources, namely:
  - a. Mulia 1-2, Mulia 3-4, Mulia 5-6, Plasma Mulia 1 and Plasma Mulia 2
  - b. Abadi 1-2, Abadi 3-4, dan Plasma Abadi 1
  - c. PT. SAP (Surya Agro Palma).
  - d. PT. CSC (Citra Sawit Cemerlang)
  - e. PT. AAC (Agro Abadi Cemerlang)
  - f. Plasma PT. CSC (Citra Sawit Cemerlang)
  - g. Plasma PT. AAC (Agro Abadi Cemerlang)
  - h. PT. Lestari Abadi Perkasa
- Based on the Study of the HCV Identification Documents of PT. Sepanjang Intisurya Mulia and PT. Sawit Mulia Abadi found that the total HCV area was 2,090.63 Ha, consisting of Mulia 1-2, amounting to 755.90 Ha; Mulia 3-4, amounting to 339.55 Ha; Mulia 5-6 in the amount of 137.68 Ha; Abadi 1-2, amounting to 342.94 Ha; and Abadi 3-4 in the amount of 514.56 Ha.
- Based on the ASA 1 Basic Assessment Info, the distribution of the planting year consists of:
  - a. Mulia 1-2 planting years 2007; 2008; 2009; 2011; 2015; and 2016.
  - b. Koperasi Plasma 1 (Sawit Trimulya Lestari) planting years 2007; 2008; dan 2009.
  - c. Mulia 3-4 planting years 2008; 2009; 2010; 2011; 2013; 2014; 2015; dan 2016.
  - d. Koperasi Plasma 2 (Sawit Harapan Jaya) planting years 2007; 2008; 2009; dan 2013.
  - e. Mulia 5-6 planting years 2009; 2010; 2013; dan 2016.
  - f. Abadi 1-2 planting years 2009; 2010; 2011; 2012; 2013; 2014; dan 2015.
  - g. Koperasi Plasma Abadi (Panca Mitra Abadi) planting years 2009; 2010; 2011; 2012; dan 2013.
  - h. Abadi 3-4 planting years 2012; 2013; 2014; dan 2015.

Based on this evidence, the company's GHG emission calculations through the Palm GHG Calculator have not been carried out accurately due to data inconsistencies. This becomes **NCR 2020.12 indicator 7.10.1 with major / critical category.**

### 7.10.2 & 7.10.3

List of pollutant identification includes listed in the RKL / RPL and SOP for GHG Mitigation. The emission sources cited include fertilization and spray, use of diesel, transportation, processing of FFB, POME.

To reduce or minimize GHG emissions listed in the GHG Mitigation document, for example the use of fertilizers and agrochemicals in the right dosage, application of empty lengths on the soil, utilization of fiber and shells as boiler fuel, utilization of factory wastewater on the ground and conducting regular emission testing. Based on the results of testing ambient emissions, generator set emissions and boiler emissions for semester 1 of 2020, it is known that the test results are still in accordance with the established quality standards.

<b>7.10.1</b>	<b>Status: NCR 2020.12 with major / critical category.</b>	
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### 7.11

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

#### 7.11.1

When the Surveillance 2 assessment was carried out, the company did not clear any new land. In terms of land clearing the company has SOPs for land clearing, preparation, planting and planting of land cover crops with document number OPM 01 with Revision number 2 which states that land burning is not allowed, all wood piles must be cut and stacked neatly. Based on field visits, it was found that there were no burn marks in the plant area.

#### 7.11.2 & 7.11.3

In determining land fire prevention and control measures, the company carries out several activities including involving local communities in fire control and prevention. These activities include:

- Fire emergency response simulation training. The company has conducted emergency response simulation training in 2020,

namely:

- a. Fire Emergency Response Simulation was conducted on April 20, 2020 for PT. SISM (Mulia 1-2) was attended by 10 emergency responders.
- b. Fire emergency response simulation was carried out on April 18, 2020 for PT. SISM (Mulia 5-6) was attended by 10 emergency responders.
- c. Fire emergency response simulation was conducted on April 27, 2020 for PT. SISM (Mulia 3-4) attended by 10 emergency responders.
- d. Fire emergency response simulation conducted on August 8, 2020 for PT. Sawit Mitra Abadi was attended by 12 emergency responders
- Establishment of an emergency response team for prevention and control of land and forest fires. The company already has a forest and land fire emergency response team for PT. SISM and PT. SMA
- Have facilities and infrastructure for controlling and preventing land fires. The company has facilities and infrastructure for fire control and prevention. For example, such as: Main pump (suction hose, fire hose, nozzle jet, branch connector), engine pump, GPS, fire clothes, fire boots, etc. Based on document verification and field visits, it was found that fire facilities and infrastructure were properly stored and in accordance with regulations. The preparedness of the facilities and infrastructure are also ready for use. In addition, the company also monitors fire fighting facilities and infrastructure.
- The company has also socialized land fires to the surrounding community, for example:
  - a. Socialization of PT SISM forest and land fire prevention, handling, preparedness to 17 local communities on August 14, 2020.
  - b. Socialization of PT SMA forest and land fire prevention, handling, preparedness to the surrounding community on August 13, 2020
- The company has also conducted monitoring of land fires which are carried out every month. The company can show a fire monitoring report in August 2020, it is known that there were no hotspots and land fires in the PT SISM and PT SMA areas.
- Based on the fire emergency response simulation results in Mulia 1-2 and Abadi 1-2, it is known that the emergency response preparedness team can carry out simulations well and the fire fighting equipment is functioning properly.

**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

Genting Plantation BHD has prepared a "Reporting Template for Zero Liability Management Unit" document on 31 July 2014 including for PT SISM and PT SMA and this document has been sent to the RSPO secretariat. There was an email from the RSPO dated 23 October 2017 where it was explained that LUCA PT SISM & PT SMA had been received by RSPO without having to go through a compensation procedure, but there was an area of 77.83 Ha on the riverbank that was open from November 2005 to November 2007. The Compensation Panel has approved remediation plan dated 23 Oct 2017.

##### 7.12.2

PT. SISM and PT. SMA does not conduct new land clearing after 15 November 2018, so the existing HCV assessment is still valid and the HCS assessment is not applicable. PT SISM has carried out a HCV assessment done by YASBI in 2009 and conducted a HCV re-identification by PT Sonokeling Akreditasi Nusantara in 2014. PT SMA carried out a re-identification of HCV in 2014 done by PT Sonokeling Akreditasi Nusantara.

The HCV assessment refers to the HCV Identification Guidance in Indonesia published by the Revised HCV Toolkit Consortium Indonesia, 2008. Public consultations have been carried out to the surrounding communities, namely Mensubang village, Teluk Kramat, Pangkalan Teluk, Pangkalan Jihing, Pangkalan Suka, Sukamaju Sub-village, Pangkalan Suka village, Plasma Sawit Harapan Jaya Cooperative Unit.

Peer Review was conducted by Comparative Expert Dr. Jarwadi Budi Hernowo in January 2015 with the results as attached to the HCV assessment document. The identification results show that in PT SISM was identified as 1233.13 Ha, while PT SMA was identified as 857.50 Ha.

PT SIsM identified as many as 11 species of flora which are protected and endangered species (Appendix 1CITES) such as *Dendrobium sp*, *Dorio ketejensis*, *Dipterocarpus costatus*, *Shorea palembanica*, *Shorea almon*, *Shorea leprosula*, *Shorea acuminatissima*, *Shorea hopefilia*, *Shoreayphyllenen stilli*, *Eusideroxylon zwageri*, *Shorea almon*, *Shorea acuminatissima* and *Shorea hopefilia*. There are 56 species of birds, 11 species of mammals and 4 types of reptiles, none of which are included in the CR category based on the IUCN Redlist.

In PT SMA there were 8 species of rare / protected birds, 10 species of mammals and 4 species of reptiles identified (according to the 2014 IUCN Red List, CITES 2014 and Government Regulation No. 7 of 1999).

There are plant species with Endangered (EN) status based on IUCN 2014.3, namely *Shorea dasyphylla* Foxw and *Dipterocarpus costatus*. While *Eusideroxylon zwageri* IUCN is included in the Vulnerable (VU) category and based on CITES is in the Appendix II category.

Based on the verification of PT SISM's 2014 HCV identification report conducted by PT SAN, it was found that the scope of the HCV study was smaller than the  $\pm 300$  Ha of PT SISM's HGU. So that the management of PT SISM decided to exclude the area from the scope of certification.

### 7.12.3

Indonesia, especially the part of Kalimantan, is not a High Forest Cover Landscape (HFCL), so this indicator is not applicable.

### 7.12.4

PT. SISM and PT. SMA has an HCV management and monitoring plan for 2020. The 2020 management and monitoring plan is as follows:

#### PT. SISM

- Marking and checking of River Boundaries. The company has carried out the marking and checking of river boundaries, for example the Tapal river border, the Mentiakau river, Pelabian river, Tayap river and Udan river. This activity was carried out on May 20, 2020. This was carried out for application limits and prohibitions on spraying and poisoning fish. Based on the results of field visits to the Udan Estate Mulia 5-6 riverbank, it is known that there is already a limit for spraying applications on the riverbank and there is a signboard for prohibiting poisoning fish and conducting spraying applications.
- Inventory of flora and fauna diversity. The company has conducted an inventory of flora and fauna for semester 1 of 2020 on 17-23 June 2020. From the results of the inventory there are 26 species of wild animals including 5 types of mammals, 2 types of reptiles, 19 species of Aves.
- Outreach to employees. The company has conducted socialization to employees on May 20, 2020 regarding the prohibition of chemical applications on riverside and outreach to wildlife protection. Based on the results of interviews with spray workers in Block K9 Division 1 Estate Mulia 1-2, it was found that workers understood that it was forbidden to apply chemicals on riverbanks and understood that they did not hunt protected animals.
- Signboard monitoring. The company has maintained signboards in HCV areas such as prohibition of hunting, logging, poisoning, protected species, prohibition of burning and HCV identification. Based on maintenance results, the signboard is in good condition and available. Based on field visits to the sacred grave 5, the river border of Udan Mulia 6 and the adat lake, making it noble 6, it is known that the signboard is available and in good condition.

Based on the verification of PT SISM's 2014 HCV identification report conducted by PT SAN, it is known that the scope of the HCV study is smaller than the  $\pm 300$  Ha of PT SISM's HGU. So that the management of PT SISM decided to exclude the area from the scope of certification. The unit certification made a request for a reduction in scope certification due to HGU No. 9 of 2011 (100 ha) and HGU No. 148 of 2016 (199.31 ha) has not conducted a conservation area (HCV) assessment (Memo by Head of Sustainability on 6 November 2020).

#### PT. SMA

- HCV Boundary Marking, namely river boundaries and cultural / sacred identities. The company has marked the river boundary HCV boundary on 5 May 2020 at the Kenahare River Border, the Majo River Border, the Miau River border, and the Danau Pasir border. The company has also marked the boundaries of cultural / sacred identities on May 5, 2020 in Setiung sacred graves, mali muluk stones, bathing stones, and panglimawang stones. Based on the results of field visits to the HCV area on the riverbank of the Majo Estate Abadi 1-2, it is known that there is already a spray application limit on the riverbank and there is a signboard for prohibiting fish poisoning and spraying applications.



- Inventory of flora and fauna diversity. The company has conducted an inventory of flora and fauna for semester 1 of 2020 on 11-16 May 2020. From the results of the inventory there are 62 species of wild animals including 14 species of mammals, 4 species of reptiles, 44 species of Aves.
- Rehabilitation plant nurseries. The company has planted rehabilitation plants starting in 2019 with types of Durian, Langsat, candlenut, mentawa, gaharu, ketum, slowly, tengkawang and putat with a total of 1025 planted in the Penahara riverbank and the Tapal river.
- Outreach to employees. The company has conducted outreach to employees on May 05, 2020 regarding the prohibition of chemical applications on riverbanks and wildlife protection with 22 participants. Based on the results of interviews with fertilizer workers in Block H18 Division 1 Estate Abadi 1-2, it is known that workers understand that it is prohibited to apply chemicals on riverbanks and understand not to hunt protected animals.
- Signboard monitoring. The company has maintained signboards in HCV areas such as prohibition of hunting, cutting, poisoning, protected species, prohibition of burning and HCV identification on May 17, 2020. Based on the maintenance results, the signboard is in good condition and available. Based on field visits to the Majo riverbank Estate Abadi 1, Miao riverbank Estate Abadi 2 and Kelampai Hill Estate Abadi 2, it was found that the signboard was available and in good condition.
- Orangutan patrol task force. The company has collaborated with Yiari (Yayasan Inisiasi Alam for Indonesian rehabilitation) from 2019 to 2024 to form a patrol team for the orangutan and satwaliar task force as assistance and guidance in monitoring the patrols of wildlife and orangutans in the HCV area. Patrol was conducted in October 2020, it was discovered that there were no orangutans in the PT SISM and PT. SMA.

PT SISM and PT SMA's 2020 HCV management and monitoring plans are the result of evaluating the previous year's HCV management and monitoring plans. The 2020 HCV management and monitoring plan has not been prepared based on consultation with stakeholders such as the West Kalimantan BKSDA and surrounding communities. However, the company has compiled a 2019 HCV management and monitoring plan based on stakeholder consultations such as the BKSDA and the community which was conducted on 31 January 2019.

#### 7.12.5

There are no set-aside HCV areas within PT SISM and PT SMA. According to the results of HCV identification and maps, it is known that all HCV areas of PT SISM and PT SMA are within the company's HGU, there are areas designated as HCV6 (local cultural values), which these areas have been based on agreement with the local community. There is evidence of agreement on lake area management with indigenous peoples, namely:

- Mutual agreement on the designation and management of an area that has an important function of the traditional cultural identity of the local community of Dusun Suka Maju within the PT SISM oil palm plantation area on March 15 2018 (*Bukit Senudan, Bukit Gemilang and Danau adat Membuyak*).
- Mutual agreement on the establishment and management of an area that has an important function of traditional cultural identity of the local community of Dusun Pebantan with PT SISM on March 15 2018 (pekawal omas' sacred grave, Upuy grave, Jurong Igu and Mentoreng grave).
- Joint agreement on the establishment and management of an area that has an important function of the traditional cultural identity of the local community of Engkadin Hamlet on March 15 2018 with PT SISM (Gemilang hill, Semberuang Hill customary forest, Upuy grave, Ngulok Belaba grave and Buraian Molau grave).

#### 7.12.6

The company has a policy to protect flora and fauna listed in the SOP for the protection of protected wild plants and animals with document number SOP / GPN-S / 02 dated January 9, 2017. The SOP has explained that it is related to the prohibition for anyone to catch, injure, kill, store, own, maintain, transport and trade protected animals and plants. There is also an explanation regarding the sanctions if there is a violation of these things, namely in the form of layoffs (against employees) and crimes in accordance with applicable regulations.

Socialization to employees has been carried out by the company, namely on May 20, 2020 (PT. SISM) and May 05, 2020 (PT. SMA). In addition, socialization is also carried out through signboards installed in strategic locations (offices and other buildings including employee housing). Based on the results of interviews with employees, it is known that the employee has understood the prohibition and sanctions policies, and during field observations at the employee's housing, there were no employees who



arrested, injured, killed, kept, owned, maintained, transported and traded protected animals and plants.

#### 7.12.7

In an effort to improve the status of HCV and RTE species the company is undertaking several monitoring efforts. As for the efforts made are:

- Conduct an inventory of flora and fauna diversity. PT. SISM has carried out an inventory of flora and fauna for semester 1 of 2020 on 17-23 June 2020. From the results of the inventory there are 26 types of wildlife including 5 types of mammals, 2 types of reptiles, 19 species of Aves. As for PT. SMA inventory results, there are 62 species of wildlife including 14 species of mammals, 4 species of reptiles, 44 species of Aves.
- Signboard monitoring. PT. SISM and PT. SMA have carried out signboard maintenance in the HCV area such as prohibition of hunting, cutting, poisoning, protected species, prohibition of burning and identification of HCV. Based on maintenance results, the signboard is in good condition and available. Apart from monitoring the signboard, the company also monitors HCV areas. Based on the results of monitoring, it is known that there is no hunting of animals and no traps.
- Outreach to employees. PT. SISM has conducted socialization for employees on May 20, 2020 for wildlife protection, while for PT. SMA was held on May 05, 2020. This was done as an effort to provide education to workers about the protection of protected flora and fauna.

The company's HCV management plan is considered effective, this is evidenced by the absence of disturbance to the HCV area or plant and animal species such as fish poisoning, animal fishing, and hunting activities. Based on interviews with management representatives, it was found that monitoring of HCV areas, including monitoring of plant and animal species, is still being carried out as part of the company's efforts to maintain HCV areas as well as plant and animal species.

#### 7.12.8

The company has prepared a Remediation Plan for SIMP (Subsidiary of Genting Plantation Berhad) which was sent to the RSPO Secretariat and was approved on August 14, 2017 in accordance with the email from RSPO Compensation (rspocompensation@rspo.org) which states that "The Panel agreed that this remediation plan is sufficient and an annual update must be provided the CP to show the Progress of the remediation activities".

Companies can show a report on the implementation of the RSPO remediation until the period of July 2020, that is, the marking of river boundaries has been carried out throughout all river boundaries, especially the tapal river (the area which remediation requires), monitoring of plant species has been carried out, socialization of conservation and capacity building of human resources involved in HCV management as well as to employees of PT. SISM and PT. SMA through socialization and training, placement of signboards for HCV area markers and prohibition boards for HCV areas, implementing rehabilitation (forest plant nurseries) and rehabilitation plant nurseries. The company has planted rehabilitation plants starting in 2019 with types of *Durian*, *Langsat*, *Kemiri*, *mentawa*, *gaharu*, *ketum*, *Pelanjau*, *tengkawang* and *putat* with a total of 1025 planted in the Penahara riverbank and the Tapal river.

Status: Comply

3.2 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
ASA-2	The CH did not use trademark and/or RSPO logo	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-2	The CH did not use trademark and/or RSPO logo	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or√
ASA-2	The CH did not use trademark and/or RSPO logo	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate logo.	X or√
ASA-2	The CH did not use trademark and/or RSPO logo	√
	Status: Comply	

### 3.3 Summary of RSPO Partial Certification.

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

Genting Plantation Bhd Time Bound Plan (TBP) is explained in table 1.10. Genting Plantation Bhd has 32 management units with 15 mills. Genting Plantation Bhd has informed the TBP progress, MUTU has considered that Genting Plantation Bhd is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Genting Plantation Bhd on 12 Feb 2019.

MUTU has verified partial certification for un-certified unit's subsidiary of Genting Plantation Bhd based on their Time Bound Plan. There are 8 uncertified mills and 30 uncertified estates of Genting Plantation Bhd. 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 are no significant land conflicts which have not been declared above
- The company has followed RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There are no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is developed under Genting Plantation Bhd</p> <p><b>Auditor verification</b> Based on the document review, there is a company pre audit that was conducted by SGS and the positive assurance is at this table that is also been verified.</p>
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p>Total of 4 LUCA was submitted to RSPO Secretariat. PT SISM, PT GAL, GKCE &amp; GJBE</p> <p>PT SISM: Social remediation (Concept Note submitted to RSPO in November 2016. Pending review &amp; approval by Panel.</p> <p>PT GAL: Noncommercial clearing. LUCA pending approval by Panel.</p> <p>GKCE: ~498 Ha for compensation. LUCA pending approval by Panel.</p> <p>GJBE: Social remediation (487 Ha). LUCA pending approval by Panel.</p> <p><b>Auditor verification</b> Based on evidence, the Genting Plantation</p>

		Group has followed the requirement of RSPO.
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	NPPs have been submitted for new plantings since Jan 2010. The latest NPP was published on RSPO website on 13 July 2016 for Genting Jambongan Estate in Sabah for an expansion of the estate areas.
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>No outstanding land conflicts</p> <p><b>Auditor verification</b> Based on evidence provided, the company merely conducted planting on the area that has been compensated from the land owner by FPIC. The documentation of each land compensation/leasing is documented.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>There is no labor disputes. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p><b>Auditor verification</b> There is no indication of labor disputes. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries and also from stakeholder consultation during 2<sup>nd</sup> surveillance audit of the PT SIsM and PT SMA.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Yes, there is process for land legality.</p> <p><b>Auditor verification</b> Land legal process is still going on and there is a detail update progress documented by the company for each year.</p>

### 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-1 Assessment

<i>NCR No.</i>	: 2019.01	<i>Issued by</i>	: Rizliani Aprianita Hsb
<i>Date Issued</i>	: 26 July 2019	<i>Time Limit</i>	: 25 October 2019
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 23 October 2019
<i>Standard Ref. &amp; Requirement</i>	2.1.1 Evidence of compliance with relevant legal requirements shall be available.		

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

**There are several nonconformities in the surveillance-1 assessment (NC 2019.01) :**

**Legality**

➤ Based on the results of interviews with management, document review of areal statement and the HGU certificate, it was found that the company managed an area of 14,560.57 ha and an installed capacity of 90 tons of FFB / hour. PT SISM already has an IUP in accordance with the Decree of the Regent of Ketapang, Number: 518 / DISBUN - D / 2015, July 29, 2015. The document describes that PT Sepanjang Intisurya Mulia, is a company that commits Palm Oil Commodity, area of 14,485 Ha and the capacity of the processing unit 60 tons of FFB / hour. Related to this, the company has sent an Application for a change in plant area and capacity in PT SISM's IUP No. 53 / SISM / Legal / V / 2018 dated May 23, 2018 and was received by *Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu* of Ketapang Regency on May 24, 2018. However, the revised IUP has not yet been issued (already 1 year). Based on the explanation above, it was concluded that the area of management area (HGU) was not in accordance with the Plantation Business Permit owned.

**Wage Scale**

The company showed the structure and scale of wages according to Decree No. 004 / SISM / HR / SK-U / X / 2017 dated October 1, 2017. However, the structure and scale of wages have not been shown for 2019 in accordance with Minister of Manpower regulations No. 1 of 2017.

**Overtime Implementation**

➤ The results of verification of labor documents and field interviews, it was known that the harvest supervisors at PT SISM and PT SMA on June also work on Sundays/holidays. The simulation results of overtime calculations at PT SMA (for example NIK 10011337) and PT SISM (for example NIK 10007741) are known that the calculation of premium / overtime payment is not in accordance with Minister of Manpower regulations No. 102 of 2004. Example of calculation for employees of NIK 10007741 on June (work starts at 06:00 - 17:00 with a break of 1 hour)

Premium / overtime paid:

- There were 8 working days on holidays (wages of Rp. 211,040 / holiday) + daily premium of Rp. 44,000 so that the total premium / overtime on June (holiday) is Rp. 1,968,320.

Minister of Manpower regulations No. 102 of 2004

7 hours 1 x 2 = 14 hours

8th hour x 3 = 3 hours

9th & 10th hour x 4 = 8

Total working hours: 25 hours

Total payment: 2,638,000 / 173 x 25 hours x 8 = 3,049,710.

➤ The results of verification of labor documents and field interviews, it was known that the head of security worked 3 shifts (8 working hours) on June (without holidays) and there were 10 holidays (weeks and national in the

month). The simulation results of PT SISM's security head overtime calculation show that the calculation of the awarding of premiums / overtime has not been in accordance with Minister of Manpower regulations No. 102 of 2004

Premium / overtime is paid in the form of a fixed premium of Rp. 2,800,000

Minister of Manpower regulations no.102 of 2004:

Overtime on holidays:

7 hours  $1 \times 2 = 14$  hours

8th hour  $\times 3 = 3$  hours

Total working hours: 17 hours

Total payment:  $2,638,000 / 173 \times 17 \text{ hours} \times 10 = \text{Rp. } 2,592,254$

Overtime on a normal day:  $1.5 \times \text{Rp. } 15,280 \times 26 \text{ HK} = \text{Rp. } 595,920$

Total overtime Rp. 3,188,174

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

1. IUP revision is still in process at the Plantation Agency of Ketapang District
2. HR does not know that the wage scale must be revised annually
3. - The estate considers that giving premiums to the harvest checker does not violate the provisions  
- Estate and MOM consider that giving premiums to security team leader is not against the provisions

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

1. Follow up to the Plantation Agency regarding progress of changes in IUP
2. Develop a structure for the wage scale in 2019
3. Memo number 01 / SVP / SISM / X / 2019 with the subject "Provisions on Harvest Oversight Premiums" approved by the Senior Vice President on September 13, 2019, starting from September 2019 payroll and will be changed when there is a change in the minimum wages of Ketapang Regency
4. - Provide premium / overtime pay to the harvest checker in accordance with Minister of Manpower's decision No. 102 of 2004.  
- Provide premium / overtime wages to Security team leader in accordance with Minister of Manpower's decision No. 102 of 2004

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

1. Ensuring Follow-up to the Plantation Office related to the development of changes in IUP periodically by the officer / public relations officer.
2. The mechanism for the preparation of the Wage Scale that is carried out every year is ensured by the Evaluation of Regulatory Compliance by the HR Assistant Manager, examined by the HR Manager and Approved by the Group Manager.
3. Ensuring overtime wages / premiums for all employees do not conflict with Minister of Manpower's decision no. 102 of 2004 is ensured by the Evaluation of Regulatory Compliance by the Assistant HR Manager, examined by the HR Manager and Approved by the Group Manager.

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

**Auditor verification on October 2, 2019**

**Legality**

The company shows evidence of improvement in the form of a statement letter from Dinas Pertanian peternakan dan Perkebunan Pemerintah Kabupaten Ketapang No. 525/1266 / Distanakbun-F / 2019 dated August 20, 2019, which explained that the Application for Revision of PT Perkebunan's Plantation Business Permit Sepanjang Intisurya



Mulya was in the process.

**Wage Scale**

The company shows evidence of improvements in the form of:

- Structure and scale of wages of PT Sepanjang Intisurya Mulia in accordance with Decree No. 081 / SISM / HR / SK-U / VIII / 2019 concerning Wage Structure and Scale dated January 1, 2019 and effective January 1, 2019.
- The structure and scale of wages of PT Sawit Mitra Abadi in accordance with Decree No. 029 / SMA / HR / SK-U / VIII / 2019 concerning Wage Structure and Scale dated January 1, 2019 and effective January 1, 2019.
- Wage scale socialization on 18 September 2019 was attended by 16 participants from PT SISM and socialization on 26 September 2019 was attended by 15 participants from PT SMA.

However, companies have not been able to demonstrate the implementation of the wage scale for workers.

**Implementation of Overtime****Harvest supervisor**

The company shows evidence of improvements in the form of:

- Payslip of harvest foreman (NIK 10007071), harvesting clerk (NIK 10007175) Mulia 3-4 Estate on July 2019 along with the employee's attendance on July.
- Payslip of harvest supervisor (NIK 10007686), harvesting clerk (NIK 10007624) Mulia 5-6 Estate on July 2019 along with the employee's attendance on July.
- Payslip of harvest supervisor (NIK 10007686), harvesting clerk (NIK 10007624) Mulia 5-6 Estate on August 2019 along with the employee's attendance on August.
- Payslip of harvest supervisor (NIK 10011337), harvesting foreman (NIK 10010184) Abadi 3-4 Estate on July 2019 along with the employee's attendance on July.
- Payslip of harvest foreman (NIK 10011337), harvesting foreman (NIK 10010184) Abadi 3-4 Estate on August 2019 along with the employee's attendance on August.

The company also did overtime calculations which explained that the harvest supervisor had 1 hour extra work time which, if calculated with the overtime version =  $\text{Rp. } 105,520 / 7 = \text{Rp. } 15,074$ , if 1 hour overtime the salary is  $1.5 \times 15,074 = \text{Rp. } 22,611$ . Holiday premium is calculated  $2 \times \text{HK} + \text{premium } (2 \times 105,520) + 35,000 = \text{Rp. } 246,040$ , plus fuel money 9500 / day.

However, the calculations and improvements sent have not been in accordance with Minister of Manpower Decree No. 102 of 2004.

**Security**

The company shows evidence of improvements in the form of:

- Examples of security payroll (NIK 10008587) in the form of payslip on July and August 2019 for Mulia 3-4 Estate units that inform basic salary, fixed premiums, non-harvest premiums, deductions, etc and along with the attendance of the workers.
- Examples of security payroll (NIK 10008580) in the form of payslip on July and August 2019 for Mulia 5-6 Estate units which inform the basic salary, fixed premiums, non-harvest premiums, deductions, etc and along with the attendance of the worker.
- Examples of payroll security (NIK 10010567) in the form of payslips on July and August 2019 for the Abadi 3-4 Estate unit which informs basic salaries, fixed premiums, non-harvest premiums, deductions, etc and along with the attendance of the worker.

The company has not been able to show the provisions of afternoon premiums for security.

Based on the explanation above, it was concluded that the discrepancy was stated not yet met.

**Auditor verification on October 20, 2019**
**Wage Scale**

The company shows evidence of improvements in the form of:

- Implementation of wage scales for staff level. However, it has not been able to demonstrate the implementation of the wage scale for the employee / worker level.
- Evaluation of compliance with laws and regulations

**Implementation of Overtime**

The company shows evidence of improvements in the form of:

- Internal Office Memo No. 01 / SVP / SISM / X / 2019 dated September 13, 2019 concerning Terms of Harvest Supervisor Premiums. The premium provisions is accordance with Minister of Manpower Decree No. 102 of 2004.
- The socialization of harvest supervisor premiums on September 14, 2019 to 21 participants
- Examples of Attendance and Payslip harvest / foreman on September 2019.
- List of security premium on December 3, 2018
- Examples of payslip security on August 2019, for example security No. NIK 10008580 which informs fixed premiums, non-harvest premiums, and holiday premiums.

Based on the explanation above, it was concluded that the discrepancy was stated not yet met.

**Auditor verification on October 23, 2019**

The company shows evidence of improvement in the form of implementation of the wage scale for workers with non-staff level employees. Based on the evidence of the improvements shown, it was concluded that the non-conformity was stated to be fulfilled and would be re-observed in the next assessment.

<b>Verified by</b>	<b>: Rizliani Aprianita Hsb</b>
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<i>NCR No.</i>	:	<b>2019.02</b>	<i>Issued by</i>	:	<b>Rizliani Aprianita Hsb</b>
<i>Date Issued</i>	:	<b>26 July 2019</b>	<i>Time Limit</i>	:	<b>ASA-2</b>
<i>NC Grade</i>	:	<b>Minor</b>	<i>Date of Closing</i>	:	<b>20 October 2019</b>
<i>Standard Ref. &amp; Requirement</i>	:	<b>2.2.2 Legal boundaries are demonstrated clearly and maintained.</b>			
<i>Non-Conformance Description &amp; Evidence observed (filled by auditor):</i> Observation results at boundary pole No. 94 at Mulia 3-4 Estate and boundary pole No. 147 at Abadi 3-4 Estate, it was known that these boundary poles were missing (not found). In addition, the company also has not been able to show the monitoring record of HGU boundary pole. Based on this explanation it was concluded that there was not enough evidence that the legal boundaries were indicated by clear boundaries and maintained.					
<i>Root Cause Analysis (filled by organization audited):</i> The monitoring and maintenance of the HGU Pole condition in semester 2 of 2019 has not been carried out because in the previous SOP was not clear, what part of GIS is doing the monitoring					

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

- Conduct monitoring and maintenance of HGU Pole
- Install the missing HGU Pole

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

GIS staff conduct monitoring and maintenance of HGU Pole conditions at least every 6 months  
Revise the procedure No. SOP / GPN / 23 regarding maintenance HGU Pole Procedure

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Verification on October 2, 2019**

The company shows evidence of improvements in the form of:

- Monitoring of HGU pole in Mulia HGU 3-4 Estate on August 2019 which is equipped with coordinate points and monitoring officers. From the monitoring document, it was known that there are a total of 42 pole with 5 missing poles, 2 poles with bushy conditions and 35 poles in good condition.
- Monitoring pole in Abadi HGU 3-4 Estate on August 2019 which is equipped with coordinate points and monitoring officers. From the monitoring peg document, it was known that there are a total of 63 poles with 1 missing pole, 6 poles with bushy conditions and 56 poles in good condition.
- Report on the reinstallation of lost HGU poles at Mulia 3-4 Estate and Abadi 3-4 Estate on August 2019 according to the coordinates owned.
- Documentation in the form of HGU pole photo

However, the company has not been able to demonstrate procedure No. SOP / GPN / 23 regarding maintenance of HGU Pole Procedure.

Based on the explanation above, the discrepancy is stated not yet fulfilled.

**Verification on October 20, 2019**

The company shows evidence of improvement in the form of HGU Pole Maintenance Procedure No. SOP / GPN / 23 revision 01 dated 1 September 2019. The SOP explained that Surveyors or GIS staff are responsible every six months together with security to patrol or monitor the condition of HGU pole in the field.

Based on the explanation above, the discrepancy is stated to be fulfilled.

**Verified by** : **Rizliani Aprianita Hsb**

<i>NCR No.</i>	:	2019.03	<i>Issued by</i>	:	Afiffuddin
<i>Date Issued</i>	:	26 July 2019	<i>Time Limit</i>	:	25 October 2019
<i>NC Grade</i>	:	Major	<i>Date of Closing</i>	:	13 October 2019
<i>Standard Ref. &amp; Requirement</i>	:	4.7.2 A documented risk assessment shall be available and its implementation shall be recorded.			
<i>Evidence observed :</i> 1. Based on the results of the document review, it is known that the certificate holder has documented risk assessments Estate in the Hazard Identification, Risk Assessment and Risk Control (HIRARC) documents, 18					

August 2018 and Mill HIRARC, effective 30 July 2018. Based on field observations at the Estate, found activities that have not yet been carried out risk assessment, namely as follows and not limited to:

- Fire monitoring from the fire tower
  - Monitoring and maintenance of boundary pole and HCV
  - Census and pest control
2. Based on the results of field observations on the Estate, activities that are not in accordance with the risk assessment are found, which are as follows and not limited to:
- Gas cylinders are standing and not chained and there is no OHS symbol.
  - No spillkit available (spill traction / spill) in the oil warehouse
  - The droplet reservoir in the fuel tank is broken
  - The tower does not have a fence, no warning and free access
  - FFB loaders sit on the tractor fender

**Non-Conformance Description :**

Based on the explanation above, it was concluded that not all of the company's operational activities have been assessed for risk and danger. In addition, there are activities whose control measures have not been effectively implemented and monitored.

**Root Cause Analysis :**

1. Assume fire monitoring from fire towers, monitoring and maintenance of boundary markers and HCV, census and pest control do not require HIRAC
2. Activities that are not in accordance with the risk assessment
  - Workshop employees assume there is no potential danger of gas cylinders standing without being fastened
  - New spillkit is taken when cleaning oil spills
  - The droplet reservoir in the fuel tank has not been repaired
  - There are a number of firemen who have not installed fences, warnings and free access and there are some that have been damaged
  - Loaders lack understanding of the dangers of sitting on a tractor fender

**Correction :**

1. Prepare HIRAC Fire monitoring from fire towers, Monitoring and maintenance of boundary markers and HCV and Census and pest control
2. Activities that are not in accordance with the risk assessment
  - Binding of the gas canister and the attachment of the Symbol is Easy to Explode
  - Provides a spillkit in the oil warehouse
  - Improved droplet storage in the fuel tank
  - Install fences, warnings and free access to fire towers that have not been installed and repair damaged ones
  - It is forbidden to hitch a ride and socialize HIRAC

**Corrective Action :**

1. During the HIRAC Review every year, re-identify the possibility that there are activities without HIRAC
2. Activities that are not in accordance with the risk assessment
  - Make a welding tube always in a bound condition or put into an iron basket
  - Spillkits are always available in the oil warehouse
  - Immediately repair if there are droplets in the damaged fuel tank
  - Immediately Install fences, warnings and free access to fire towers that have not been installed and immediately repair damaged ones
  - Stickers are not permitted to hitchhike and socialize HIRAC regularly
3. In SISM - SHE SOP 251 *Prosedur Penilaian Dan Pengendalian Resiko* Points of Responsibility: :
  - Manager and Assistant Manager

- Reviewing every year all the activities, is there any danger that has not been identified.
- SHE Officer  
Together with Senior Managers, Managers and Assistant Managers review hazard identification in each work activity

**Assessor Evaluation and Conclusion:**
**Verification on 2 October 2019**

The certificate holder shows the following evidence of improvement:

1. PT SISM HIRARC, document number HIRARC01 / SISM (7) / 0919, Revision 007, effective September 1, 2019 and PT SMA HIRARC, document number HIRARC01 / SMA (7) / 0919, Revision 007, effective date September 1 2019. The HIRARC has been added the results of risk assessment and its control for fire monitoring activities from the fire tower, monitoring and maintenance of boundary markers and HCV and census and pest control.
2. Presentation of HIRARC GPRC and Sustainability Presentation Document on Presentation on 8 August 2019 which was attended by 13 participants.
3. Photos of Gas Cylinders for Welding Activity in Mulia 3-4 Estate, Mulia 5-6 Estate, Abadi 3-4 Estate and MOM which have been given protection so as not to fall and are equipped with symbols related to OHS.
4. Photo Spill Kit provided at Mulia 3-4 Estate oil warehouse, Mulia 5-6 Estate, Abadi 3-4 Estate and MOM.
5. Photo of the refined solar charging stick droplets at Mulia 3-4 Estate, Mulia 5-6 Estate and Abadi 3-4 Estate.
6. Photos of fire monitoring towers that have been equipped with fences and warnings at Mulia 3-4 Estate, Mulia 5-6 Estate and Abadi 3-4 Estate.
7. Photo of *Dilarang Menumpang* (No Ride) sticker installation and socialization of HIRARC to operators, loading staff and other workers regarding the prohibition of riding on tractors at Mulia 3-4 Estate, Mulia 5-6 Estate and Abadi 3-4 Estate. The socialization in Mulia 3-4 was held on September 20, 2019 and was attended by 25 participants, in Mulia 5-6 it was held on September 19, 2019 and was attended by 16 participants and in Abadi 3-4 it was held on August 22, 2019 and was attended by 57 participants.

The root cause analysis and evidence of the improvement shown are acceptable, but regarding preventive action, please answer the auditor's comments above.

Thus, this discrepancy was declared not yet comply.

**Verification on 13 October 2019**

The certificate holder shows evidence of improvement in the form of Risk Assessment and Control Procedure, document number SISM-SHE 251, Revision 0.1, effective date 1 August 2019, which among others explains the duties and responsibilities of the Manager and Assistant Manager ie reviewing every year all activities, is there any missing identified the dangers and the duties and responsibilities of the SHE Officer, together with the Senior Manager, Manager and Assistant Manager conduct a hazard identification review in each work activity.

Based on the analysis of the root cause presented, the correction actions shown and the preventive actions that will be taken, the discrepancy in this indicator is stated **comply with observation**.

**Verified by** : **Afiffuddin**

<b>NCR No.</b>	<b>: 2019.04</b>	<b>Issued by</b>	<b>: Afiffuddin</b>
<b>Date Issued</b>	<b>: 26 July 2019</b>	<b>Time Limit</b>	<b>: 25 October 2019</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 21 October 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard</b>		

	identification and risk analysis shall be available to all workers
<p><b>Evidence observed</b></p> <ol style="list-style-type: none"> <li>1. Based on interviews with the herbicide applicator at Abadi 3-4 Estate, it is known that 4 out of 6 workers were interviewed using boots that they bought themselves. Likewise with manual weed control workers at Abadi 3-4 Estate, it is known that 6 out of 6 workers were interviewed using boots that they bought themselves.</li> <li>2. Based on the results of interviews with the herbicide applicator and field observations in the Abadi 3-4 Estate PPE warehouse, it is known that there is not yet a place for washing and storing PPE as well as a place for herbicide applicators.</li> </ol> <p><b>Non-Conformance Description</b></p> <p>Based on the above evidence, the certificate holder has not been able to show evidence that workers have been provided PPE by the company in accordance with the results of HIRAC and also have not been provided with a washing and storage of PPE as well as a bath for herbicide applicators.</p>	
<p><b>Root Cause Analysis :</b></p> <ol style="list-style-type: none"> <li>1. Distribution of PPE items are late in arrival so some employees have to buy PPE from their own money. Procurement to purchase PPE waits a large amount in advance, so it does not repeatedly (fro) to buy PPE.</li> <li>2. PPE cleaning and storage has been provided by the company, except that employees choose to bring work equipment to the house because it is closer to home.</li> </ol>	
<p><b>Correction:</b></p> <ol style="list-style-type: none"> <li>1. Provision of PPE for herbicide applicators and manual workers in Abadi 3-4</li> <li>2. Personal Protective Equipment and Protective Equipment Document (PPE) document number SISM-SHE402, which explains briefly that PPE can be exchanged by handing over damaged PPE.</li> <li>3. The herbicide and PPE work equipment are stored in a special place that has been provided, before returning home the herbicide applicator cleans itself in the space provided</li> <li>4. Example of monitoring / checklist after spraying</li> </ol>	
<p><b>Corrective Action:</b></p> <ol style="list-style-type: none"> <li>1. The Estate Manager is responsible for planning the distribution of PPE according to the form provided.</li> <li>2. Regular socialization to employees regarding the application of pesticides (before, during the application and after the application of pesticides). Estate manager &amp; SHE Officer conducts socialization at least once every 6 months, and Field Assistant conveyed socialization at least once a month through morning briefing.</li> <li>3. The foreman / spraying supervisor checks the return of the attached work equipment.</li> </ol>	
<p><b>Assessor Evaluation and Conclusion:</b></p> <p><b>Verification on 2 October 2019</b></p> <p>The certificate holder shows the following evidence of improvement:</p> <ol style="list-style-type: none"> <li>1. OHS Compliance Form document and photo of Abadi 3-4 Estate spraying employees, which explained 30 spraying workers on August 22, 2019 had been equipped with boots, headgear, apron, masks, goggles, cloth gloves and rubber gloves.</li> <li>2. OHS Compliance Form document for the manual weeding employees, which explained 20 weeding manual workers on August 24, 2019 had been equipped with boots, helmets, cloth gloves and <i>dodos</i> gloves. Photographs of upkeep workers given PPE.</li> <li>3. Photo of PPE washing place and work equipment, bath and PPE Abadi 3-4 Estate storage place.</li> </ol>	



4. Subsequent Planning and Distribution Documents for PPE sprayers and slashing maintenance workers. Where is explained the subsequent division of PPE as follows:

Herbicide Applicator PPE

- Boots, headgear, apron and glasses: the date of receipt of 22 August 2019, the next distribution plan on 22 August 2020
- Masks, cloth gloves and rubber gloves: the date of receipt of 22 August 2019, the next distribution plan on 22 January 2020

Manual Weeding PPE

- Boots, helmets and machete / *dodos* gloves: the date of receipt on August 24, 2019, the next distribution plan on August 24, 2020
- Cloth gloves: the date of receipt on August 24, 2019, the next distribution plan on August 24, 2020

Based on the evidence of the improvements shown, please answer the auditor's comments above.

No conformity in this indicator have not yet been comply.

**Verification on 21 October 2019**

The certificate holder shows evidence of improvement as follows:

1. Personal Protective Equipment and Clothing Guidelines (PPE), document number SISM - SHE 402, which among others explains in the section of the distribution of PPE, that PPE is distributed freely to all employees according to their respective hazard levels. Assistant manager distributes PPE according to the PPE distribution plan. Employees take PPE by exchanging it with the old PPE. If the PPE is damaged before its life time, employees can exchange it for a new PPE by bringing the damaged PPE.
2. Examples of post-spray monitoring / checklist, for example on August 14, 2019 in Abadi 3-4 Division 2, note that:
  - Spray employees have cleaned the equipment and PPE in a special cleaning place
  - Work equipment and PPE have been stored in a special place for spray equipment storage
  - Spray employees have rinse in a special bathroom to rinse the spray works

Based on the analysis of the root causes presented, the correction actions shown and the corrective actions to be taken, the non conformity in this indicator is stated **comply with observation** in the next assessment.

**Verified by** : **Afiffuddin**

<i>NCR No.</i>	: 2019.05	<i>Issued by</i>	: Afiffuddin
<i>Date Issued</i>	: 26 July 2019	<i>Time Limit</i>	: 25 October 2019
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	: 21 October 2019
<i>Standard Ref. &amp; Requirement</i>	: 4.7.5 A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.		
<i>Evidence observed</i> 1. Based on the results of the document review and interviews with the foreman in the field, it is known that the First Aid training has been conducted in the work area. However, based on field observations at Abadi 3-4 Estate			

<p>on herbicide application activities and manual weed control, it was discovered that the foreman was not equipped with first aid facilities.</p> <ol style="list-style-type: none"> <li>Based on the results of field observations at Abadi 3-4 Estate in buildings that have been given first aid facilities, there is a lack of contents without monitoring usage, for example in the first aid box hazardous waste temporary warehouse and in the workshop.</li> <li>Based on field observations in Mulia 5-6 Estate and Abadi 3-4 Estate at fueling stations, fertilizer warehouses and chemical warehouses, there are no MSDS Solar and MSDS pesticide and fertilizers not yet available.</li> </ol> <p><b>Non-Conformance Description</b> Based on the evidence it is concluded that the certification holder has not been able to show evidence that emergency response procedures have been effectively implemented and monitored for aspects of the availability of first aid equipment at work sites and MSDS for all hazardous and toxic materials.</p>
<p><b>Root Cause Analysis :</b></p> <ol style="list-style-type: none"> <li>First aid bag in the Procurement stage</li> <li>Lack of monitoring of use of first aid boxes and bags</li> <li>The old MSDS is broken, the new one as a replacement has not been installed (still stored at the office)</li> </ol>
<p><b>Correction :</b></p> <ol style="list-style-type: none"> <li>The weeding manual foreman is equipped with a first aid bag</li> <li>Completing the First Aid Kit in accordance with the provisions and monitored once a month</li> <li>Install MSDS in the storage location of Hazardous Material and Hazardous Waste Material</li> <li>Handling Procedures (Receipt, Storage and Expenditures) - Chemicals, Fuels and Lubricants, document number SISM - SHE 310.</li> </ol>
<p><b>Corrective Action :</b></p> <ol style="list-style-type: none"> <li>Procurement at the request of HR after conducting first aid officer training. The foreman in the field is equipped with a First Aid Bag</li> <li>Monitoring the use of first aid kits in first aid boxes and bags once a month, which is responsible by the medical officer or SHE staff</li> <li>Install MSDS in the storage location of Hazardous Material and Hazardous Waste Material that is responsible by the Head of Warehouse.</li> </ol>
<p><b>Assessor Evaluation and Conclusion :</b></p> <p><b>Verification on 2 October 2019</b> The certificate holder shows the following evidence of improvement:</p> <ol style="list-style-type: none"> <li>Photo of proof of handover of First Aid bags to the foreman of Abadi 3-4 Estate</li> <li>Photo of first aid kit completed in the workshop, Hazardous Waste Temporary Warehouse, fertilizer warehouse and office.</li> <li>Documentation of the First Aid box checklist at workshops, Hazardous Waste Temporary Warehouse and offices.</li> <li>Photo of MSDS installation at the fuel refueling station, fertilizer warehouse, herbicide warehouse Mulia 5-6 and Abadi 3-4 Estate</li> </ol> <p>Based on the evidence of the improvements shown, please respond to the auditor comment and show additional evidence of improvement if necessary. This non conformity was declared not yet comply.</p> <p><b>Verification on 21 October 2019</b> The certificate holder shows evidence of improvement in the form of Handling Procedures (Receipt, Storage, and Expenditure) - Chemicals, Fuels, and Lubricants, document number SISM - SHE 310, which includes the</p>

Responsibility of the Head of the Warehouse, explained that the Head of the Warehouse or appointed responsible for ensuring that inventories of chemical, fuel and oil inventories are carried out regularly. The Head of Warehouse is responsible for taking corrective actions for non-conformities found by the Sustainability Officer in checking the work area "Work Area Checklist". The Head of Warehouse is also responsible for ensuring that Store Keepers comply with this procedure. And also responsible for installing material safety data sheets (MSDS) available in warehouses and Clinic Units.

Based on the analysis of the root causes presented, the correction actions shown as well as the corrective actions to be taken, the non conformity in this indicator is stated **comply with observation** in the next assessment.

**Verified by** : **Afiffuddin**

<i>NCR No.</i>	: 2019.06	<i>Issued by</i>	: Afiffuddin
<i>Date Issued</i>	: 26 July 2019	<i>Time Limit</i>	: 25 October 2019
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	: 21 October 2019
<i>Standard Ref. &amp; Requirement</i>	: 4.7.6 All workers shall be provided with medical care, and covered by accident insurance.		
<b>Evidence observed</b> PT SMA shows documents including: <ul style="list-style-type: none"><li>Request for Payment of PT SMA, on May 6, 2019 for the BPJS Employment in April 2019.</li><li>JAMSOSTEK Summary Palmindo Non-Staff &amp; Check roll Employees in April 2019.</li></ul> PT SISM shows documents including : <ul style="list-style-type: none"><li>Proof of payment of the BPJS Employment for the period June 2019 paid on July 15, 2019 for 1,609 workers and July 4, 2019 for 124 workers, bringing the total number of workers paid by the BPJS for June 2019 to 1,733 workers. The results of verification of PT SISM's labor registration documents in June 2019, found that there were 1,874 workers.</li></ul>			
<b>Non-Conformance Description</b> Based on the explanation above, it is concluded that there is not enough evidence available that all employees have been included in BPJS Employment and BPJS Health and proof of payment of contributions.			
<b>Root Cause Analysis :</b> The person who processes the payment is HR Head Office (Jakarta). BPJS Employment Payment is paid in 5 stages, namely Daily Estate Employees, Staff and Non Staff Estate, MOM Daily Employees, MOM Non Staff Employees, Manager-level Employees (executive).			
<b>Correction :</b> Show all proof of payment BPJS Employee (Daily, Staff & Non Staff)			
<b>Corrective Action :</b> HR Estate every month requests a copy of proof of payment Employee BPJS complete			

**Assessor Evaluation and Conclusion :**
**Verification on 3 October 2019**

The certificate holder shows evidence of improvements in the form of:

- Total employees of PT SISM in June totaled 1,846 workers and not 1,874 workers according to the sound of nonconformities.
- Proof of payment of PT SISM's BPJS workforce for a total of 1,846 workers in June 2019 conducted in 4 phases, namely estate daily employees, factory daily employees, plantation staff & non staff employees, and factory staff & non staff employees.
- Proof of payment of PT SISM's BPJS workforce for a total of 1,861 workers in July 2019 which were also carried out in 4 phases, namely estate daily employees, factory daily employees, plantation staff & non staff employees, and factory staff & non staff employees.
- June employee data submitted to the auditor totaled 1,874, while those presented in the previous evidence of improvement in the number of employees were 1846 with a difference of 28 people. 28 people are 9 Manager Level Employees and 19 daily employees who just entered between 15 – 30 June 2019 so that they have not been included in Jakarta Payroll for BPJS Employment payments. Because on the 15th of every month the Jakarta Head Office payroll for calculation of BPJS Employment payments is closed. 19 The person was only included in the BPJS payment on 1 July 2019.
- BPJS Employment payment for Manager UP level, Input of Employee Muster data that is entered above 15 June 2019, Evidence that 19 employees have been included in BPJS payment payroll in July 2019.

Based on the explanation above, it was concluded that the discrepancy was declared not fulfilled.

**Verification on 20 October 2019**

The certificate holder shows evidence of improvement in the form of recording BPJS payments for Manager level of 9 people in June, which was paid on July 10, 2019 and 19 new employees who entered on June 15, 2019 who had been included in the BPJS payment payroll in July 2019.

Based on the evidence of the improvements shown, the non-conformity is stated to be **comply with observation**.

<b>Verified by</b>	<b>: Afiffuddin</b>
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<i>NCR No.</i>	: 2019.07	<i>Issued by</i>	: Briyogi Shadiwa
<i>Date Issued</i>	: 26 July 2019	<i>Time Limit</i>	: 25 October 2019
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 19 October 2019
<i>Standard Ref. &amp; Requirement</i>	: 5.3.2 Evidence must be provided that all chemical waste and containers are disposed of responsibly.		
<b>Evidence observed &amp; Non-Conformance Description:</b> The company has a SOP for Hazardous and Toxic Waste Management (Doc. No.: SISM-ENV 551) which explains that used chemical containers are hazardous waste and must be managed in accordance with applicable regulations regarding the management of hazardous waste. However, based on the results of field observations, it is known that the plans for the management of used chemical container waste have not been implemented in accordance with SOPs and regulations, for example: <ul style="list-style-type: none"><li>• Used pesticide containers are used as droplet container in the solar tank (Mulia Estate 5-6).</li></ul>			

- Used pesticide packaging is stored in the nursery area. (Abadi Estate 3-4)
- Used pesticide containers stored in the Mulia Estate 3-4 washing room.

In addition, based on the results of interviews with management, it is known that the company does not have procedures related to hazardous waste utilization and permission to use hazardous waste container.

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

Operators do not know that using hazardous waste must have a permit, because the diesel filling operator is still guided by prior socialization (18 January 2018) which states that it is permissible to reuse hazardous waste on condition that there must be a recording of hazardous waste.

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

1. Sending used pesticide packaging from the nursery area to Hazardous Waste Temporary Storage.
2. Record the origin of waste in the waste record.
3. Make a memo prohibiting the use of hazardous waste.
4. Changing water reservoirs using non-hazardous materials.
5. Refresh training related to hazardous waste management in accordance with PT. SISM & SMA training matrices will be held in September 2019. One of the agendas will discuss Minister of Environment Decree No. 1 of 2018 regarding hazardous waste management licensing integrated with environmental permits through licensing services trying to be integrated electronically

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

1. Hazardous waste records are made for a period of 3 months, but records are updated at any time if there are changes
2. Record the origin of waste in the hazardous waste record
3. Make a memo prohibiting the use of hazardous waste
4. Monitoring carried out by SHE officers through environmental inspections once a month for example "Fuel Station Monthly Inspection Checklist".

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

**Verification 19 October 2019**

The company has explained the analysis of the root problems that arise in non-conformities in ASA-1 activities. The auditor has verified the evidence of improvements provided such as:

- Documentation of the transfer of Hazardous waste to a licensed hazardous waste temporary storage.
- Hazardous Waste Records (balance sheet) documentation for each business unit.
- Records of monthly monitoring by the HSE team through environmental inspections.

Based on the explanation, the non-conformities has been fulfilled and the implementation will be seen consistently in the next assessment. (Fulfilled with observation)

**Verified by** : **Briyogi Shadiwa**

<b>NCR No.</b>	<b>: 2019.08</b>	<b>Issued by</b>	<b>: Briyogi Shadiwa</b>
<b>Date Issued</b>	<b>: 26 July 2019</b>	<b>Time Limit</b>	<b>: ASA-2</b>

NC Grade	:	Minor	Date of Closing	:	19 October 2019
Standard Ref. & Requirement	:	5.3.3 A waste management plan must be available that is documented and implemented to avoid and reduce pollution.			
<b>Evidence observed:</b> The hazardous waste management plan is explained in the SOP for Hazardous and Toxic Waste (Doc. No.: SISM-ENV 551), namely by managing in accordance with applicable regulations, including explaining domestic waste management by placing it in a special labeled trash can and disposing it scheduled.  However, based on document review and field observations, it is known that: <ul style="list-style-type: none"><li>• In the Hazardous Waste Temporary Storage Abadi Estate 3-4, no used oil waste was found, but in the hazardous and toxic waste records (in June 2019) there was a used oil waste stock of 0.606 liters.</li><li>• On the record of hazardous and toxic waste Mulia Oil Mill does not explain the amount of Hazardous Waste from Hazardous Waste Temporary Storage Mulia Estate on 1-2, 3-4 and 5-6.</li><li>• There is no record of hazardous Waste for hazardous waste stored in the nursery warehouse (Abadi Estate 3-4).</li><li>• No records have been found regarding the amount of hazardous waste used and utilized for plantation operations both in Mulia Estate and Abadi Estate.</li><li>• In the document note on Hazardous and Toxic Waste in Abadi Estate 3-4, no hazardous waste transfer record to Hazardous Waste Temporary Storage Abadi Estate 1-2. Based on interviews with officers related to the transportation of hazardous waste entirely carried out at Hazardous Waste Temporary Storage LB3 Abadi Estate 1-2</li><li>• The results of field observations show scattered used oil in the Mulia Estate 3-4 generator house.</li><li>• The results of field observations showed that used oil drums were used at the Security Post.</li><li>• Observation to the clinic shows that medical waste is stored in the clinic (Not stored at Hazardous Waste Temporary Storage).</li><li>• Used oil drums used for water storage in Mulia Estate 3-4 emplacement.</li><li>• Used Oil is stored in workshop Estate 5-6 (not in Hazardous Waste Temporary Storage).</li></ul>					
<b>Non-Conformance Description</b> Based on the above evidence, the company has not been able to show evidence that the management of all waste has been carried out in accordance with applicable SOPs and regulations to avoid and reduce pollution.					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> <ol style="list-style-type: none"><li>1. Operators do not know that using hazardous waste must have a permit, because the diesel filling operator is still guided by prior socialization (18 January 2018) which states that it is permissible to reuse hazardous waste on condition that there must be a recording of hazardous waste.</li><li>2. Pesticide packaging has not been sent to Hazardous Waste Temporary Storage.</li><li>3. Hazardous Waste Temporary Storage officers do not understand how to fill in the hazardous waste records form.</li><li>4. Officers Assume that the reuse of hazardous waste (recycle) does not need a permit</li><li>5. There are no non-hazardous water containers available for use at the time.</li><li>6. The number of clean water reservoirs (polytank) is lacking.</li></ol>					
<b>Correction</b> <i>(filled by organization audited):</i> <ol style="list-style-type: none"><li>1. Replacing the solar droplets from the solar charging handle using non-hazardous materials</li><li>2. Sending used pesticide packaging from the nursery area to Hazardous Waste Temporary Storage.</li><li>3. Record the origin of waste in the waste record.</li><li>4. Make a memo prohibiting the use of hazardous waste.</li></ol>					



5. Clean the area of the generator house from used oil spills.
6. Changing water reservoirs using non-hazardous materials.
7. Medical Waste is sent to Hazardous Waste Temporary Storage.

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

1. Hazardous waste records are made for a period of 3 months, but records are updated at any time if there are changes
2. Record the origin of waste in the hazardous waste record
3. Make a memo prohibiting the use of hazardous waste
4. Monitoring carried out by SHE officers through environmental inspections once a month for example "Fuel Station Monthly Inspection Checklist".

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

**Verification 19 October 2019**

The company has explained the analysis of the root problems that arise in non-conformities in ASA-1 activities. The auditor has verified the evidence of improvements provided such as:

- Documentation of the transfer of Hazardous waste to a licensed hazardous waste temporary storage.
- Hazardous Waste Records (balance sheet) documentation for each business unit.
- Records of monthly monitoring by the HSE team through environmental inspections.

Based on the explanation, the non-conformities has been fulfilled and the implementation will be seen consistently in the next assessment. (Fulfilled with observation)

**Verified by** : **Briyogi Shadiwa**

<i>NCR No.</i>	: 2019.09	<i>Issued by</i>	: Briyogi Shadiwa
<i>Date Issued</i>	: 26 July 2019	<i>Time Limit</i>	: 25 October 2019
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 20 October 2019
<i>Standard Ref. &amp; Requirement</i>	6.3.2 Records of the process and results of dispute handling must be available		

**Evidence observed:**

From the results of interviews with employees it is known that there are several complaints that have been submitted by employees who have not been recorded in the employee's complaint book, for example:

- Complaints related to emplacement that are still combined with other employees in Mulia Oil Mill Emplacement.
- Complaints related to complaints of broken toilets and leaky roofs in Estate Mulia 3-4 Emplacement.
- Complaints related to damaged houses in the Estate Mulia 5-6 Emplacement.
- Complaints regarding clean water facilities.

And a number of complaints that have been recorded in the employee's complaints book, such as complaints related to a damaged septic tank in Mulia Estate 5-6 (November 30, 2018) have been responded to by the company, but until now there has been no progress record.

**Non-Conformance Description**

Based on the evidence, it is known that the company has not recorded records of the process and results of handling employee disputes and complaints.

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

Supervision has recorded employee complaints in the complaint document but was late in presenting to the auditor when the audit activity took place.

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

- Addition of MOM emplacement.
- Repair of toilets and roof leaks.
- Repair of employees' barracks 5-6
- Addition of water reservoirs
- Repair of septic tanks
- Complaints dissemination delivered to managerial level employees and daily employees. (Document Attached).

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

1. Addition of MOM housing
2. If there are damaged parts in the housing immediately repaired
3. Immediately repaired / replaced when there are damaged clean water facilities
4. Complaints dissemination delivered to managerial level employees and daily employees. (Document Attached).

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Verification 20 October 2019**

The company has shown evidence of improvements (facilities and infrastructure that have been repaired) and a record of socialization related to understanding supervision in recording complaints. Based on the analysis of the root cause of the problem presented, the corrective actions shown and the preventive actions that will be taken have been accepted, the non-conformity is declared fulfilled.

**Verified by** : **Briyogi Shadiwa**

<b>NCR No.</b>	<b>:</b>	<b>2019.10</b>	<b>Issued by</b>	<b>:</b>	<b>Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	<b>:</b>	<b>26 July 2019</b>	<b>Time Limit</b>	<b>:</b>	<b>25 October 2019</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>23 October 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.5.2</b> <b>Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers</b>			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> The verification results of the list of workers documents for June 2019 of PT SISM and PT SMA revealed that there were casual workers, for example: - PT SISM: NIK 10026289 - PT SMA: NIK 10011338 and NIK 10011341  However, the Employee Work Agreement has not yet been shown.					

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

HR considers that daily workers do not require a written work agreement

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

- Conducting socialization related to Work Agreements to Human Resources, Administration Head, Estate Managers and Senior Estate Managers.
- Show a letter of appointment/work agreement for employees

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

Make work agreements for new employees in accordance with SOP Number SISM-HRD-01-00.00 Revision 01 and appoint a daily worker to a permanent employee in accordance with the provisions

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Auditor verification on October 2, 2019**

The company shows evidence of improvements in the form of:

- Permanent Employee Work Agreement of PT SISM No. 007 / HR-SISM / SK-PKT / V / 2019 dated July 1, 2019
- Permanent Employee Work Agreement of PT SMA No. 002 / HRAD-SMA / SK-PKT / X / 2019 on October 1, 2019
- Permanent Employee Work Agreement of PT SMA No 001 / HRAD-SMA / SK-PKT / X / 2019 dated October 1, 2019

The company has not been able to show evidence of socialization related to agreement and SOP Number SISM-HRD-01-00.00 Revision 01.

Based on the explanation above, the discrepancy is stated not yet fulfilled.

**Verification is October 20, 2019**

The company shows evidence of improvements in the form of:

- Dissemination of the Employee Agreement Letter dated 14 September 2019 addressed to Human Resources, Administration Head, Estate Manager and Senior Estate Manager.
- Minutes for recruitment socialization that contain information For Daily employee positions, the HRD Manager submits Personal archives to the Administration Head to make an Employee Master and Work Agreement Letter.

The company has not been able to show SOP Number SISM-HRD-01-00.00 Revision 01.

Based on the explanation above, the discrepancy is stated not yet fulfilled.

**Verification is October 23, 2019**

The company shows evidence of improvement in the form of: SOP Number SISM-HRD-01-00.00 Revision 01 dated September 1, 2019.

Based on the explanation above, the non-conformity is stated to be fulfilled and will be re-observed in the next assessment.

**Verified by** : **Rizliani Aprianita Hsb**

<b>NCR No.</b>	<b>: 2019.11</b>	<b>Issued by</b>	<b>: Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	<b>: 26 July 2019</b>	<b>Time Limit</b>	<b>: ASA-2</b>

NC Grade	:	Minor	Date of Closing	:	23 October 2019
Standard Ref. & Requirement	:	6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.			
Non-Conformance Description & Evidence observed (filled by auditor): Results of observations and interviews in the Mulia 3-4 estate, Mill housing, Mulia 5 Estate, known that the condition of some housing is in a damaged condition, toilets are not functioning and water supply difficulties (including Abadi 3-4 Estate). Regarding this matter, the company showed progress in the form of a purchase request along with a recap of the offer for Mulia 6 Estate.  The results of interviews with mill workers revealed that the worker lives with his family and other workers in one house. In addition, the results of a study of housing facilities and infrastructure documents, there are 2 households in 1 house in Mulia 4 Estate. Based on the explanation above, it is concluded that there is not enough evidence that the company has provided adequate housing facilities and infrastructure for workers.					
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none"><li>- Repair of employee housing is still in process</li><li>- The lack of housing in factories, the addition of houses is still under construction, while in Mulia 4 there are several damaged houses</li><li>- Lack of clean water due to the dry season</li></ul>					
Correction (filled by organization audited): shows improvements and additions of workers houses adding 4 wells in Mulia 3-4, Mulia 5-6 and Abadi 3-4					
Corrective Action (filled by organization audited): <ul style="list-style-type: none"><li>- Identify the number of damaged and decent housing and immediately make repairs if there is damaged housing</li><li>- Make the addition of 4 wells in Mulia 3-4, Mulia 5-6, Abadi 3-4</li></ul>					
Assessor Evaluation and Conclusion (filled by auditor): Auditor verification on October 2, 2019 The company shows evidence of improvements in the form of: <ul style="list-style-type: none"><li>- Photo of housing and toilet repair at Mulia 3-4 Estate</li><li>- Photos of water tank at Mulia 3-4 Estate</li><li>- Photo of housing and toilet repair at Mulia 5-6 Estate</li><li>- Photo of housing and toilet repair at Abadi Estate</li><li>- Photos of housing repairs / additions and repair of Mulia Oil Mill</li><li>- Photo of a water tank for clean water supply at the factory housing (source from WTP)</li><li>- List of names of occupants of Mulia Oil Mill employee housing</li><li>- List of names of Mulia 3 employee housing residents</li><li>- List of names of occupants of Mulia 4 employee housing</li></ul> The company has not yet identified the number of houses in good / decent condition or houses in damaged condition and evidence of adding 4 wells.					

Based on the explanation above, the discrepancy is stated not yet fulfilled.

**Verification on October 20, 2019**

The company shows evidence of improvements in the form of:

- Document identification of damage to the housing estate of Mulia 3-4 Estate. However, there is no information on whether the house is damaged or livable
- Progress document for making / adding wells for clean water for employees in the form of Capital Expenditure Request Form on September 13, 2019 and Photo of Adding employee wells.
- Detail Capital Expenditure 2019 Forecast, 2020 budget & Projection 2021 to 2024 which explains the plan to renovate houses in Mulia 3 & 4.
- Minutes of the inspection of the work for the establishment of No SPK-19-M3-GN-006 employee residence carried out by CV Mitra Tiga Putra on August 27, 2019 at Mulia 3 Estate along with billing invoices.
- Identification of Factory Housing Damage that explains the date of the planned repair, the date the repair was realized and the status of the repair.
- Photo updates on the condition of the addition of Factory Housing.

Based on the explanation above, the discrepancy is stated not yet fulfilled.

**Verification on October 23, 2019**

The company shows evidence of improvement in the form of identification and progress records of employee housing improvements. The document explained the information on houses that had been repaired up to October 21, 2019, which would be repaired in January 2020, houses were in the process of being constructed, and houses were in good condition.

Based on the explanation above, the non-conformity is stated to be fulfilled and will be re-observed in the next assessment.

<b>Verified by</b>	<b>: Rizliani Aprianita hsb</b>
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<i>NCR No.</i>	<b>: 2019.12</b>	<i>Issued by</i>	<b>: Rizliani Aprianita Hsb</b>
<i>Date Issued</i>	<b>: 26 July 2019</b>	<i>Time Limit</i>	<b>: 25 October 2019</b>
<i>NC Grade</i>	<b>: Major</b>	<i>Date of Closing</i>	<b>: 20 October 2019</b>
<i>Standard Ref. &amp; Requirement</i>	<b>: 6.9.1</b> <b>A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce</b>		

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

The results of review of the document of gender committee and interviews with gender committee, known that gender committee has been establish in the company. However, from interviews with female workers at spraying and fertilizing activity in Mulia 3-4 Estate, Mulia 5-6 Estate and Abadi 3-4 Estate, known that female workers did not know gender committee. In addition, the company also has not showed the socialization of gender committees for female workers.

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

The existence of the Gender Committee has not been socialized to the level of daily workers because there are

already old members of the gender committee who have mutated and resigned	
<b>Correction</b> <i>(filled by organization audited):</i> Socialize the existence of the gender committee to daily workers	
<b>Corrective Action</b> <i>(filled by organization audited):</i> The Gender Committee is socialized to all relevant employees every six months At least 2 years the Gender Committee Organizational Structure is reviewed	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification on October 2, 2019</b> The company shows evidence of improvements in the form of: <ul style="list-style-type: none"> <li>- Records of Attendance on Socialization of H1 Leave and Gender Committee on 3 August 2019 at Mulia 3-4 Estate were attended by 30 participants.</li> <li>- Records of Attendance on Socialization of H1 Leave and Gender Committee on 1 August 2019 at Mulia 5-6 Estate were attended by 32 participants.</li> <li>- Records of Attendance on Socialization of H1 Leave and Gender Committee on 27 September 2019 at Abadi 3-4 Estate attended by 52 participants.</li> <li>- However, the company has not been able to show the Gender Committee Socialization Minutes</li> </ul> <p>Based on the explanation above, the discrepancy is stated not yet fulfilled.</p> <b>Verification on October 20, 2019</b> The company shows evidence of improvements in the form of: <ul style="list-style-type: none"> <li>- Minutes of socialization on menstruation leave for women workers and a gender committee that informs the basis of menstrual leave, mechanism for menstruation leave, gender committee, gender committee management, gender committee activities, and conclusions.</li> </ul> <p>Based on the explanation above, the non-conformity is stated to be fulfilled and will be re-observed in the next assessment.</p>	
<b>Verified by</b>	<b>: Rizliani Aprianita Hsb</b>

<i>NCR No.</i>	:	2019.13	<i>Issued by</i>	:	Rizliani Aprianita Hsb
<i>Date Issued</i>	:	26 July 2019	<i>Time Limit</i>	:	25 October 2019
<i>NC Grade</i>	:	Major	<i>Date of Closing</i>	:	20 October 2019
<i>Standard Ref. &amp; Requirement</i>	:	6.9.2 A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce			
<i>Non-Conformance Description &amp; Evidence observed (filled by auditor):</i> The company has a policy on the protection of reproductive rights that has been explained in the CLA. However, from interviews with female workers at spraying and fertilizing activity in Mulia 3-4 Estate, Mulia 5-6 Estate and Abadi 3-4 Estate, found that female workers were not aware of H1 leave. In addition, the company also has not yet shown					



the socialization of H1 leave to female workers.
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Menstruation leave has not been socialized to the level of employees because there is no SOP that regulates who is responsible for socializing menstrual leave
<b>Correction</b> <i>(filled by organization audited):</i> Socialize the menstrual leave to the workers
<b>Corrective Action</b> <i>(filled by organization audited):</i> Menstruation leave is socialized to all relevant employees Revise O8 HR SOP on Leave Management Addition of Menstruation Leave in SOP on Leave Management
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> The company shows evidence of improvements in the form of: <ul style="list-style-type: none"> <li>- Records of Attendance on Socialization of H1 Leave and Gender Committee on 3 August 2019 at Mulia 3-4 Estate were attended by 30 participants.</li> <li>- Records of Attendance on Socialization of H1 Leave and Gender Committee on 1 August 2019 at Mulia 5-6 Estate were attended by 32 participants.</li> <li>- Records of Attendance on Socialization of H1 Leave and Gender Committee on 27 September 2019 at Abadi 3-4 Estate attended by 52 participants.</li> <li>- However, the company has not been able to show the Socialization Minutes</li> </ul> <p>Based on the explanation above, the discrepancy is stated not yet fulfilled.</p> <p><b>Verification on October 20, 2019</b></p> <p>The company shows evidence of improvements in the form of:</p> <ul style="list-style-type: none"> <li>- Leave Management Procedure - Leave Management Procedure No. PI HRD 08 revision 02 dated 1 September 2019. In point 6.0, the procedure explains that the Assistant Manager and Plantation Manager are responsible for conducting socialization regarding all types of leave above to employees at least every three months through morning briefing or other meeting</li> <li>- Minutes of socialization on menstruation leave for women workers and a gender committee that informs the basis of menstrual leave, mechanism for menstruation leave, gender committee, gender committee management, gender committee activities, and conclusions.</li> </ul> <p>Based on the explanation above, the non-conformity is stated to be fulfilled and will be re-observed in the next assessment.</p>
<b>Verified by</b> : Rizliani A Hsb

NCR No.	: 2019.14	Issued by	: Sandra Purba
Date Issued	: 26 July 2019	Time Limit	: 25 Oktober 2019
NC Grade	: Major	Date of Closing	: October 8, 2019

<b>Standard Ref. &amp; Requirement</b>	<b>: SCCS CoC 5.7.2</b> The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> </ul> <b>Module E.2.2</b> The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).
<b>Evidence observed and Non-Conformance Description (filled by auditor):</b> Mulia POM through the HQ Marketing Dept. has reported all RSPO-MB CSPO product sales transactions through the RSPO IT Platform, but has not been able to show evidence that it has met the conventional CPO and PK sales reporting requirements (remove stock) taken from sustainable stocks, namely CSPO 37,503.05 MT and CSPK 8,423.84 MT.	
<b>Root Cause Analysis (filled by organization audited):</b> Marketing Section of PT. SISM does not aware that CPO & PK Certified sold conventionally shall be removed in the RSPO IT Platform.	
<b>Correction (filled by organization audited):</b> Removing the CSPO stock of 37,503.05 MT and CSPK of 8,423.84 MT on the RSPO IT Platform	
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Providing training related to Mass Balance reporting &amp; RSPO IT Platform requirements to mill and marketing employees</li> <li>Remove CSPO and CSPK unsold stock Certified on the IT Platform every three months as per stipulated in the SOP.</li> </ul>	
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification on October 2, 2019,</b> The company has shown evidences, namely evidence of remove stock transactions on the palm trace for conventional sales of CPO and PK taken from sustainable stocks. The company has conducted training to PICs, namely Marketing Dept. and Sustainability Dept. related to reporting requirements for all transactions in RSPO Palm Trace, training was conducted on 13 Sept 2019 at Mula Oil Mill and 20 September 2019 at HQ Jakarta.  <b>Verification is October 8, 2019,</b> The company indicated in the SOP SOP / GPN / 32 "SUPPLY CHAIN, TRACEABILITY AND MASS BALANCE" Point 5.6 that the Marketing Department as a responsible for registering all transaction (Shipping Announcement and stock remove) in the RSPO IT Platform. Declaration announcements are made no later than two weeks after each sale and delivery completed. As well as removing RSPO certified products that are sold under other schemes or conventionally, or in a condition of under-production, lost or damaged, must be removed on the RSPO IT Platform every 3 (three) months. Non-conformity are stated fulfilled	
<b>Verified by</b>	<b>: Sandra</b>

<b>NCR No.</b>	<b>: 2019.15</b>	<b>Issued by</b>	<b>: Sandra Purba</b>
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Date Issued	:	26 July 2019	Time Limit	:	27 Oktober 2019
NC Grade	:	Major	Date of Closing	:	October 8, 2019
Standard Ref. & Requirement	:	<b>SCCS CoC</b> <b>5.13.1</b> The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken. <b>5.13.2</b> The input to management review shall include information on: <ul style="list-style-type: none"><li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li><li>• Customer feedback.</li><li>• Status of preventive and corrective actions.</li><li>• Follow-up actions from management reviews.</li><li>• Changes that could affect the management system.</li><li>• Recommendations for improvement.</li></ul> <b>5.13.3</b> The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"><li>• Improvement of the effectiveness of the management system and its processes.</li><li>• Resource needs.</li></ul>			
<b>Evidence observed and Non-Conformance Description (filled by auditor):</b> Mulia POM has not been able to show management review of the implementation of RSPO SCC which is shall be conducted at least once a year which discusses (but is not limited to): the results of the RSPO SCC internal audit, customer feedback, improvement status of the internal audit, follow-up actions from previous management reviews, changes in impact management system, recommendations for further improvement.					
<b>Root Cause Analysis (filled by organization audited):</b> Management review are planned to be done on end 2019, because of the implementation of RSPO SCCS is started on Aug 2018.					
<b>Correction (filled by organization audited):</b> Conducted a management review					
<b>Corrective Action (filled by organization audited):</b> Conduct a management review at least once a year as stipulated in SOP SISM-PPD-04-00.00 regarding Management Review, at point 3 (Responsibilities) that the Management Representative is responsible for the Management Review Meeting program					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification on 2 Oct 2019,</b> The company has shown evidence of correction, namely minute of the management review conducted on 18 September 2019 attended by Sustainability Staff, Mill Manager, Estate Managers, Jakarta Marketing and personnel at POM. The number of participants was 19 people. The management review has discussed: the implementation of SCCS, feed backs from buyers, the status of nonconformities from external and internal audit results.  However, the management review did not explain the related follow-up actions from the previous management review, changes that impacted the management system, recommendations for further improvement. And there has been no determination of the officer responsible for ensuring the management review is carried out once a year.					

Incompatibility has not been fulfilled.

**Verification on October 8, 2019,**

The company shows evidence in the form of revised management review results which have provided recommendations for improvements and changes to the management system, for example those related to the existence of new RSPO standards that need to be socialized to all key related personnel. The company shows SISM-PPD-04-00.00 SOP on Management Review at point 3 (Responsibilities) that the Management Representative is responsible for the Management Review Meeting program.

The non-conformity is closed.

<b>Verified by</b>	<b>:</b>	<b>Sandra</b>
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**3.4.2. Identification of Findings, Corrective Actions and Observations at **ASA-2** Assessment**

<b>NCR No.</b>	<b>: 2020.1</b>	<b>Issued by</b>	<b>: Briyogi Shadiwa</b>			
<b>Date Issued</b>	<b>: 6 November 2020</b>	<b>Time Limit</b>	<b>: ASA-3</b>			
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>:</b>			
<b>Standard Ref. &amp; Requirement</b>	<b>: Non-Critical 2.2.2</b> <b>All contracts have separate clauses regarding the fulfillment of applicable legal obligations, and are indicated by the third party concerned</b>					
<b>Evidence observed (filled by auditor):</b> <p>The results of document verification work agreements with contractors, for example the Panca Mitra Abadi Cooperative and CV Restu Ibu, there is a clause that "Must comply with and obey all the provisions of the competent authorities as well as applicable government regulations". In addition, to ensure compliance with regulations by contractors, the company has SOP for OHS Procedures for Visitor Contractors and New Employees (No. SOP/SMA/SHE19 &amp; No. SOP/SISM/SHE19 dated February 1<sup>st</sup> 2020). Here are the things that must be obeyed:</p> <ul style="list-style-type: none"> <li>- General Regulations for Occupational Health and Safety</li> <li>- Driving Regulations and Accident Emergency Response</li> <li>- BPJS (Insurance)</li> <li>- Remuneration</li> <li>- Minimum age worker (18 years old)</li> <li>- And others.</li> </ul> <p>The procedure also explains that the unit management (SHE Department and related departments) will carry out periodic monitoring of the contractor to find out the extent to which the contractor complies with the safety and health regulations of the company's work environment.</p> <p>However, there is not enough evidence that all contracts have fulfilled the applicable legal obligations as stated in the work contract and company procedures. In addition, the company has not shown the contractor any periodic monitoring records</p>						
<b>Non-Conformance Description (filled by auditor):</b> <p>There's no enough evidence that all third parties had fulfilled all applicable legal obligations.</p>						
<b>Root Cause Analysis (filled by organization audited):</b>						
<b>Correction (filled by organization audited):</b>						
<b>Corrective Action (filled by organization audited):</b>						
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>						
<b>Verified by</b>	<b>:</b>					

<b>NCR No.</b>	<b>: 2020.02</b>	<b>Issued by</b>	<b>: Mohamad Amarullah</b>
<b>Date Issued</b>	<b>: 06 November 2020</b>	<b>Time Limit</b>	<b>: 04 February 2021</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 01 February 2021</b>

<b>Standard Ref. &amp; Requirement</b>	<b>: 3.4.3 Critical</b> <b>The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in participatory way.</b>
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>The AMDAL Addendum (RKL / RPL) document related to the additional processing capacity of PT Sepanjang Intisurya Mulia's Mulia Oil Mill from 60 tons of FFB / hour to 90 tons of FFB / hour in 2016 has been approved based on the Decree of the Regent of Ketapang No. 031 / DPMPSTP-D.B / 2018 dated 23 January 2018. Several management and monitoring plans required by the addendum document include: <ul style="list-style-type: none"> <li>- Decreased air quality</li> <li>- Increased noise</li> <li>- Decreased water quality</li> <li>- Increase business opportunities</li> <li>- Increase in community income</li> <li>- Attitudes Changes and Public Perception</li> <li>- Public health problems</li> <li>- Work accident</li> </ul> </li> <li>Based on the results of the review of PT SISM's RKL / RPL implementation documents for the first semester of 2020, it is known that there are several types of environmental impact management and monitoring activities that have not been carried out by the company, including: Increase in Community Income, as well as changes in attitudes and perceptions of the community.</li> </ul>	
<b>Non-Conformance Description (filled by auditor):</b> The certification unit has not been able to show evidence that all environmental management and monitoring plans have been implemented in accordance with its RKL / RPL Matrix.	
<b>Root Cause Analysis (filled by organization audited):</b> There is no PIC for Environmental Management and Monitoring in the Social and Community Sector.	
<b>Correction (filled by organization audited):</b> Improvement of PT.SISM's RKL-RPL reporting in accordance with the online RKL / RPL Matrix through the Environmental Electronic Reporting Information System (SIMPEL).	
<b>Corrective Action (filled by organization audited):</b> Make Appointment of Person in Charge and Coordinator for each Aspect of Environmental Management and Monitoring	
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification on January 20, 2021</b> The certification unit has sent proof of improvement in the form of Evidence of Reporting RKL-RPL for PT Sepanjang Intisurya Mulia Online (Company ID No. 5387) in the form of Electronic Receipt (TTE) Electronic Environmental Reporting Information System (SIMPEL) Ministry of Environment and Forestry with ID TTE No. 1609906088-5387; TTE Period 01 July 2020 to. 31 December 2020; and TTE Print Time on January 6, 2021. However, there is no evidence that all activities required in the RKL / RPL Matrix have been fully implemented. In addition, the root cause analysis and corrective action provided were considered not relevant to the non-conformance record. Accordingly, a record of Non-Conformity No. 2020.02 is considered <b>not fulfilled</b> .  <b>Verification on 01 February 2021</b> The certification unit has sent proof of improvement in the form of: <ul style="list-style-type: none"> <li>Letter of appointment of environmental management and monitoring officers of PT. Sepanjang Intisurya Mulia for each aspect, namely the Coordinator, Social Aspects, Employment, OHS and aspects of the Mill which have been approved by the leadership of the company.</li> </ul>	



- Report on the implementation of RKL / RPL for semester 2 of 2020 PT. SIsM. Based on the verification of the RKL / RPL implementation report for Semester 2 of 2020, it is known that it is in accordance with the RKL / RPL matrix in owned environmental documents such as:
  - a. Decreased air quality
  - b. Increased noise
  - c. Decreased water quality
  - d. Increase business opportunities
  - e. Increase in community income
  - f. Attitudes Changes and Public Perception
  - g. Public health problems
  - h. Work accident

Based on this explanation, the discrepancies in this indicator are declared to have been **fulfilled**.

**Verified by** : **Mohamad Amarullah**

NCR No.	: 2020.03	Issued by	: Rindu Galih Rezza Rachmansyah
Date Issued	: 06 November 2020	Time Limit	: 04 February 2020
NC Grade	: Major	Date of Closing	: 02 February 2021
Standard Ref. & Requirement	: 3.6.1 Critical All operational activities risks assessed to identify the H&S issues. Mitigation plans and procedures are documented and implemented.		
Evidence observed (filled by auditor):			
<ul style="list-style-type: none"><li>Mulia Oil Mill has two (2) turbine engines and three (3) genset engines with respective capacities above 200 kVA at the Engine Room Station. There are three (3) operators on duty at the station and work for three (3) shifts every day. However, only one (1) person has an SIO of Power and Production Operators. This is not in accordance with the Minister of Manpower Regulation No. 38 of 2016.</li><li>Mulia Oil Mill has two (2) turbine engines and three (3) genset engines with each capacity above 200 kVA at the Engine Room Station. However, there is no OHS Electricity Expert in accordance with the Minister of Manpower Regulation No. 12 of 2015.</li><li>PT Sepanjang Inti Surya Mulia (plantation) has six (6) generator sets and PT Sawit Mitra Abadi has one (1) generator set with a capacity of 30 kVA - 135 kVA. However, workers who have an SIO for Power and Production Aircraft Operators have not been appointed in accordance with the Minister of Manpower Regulation No. 38 of 2016.</li><li>Mulia Oil Mill has two (2) Boiler (steam boiler) machines with a capacity of 35 tons / hour (standby) and 45 tons / hour (used) at the Boiler Station. There are six (6) operators on duty at the station and work for two (2) shifts every day. However, there are only two (2) workers who have a Class 1 Boiler Operator SIO. This is not in accordance with the Minister of Manpower Regulation No. 01 of 1988.</li></ul>			
Non-Conformance Description (filled by auditor):			
The unit of certification has not been able to show evidence that operators with specific OHS qualifications / competencies have been identified as stipulated in Government Regulation No. 50 of 2012 Article 12.			
Root Cause Analysis (filled by organization audited):			
<ul style="list-style-type: none"><li>The identification and preparation of programs related to the fulfillment of OHS competencies has not been carried out</li><li>No one has yet monitored the fulfillment of OHS competence</li></ul>			
Correction (filled by organization audited):			
<ul style="list-style-type: none"><li>Identify operator needs and competency requirements.</li></ul>			

- Creating a OHS competency training program in accordance with the TNA (Training Need Analysis) in 2021.
- Determine the PIC who is responsible (SHE Officer) for the implementation of this.

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

- Carry out monitoring of operator's OHS competency fulfillment, including the validity period.
- Ensure that employee placement is in accordance with competence and conduct regular training.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification date 24 January 2021**

The unit of certification shows some evidence of improvement, including the following:

- Minutes of Implementation of Guidance and Testing of OHS License for Production Power Aircraft Operators dated December 12, 2020, for ten (10) Operators. The training was carried out on 10-12 December 2020 by PT Safetindo Gemilang Abadi Pontianak with the Manpower Supervisory Agency of the Manpower Office of West Kalimantan Province.
- Minutes of Implementation of Coaching and Testing of Steam Boiler Operators' OHS License on 12 December 2020, for four Operators. The training was carried out on 10-12 December 2020 by PT Safetindo Gemilang Abadi Pontianak together with the Labor Inspection of the West Kalimantan Province Manpower Office.
- OHS Electric Expert Registration Form dated January 16, 2021, for employees currently holding positions as Electrical Assistants. The training was conducted by PT Mitra Dinamis Yang Utama in Jakarta

Based on the explanation and evidence of improvement provided, the non-conformity No. 2020.03 is declared unfulfilled.

**Verification date 02 February 2021**

The certification unit has shown additional evidence as follows:

- OHS work program in 2021 (legalized by the General Manager on January 30, 2021) which includes plans for implementing trainings related to the fulfillment of mandatory OHS competencies such as operators of production power planes, steam planes and OHS electricity.
- Training Need Analysis (TNA) and OHS Competency Training Program in 2021 which was approved by the General Manager on January 30, 2021.
- OHS competency monitoring form for PT Sawit Mitra Abadi in 2021 which is monitored by SHE Officer.
- OHS competency monitoring form for PT Sepanjang Intisurya Mulia in 2021 which is monitored by SHE Officer.

Based on the explanation and evidence of improvement provided, the non-conformity No. 2020.03 is declared fulfilled.

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

NCR No.	: 2020.04	Issued by	: Rindu Galih Rezza Rachmansyah
Date Issued	: 06 November 2020	Time Limit	: 04 February 2021
NC Grade	: Major	Date of Closing	: 24 January 2021
Standard Ref. & Requirement	3.7.1 Critical A documented programme that provides training is in place, which is accessible to all staff, workers, scheme smallholders, and outgrowers taking into account gender-specific needs, and which covers applicable aspects of P&C Principles, in a form they understand and includes assessment of the training		
Evidence observed (filled by auditor): The certification unit has an identification and training program for all workers (Staff and Employees) for the 2020 period, but for plasma farmers and outgrowers it cannot yet be shown.			
Non-Conformance Description (filled by auditor):			

<p>The unit of certification has not been able to prove that a documented training program for plasma smallholders and outgrowers that takes specific gender-related needs into account and covers aspects of the RSPO principles and criteria in a form they can understand and includes an assessment of the training has been implemented.</p>	
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i>          The company has not yet identified training needs aimed at plasma farmers, outgrowers and contractors. Thus, there is no program related to this.</p>	
<p><b>Correction</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>Identify training needs and include them in the 2021 training program.</li> <li>Conduct training on RSPO principles and criteria for plasma smallholders, outgrowers and contractors.</li> </ul>	
<p><b>Corrective Action</b> <i>(filled by organization audited):</i>          Ensure that the training / outreach programs that have been prepared for plasma farmers, contractors and outgrowers are carried out regularly and periodically every year.</p>	
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Verification date 24 January 2021</b>          The certificate unit shows evidence of improvement, among others as follows:</p> <ul style="list-style-type: none"> <li>Letter from the Senior Manager Community Development to the Panca Mitra Abadi Cooperative Management and five Farmer Representatives No. 012.MCD-SISM / XI / 2020 dated 8 November 2020 concerning the socialization of the RSPO principles, as well as the financial status report for the period July s.d. September 2020.</li> <li>Letter from Senior Manager Community Development to the Management of Koperasi Sawit Harapan Jaya, Koperasi Sawit Trimulia Lestari and five representatives of Farmers No. 012.MCD-SISM / 11/2020 dated 20 November 2020 concerning the socialization of the RSPO principles, as well as the financial status reports for the period January to September 2020.</li> <li>Socialization of RSPO and forest and land fires on 20 November 2020, which was attended by 17 representatives of PT Sawit Mitra Abadi.</li> <li>Socialization of RSPO, Forest and land fires, cooperative finance on 24 November 2020, which was attended by 20 cooperative representatives.</li> <li>Environmental K3 training program for the period of 2021 which was approved by GM PT SISM on December 17, 2020. The next training for plasma farmers will be held in the second week of April and the first week of November 2021.</li> </ul> <p>Based on the description of the root of the problem, corrective action, as well as evidence of improvement shown, Non-conformance No. 2020.04 is declared fulfilled.</p>	
<b>Verified by</b>	<b>: Rindu Galih Rezza Rachmansyah and Mohamad Amarullah</b>

<b>NCR No.</b>	<b>: 2020.05</b>	<b>Issued by</b>	<b>: Rindu Galih Rezza Rachmansyah</b>
<b>Date Issued</b>	<b>: 06 November 2020</b>	<b>Time Limit</b>	<b>: Surveillance-3</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: -</b>
<b>Standard Ref. &amp; Requirement</b>	<b>6.2.6 Non-critical</b> <b>A DLW is paid to all workers in accordance with applicable regulations, including workers who work on a piece rate/quota basis, the calculation of which is based on a quota that can be achieved during regular working hours.</b>		
<b>Evidence observed</b> <i>(filled by auditor):</i> -			

<b>Non-Conformance Description</b> <i>(filled by auditor):</i> The certification unit has not been able to show the Decent Living Wage (DLW) assessment document obtained by workers along with the calculation of prevailing wage and in-kind benefits in accordance with the provisions stipulated in the Guidelines for Calculating a Decent Living Wage (DLW) issued by the RSPO in June 2019.	
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>	
<b>Correction</b> <i>(filled by organization audited):</i>	
<b>Corrective Action</b> <i>(filled by organization audited):</i>	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
<b>Verified by</b> :	

<b>NCR No.</b>	: 2020.06	<b>Issued by</b>	: Rindu Galih Rezza Rachmansyah
<b>Date Issued</b>	: 06 November 2020	<b>Time Limit</b>	: Surveillance-3
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	<b>6.2.7 Non-critical</b> <b>Permanent fulltime employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</b>		
<b>Evidence observed</b> <i>(filled by auditor):</i> <ul style="list-style-type: none"> <li>The results of reviewing the 2020 Budget document for the harvesting needs of PT Sepanjang Inti Surya Mulia are 617 people and PT Sawit Mitra Abadi is 368 people.</li> <li>The results of the study of the worker list document in October 2020 found that there were 6 daily contract workers (BHL) harvesters and 510 permanent workers for PT Sepanjang Inti Surya Mulia, while for PT Sawit Mitra Abadi there were 169 daily contract workers (BHL) and 176 permanent workers.</li> <li>In Law no. 13 of 2003 it is known that casual daily laborers can only be employed in jobs that are not permanent or seasonal in nature. Harvesting work is a permanent job (work that is continuous in nature, not intermittent, not limited by time and is part of a production process in a company or work that is not seasonal).</li> <li>In GAPKI Circular Letter No. 073 / GAPKI / II / 2013 states that harvesting work is the main type of work.</li> </ul>			
<b>Non-Conformance Description</b> <i>(filled by auditor):</i> The unit of certification has not been able to prove that casual daily workers are limited to work that is temporary or seasonal in nature.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>Correction</b> <i>(filled by organization audited):</i>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			

<b>Assessor Evaluation and Conclusion</b> (filled by auditor):	
<b>Verified by</b>	:

<b>NCR No.</b>	:	<b>2020.07</b>	<b>Issued by</b>	:	<b>Rindu Galih Rezza Rachmansyah</b>
<b>Date Issued</b>	:	<b>06 November 2020</b>	<b>Time Limit</b>	:	<b>04 February 2021</b>
<b>NC Grade</b>	:	<b>Major</b>	<b>Date of Closing</b>	:	<b>24 January 2021</b>
<b>Standard Ref. &amp; Requirement</b>	:	<b>6.7.3 Critical</b> <b>Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations, such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</b>			

**Evidence observed** (filled by auditor):

**Personal Protective Equipment (PPE) - Mulia Oil Mill**

- One (1) safety shoe sorting worker is damaged and four (4) other sorting workers wear boots instead of safety shoes.
- One (1) loading ramp operator, the safety shoes are in a damaged condition so that boots are used.
- One (1) operator press uses boots instead of safety shoes and does not wear earplugs.
- One (1) kernel operator wearing boots instead of safety shoes.
- Two (2) boiler operators use earplugs instead of earmuffs.
- One (1) welder at work but not wearing leather gloves and face shield.

**Unsafty Condition**

- Three (3) FFB truck drivers do not use PPE when entering and are active in the sorting / loading ramp area.
- One (1) FFB truck driver smokes while in the sorting / loading ramp area.
- Unavailability of visitor routes in the factory operational area.
- There is a buildup of kernel and fiber around the engine room and kernel stations so that the area is difficult to pass.
- There are rotating wheels on the pumping machine in the unprotected area of the WWTP.

**Non-Conformance Description** (filled by auditor):

The certification unit has not been able to prove that all workers have used PPE that is in accordance with the SOP for Personal Protective Equipment (PPE) and HIRAC documents held along with the appropriate application of OHS in all operational areas.

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

**Personal Protective Equipment (PPE)**

- All PPE for employees has been distributed, but the period of resistance for PPE is different at each station and PPE procurement is already in the process of ordering it from the vendor, therefore workers have not been given PPE replacement.
- Monitoring of the use of PPE by employees as well as the appropriateness of the condition of PPE has not been implemented optimally.

**Unsafty Condition**

- FFB truck drivers lack socialization regarding the mandatory use of PPE and smoking prohibitions in the Mill area.

- The pile of kernels and fibers has not been moved to the warehouse.
- The old visitor route is faded and has never been maintained.
- The safety cover for the WWTP pump engine which was previously damaged and is in the process of being replaced.

**Correction (filled by organization audited):**
**Personal Protective Equipment (PPE)**

- The distribution of PPE to employees according to their needs is based on the conditions of each work station.

**Unsafety Condition**

- Socializing the use of PPE and smoking prohibition in the factory area.
- Re-painting of visitor paths for all areas of the factory.
- Removal of kernel and fiber stack from engine room and kernel station.
- Installation of the pump engine safety cover at WWTP.

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

Carry out regular workplace inspections to ensure the use of PPE and identification of hazardous conditions and include it in the work program regularly and periodically

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification date January 24, 2020**

The unit of certification shows some evidence of improvement, including the following:

- Documentation of the submission of PPE to Sorting Workers, Ramp Loading Station Operators, Press Station Operators and Kernel Station Operators on 19 November 2020.
- HIRAC compliant PPE documentation for welders.

**Unsafety condition**

- Documented cleaning of kernels and fibers around the Engine Room Station.
- Documentation of creating a visitor line inside the factory operational area (green paint).
- Cover installation documentation on the rotating pump engine in the WWTP area.
- Internal Office Memo Mill Manager to all leaders on November 25, 2020 to carry out outreach to FFB Transporting Drivers, Empty Balls, Kernels and CPO to use appropriate PPE and not allowed to smoke in the factory operational area. For those who do not comply, the perpetrator and the vehicle number will be recorded, then reported to the relevant leadership.
- Documentation on the completeness of PPE Driver.
- Installation of OHS Warning Signs (Boards) or Directions in front of Weigh Bridge Stations.

Based on the description of the root of the problem, corrective action, as well as evidence of improvement shown, Non-conformance No. 2020.07 is declared fulfilled.

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

<b>NCR No.</b>	<b>: 2020.08</b>	<b>Issued by</b>	<b>: Rindu Galih Rezza Rachmansyah</b>
<b>Date Issued</b>	<b>: 06 November 2020</b>	<b>Time Limit</b>	<b>: Surveillance-3</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>:</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 6.7.4 Non-critical</b> <b>All workers are provided medical care and covered by accident insurance. Costs incurred from work related incidents, leading to injury or illness, are covered in accordance with applicable regulations or by the unit of certification if applicable</b>		



	<b>regulations do not provide protection.</b>
<b>Evidence observed</b> <i>(filled by auditor):</i> <ul style="list-style-type: none"> <li>The certification unit has registered 1,662 plantation workers (Mulia 1-6 Estate) in the BPJS Ketenagakerjaan program and for the September 2020 period, evidence of contributions has been paid on October 21, 2020. The results of a document review of the workers list found that the number of workers in that month was as much as 1,702 people (difference of 40 people).</li> <li>The results of a study on the list of workers in September 2020 found that the number of workers for Mulia Oil Mill was 124, but this has not been shown in relation to evidence that these workers have been registered in the BPJS Ketenagakerjaan program.</li> </ul>	
<b>Non-Conformance Description</b> <i>(filled by auditor):</i> The certification unit has not been able to prove that all workers have been registered in the BPJS Ketenagakerjaan program.	
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>	
<b>Correction</b> <i>(filled by organization audited):</i>	
<b>Corrective Action</b> <i>(filled by organization audited):</i>	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
<b>Verified by</b>	:

<b>NCR No.</b>	<b>: 2020.09</b>	<b>Issued by</b>	<b>: Mohamad Amarullah</b>			
<b>Date Issued</b>	<b>: 06 November 2020</b>	<b>Time Limit</b>	<b>: Surveillance-3</b>			
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: -</b>			
<b>Standard Ref. &amp; Requirement</b>	<b>7.1.2 Non-critical</b> <b>Invasive species are not to be used according to applicable regulation in managed areas, unless plans to prevent and monitor their spread are implemented.</b>					
<b>Evidence observed (filled by auditor):</b> -						
<b>Non-Conformance Description (filled by auditor):</b> The certification unit has not been able to show that the presence of invasive species in the management area of the certification unit has been identified, as referred to in Environment and Forestry Ministry Regulation No. 94 of 2016.						
<b>Root Cause Analysis (filled by organization audited):</b>						
<b>Correction (filled by organization audited):</b>						
<b>Corrective Action (filled by organization audited):</b>						
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>						
<b>Verified by</b>	<b>:</b>					

<b>NCR No.</b>	<b>: 2020.10</b>	<b>Issued by</b>	<b>: Mohamad Amarullah</b>
<b>Date Issued</b>	<b>: 06 November 2020</b>	<b>Time Limit</b>	<b>: Surveillance-3</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>:</b>
<b>Standard Ref. &amp; Requirement</b>	<b>7.3.1 Non-critical</b> <b>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented in accordance with applicable laws and regulations.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>• In the procedure for handling hazardous and toxic waste No. SISM-ENV 551, explained that the waste of hazardous and toxic materials is stored in the Temporary Storage of Hazardous and Toxic Waste, and handling is carried out according to its type and characteristics.</li> <li>• Based on the results of a field visit to the Mulia POM WWTP, it is known that there are used oil drums that are used as water reservoirs.</li> <li>• Based on the field visit to Mulia POM, it was found that there were 6 drums of the former Pertamina brand which were used as supports for the CPO Truck Tank Tub in the area in front of Mulia POM's entrance.</li> <li>• Based on a field visit at POM's Mulia Chemical Warehouse, there are 4 used batteries that have not been submitted to the Temporary Storage for Hazardous and Toxic Waste.</li> </ul>			

- Based on a field visit to Block N20 landfill Division 3, Estate Mulia 5, there was a spill of used oil and 2 drums of used oil in the Inorganic landfill.

**Non-Conformance Description** *(filled by auditor):*

Based on this explanation, the company has not been able to show that the management of hazardous and toxic waste is in accordance with its procedures.

**Root Cause Analysis** *(filled by organization audited):*
**Correction** *(filled by organization audited):*
**Corrective Action** *(filled by organization audited):*
**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Verified by** :

NCR No.	:	2020.11	Issued by	:	Mohamad Amarullah
Date Issued	:	06 November 2020	Time Limit	:	Surveillance-3
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	7.3.3 Non-critical The unit of certification does not use open fire for waste disposal.			
Non-Conformance Description & Evidence observed (filled by auditor):					
<ul style="list-style-type: none"><li>• The results of field visits to the landfill area in Block N20, Division 3, Kebun Mulia 5 and Final Waste Disposal Site in Block H20 Division 1 Kebun Abadi 2, it is known that domestic waste management carried out by the company is by separating organic and inorganic waste.</li><li>• The results of the field visit to the G8 Mulia POM Housing show traces of burning domestic waste in the garbage bins provided.</li><li>• The results of the field visit to the Estate Mulia 5 Daycare revealed that there were traces of burning domestic waste behind the Daycare.</li><li>• The results of a field visit to the Housing Division 1 Kebun Abadi 2 employees found that there were traces of burning domestic waste behind the housing.</li></ul>					
Non-Conformance Description (filled by auditor):					
Based on this evidence, the company has not been able to show evidence of not using open burning for all waste disposal.					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					

<b>Assessor Evaluation and Conclusion</b> (filled by auditor):	
<b>Verified by</b>	:

<b>NCR No.</b>	<b>:</b>	<b>2020.12</b>	<b>Issued by</b>	<b>:</b>	<b>Mohamad Amarullah</b>
<b>Date Issued</b>	<b>:</b>	<b>06 November 2020</b>	<b>Time Limit</b>	<b>:</b>	<b>04 February 2021</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>01 February 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>7.10.1 Critical</b> <b>GHG emissions for the unit of certification are identified and assessed. Plans to reduce or minimize GHG emissions are implemented, monitored through the PalmGHG calculator, and reported publicly.</b>			

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

- The company has monitored GHG emissions through the Palm GHG Calculator for the January-December 2019 period.
- Based on the verification of GHG emission calculations through the Palm GHG Calculator and other document studies, the following evidence is obtained:
  - FFB sources come from 2 sources, namely Own Estate (Mulia 1-2 Include Plasma 1, Mulia 3-4 Include plasma 2, and Mulia 5-6) and Group Plantation (Abadi 1-2 Include Plasma 1 and Abadi 3-4).
  - The total area of HCV is 1,724.06 Ha with details of Abadi 1-2 amounting to 342.94 Ha; Abadi 3-4, amounting to 514.56 Ha; Mulia 1-2, amounting to 389.18 Ha; Mulia 3-4, amounting to 451.47 Ha; Mulia 5-6 in the amounting of 25.91 Ha.
  - The planting year data for FFB sources consist of Abadi 1-2 only in 2009; Abadi 3-4 only in 2012; Mulia 1-2 only in the 2007 planting year; Mulia 3-4 only in the 2008 planting year; Mulia 5-6 only in the 2009 planting year.
- Based on the 2019 Mulia POM FFB Supply data, it is known that Mulia POM receives FFB from several sources, namely:
  - Mulia 1-2, Mulia 3-4, Mulia 5-6, Plasma Mulia 1 dan Plasma Mulia 2
  - Abadi 1-2, Abadi 3-4, dan Plasma Abadi 1
  - PT. SAP (Surya Agro Palma)
  - PT. CSC (Citra Sawit Cemerlang)
  - PT. AAC (Agro Abadi Cemerlang)
  - Plasma PT. CSC
  - Plasma PT. AAC
  - PT. Lestari Abadi Perkasa
- Based on the Study of the HCV Identification Documents of PT. Sepanjang Intisurya Mulia and PT. Sawit Mulia Abadi found that the total HCV area was 2,090.63 Ha, consisting of Mulia 1-2, amounting to 755.90 Ha; Mulia 3-4, amounting to 339.55 Ha; Mulia 5-6 in the amount of 137.68 Ha; Abadi 1-2, amounting to 342.94 Ha; and Abadi 3-4 in the amount of 514.56 Ha.
- Based on the ASA 1 Basic Assessment Info, the distribution of the planting year consists of:
  - Mulia 1-2 planting years 2007; 2008; 2009; 2011; 2015; dan 2016
  - Koperasi Plasma 1 (Sawit Trimulya Lestari) planting years 2007; 2008; dan 2009.
  - Mulia 3-4 planting years 2008; 2009; 2010; 2011; 2013; 2014; 2015; dan 2016
  - Koperasi Plasma 2 (Sawit Harapan Jaya) planting years 2007; 2008; 2009; dan 2013.
  - Mulia 5-6 planting years 2009; 2010; 2013; dan 2016.
  - Abadi 1-2 planting years 2009; 2010; 2011; 2012; 2013; 2014; dan 2015.

7. Koperasi Plasma Abadi (Panca Mitra Abadi) planting years 2009; 2010; 2011; 2012; dan 2013.

8. Abadi 3-4 tahun Tanam 2012; 2013; 2014; dan 2015.

**Non-Conformance Description** (filled by auditor):

Based on this evidence, the company's GHG emission calculations through the Palm GHG Calculator have not been carried out accurately due to data inconsistencies.

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

There is no PIC that is responsible for collecting data in each location

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

Calculate green house gas emissions by means of the Palm GHG Calculator for all supply chain sources

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

Appoint the person in charge to collect data at each location that supplies FFB to Mulia Oil Mill and create a work program to ensure the calculation of greenhouse gas emissions.

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

**Auditor Verification on January 20, 2021**

The company has sent the following evidence:

- Results of GHG emission calculations on Palm GHG.
- Work program to ensure the calculation of greenhouse gas emissions.

However, there are still auditors' notes and questions that must be clarified again by the company, so that the Non-Conformance in this indicator are declared **not fulfilled**.

**Auditor Verification on February 01, 2021**

The company has sent the following evidence:

- Letter of appointment of the Greenhouse Gas Document Officer consisting of Coordinator, Mill, Mulia 1-2 and Plasma, Mulia 3-4 and Plasma, Mulia 5-6, Abadi 1-2 and Plasma, Abadi 3-4, and companies outside the scope of certification which has been approved by the Chairman of the Company.
- Root cause analysis, Correction and Corrective Action.
- Results of GHG emission calculations on Palm GHG.

**Summary Emissions:**

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	21.28
PK	21.28

Extraction	%
OER	22.43
KER	3.60

Land use	Ha
Planted area on mineral soil	48,911.12
Planted on peat	0.00
Total oil palm planted area	48,911.12
Conservation Area (Forested)	4,707.36
Conservation Area (Non Forested)	0.00
FFB Production per hectare	7.66 t/ha

**Estate/Plantation field emission and Sinks**

Description	Own		Group		3 <sup>rd</sup> Party		Total
Emissions Sources	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ tFFB	
Land conversion	231368.67	1.13	478842.59	2.82	117947.88	176.72	828159.14
CO <sub>2</sub> emissions from fertilizer	12719.91	0.06	9945.68	0.06	714.36	1.07	23379.95
N <sub>2</sub> O emissions from peat	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N <sub>2</sub> O from Fertilizer	10762.63	0.05	6249.39	0.04	311.11	0.47	17323.13
Fuel consumption	4584.52	0.02	5574.77	0.03	1427.32	2.14	11586.61
Peat oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sinks</b>							
Crop sequestration	-109433.14	-0.54	-226354.00	-1.33	-111798.94	-167.51	-447586.08
Sequestration in Conservation area	-7087.95	-0.03	-31757.27	-0.19	0.00	0.00	-38845.22
<b>Total</b>	<b>142914.63</b>	<b>0.70</b>	<b>242501.15</b>	<b>1.43</b>	<b>8601.74</b>	<b>12.89</b>	<b>394017.52</b>

**Mill Emissions and Credits**

Emission Source	tCO <sub>2</sub> e
PK from own mill	0.00
PK from other source	0.00
Fuel Consumption	0.00
Total Crusher Emissions	0.00

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

Divert to compost	0 %
Divert to anaerobic digestion	100 %

**POME Diverted to Anaerobic Digestion:**

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

Based on this explanation, the Non-Conformance in this indicator are stated to have been **fulfilled**.

**Verified by** : **Mohamad Amarullah**



**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	2.1.1	Ensure the extension of the PT SISM temporary storage for hazardous and toxic waste permit and the extension of the liquid waste utilization permit.
2	2.1.2	Updating of the List of Legal Provisions and Regulations
3	6.4.1	Ensure that in addition to the implementation of the socialization of child protection to contractors, clauses related to this are also included in the next cooperation contract.
4	6.7.1	Ensure the ratification of P2K3 management changes and the issuance of the appointment of the P2K3 secretary of PT SMA as an OSH expert is endorsed by the relevant agencies.

**3.4.4. Noteworthy Positive Components**

No	Description
1	The company's commitment to implementing a sustainable palm oil management system.
2	Good teamwork and competence from the counterpart team.
3	Good document presentation during the onsite audit process.
4	Implementing a program to reduce the use of pesticides with active ingredients of paraquat.

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Agronomy, animal husbandry and plantation Agency of Ketapang Regency</b> <ul style="list-style-type: none"> <li>• There's no issue related to land fire.</li> <li>• No negative issue related to best management practice.</li> <li>• There is no issue of fire or environmental pollution or related to the management of the company's operations.</li> <li>• Company routinely reports mandatory reporting.</li> <li>• IUP (for production extension) still on process.</li> </ul>	<p>Management representative have said that IUP still on process. The latest information is that company has done meeting with related agency (BPKH region 3 Pontianak) in connection to the release of the area which has been requested by the service as the basis for the amendment of the IUP.</p> <p>The company also shows evidence of improvement in the form of a statement letter from Agronomy, animal husbandry and plantation Agency of Ketapang Regency No. 525/1266 / Distanakbun-F / 2019 dated August 20, 2019, which explained that the Application for Revision of PT Perkebunan's Plantation Business Permit Sepanjang Intisurya Mulya was in the process.</p>
<b>Gender Committee</b> <ul style="list-style-type: none"> <li>• Routine activities <i>posyandu</i> and recitation.</li> <li>• Women worker give menstruation leave by recommendation paramedic for maximum 2 days. Women workers also has rights of maternity leave for 45 day before and 45 days after.</li> <li>• The gender committee has more than 200 members.</li> <li>• There is no issue related to sexual harassment, reproductive rights, and discrimination.</li> </ul>	<p>There was no negative issue that need further verification.</p>
<b>Harapan Jaya Cooperative &amp; Panca Mitra Abadi Cooperative.</b> <ul style="list-style-type: none"> <li>• Cooperative management is carried out with full management by the company.</li> <li>• The company has provided training to farmers, cooperative members and field employees.</li> <li>• Provision of PPE is carried out by the company, including employee wages.</li> <li>• Employees who work in a cooperative area are company workers.</li> <li>• The company has provided / presented data transparently to cooperatives</li> <li>• There is no issue of breach of the cooperation contract.</li> </ul>	<p>There was no negative issue that need further verification.</p>
<b>Contractor</b> <ul style="list-style-type: none"> <li>• The contractor has a copy of the agreement with the company</li> <li>• Payments to contractor accordance with the agreement.</li> <li>• Contractor workers have been provided with PPE and already have <i>BPJS</i></li> <li>• The company has provided socialization regarding the code</li> </ul>	<p>There was no negative issue that need further verification.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
of ethics and human rights.	
<b>PT SISM and PT SMA's Workers Union</b> <ul style="list-style-type: none"> <li>Has been registered with the Ketapang Regency Manpower Office.</li> <li>The company has registered employees in the <i>BPJS</i> (Social Insurance)</li> <li>The company has provided PPE and work tools.</li> <li>Routine health checks are carried out every year.</li> <li>There was a work accident that caused the employee to die in 2020. this case has been resolved and has been reported to the Manpower Office.</li> <li>The prevailing wages in the company are in accordance with the Ketapang Regency Minimum Wage.</li> </ul>	There was no negative issue that need further verification.
<b>Employee Cooperative (Inti Surya Mandiri Cooperative)</b> <ul style="list-style-type: none"> <li>Already has more than 200 members</li> <li>The business unit carried out is the supply of basic commodities such as rice, sugar, salt, and others</li> <li>The cooperative still shelters workers from Mulia 1-2 estates and mill.</li> <li>Cooperative internal meetings are held every 2-3 months.</li> </ul>	There was no negative issue that need further verification.
<b>Manpower and Transmigration Agency of Ketapang Regency.</b> During the past year there has been no case related to industrial relations disputes that occurred in the certification unit which had been held in a tripartite meeting.  The certification unit submitted the daily contract workers (BHL) employee registration documents to the agency every year.  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.	There was no negative issue that need further verification. The certification unit has paid minimum wages, overtime and others labor standard in accordance with the government regulations.
<b>Residential Area Public Housing and Environment Agency of Ketapang Regency.</b> Certification unit has been complied with applicable regulations, among others has had license of hazardous temporary warehouse, license of POME Land Application, environment permit, and etc. Every mandatory report related environmental has been reported to agency. There are no complaints from stakeholder related environmental issue.	There is no negative issue that need further verification. Based on document review and field observations, the certification unit has demonstrated legal compliance related environmental, and no indications of environmental pollution.
<b>Surrounding Communities and Previous Land Owner</b> <ul style="list-style-type: none"> <li>Process of land compensation has satisfactory conducted by the unit of certification. Calculation of compensation process was transparent, involving government representatives, village representatives and land owners. All process were conducted in accordance with relevant regulation.</li> </ul>	In general, the presence of PT SISM and PT SMA has positively contribute on village development. There were no negative issues caused by plantation activities towards social and environmental matters. Relationship between company and surrounding communities is considered satisfactory and comply with RSPO principles

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• There is no more customary community(-ies) on the village. Village occupant were mixed, consist of people from local Melayu, Dayak, Banjar, Jawa, etc.</li> <li>• There is no land conflict and occupation within estate operational areas.</li> <li>• Presence of PT SISM and PT SMA has considered gave a positive impact for economic and social community life. For example as carried out throguh smallholder scheme, work opportunity, continuous CSR program, etc.</li> <li>• Head of Village, elders and other village representative has been involved on annual CSR program, through participatory ways such as socialization and meeting.</li> <li>• There is negative issues related to land fire and environment pollution or contamination, caused by company operational activitives.</li> <li>• Several socialization that had been conducted by unit of certification are protected flora and fauna, conservation area management, CSR, company code of conduct, several procedure, etc.</li> </ul>	<p>and criteria.</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<p><b>Formal Sign-off of Assessment Findings</b></p> <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Sepanjang Intisurya Mulia Head of Sustainability Genting Plantation Indonesia</p>  <p><b><u>Dr. Faizal Amri Amran</u></b> Tuesday, 02 February 2021</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Mohamad Amarullah</u></b> Tuesday, 02 February 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	Agronomy, Animal Husbandry and Plantation Agency of Ketapang Regency	Ketapang Regency	-	via Phone	November 5 <sup>th</sup> , 2020	√	-
2	National Land Agency	Ketapang Regency	-	via Phone	November 5 <sup>th</sup> , 2020	-	√
3	Manpower and Transmigration Agency	Ketapang Regency	-	via Phone	November 5 <sup>th</sup> , 2020	√	-
4	Residential Area Public Housing and Environment Agency	Ketapang Regency	-	via Phone	November 5 <sup>th</sup> , 2020	√	-
5	Mulia Oil Mill: - 3 Security workers. - 3 Weighbridge Operators. - 1 worker WWTP - 1 Worker water source - 1 worker Land Application - 1 worker Housing complex - 4 sortation workers - 7 process operators - 2 boiler operators - 1 engine room operators	PT Sepanjang Inti Surya Mulia	-	Interview and Field Observation.	November 3 <sup>rd</sup> , 2020	√	-
6	Labor union	Ketapang Regency, Kalimantan Barat Province	-	Direct interview	November 3 <sup>rd</sup> , 2020	√	-
7	Gender Committee	Ketapang Regency, Kalimantan Barat Province	-	Direct interview	November 3 <sup>rd</sup> , 2020	√	-
8	FFB Transport Contractor	Ketapang Regency, Kalimantan Barat Province	-	Direct interview	November 3 <sup>rd</sup> , 2020	√	-
9	Harapan Jaya Cooperative & Panca Mitra Abadi Cooperative.	Ketapang Regency, Kalimantan Barat Province	-	Direct interview	November 3 <sup>rd</sup> , 2020	√	-
10	Estate Mulia 1-2 - 2 paramedics on the clinic - 1 oil storekeeper - 1 worker Material warehouse - 2 workshop operators - 1 worker Hazardous and toxic waste storage - 1 team emergency response group	Ketapang Regency, Kalimantan Barat Province	-	Interview and Field Observation.	November 4 <sup>th</sup> , 2020	√	-
11	Estate Mulia 5-6 - 1 worker Daycare - 1 worker housing complex - 1 worker Landfill area - 1 foreman and 4 harvesters	Ketapang Regency, Kalimantan Barat Province	-	Interview and Field Observation.	November 4 <sup>th</sup> , 2020	√	-



	<ul style="list-style-type: none"> <li>- 1 foreman and 3 manurers</li> <li>- 1 foreman and 9 weeding workers</li> </ul>						
12	Estate Abadi 1-2 <ul style="list-style-type: none"> <li>- 2 workshop operators</li> <li>- 1 Pesticides Storekeeper</li> <li>- 1 worker fertilizer warehouse</li> <li>- 1 worker material warehouse</li> <li>- 1 worker oil warehouse</li> <li>- 3 paramedics on the clinic</li> <li>- 1 worker housing complex</li> <li>- 1 team emergency response group</li> <li>- 1 foreman and 6 harvesters</li> <li>- 1 foreman and 7 sprayers</li> </ul>	Ketapang Regency, Kalimantan Barat Province	-	Interview and Field Observation.	November 5 <sup>th</sup> , 2020	√	-
12	NGO: WWF, Walhi, Sawit Watch			Email	22 October 2020	-	√
13	Surrounding communities and previous land owner from: <ul style="list-style-type: none"> <li>• Village of Pangkalan Suka</li> <li>• Village of Sepakat Jaya</li> <li>• Village of Mensubang</li> <li>• Village of Sungai Beliung</li> </ul>			Direct interview	November 3 <sup>rd</sup> , 2020	√	-

**Appendix 2. Assessment Program**

DATE	02 – 07 November 2020	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 2 November 2020		
08.25 – 10.05	❖ Jakarta – Pontianak (Garuda GA 0182)	All Auditor
10.00 – 17.00	❖ Pontianak – Mess PT SISM	
Tuesday, 3 November 2020		
08.00 – 09.00	Opening Meeting	All Auditor
09.00 – 12.00	❖ Stakeholders Consultation to Government Agency in Ketapang Regency (Kantor Pertanahan, Dinas Kehutanan dan Perkebunan, Dinas Sosial dan Tenaga Kerja, Dinas Lingkungan Hidup Kabupaten Ketapang) by phone ❖ Stakeholder Consultation to Nearest Community, Previous Land Owners, Smallholders, Local Contractors, Labor Union, Cooperative, Gender Committee	❖ BSH / RGR  ❖ MAH / RAB
12.00 – 14.00	Break	All Auditor
14.00 – 16.30	Field Observation to MULIA POM ❖ Workshop, Chemical Storage, WTP, Fire Fighting Simulation, EFB station, Loading Ramp (Grading), Grading Station, Processing Station ❖ Security, Weighbridge Station, CPO Storage Tank, Palm Kernel Silo/Bulk (Supply Chain) ❖ Effluent Ponds, Land Application (LA), WTP, Water Inlet, Housing Complex	❖ MAH / RGR  ❖ BSH  ❖ RAB
16.30 – 17.00	❖ Daily progress & field visit clarifications	❖ All Auditor
Wednesday, 4 November 2020		
08.00 – 12.00	Field Observation to MULIA ESTATE 1-2 & MULIA ESTATE 5-6 ❖ Replanting, Nursery, Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Peat Management, OHS aspects, Worker Welfare (payments, complaint mechanism) ❖ Legal operational & High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management, Domestic Waste Management ❖ Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Fire Fighting facilities, Storage, etc.	❖ MAH / RGR  ❖ BSH  ❖ RAB
12.00 – 14.00	Break	All Auditor
14.00 – 16.30	Verification on previous assessment and document review ❖ Environment, Social, GHG Aspects ❖ Legal, Contractor, SCCS, Time Bound Plan, Partial Certification ❖ Best Management Practices & Transparencies Aspects ❖ OHS & Worker Welfare Aspects	❖ RAB ❖ BSH ❖ MAH ❖ RGR
16.30 – 17.00	❖ Daily progress & field visit clarifications	All Auditor
Thursday, 5 November 2020		
08.00 – 12.00	Field Observation to ABADI 1-2	❖ MAH / RGR

	<ul style="list-style-type: none"> <li>❖ Replanting, Nursery, Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Peat Management, OHS aspects, Worker Welfare (payments, complaint mechanism)</li> <li>❖ Legal operational &amp; High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management, Domestic Waste Management</li> <li>❖ Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Fire Fighting facilities, Storage, etc.</li> </ul>	<ul style="list-style-type: none"> <li>❖ BSH</li> <li>❖ RAB</li> </ul>
12.00 – 14.00	Break	All Auditor
14.00 – 16.30	<b>Verification on previous assessment and document review</b> <ul style="list-style-type: none"> <li>❖ Environment, Social, GHG Aspects</li> <li>❖ Legal, Contractor, SCCS, Time Bound Plan, Partial Certification</li> <li>❖ Best Management Practices &amp; Transparencies Aspects</li> <li>❖ OHS &amp; Worker Welfare Aspects</li> </ul>	<ul style="list-style-type: none"> <li>❖ RAB</li> <li>❖ BSH</li> <li>❖ MAH</li> <li>❖ RGR</li> </ul>
16.30 – 17.00	❖ Daily progress & field visit clarifications	All Auditor
<b>Friday, 6 November 2020</b>		
08.00 – 12.00	<b>Verification on previous assessment and document review</b> <ul style="list-style-type: none"> <li>❖ Environment, Social, GHG Aspects</li> <li>❖ Legal, Contractor, SCCS, Time Bound Plan, Partial Certification</li> <li>❖ Best Management Practices &amp; Transparencies Aspects</li> <li>❖ OHS &amp; Worker Welfare Aspects</li> </ul>	<ul style="list-style-type: none"> <li>❖ RAB</li> <li>❖ BSH</li> <li>❖ MAH</li> <li>❖ RGR</li> </ul>
12.00 – 14.00	Break	All Auditor
15.00 – 16.00	<b>Closing Meeting</b>	All Auditor
<b>Saturday, 7 November 2020</b>		
06.00 – 13.00	Mess PT SISM – Pontianak	All Auditor
15.15 – 16.45	Pontianak – Jakarta (Garuda GA 507)	All Auditor