

RSPO – INITIAL ASSESSMENT**PT. TAPIAN NADENGGAN
PALM OIL MILL AND ITS SUPPLY BASE****Office:**

Sinar Mas Land Plaza, Tower II, 30th Floor, Jl. MH Thamrin No. 51, Menteng
Jakarta

Location:

Desa Jak Luay Kecamatan Muara Wahau Kabupaten Kutai Timur
Kalimantan Timur

Report Author:
Haeruddin – February 2015
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Section 1. Scope of the Certification Assessment

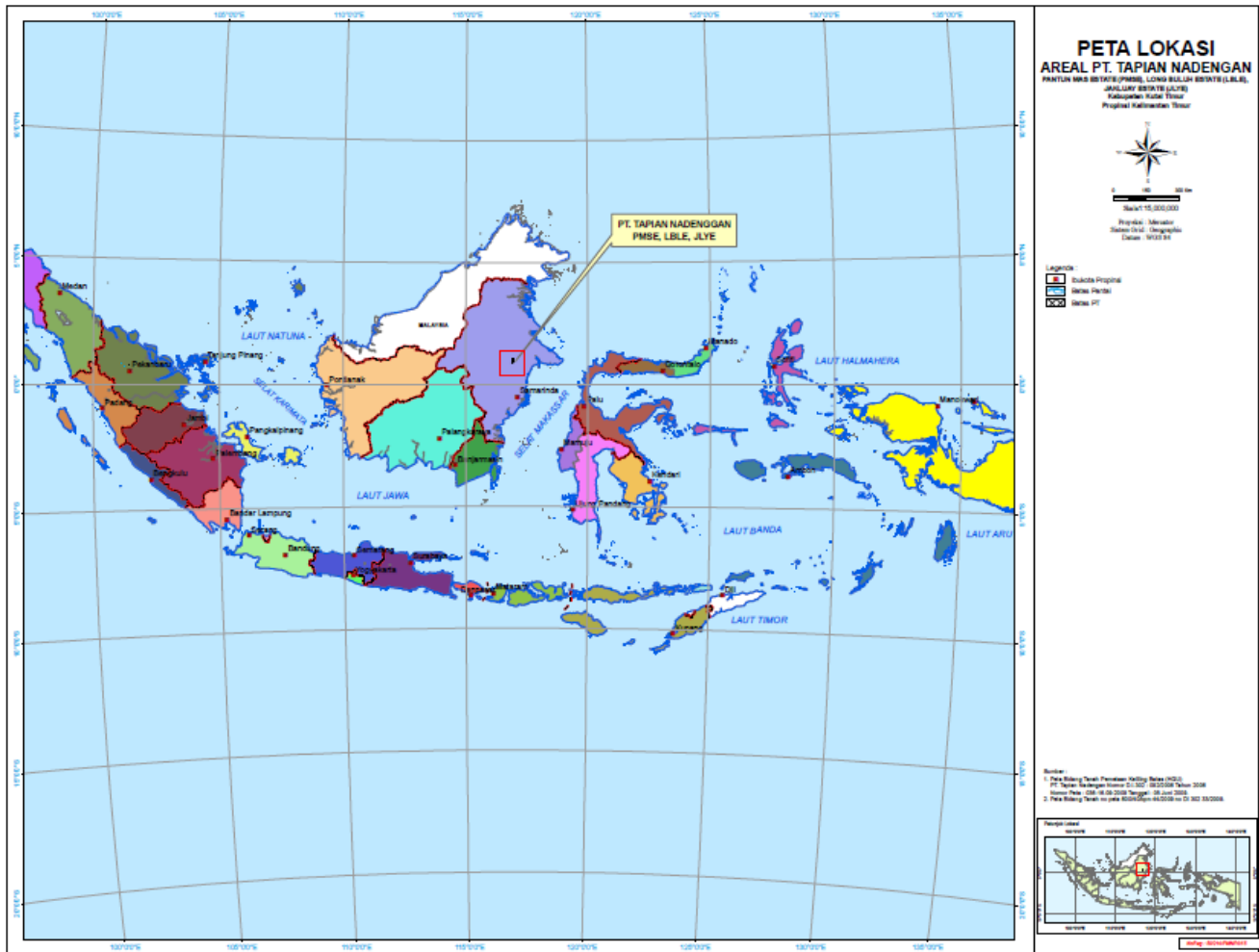
| 1.1. Company Details | | | |
|--------------------------------------|--|------------------|--------------------------------|
| RSPO Membership Number | 100190500000 | Date | 14 th January 2015 |
| Company Name | PT. TAPIAN NADENGGAN | | |
| Address | Desa Jak Luay Kecamatan Muara Wahau Kabupaten Kutai Timur Kalimantan Timur | | |
| Subsidiary of (if applicable) | - | | |
| Contact Name | Ismu zulfikar (Head of Environmental Department) | | |
| Website | http://www.smart-tbk.com/ | E-mail | Ismu.zulfikar@sinarma-agri.com |
| Telephone | +62-21-50338899 | Facsimile | |

| 1.2. Certification Information | | | |
|--------------------------------|---|------------------------------|--------------------|
| Certificate Number | SPO 623595 | Date | - |
| Scope of Certification | Production of CPO and PK at Jakluay Pal Oil Mill with 4 Estates as supply base, namely: Pantun Mas Estate, Jakluay Estate, Long Buluh Estate & Bukit Subur Estate. Jakluay Palm Oil Mill Capacity is 80 tonnes FFB/hour. | | |
| Other Certifications | | | |
| Certificate Number | Standard(s) | Certificate Issued by | Expiry Date |
| - | - | - | - |

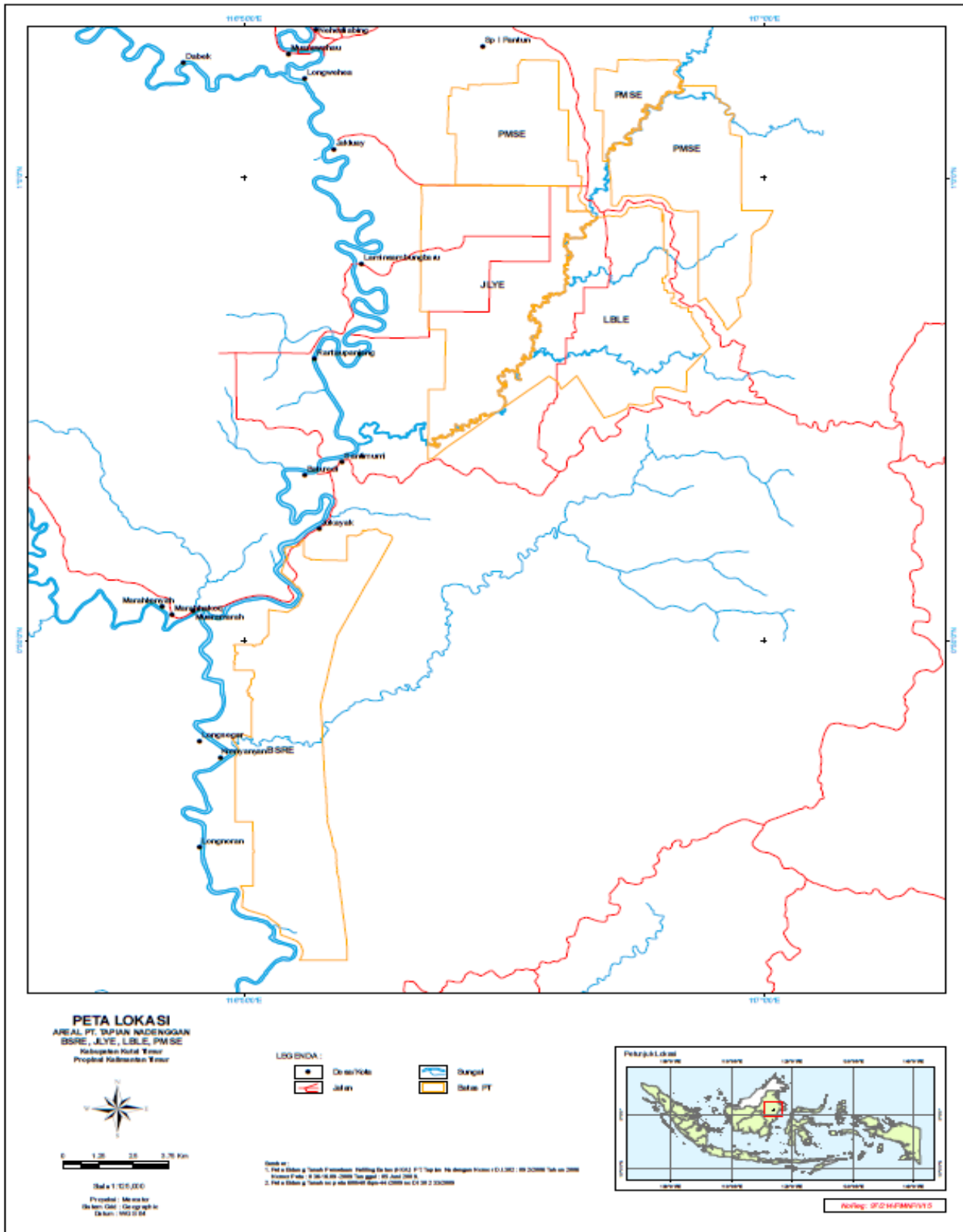
| 1.3. Location(s) of Mill & Supply Bases | | | |
|---|--|----------------|--------------|
| Name (Mill / Supply Base) | Location [Map Reference #] | GPS | |
| | | Easting | Northing |
| Jak Luay Palm Oil Mill | Desa Jak Luay, Kec Muara Wahau, kab Kutai timur, Kaltim | 116°54'54.000" | 0°57'03.000" |
| Jak Luay Estate | Desa Jak Luay Kecamatan Muara Wahau Kabupaten Kutai Timur Kalimantan Timur | 116°55.52.779" | 0°58'24.173" |
| Pantun Mas Estate | Desa Sidomulyo Kecamatan Kongbeng Kabupaten Kutai Timur | 116°57'09.191" | 1°00'55.103" |
| Long Buluh Estate | Desa Jak Luay Kecamatan Muara Wahau Kabupaten Kutai Timur Kalimantan Timur | 116°57'03.181" | 0°58'00.971" |
| Bukit Subur Estate | Desa Sidomulyo Kecamatan Kongbeng Kabupaten Kutai Timur | 116°50'29.657" | 0°49'09.694" |

| 1.4. Description of Supply Base | | | | | | |
|---------------------------------|------------------|---------------|-----------------------------|--------------------|------------------|--------------|
| Estate | Mature (ha) | Immature (ha) | Infrastructure & Other (ha) | Total Planted (ha) | Total Hectarage | % of Planted |
| Jak Luay Estate | 3,325.74 | 0 | 557.12 | 3,325.74 | 3,882.86 | 86 |
| Pantun Mas Estate | 4,364.91 | 0 | 731.28 | 4,364.91 | 5,096.19 | 86 |
| Long Buluh Estate | 2,682.32 | 13.12 | 803.95 | 2,695.44 | 3,499.39 | 77 |
| Bukit Subur Estate | 1,801.94 | 285.08 | 2,536.99 | 2,087.02 | 4,624.01 | 45 |
| Total | 12,174.91 | 298.20 | 4,629.34 | 12,473.11 | 17,102.45 | |

Map 1. Location of PT Tapain Nadenggan in Indonesia



Map 3. Location of PT Tapain Nadenggan in landscape level



| 1.5. Plantings & Cycle | | | | | | | | |
|-----------------------------------|--------------------------|-----------------|-----------------|-------------|------------------|--------------------------------|---------------|-----------------|
| Estate | Age (Years) in Ha | | | | | Tonnage / Year (tonnes) | | |
| | 0 - 3 | 4 - 10 | 11 - 20 | 21 - 25 | Total | Estimated (2014) | Actual (2014) | Forecast (2015) |
| Jak Luay Estate | 0.00 | 1,872.14 | 1,453.60 | 0.00 | 3,325.74 | - | - | 104,818 |
| Pantun Mas Estate | 0.00 | 3,199.83 | 1,165.08 | 0.00 | 4,364.91 | - | - | 142,939 |
| Long Buluh Estate | 13.12 | 2,682.32 | 0.00 | 0.00 | 2,695.44 | - | - | 87,849 |
| Bukit Subur Estate | 285.08 | 1,801.94 | 0.00 | 0.00 | 2,807.02 | - | - | 53,645 |
| Total | 298.20 | 9,556.23 | 2,618.68 | 0.00 | 12,473.11 | - | - | 389,251 |

| 1.6. Certified Tonnage | | | | | | | | | |
|-------------------------------|-------------------------|------------|-----------|----------------------|------------|-----------|------------------------|------------|-----------|
| Mill | Estimated (2014) | | | Actual (2014) | | | Forecast (2015) | | |
| | FFB | CPO | PK | FFB | CPO | PK | FFB | CPO | PK |
| Jak Luay POM | - | - | - | - | - | - | 389.251 | 98.286 | 21.409 |

Section 2 Assessment Process

Certification Body:
PT BSI Group Indonesia
Accreditation Certificate No. RSPO- ACC– 019
 Menara Bidakara 2
 17th Floor, Unit 5
 Jl. Jend. Gatot Subroto Kav. 71-73
 Komplek Bidakara, Pancoran
 Jakarta Selatan 12870 - Indonesia
 Tel: +62 21 8379 3174 - 77 Fax: +62 21 8379 3287
 Email: aryo.gustomo@bsigroup.com

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A pre-audit to RSPO Principles and Criteria was conducted on 11th - 12th November 2014 to determine progress PT PT. Tapan Nadenggan has made towards certification. The Initial Certification Audit was conducted on 13th – 15th January 2015.

The approach to the audit was to treat each mill and its supply base as an RSPO Certification Unit. The mill was audited together with the plantations of its supply base. A range of environmental and social factors were covered. These included consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment. Public announcement in RSPO website on 13^h January 2015 within 30 days prior audit conducted.

No nonconformities were found during this initial assessment.

The following table would be used to identify the locations to be audited each year in the 5 year cycle

| 1. Assessment Program | | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Name (Mill / Supply Base) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| | 11/2015 | 11/2016 | 11/2017 | 11/2018 | 11/2019 |
| Jak Luay POM. | x | x | x | x | x |
| Jak Luay Estate | | x | | x | |
| Pantun Mas Estate | | | x | | x |
| Long Buluh Estate | x | x | | | x |
| Bukit Subur Estate | x | | x | x | |

Tentative Date of Next Visit: 01/11/2015

Total No. of Mandays: 12 Mandays

BSI Assessment Team:**Haeruddin – Assessor (Lead Auditor)**

He holds Bachelor Degree in Forest Management, graduated from Hasanuddin University on 1994. He has 16 years of work experience in forest concession, forestry industry and the latest is within Oil Palm Plantation in Indonesia. He experiences as auditor for several sustainability standard including FSC, UTZ, Organic Farming, 4C, ISPO and RSPO. He completed the ISO 9001 Lead Auditor Course; ISPO Lead Auditor endorsed Course, RSPO Lead Auditor Course, and also completed ISCC, RSPO SCCS, RSPO RED course, etc. He had been involved in RSPO auditing since November 2010 in more than various companies in Malaysia, Thailand and Indonesia. During this assessment, he assessed on the aspects of legal, Environmental, HCV, Estate and Mill best practices and RSPO SCCS.

Nanang Muallib - Team member

He graduated from Bogor Agriculture University on 1999, Forestry Faculty. He involved in RSPO certification since 2010 as a team member covering assessment against RSPO P&C in Indonesia. He completed the ISO 9001 Lead Auditor Course, Technical Training of HCV Assessment; ISPO Lead Auditor endorsed Course. During this assessment, he assessed on the aspects of social.

Wahyu – Auditor

He holds a degree in Machine Engineering from Indonesian University on 2002. He completed the ISO 9001 and OHSAS 18001 Lead Auditor. During this assessment, he assessed on Environmental and OHS.

Reviewer:

This summary report was reviewed by Sabar Kembaren Internal Reviewer and Mr. Ganapathy (External reviewer), they are experience reviewer in RSPO.

Section 3 Assessment Findings

3.1 Details of Audit Results

| RSPO Criterion / Indicator | Assessment Findings | Compliance |
|--|--|--|
| PRINCIPLE 1: COMMITMENT TO TRANSPARENCY | | |
| 1.1 | Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. | |
| 1.1.1 | <p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p> | <p>The company has provided information publicly; it sets in the SOP "Communication and Consultation" No. SOP/SMART/general/SADV/I/004 Rev. 0, on 1st July 2014. This regulation outlines the types of information that can be accessed by the public, such as:</p> <ol style="list-style-type: none"> 1. Stakeholder information list; consists of 11 types of documents including data Taxpayer Identification Number, Land and Building Tax (PBB), Environmental Document, Land Titles, Reports Identification of High Conservation Value, SEIA, SIA, etc. 2. Internal Communication Form; consists of five types of procedures and company policies including work instructions of OHS, MSDS, High Conservation Value Management, waste management plan, and Prevention of Sexual Harasment. 3. External Communication Form; consists of 12 types of documents including policies Forest Conservation Policy (FCP), Social Community Engagement Policy (SCEP), FPIC, Corporate Social Responsibility procedures (CSR) etc. |
| | | Yes |

| | | | |
|--------------|---|---|-----|
| 1.1.2 | Records of requests for information and responses shall be maintained. - Major compliance- | Record of request information is documented in "Buku Catatan Permintaan dan Tanggapan dari pemangku kepentingan". Based on the review of requests for information and responses, starting April 2014 - October 2014, there were 8 requests for information from stakeholders, e.g. request information from Disnakertrans no. 568/1260 / HIJ, on 8 July 2014, concerning the realization of the payment for THR, response was given on 22 nd July 2014 as letter no. 020/RCKT/Disnakertrans/VII/2014, on 22 nd July 2014 | Yes |
| 1.2 | Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. | | |
| 1.2.1 | Publicly available documents shall include, but are not necessarily limited to: <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). - Major compliance - | The Company has a policy to be able to access all of the information as described in the indicator 1.1.1. All of these documents can be accessed by public as stipulated in the company policy. | Yes |
| 1.3 | Growers and millers commit to ethical conduct in all business operations and transactions. | | |

| | | | |
|---|--|--|-----|
| 1.3.1 | <p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>- Minor compliance -</p> | <p>The company has had a policy on ethical code of integrity in running deploying oil palm plantations, which includes running a business in a fair, will provide decisive action for all employees who commit any act of corruption, bribery and fraud, and the company will implement and promote good governance through practice transparent and open business, dated 1st August 2014. This policy has been socialized to employees.</p> | Yes |
| PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS | | | |
| 2.1 | There is compliance with all applicable local, national and ratified international laws and regulations. | | |
| 2.1.1 | <p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance -</p> | <p>The company has established a list of comply legal requirements, such as:</p> <ol style="list-style-type: none"> 1. Articles of Incorporation company on behalf of PT. Tapian Nadenggan No. 30, 1978, dated 7th August 1978 / Endorsement of Justice Ministry No. Y.A5/315/18, dated 20th September 1978. Renewal due to incorporation PT. Bulungan Sarana Utama and PT. Pratita Laksana Setia in PT. Tapian Nadenggan no. 29, dated 26th December 2005, endorsement of Justice Ministry no. C-34997 HT.01.04.TH 2005. 2. The Company has obtained a location permit from the relevant agencies, as follow: <ul style="list-style-type: none"> ❖ First location license from Kutai National Land Agency No. 19 / CCP / BPN-16.3 / UM-16 / VII-1997 dated 2nd February 1997 for PT. Bulungan Sarana Utama (\pm 11,000 ha), extension of this location permit is obtained from Bupati of Kutai Timur according decision letter no. 212 / 02.188.45 / HK / VI / 2006, dated 19th June 2006 (\pm 8,450 Ha), this permit also included changes in the name of PT. Bulungan Sarana utama into PT. Tapian nadenggan. The last | Yes |

| | | | |
|--|--|--|--|
| | | <p>renewal of location permit revision accordance decision letter from Bupati of Kutai Timur no. 240 / 02.188.45 / HK / VI / 2007, dated 14th June, 2007 with an area of \pm 7,527 ha.</p> <ul style="list-style-type: none"> ❖ Second location permit from Kutai National Land Agency No. 09 / CCP / BPN-16.3 / UM-9 / III / 1999, dated 16th March 1999 for PT Pratita Laksana Setia (\pm 8,900 ha), extension of this location permit is obtained from Bupati of Kutai Timur no. 213 / 02.188.45 / HK / VI / 2006, dated 19th June 2006 covering an area of \pm 4,770 ha. This renewal location permit also included changes in the name of PT. Pratipta Laksana Setia to PT. Tapian Nadenggan. ❖ Renewal of Location Permit which incorporated of both location permit according to decision letter from Bupati of Kutai Timur no. 188.4.45 / 423 / HK / VIII / 2008, dated 14th August 2008 with an area of \pm 12 297 ha. ❖ Third location permit from Bupati of Kutai Timur no. 259 / 02.188.45 / HK / VI / 2007 (\pm 2,500 ha), no. 188.4.45 / 86 / HK / II / 2008 (\pm 2,500 ha), merging and adding \pm 796 ha area location permit from the Bupati Kutai Timur no. 188.4.45 / 425 / HK / VIII / 2008 and the addition of \pm 774 ha area and \pm 113 ha according decision letter Bupati of Kutai Timur no. 525.26 / K.464 / 2010. ❖ The renewal location permit for overall location permit \pm 6.683 ha according to decision letter Bupati of Kutai Timur no. 525.26 / K.113 / HK / II / 2013. ❖ Renewal location permit no. 525.26 / K.452 / HK / V / 2014, dated 22nd May 2014 (\pm 6.683 | |
|--|--|--|--|

| | | | |
|--|--|---|--|
| | | <p>ha).</p> <p>3. The Company has obtained the Plantation Business License (IUP) as described below:</p> <ul style="list-style-type: none"> ❖ The first Plantation License according to decision letter from Bupati of Kutai Timur no. 500/25 / Ek-I / 2006, dated 25th January 2006 with an area of \pm 8,450 ha. ❖ The second Plantation License according to decision letter from Bupati of Kutai Timur no. 500/26 / Ek-I / 2006, dated 25th January 2006 with an area of \pm 5,950 ha. ❖ Plantation License incorporation of both IUP as above decision according decision letter Bupati of Kutai Timur no. 188.4.45 / 160 / EkoI-X / 2012, dated 31st October 2012 with an area of \pm 11 703 ha. ❖ Additional IUP according decision letter Bupati of Kutai Timur no. 188.4.45 / 121 / Eko.1-XII / 2011, dated 26th December 2011 with an area of \pm 6.683 ha, this area is non forest area based on letter form "Balai Pemantapan Kawasan hutan Wilayah IV No. S.385/BPKH IV-2/2012 ❖ The company also received Operational Business License (IUP) for Palm Oil Mill according decision letter from Bupati of Kutai Timur no. 500/675 / EKO.2-VIII / 2009, dated 13th August 2009 with a capacity of 80 tonnes FFB/hour. <p>4. The Company has an HGU (Land title) and HGB from the competent authority as follows:</p> <ul style="list-style-type: none"> ❖ HGU from National Land Agency (BPN) No. 128 / HGU / BPN RI / 2009 dated 10th September 2009 with total areas 11,503.48 ha. ❖ HGB to Mill from Bupati of Kutai Timur No. 164-550.2-44-2007, dated 27th December 2007. | |
|--|--|---|--|

| | | | |
|---------------------|--|--|--|
| | | <ol style="list-style-type: none"> 5. The Company has SEIA (Social and Environmental Impact Assessment) document, the last revision of the SEIA because of the increased production capacity of 60 tonnes FFB/hour to 80 ton TBS / hour, with an environmental permit (Izin Lingkungan) from Bupati of Kutai Timur no. 662 / K.312 / 2012 dated 22th April 2013. The company also has a UKL - UPL for Pantun Mas Estate approval "AMDAL Commission" of Kutai Timur no. 660/617/3-BLH / V / 2010, dated 14th May 2010, with an area of ± 975 ha and for Long Buluh Estate no. 660/612/3-BLH / V / 2012, dated 15th May 2012 with an area of ± 560 ha. 6. Temporary storage license of Hazardous waste from Bupati Kutai Timur no. 660 / K.819 / 2013, dated 11th September 2013. 7. The use of wastewater license from the Bupati Kutai Timur no. 660 / K.1191 / 2013. 8. Factory machinery and vehicles license. 9. Operator license are available (SIO – Surat Ijin Operator) for all operators, e.g. for Loader (Yoseb Keda) No.12.10089-OPK3-PAA, 10. The company has conducted noise level monitoring, emission and air ambient for Boiler and Gen-set as required in Safety Act 11. Other license are available and have been verified during the audit. | |
| <p>2.1.2</p> | <p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance -</p> | <p>The company has made a list of laws and regulations that must be complied in as documented in "SC-37 / PMSE - SC-40 / PMSE".</p> | <p style="text-align: center;">Yes</p> |
| <p>2.1.3</p> | <p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance -</p> | <p>Evaluation of regulatory compliance has been made and implemented, if there are changes to the regulations or new regulations, the company will evaluate the rules and distribute to all units to be implemented.</p> | <p style="text-align: center;">Yes</p> |

| | | | |
|-------|--|--|-----|
| 2.1.4 | A system for tracking any changes in the law shall be implemented. - Minor compliance - | If there are changes or new regulations, the information will be delivered via email with the reference to the procedure SOP / SPO / SMART / LH-03. | Yes |
| 2.2 | The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights. | | |
| 2.2.1 | Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance - | The Company has an HGU (Land title) and HGB from the competent authority as follows: 1. HGU from National Land Agency (BPN) No. 128 / HGU / BPN RI / 2009 dated 10 th September of 2009 with total area 11,503.48 ha. 2. HGB to Mill from Bupati of Kutai Timur No. 164-550.2-44-2007, dated 27 th December 2007. | Yes |
| 2.2.2 | Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance - | Based on the field visits, it is showed that the boundary pegs are well maintained. The company has boundary peg monitoring report, it was found that the overall number of pegs is 152 pieces and maintenance performed at least once a year. The last maintenance at Jak Luay Estate held on 22 nd December 22, 2014, the number of pegs is 24 pieces (No. 122 – No. 145) as in "Monitoring Report of stakes maintenance HGU - 2014". While in Pantun Mas Estate, last monitoring was carried out on 31 st October 2014, the number of pegs is 27 pieces (No. 001,002, 006,007, 010-026, 145-150), as in documented "Monitoring Report of stakes maintenance HGU - 2014". | Yes |
| 2.2.3 | Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance - | The mechanisms of available land dispute resolution as provided in SOP "Ganti rugi Tanah/Lahan" no. SOP / NP / SMART / VII / D and L002, which contains the PIC, the procedure completion, the documents must be prepared, such as a minutes meeting, attendance list, Payment documents, minutes of payment, map location disputed, receipt of money compensation, etc. | Yes |

| | | | |
|--------------|---|--|-----|
| | | All land disputes have been completed and no further land disputes recorded up during audits. | |
| 2.2.4 | There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. - Major compliance - | All land disputes have been compensated and no further land disputes recorded up during audits. | Yes |
| 2.2.5 | For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). - Minor compliance - | No disputed land, the last land dispute was occurred in 2009 due to a Redis program from local government of Kutai Timur District to give land to the people along the river, after that, some of the people who are claiming land in the concession area and those issues have been solved by the company, in the form of compensation of crops, e.g. for Mr. NP, with the completion of the documentation in the form of agreement no. 01 / D & L-LBLE / GR-JYLE / IV / 09, dated 25 th April 2009. and to Mr. S, H. S, M. K, J, agreement no. / TAL / LBLE / VI / 09, dated 3 rd June 2009 signed by both parties and witnessed by village and district government agencies. Map of disputed land, bill payment, and photograph receipt of compensation are available in place. | Yes |
| 2.2.6 | To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. - Major compliance - | Based on interviews with local communities and local government agencies, confirmed that the company has gone through FPIC prior to land clearing and there was no violence and use of force in the company's operations to date. | Yes |
| 2.3 | 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. | | |
| 2.3.1 | Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including | Based on the verification of land tenure documents and interviews with local communities and relevant agencies showed that there was no indication of a land dispute | Yes |

| | | | |
|---------------------|---|---|--|
| | <p>neighbouring communities where applicable, and relevant authorities).</p> <p>- Major compliance -</p> | <p>between the companies with other parties including the surrounding communities.</p> <p>The company has developed a mechanism of Implementation of Free Prior informed Consent / FPIC as document no. SOP / SMART / SENS-CSR / SADV / I / 003 which describes a process for FPIC included the identification, dissemination, participatory mapping, implementation of the negotiation, compensation formula and implementation of the outcome agreement.</p> <p>It was indicated that the participatory mapping result is available in place, e.g, land compensation for Mr. S, H. S, M. K and Mr. J which has a land area of 3.54 hectares located in Block J9, J10 and K10 Long Buluh Estate. The agreement signed by both parties on June 03, 2009 and witnessed by the head of the village of Muara Pantun, Clan Chief, Chairman of the BPD and the Head of Telen Sub-district.</p> | |
| <p>2.3.2</p> | <p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>- Minor compliance -</p> | <p>The company has documented land compensation as recorded by "Dokument & Leassion (D & L) Department". Copies of documents are available in the estate and the original documents is kept in Samarinda representative office.</p> <p>The whole process of the implementation of the compensation set forth in the Joint Agreement and Handover including participatory measurement results. The agreement also provided with a map based on result of participatory mapping is witnessed by local government agencies, receipt of payment, and photograph of payment of compensation as evidence.</p> <p>Based on interviews with village heads and Chairman of</p> | <p style="text-align: center;">Yes</p> |

| | | | |
|--------------|---|--|-----|
| | | the KUD Jack Luay village, Muara Pantun and Sido Mulyo village confirmed that the company has conducted socialization in the early development of oil palm plantations to the local communities related to the positive impact of plantation development, environmental management to minimize negative impacts and social management to the surrounding community partnerships and programs, including plasma programs. | |
| 2.3.3 | All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. - Minor compliance - | Based on interviews with the local communities seen show that they have understood the positive impact of plantation development, environmental management to minimize negative impacts and social management to the surrounding community partnerships and programs, including programs plasma are now perceived and the program for others local communities still continuing. | Yes |
| 2.3.4 | Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. - Major compliance - | <p>Methods and technical negotiations in the process of land compensation are set in SOP the FPIC No. SOP / SMART / SENS-CSR / SADV / I / 003, consist of preparation for a meeting with representatives of the public community attention to the various elements of community leaders, informal leaders, women, youth, farmers etc.</p> <p>The Company also provides the opportunity for each group to choose a representative in the meeting and the company conducted participatory mapping, takes into account the customary land, forest ban which is an important source of water for residents, acreages for farming, the area reserve development etc.</p> <p>Decision for an agreement is set in the program reports of agreement signed by all parties; Company, Village Government, smallholders representatives and other stakeholders.</p> | Yes |

| PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY | | | |
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| 3.1 | There is an implemented management plan that aims to achieve long-term economic and financial viability. | | |
| 3.1.1 | <p>A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>- Major compliance -</p> | <p>The Company has a budget plan for the period 2014-2018, which consists of: Production FFB (Fresh Fruit Bunch) production of CPO and PK, Revenue, operation Cost (Upkeep, manuring, hervesting, transport, overhead and depreciation),included mill cost (processing, repair / maintenance, overhead, depreciation, total cost, net / los propfit.</p> <p>For example: Budget Plan 2014: FFB production: 315 148 CPO production: 78 062 PK Production: 17 806 OER: 24.77 % KER: 5.65 % Cost and revenue</p> | Yes |
| 3.1.2 | <p>An annual replanting programme projected for a minimum of five years (but longer wherenecessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>- Minor compliance -</p> | No replanting in the near future | Yes |
| PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS | | | |
| 4.1 | Operating procedures are appropriately documented, consistently implemented and monitored. | | |
| 4.1.1 | <p>Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p>- Major compliance -</p> | <p>The procedure of estate and mill are available in place from land preparation until despacth CPO and PK, such as:</p> <ol style="list-style-type: none"> 1. New Area Investment Planning SOP No: SOP/SMART/MCAR/I/TA-PPA | Yes |

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| | | <ol style="list-style-type: none"> 2. SOP opening of new land available in No.SOP/SMART/MCAR/IV/TA-PLB 3. Drainage Work Instruction No: IK/SMART/MCAR/I/TA-PPA/01 4. SOP Seedling contained in document No.SOP/SMART/MCAR/III/TA-BBT 5. SOP planting in the document No: SOP/SMART/MCAR/V/TA-TNM 6. SOP replanting plan in No: SOP/SMART/MCAR/II/TA-PRP 7. Palm planting activity in work instructions No.IK/SMART/MCAR/IV/TA-TNM/07 8. Palm census activity in work instructions No: IK/SMART/MCAR/IV/TA-TNM/08 9. SOP harvesting implementation is available in the document No: SOP/SMART/MCAR/XIII/TA-PNN 10. SOP loading and transporting TBS is available in document No.SOP/SMART/MCAR/XIV/TA-PPT 11. SOP acceptance TBS is available in the document No.SOP/SMART/MCMD/TM-PKS. 12. SOP pprocessing in document No.SOP/SMART/MCMD/I/TM-PKS. | |
| <p>4.1.2</p> | <p>A mechanism to check consistent implementation of procedures shall be in place.</p> <p>- Minor compliance -</p> | <p>The Company has an internal audit conduct annually and "Agronomis Visit" to assess the implementation of the procedure has been executed correctly.</p> | <p style="text-align: center;">Yes</p> |
| <p>4.1.3</p> | <p>Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>- Minor compliance -</p> | <p>Monitoring of field operations are recorded every day in the form of "Buku Mandor" and summary monthly in the "Laporan Bulanan Kegiatan Estate dan Mill".</p> <p>Recordings estate includes FFB (Fresh Fruit Bunch) production, fertilizer application, pests census and diseases, pesticide uses, hectare statement, labor, water management, etc. While monitoring recording in Mill,</p> | <p style="text-align: center;">Yes</p> |

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| | | include: FFB (Fresh Fruit Bunch) processed, CPO (Crude Palm Oil) and PK (Palm Kernel) produced, the quality of CPO (Crude Palm Oil) and PK (Palm Kernel), machine maintenance, labor, etc. | |
| 4.1.4 | The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance - | Records of outside FFB received which managed by the company is recorded daily and summarized monthly. | Yes |
| 4.2 | Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield. | | |
| 4.2.1 | There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance - | Procedures for maintaining soil fertility are available, e.g. fertilization of cover crops is done based on the age and type of Legium crops. Dosage and fertilizing schedule stipulated in the document No: IK / SMART / MCAR / IX / TA-CO / 02. Dosage, type of inorhganim fertilizer for immature plantation described herein No: IK / SMART / MCAR / IX / TA-CO / 03 and organic fertilizer activities carried out by the application of EFB set in the document No: IK / SMART / MCAR / IX / TA-CO / 04. | Yes |
| 4.2.2 | Records of fertiliser inputs shall be maintained. - Minor compliance - | Records of fertilization recorded in "buku Kegiatan Mandor", for example: urea was applied 4,150 kg in Block B22 with an area of 29.54 ha on May 30, 2014 in accordance with the recommendations of urea application 1 kg / palm tree, TSP applied in Pantun Mas Estate (Block D15) 2,800 kg for 20,29 ha on the first cicle according to fertilizer recommendations 0.75 kg/palm tree /cycle or 1.5 kg/palm tree/year. | Yes |
| 4.2.3 | There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance - | The Company has conducted soil and leaf sampling on a regular basis, leaf and soil sampling has been carried out for the last fertilizer recommendation in 2015, the results of leaf analysis, e.g. leaf sampling analysis results with reference number 202 / LEAF / LAB-SMARTRI / VI / 2014 dated June 7, 2014 and no. 120/ LEAF/LAB-SMARTRI /V/2014, dated 15 th April 2014. | Yes |

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| | | The last soil analysis based on document reference no.007 / RFC_KALTIM / Lab-T / 8/2013 for 264 samples on 17 th April 2013. | |
| 4.2.4 | A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance - | The Company has been applying the EFB (Empty Fruit Bunch) as fertilizer in the field as recorded in the monthly reports as well as Land Application POME applications, e.g. applied POME 16,348 M3 in October 2014. | Yes |
| 4.3 | Practices minimise and control erosion and degradation of soils. | | |
| 4.3.1 | Maps of any fragile soils shall be available. - Major compliance - | Based on a semi-detailed soil maps (Land Suitability Class), it was found that type of soil for Jakluay Estate: aquic hapludults and typic hapludults soil type form with sandy loam texture; Long Buluh Estate: aquic hapludults soil type form, typic hapludults, typic Dystrudepts, typic endoaquepts with sandy loam texture and Pantun Mas Estate: the form of a typic endoaquepts, typic dystudepts, typic hapludults with sandy loam texture - sandy clay loam. No peat soil was identified within the company areas.\ | Yes |
| 4.3.2 | A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance - | In the terrace work instruction No. IK / SMART / MVAR / I / TA-PPA / 03 on the stage of the determination of the need terrace should be designed in such a way in hilly areas with a slope of 90-22 ⁰ (15%-40%) with a width 3 - 4.5 meters. The slope of more than 40% or 22 ⁰ is not recommended for planting and confirmed that no planting with slopes of more than 40% during field visit. | Yes |
| 4.3.3 | A road maintenance programme shall be in place. - Minor compliance - | Programme and the realization of available road maintenance, e.g. road maintenance program in October 2014 PM Estate in Block A20 area of 29.28 ha and has realized 100%. | Yes |

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| <p>4.3.4</p> | <p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Major compliance –</p> | <p>Based on a semi-detailed soil maps (Land Suitability Class), it is not identified the presence of peat soils in the area of the company.</p> | <p>Yes</p> |
| <p>4.3.5</p> | <p>Drainability assessments shall be required prior to replanting on peat to determine the longterm viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance –</p> | <p>Based on a semi-detailed soil maps (Land Suitability Class), it is not identified the presence of peat soils in the area of the company.</p> | <p>Yes</p> |
| <p>4.3.6</p> | <p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>- Minor compliance –</p> | <p>No fragile soil was identified within the company areas</p> | <p>Yes</p> |
| <p>4.4. Practices maintain the quality and availability of surface and ground water.</p> | | | |
| <p>4.4.1</p> | <p>An implemented water management plan shall be in place.</p> <p>- Minor compliance –</p> | <p>The Company has a water management document, both in the estate and mill. Monitoring the implementation of water management has been implemented on a regular basis, such as surface water quality monitoring are available in the report of RKL / RPL. The surface water monitoring is conducted at least annually, e.g. the last monitoring water analysis in Pantun River-Upstream, Pantun River - Downstream, and Telen River. was conducted on 21st April, 2014 where all parameters are comply with Government Regulation "Peraturan Pemerintah No, 82, 2001 and the results of the analysis of the control field, Land Application, the village area shows all the parameters is meet the standard as stipulated by KepMenLH No. 29 2003.</p> | <p>Yes</p> |
| <p>4.4.2</p> | <p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.</p> <p>- Major compliance -</p> | <p>SOP opening of new land is available in No.SOP / SMART / MCAR / IV / TA-PLB, it is stated that at during land clearing area along the river shall be conserved with of 50 m (left and right along the river) for small river (width <30 m) and 100 m (left and right along the river) for</p> | <p>Yes</p> |

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| | | river with width > 30 m. Based on the filed visit along the riparian zone, confirmed that riparian zones is reserved and planted forest trees. | |
| 4.4.3 | Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance - | Monitoring of BOD level has conducted by the company monthly, e.g. from January to May 2014 is available in the RKL / RPL. Based on review of result BOD analysis, it was found that no BOD more than 5,000 mg/L as required in KepMenLH No.29 2003. | Yes |
| 4.4.4 | Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance - | Water Usage Monitoring in Jakluay Mill describes of the water usage of FFB processed is 1,11 m ³ /tonnes FFB, the actual water usage is monitored monthly, e.g. usage water 0.59m ³ in January 2015. | Yes |
| 4.5 | Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques. | | |
| 4.5.1 | Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance - | SOP control of pests and diseases is available in the document No: SOP / SMART / MCAR / VII / TA-HPT. The process includes activities in controlling pest detection, census, pest HCV (High Conservation Value), control recommendations, control and evaluation. Detection of palm leaf-eating caterpillars listed in the work instruction No.: IK / SMART / MCAR / VII / TA-HPT / 01, some of its provisions, namely: exercising detection when no attack performed every 2 months. At the moment there are no longer carried out the attack but with direct census conducted after the control and detection can be controlled then performed once a month until the situation is completely safe (3 times the detection is not found the existence of leaf-eating caterpillar). | Yes |

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| | | <p>The company has developed procedure of reducing pesticide in "Program Pengurangan Pestisida"</p> <p>Recording observations and implementation of pest control is available, e.g:</p> <ul style="list-style-type: none"> - Summary data of leaf-eating caterpillars in 2014 for Long Buluh Estate (Div. I-VI), period of February, April June, August, October, 2014. Based on the census, leaf-eating caterpillars attack palm oil is still below the economic threshold. - Form Oil Palm leaf-eating caterpillars in the Pantun mas Estate (Div. VI block C-37, C-39, C-41, C-43, B-39, B-41, B-43, A-39, A -41, A-43), dated January 2, 2014 showed no plant attacked. - Summary of rats Census in the Jak Luay Estate in October 2014 showed rat attack exceed 5% is applied rodenticides. - Rat Attack Census in the Pantun Mas estate in January 20, 2014, shows the attack 6:09%. Applications Rodenticides block A24 as 17:25 kg for 100% palm tree. - Barn owl monitoring in Long Buluh Estate periods of October 2014 in block D28, E29, and C28. | |
| <p>4.5.2</p> | <p>Training of those involved in IPM implementation shall be demonstrated.</p> <p>- Minor compliance –</p> | <p>The Company has been carrying out training of workers involved in IPM, for instance: Integrated Pest and disease training on 13th May 2014, attended by 24 sprayer team.</p> | <p style="text-align: center;">Yes</p> |
| <p>4.6</p> | <p>Pesticides are used in ways that do not endanger health or the environment.</p> | | |

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| <p>4.6.1</p> | <p>Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.</p> <p>- Major compliance -</p> | <p>The Company has made a list of the type of pesticide used, where all the pesticides used are listed number and expiry date pesticide license, for example a list pestsida used are:</p> <ul style="list-style-type: none"> - Roll Up 480SL RI.01030120042133. - Rolixone 276 SL RI01030120062467 - Erkafuron 20WG RI.01030120062405 - Rolikum 0.005BB RI 01120120113993, etc. | <p style="text-align: center;">Yes</p> |
| <p>4.6.2</p> | <p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.</p> <p>- Major compliance -</p> | <p>Recorded Data of Pesticide Toxicity is available, e.g in Pantun Mas Estate in 2014 use of Rolikum - brodifacum 0.005% with LD50 5400, the number of applications 3,879kg with 0.19 kg total active ingredients, toxicity calculations 0.00000000000027 units and Rolixone - paraquat 20% with LD50 is 90, the number of applications 1,364 litre (272.70 kg total active ingredients) with toxicity calculations 0.00000002269005 units.</p> <p>While in Jakluay Estate, e.g. Rolixone - paraquat 276 grams / liter with LD50 is 80, the number of applications 1,224.59 liters (total of 272.7068 kg active ingredient) toxicity calculations 0.00000002269005 units.</p> | <p style="text-align: center;">Yes</p> |
| <p>4.6.3</p> | <p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.</p> <p>- Major compliance -</p> | <p>There is no used of prophylactic use of pesticides throughout the PT. Tapian Nadenggan.</p> | <p style="text-align: center;">Yes</p> |
| <p>4.6.4</p> | <p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> | <p>The company is still using Paraquat, but the company has reduced its use gradually, for example the use of Paraquat in Pantun Mas Estate in 2012 is 3.344 liters, in 2013 was 2,288 liters, and in 2014 was 1.366 liters (up to October 2014).</p> | <p style="text-align: center;">Yes</p> |

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| | - Minor compliance – | Also in Jak Luay Estate, it was seen Paraquat usage is decrease, for example, in 2011 is 2.546 liters, in 2012 was 2,436 liters, and in 2013 was 2,090 liters. | |
| 4.6.5 | Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance – | All workers involved in the handling of pesticides and apply pestisida in the field have been trained on a regular basis, for example: training Integrated Pest and disease on 13 th May 2014, attended by 24 sprayers team, training in the use of paraquat for warehouse clerk , sprayers and others workers who is involved in paraquat on 8 th October 2014 was attended by 27 participants, etc. | Yes |
| 4.6.6 | Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance - | Pesticide waste handling procedures is available, which explained that empty container pesticides rinsed 3 times before being stored in the warehouse B3 and subsequently disposed the collector register which been approved by the Ministry of the Environment. Records of Hazardous waste, including the Empty Container Pesticides, such as: - Manifest of delivery Hazardous waste - Report of hazardous waste quarterly to the relevant agencies. - Hazardous waste logbook; and - Balancing stock of hazardous waste. | Yes |
| 4.6.7 | Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance – | Based on filed visit and interviews with workers who are involved in pesticide, e.g. Sprayers found that they apply pesticides in the right way according to the instructions on the label and guidelines as contained in the procedure. | Yes |
| 4.6.8 | Pesticides shall be applied aerielly only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance - | No any pesticides applied aerielly | Yes |

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| <p>4.6.9</p> | <p>Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8).</p> <p>- Minor compliance –</p> | <p>Scheme smallholders are managed by the company.</p> | <p>Yes</p> |
| <p>4.6.10</p> | <p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>- Minor compliance –</p> | <p>Based on interviews with workers who are involved in handling of hazardous waste, it was found that they understood and able to demonstrate handling of hazardous waste as regulated in the company's procedures.</p> | <p>Yes</p> |
| <p>4.6.11</p> | <p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance –</p> | <p>Medical check up for the workers who are involved in chemical substances is conducted regularly by the company, e.g. medical check up on 22nd October 2014 for 6 sprayer supervisors, 29 sprayers team and 4 fertilizer supervisors at Pantun Mas Estate and medical check up for chemical storage supervisor spraying and fertilizer supervisors on 22nd – 24th October 2014 in total 53 workers, this medical test included Cholinesterase Test.</p> <p>Audimetri test for workers who are work in noise station is conducted regularly, e.g. interviewed with Mr. Ibnu Soleh (Engine Room operator) confirmed that the company conducted audiometric test regularly for workers who are worked in noise level station and based on review of audiometric test in October 2014 for him confirmed that the result is "normal" and in Pantun Mas Estate, audiometric test is conducted for 8 operator Gen-set.</p> <p>Medical check up is done by "Balai Keselamatan dan Kesehatan Kerja Samarinda".</p> <p>Those medical checks up results are recorded for each</p> | <p>Yes</p> |

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| | | employee. | |
| 4.6.12 | No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance - | Based on interview with female worker, its confirmed that no pregnant and/or breast-feeding involved in chemical/pesticides, they are transferred to other duties. | Yes |
| 4.7 | An occupational health and safety plan is documented, effectively communicated and implemented. | | |
| 4.7.1 | A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance - | The company has "Health and Safety", OHS plan is implemented where the company has OHS committee, Ahli K3 (OHS trained). The company also has reviewed the OHS regularly in in "Rapat Tinjauan Manajemen K3", e.g. review on 18 th July 2014, 12 th Agustus 2014 dan 22 nd September 2014. | Yes |
| 4.7.2 | All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance - | The company has conducted HIRADC for all areas and it was observed that the workers understood MSDS. Engineering control was implemented to prevent hearing loss, e.g. install noise reduction agent and administrative by erected signboard of noise area, as described in Risk Assessment, dated 1 July 2014 | Yes |
| 4.7.3 | All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. - Major compliance - | The company has conducted OHS training for workers and preparing PPE appropriately, during field visit, it was confirmed that workers using PPE based on risk assessment. Handling and application pesticides included safe working practices is documented in procedure "Pengendalian hama dan penyakit tanaman" No: SOP/SMART/MCAR/VII/TA-HPT. The company has established fire mitigation officer as | Yes |

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| | | described in organizational chart "Struktur Organisasi Personil Tanggap Darurat No. DP-01-SMK3/SMART/EHS-09" as regulated in Permenaker No. 186, year 1999 | |
| <p>4.7.4</p> | <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p> | <p>The dedicated person who is responsible in OHS is formed in "Organizational chart for OHS Committee" which approved by local government (Struktur Organisasi P2K3) in each operation unit, e.g.</p> <ul style="list-style-type: none"> - Jakluay POM: OHS committee as approved by Manpower and Transmigration Kutai Timur District no.566/326/P2K3, dated 18th July 2014. - Pantun Mas Estate: OHS committee as approved by Manpower and Transmigration Kutai Timur District no. No.566/650/P2K3, dated 11th March 2014. - Jak Luay Estate: OHS committee as approved by Manpower and Transmigration Kutai Timur District no. 566/646/P2K3, dated 11th March 2014. <p>The company also has "Ahli K3", e.g.</p> <ul style="list-style-type: none"> - Hasarudin Tombalisa; approval letter from Manpower and Transmigration Ministry no.KEP. 7627/M/DJPPK/VII/2014 (valid until 15th July 2017) - Suswidodo; approval letter from Manpower and Transmigration Ministry no. KEP. 3590/M/DJPPK/X/2013 (Valid until 23 October 2016). | <p style="text-align: center;">Yes</p> |
| <p>4.7.5</p> | <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p> | <p>Emergency procedure is available and during interviewed with workers confirmed that procedure is understood by them.</p> <p>Accident report is documented in "Record Kecelakaan Kerja" and Form "Investigasi Kecelakaan Kerja" also available. Accident reports are reviewed and corrective action is done to prevent repetition of accident in the future.</p> | <p style="text-align: center;">Yes</p> |

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| | | <p>First aid box is available in all operation units appropriately and also supervisor brings first aid box to the field during operation, e.g. harvesting and spraying activities.</p> <p>Engineering control was implemented to prevent hearing loss, e.g. install noise reduction agent and administrative by erected signboard of noise area, as described in Risk Assessment, dated 01st April 2014.</p> | |
| 4.7.6 | <p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance -</p> | <p>Based on document review confirmed that the company has registered all their employees in social insurance program, namely BPJS.</p> <p>Payment social insurance (BPJS) is paid to the "BPJS" monthly, verified; payment October 2014.</p> | Yes |
| 4.7.7 | <p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance -</p> | <p>LTA record is available in place, each injury with LTA recorded.</p> | Yes |
| 4.8 | All staff, workers, smallholders and contract workers are appropriately trained. | | |
| 4.8.1 | <p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.</p> <p>- Major compliance -</p> | <p>The training program was created annually based on training assessment to improve the workers skill and competency as documented in "Renaca dan Realisasi Pelatihan", e.g. Training program in Long Buluh and Pantun Mas Estate in 2014, consist Paraquat usage, IPM, Emergency preparedness, HCV, Hazardous waste handling, etc. Training program in Mill, covering training of RSPO SCCS, Engine Room, fire drill, grading, etc.</p> | Yes |
| 4.8.2 | <p>Records of training for each employee shall be maintained.</p> <p>- Minor compliance -</p> | <p>Record of training for each employee is available, e.g. record of training for Mr. Trans Yoke Purba (Storage), Dian fitri Y (Sprayer), Basori (Supervisor), M. Rifai (HCV team), Sinta M (Weightbridge), Rianto Siangi (Boiler operator), etc.</p> | Yes |

| PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY | | | |
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| 5.1 | Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement. | | |
| 5.1.1 | An environmental impact assessment (EIA) shall be documented. - Major compliance - | The company has EIA documents which have been approved by Bupati of Kutai Timur, the last updated due to changes of mill capacity from 60 tonnes FFB/hour become 80 tonnes FFB/hour as Izin Lingkungan (Environmental Licence) from Bupati of Kutai Timur no. 662/K.312/2012, dated 22 nd April 2013 within scope mill and plantation area 11.503,48 ha. The company also has EIA documents (UKL/UPL) as regulated by government for company operation areas < 3,000 ha for Pantun Mas Estate, approved by "AMDAL commission of Kutai timur District" no. 660/617/3-BLH/V/2010, dated 14 th May 2010 (975 ha) and Lomng Estate no. 660/612/3-BLH/V/2012, dated 15 th May 2012 (560 ha). | Yes |
| 5.1.2 | Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance - | Environmental impact assessment refer to AMDAL documents, its consist of EIA document, Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL). No any changes of practices were noted since the AMDAL, RKL and RPL was approved by local government. | Yes |
| 5.1.3 | This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. | Environmental Management and Monitoring Report (Laporan RKL/RPL) is sent to the local government every 6 months, the last RKL / RPL report for Semester I (January – June 2014) was sent to government, delivery note signed by government officer when the reports received, e.g. Report was received by Environmental Ministry on 6 th August 2014 and BLH Kutai Timur on 21 st | Yes |

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| | - Minor compliance – | July 2014. | |
| 5.2 | The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced. | | |
| 5.2.1 | Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance – | HCV identification was conducted by “Biodiversity and Conservation Section – Sustainability Division” based on Indonesian HCV Toolkit, 2008 in 2013 and it had been reviewed by independent reviewer (Mr. Siswoyo). The company has appointed the responsible person in HCV management each estate, e.g. in Jak Luay estate (Mr. Adi Fransisco Saragih as appoinmnet letter no. 05/UH/JLYE-SPO/02/2014, dated 25 th February 2014, Pantun Mas Estate; Mr. Fegi Teguh Setiawan (appointment letter no. 09/UH/PMSE-SPO/03/14, dated 01 Maret 2014) | Yes |
| 5.2.2 | Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance – | The company is conduct management and monitoring of HCV regularly at least every 6 months, the last report for monitoring period in January – June 2014 is available and verified during audit. Based on Identification of HCV, it was found RTEs such Trenggiling, macan akar, Uwa uwa, Napu, orang utan, Beruang, alap alap, Burung Kuntul, Burung Elang Ular, Enggang, etc. | Yes |
| 5.2.3 | There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance – | The company has conducted socialization to the workforce regarding RTEs, e.g. RTEs training for Jakluay workforce on 15 th March 2014, attended 14 participants and RTEs training in Pantun Mas Estate on 5 th June 2014, attended 41 participants, on 8 March 2014, it was attended 78 participants (List of attendance, training material and photograph as evidence). Protecting of RTEs Signboard is displayed in public areas | Yes |

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| | | in estates and mill as well as regular security patrol in HCV areas. During field visit in line site, it was no found RTEs is captured, harmed, collected and killed by workers. | |
| 5.2.4 | Where a management plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance –</p> | The HCV and RTEs management and monitoring is documented in "Rencana dan realsaisi monitoring HCV". Report of Management and Monitoring for HCV and RTEs is reported every 6 months and review is conducted regularly to ensure that monitoring is effective. | Yes |
| 5.2.5 | Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance – | No any HCV areas in existing local community rights. | Yes |
| 5.3 | Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner. | | |
| 5.3.1 | All waste products and sources of pollution shall be identified and documented. - Major compliance – | The company has identified all waste products and pollution as documented in "Daftar dan Evaluasi Aspek Lingkungan" | Yes |
| 5.3.2 | All chemicals and their containers shall be disposed of responsibly. - Major compliance – | Hazardous waste including chemical empty containers is disposed to the register collector, e.g. Jakluay mill has disposed hazardous waste to the register collector as manifest no. 9450, dated 23 rd September 2014 (22 drums used oil). | Yes |
| 5.3.3 | A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance – | The company has management plan to reduce or avoid pollution, it was verified during assessment that waste management plan is implemented well. Domestic waste is included in "waste Management Plan" | Yes |

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| 5.4 | Efficiency of fossil fuel use and the use of renewable energy is optimised. | | |
| 5.4.1 | A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance – | The company using fibre and shell as alternative reduce fossil fuel usage, e.g. record of fibre and shell was used for boiler in September 2014; fibre is 5,588 tonnes and shell is 2,570 tonnes. | Yes |
| 5.5 | Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice | | |
| 5.5.1 | There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance – | The company has zero burning policy and it was not found open burning during audit, included in land preparation or replanting. | Yes |
| 5.5.2 | Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance – | No fire was used during land preparation or replanting. | Yes |
| 5.6 | Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored. | | |
| 5.6.1 | An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance - | The company has conducted assessment to identify pollution and emission source in estates and mill, included POME. | Yes |
| 5.6.2 | Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance - | The company has identified GHG emission in whole mill and plantation areas, such as: land conversion, fertilizer, fuel consumption, effluent, pesticides, etc. | Yes |

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| 5.6.3 | <p>A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>- Minor compliance -</p> | <p>The company has monitored pollution and emission, such as air and water quality, the BOD level in effluent is monitored every month to ensure that result is comply as regulated in KepMenLH No.29 tahun 2003. The monitoring of January – May 2014 is verified.</p> <p>Monitoring of ambient air in Genset and Boiler in May 2014 is complying with "PermenLH No.21, year 2008 and KepMenLH No.07, year 2007".</p> <p>The company also has monitored of noise level in Engine room, Boiler and Nut Station in May 2014, result of noise monitoring in Engine Room is 98dB, Boiler station is 83.6 dB and Nut Station 92.4 dB.</p> | Yes |
| PPRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS | | | |
| 6.1 | Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement. | | |
| 6.1.1 | <p>A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>- Major compliance -</p> | <p>The company has conducted Social Impact Assessment as documented in "AMDAL"/ SEIA, it has been approved, namely "Izin Lingkungan" No. 662/K.312/2012, dated 22nd April 2013 and no. 660/E.162/2013, dated 27th February 2013 for Bukit Subur estate.</p> <p>The Environmental Management and Monitoring report is reported every six months to the local government.</p> | Yes |
| 6.1.2 | <p>There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>- Major compliance -</p> | <p>The company has mechanisms to update the Social Impact Improvement Plan, including input from local communities, the company improving relationships with both internal and external stakeholders that allow the company to identify and focus on the key social issues.</p> | Yes |

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| 6.1.3 | Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance - | The Social Impact Assessment Plan is referred to the AMDAL recommendation that could be done by company to minimize negative impact and promote positive impact from social impact management. | Yes |
| 6.1.4 | The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance - | The company reported Social Management and monitoring plan every six months to the local authority in Laporan RKL / RPL. | Yes |
| 6.1.5 | Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance - | The company also considers impact of smallholders in their social impact assessment. | Yes |
| 6.2 | There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties. | | |
| 6.2.1 | Consultation and communication procedures shall be documented. - Major compliance - | Procedure of consultation and communication is documented in SOP no. SOP/SPO?SMART/LH-19 | Yes |
| 6.2.2 | A management official responsible for these issues shall be nominated. - Minor compliance - | The company has nominated a person responsible for consultation and communication with local communities and other stakeholders, e.g. in Jak Luay Estate (Mr. Nurbadri) as nominated letter no. 001/TM/RCKT2-SPO/02/14, dated 20 th February 2014 and Pantun Mas Estate (Mr. Joko Yudiantoro) as nominated letter no. 01/RC/Kaltim1-SPO/10/12. | Yes |

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| <p>6.2.3</p> | <p>A list of stakeholders, records of all communication, including confirmation of receipt and those efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>- Minor compliance -</p> | <p>A list stakeholder is available and updated regularly.</p> | <p>Yes</p> |
| <p>6.3</p> | <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p> | | |
| <p>6.3.1</p> | <p>The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>- Major compliance -</p> | <p>The company has complaint and grievancies procedures as documented in SOP-IK Sustainability Palm Oil No. SOP/SMART/SIGS/SADV/I/003, dated 1st July 2014.</p> <p>The procedure is how to handling complaint and grievancies, the company keeps confidential complainer and whistleblower.</p> <p>Complaint and grievancies is recorded in log Book.</p> | <p>Yes</p> |
| <p>6.3.2</p> | <p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance -</p> | <p>The company has recorded complaints, grievancies and disputes in log book "Dokumen Keluh Kesah". Based on the review of log book, there was noted only one complaints was received from employee related PPE, it has been responses by the company in timely manner.</p> | <p>Yes</p> |
| <p>6.4</p> | <p>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.</p> | | |
| <p>6.4.1</p> | <p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>- Major compliance -</p> | <p>The Company has established SOP Implementation of FPIC (Free Prior imformed Consent)no. SOP / SMART / SENS-CSR / SADV / I / 003 which describes a process for the preparation of FPIC, identification, dissemination, participatory mapping, implementation of the negotiation, compensation formula, etc.</p> | <p>Yes</p> |

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| <p>6.4.2</p> | <p>A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>- Major compliance -</p> | <p>The company has procedure of FPIC which also describe preparation for a meeting with representatives of the public community attention to the various elements of community leaders, informal leaders, women, youth, farmers, etc.</p> <p>The Company also gives opportunity for each group to choose a representative in the meeting.</p> <p>Participatory mapping and agreement involving various stakeholders in compensation to the local communities.</p> | <p style="text-align: center;">Yes</p> |
| <p>6.4.3</p> | <p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>- Major compliance -</p> | <p>The compensataion records, such as: "Berita Acara", maps for land land compensation, minutes meeting, meeting attendance list, etc, e.g. land compensation documents for Karya Bhakti villagers: minutes of meeting between company and representatives of villagers, dated 9th October 2013, Company letter to the Bupati of Kutai Timur related mediation by local government no. 171.10 / D & L-TN / KT / 2013, dated 9th October 2013, Berita Acara Penyelesaian complaint on 21st October 2013, compensation documents signed by both parties and "Berita Acara" compensation on 09th January 2014.</p> | <p style="text-align: center;">Yes</p> |
| <p>6.5</p> | <p>Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p> | | |
| <p>6.5.1</p> | <p>Documentation of pay and conditions shall be available.</p> <p>- Major compliance -</p> | <p>The Company has been pay salary to the workers more than minimum wages as regulated by local government (Bupati Kutai Timur) in 2014 (Rp. 1,956,535)</p> <p>The company has circulated letter to follow up the minimum wages on 03rd February 2014 with following:</p> <ol style="list-style-type: none"> 1. The minimum salary for employee which working time less than 1 year is Rp. 1,882,535 plus rice | <p style="text-align: center;">Yes</p> |

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| | | <p>allowance 15 kg (Rp. 75,000).</p> <p>2. The minimum salary for employee which working time more than 1 year is Rp. 1,962.535 plus rice allowance 15 kg (Rp. 75,000).</p> <p>3. Rice allowance for his wife 9 kg and 7.5 kg for each son 7.5 kg.</p> <p>Based on document review no workers received salary less than minimum wage, e.g. salary for Mr. Th Rp. 1,795,685 and Mr. TM is Rp. 1,887,535 plus attendance incentive (Rp. 90,000) and rice allowance</p> | |
| 6.5.2 | <p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p> | <p>There is a "Kontrak Kerja" which signed by workers and company's representatives, the contract each worker is available in premises, the contract covering working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, , period of notice, etc. Based on interview with workers, they understood the contract.</p> | Yes |
| 6.5.3 | <p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance -</p> | <p>The company has prepared facilities for their workers, such as: housing, electricity, water supply, polyclinic, sport facilities, school, etc.</p> | Yes |
| 6.5.4 | <p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p> | <p>The company has effort to improve their workers access to local market in surrounding plantation.</p> | Yes |
| 6.6 | <p>The employer 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.</p> | | |

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| <p>6.6.1</p> | <p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance -</p> | <p>The company has freedom of association "Kebijakan Kebebasan Berserikat" no. 104/CEO3-SE/07/2010, dated 16th July 2010.</p> <p>The labour union has been established in each unit production, e.g.</p> <ol style="list-style-type: none"> 1. SPM – Jak Luay Mill registered by Disnakertrans, Kutai Timur no. 560/710/HIJ, 8th April 2014 and LKS Biptarit no. Kep. 560/1193/HIJ. 2. SPM – Pantun Mas Estate registered by Disnakertrans, Kutai Timur no. 560/711, dated 20th March 2014 and LKS Bipatrit No. Kep. 560/279/HIJ. <p>List of labour union member is available, e.g. it was noted 195 members labour union in Jak Luay Mill.</p> | <p style="text-align: center;">Yes</p> |
| <p>6.6.2</p> | <p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>- Major compliance -</p> | <p>Record of meeting between company and labour union is conducted regularly, e.g.</p> <ol style="list-style-type: none"> 1. Minutes of meeting in Jakluay Estate, dated 07th April 2014, attended 20 representatives union. 2. Minutes of meeting in Jakluay Mill, dated 22nd April 2014, attended 15 representatives union. 3. Minutes of meeting in Pantun Mas, dated 30th December 2014, attended 18 representatives union <p>Attendance list dan photograph is available.</p> | <p style="text-align: center;">Yes</p> |
| <p>6.7 Children are not employed or exploited.</p> | | | |
| <p>6.7.1</p> | <p>There shall be documentary evidence that minimum age requirements are met.</p> <p>- Major compliance -</p> | <p>Based on document review of list of employees, field visit and interview with stakeholders, there is no employee is haired less than 18 year as regulated by government and company's policy.</p> <p>Review of "Daftar Karyawan" confirmed that the youngest employee is Mr. Noval Rizaldi (Date of birth</p> | <p style="text-align: center;">Yes</p> |

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| | | 26 th November 1993, started work 26 th June 2013 (19 years, 7 months) | |
| 6.8 | Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited. | | |
| 6.8.1 | A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance - | The company has equal opportunities policy in "Kesamaan Hak" no. 102/CEO3-SE/01/2010, dated 27 th January 2010. | Yes |
| 6.8.2 | Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance - | No discriminated was noted during audit. | Yes |
| 6.8.3 | It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance - | The company has procedure "Penerimaan karyawan" no. TN-JLYE/SOP/30", this procedure describe that selection and hiring employee only based on their capabilities, skill, qualities and medical check up result. It was found that the company has referred the procedures during selection and hiring employees. | Yes |
| 6.9 | There is no harassment or abuse in the work place, and reproductive rights are protected. | | |
| 6.9.1 | A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance - | The company has A policy to prevent sexual and all other forms of harassment and violence "Kebijakan tentang kekerasan dan pelecehan seksual" no. 114/HR PSM, dated 01 st August 2011. The company also has established "Gender Committee" and regular meeting is conducted, e.g. the last meeting on 23 rd April 2014 attended 19 Gender Committee members. | Yes |

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| <p>6.9.2</p> | <p>A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance -</p> | <p>A Policy reproductive rights "Perlindungan Hak Reproduksi" no. 001/SE-ADH3/BNJO/01/2010, dated 12th Januari 2010. During interview with women workers, it was confirmed that the company has communicated to the workforce.</p> <p>During field visit and interview with workers, no any pregnant and breast feeding women involved in chemical substances, included pesticides.</p> | <p style="text-align: center;">Yes</p> |
| <p>6.9.3</p> | <p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p> | <p>Grievancies mechanism is documented in "Mekanisme penyelesaian keluhan hubungannya dengan pelecehan seksual/penanganan keluhan", dated 21st April 2014.</p> <p>Griencies related sexual harrasmnet is recorded in "Sexual harassment book", it was noted one issue related sexual harassment in 2014, the record seen that this issue has been solved as grievancies mechanism.</p> | <p style="text-align: center;">Yes</p> |
| <p>6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.</p> | | | |
| <p>6.10.1</p> | <p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>- Minor compliance -</p> | <p>FFB pricing mechanism is refer to the "Government FFB pricing" which updated monthly and FFB pricing is publicly in notice board in Mill.</p> | <p style="text-align: center;">Yes</p> |
| <p>6.10.2</p> | <p>Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).</p> <p>- Major compliance -</p> | <p>Based on interview with smallholders, they understood of FFB pricing mechanism and no complaint was noted regarding FFB price.</p> | <p style="text-align: center;">Yes</p> |
| <p>6.10.3</p> | <p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> | <p>Based on interview with local contractors confirmed that contract understood by them and made fairly, legal and transparent.</p> | <p style="text-align: center;">Yes</p> |

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| | - Minor compliance - | | |
| 6.10.4 | Agreed payments shall be made in a timely manner. - Minor compliance - | Evident of payment to the contractor is reviewed during audit and was seen that the company has paid timely manner, e.g. payment to the contractor (Mr. Tony Saputra) based on contract no. LBLE/SPJ/Des-13/030, payment document on 24 th September 2014 (Rp. 99.985.920). | Yes |
| 6.11 | Growers and millers contribute to local sustainable development where appropriate | | |
| 6.11.1 | Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance - | The company has CSR program updated annually, the local contribution in CSR report, e.g. 37 item CSR program in Pantun Mas Estate in 2014. CSR program mostly for Road maintenance for smallholders plantation areas. | Yes |
| 6.11.2 | Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance - | The company has "Plasma Program" for local communities surrounding company's area. The company also has established "Schema Smallholders Department" to manage smallholders plantation area. Based on documents review, the company has developed oil palm plantation for smallholders up to December 2014 as follows: <ol style="list-style-type: none"> 1. Plasma Koperasi Sawit Prima Jaya (987,14 Ha) 2. Plasma Koperasi Perkebunan Karya Baru, Koperasi Sawit Rantau Sejahtera, Koperasi Serba Usaha Petsotsang Wehea (1.921,59 Ha) 3. Plasma Koperasi Sawit Bukit Subur Abadi (668,70 Ha). The company also has program to prepare seedling and fertilizer for independent smallholders and also preparing | Yes |

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| | | best practices training, e.g. Training "Penyusunan Rencana Usaha dan Peraturan Koperasi" supported by the company and "Dinas Koperasi, UKM dan Ekonomi Kreatif Kabupaten Kutai Timur" on 24 th – 27 th June 2014. | |
| 6.12 | No forms of forced or trafficked labour are used. | | |
| 6.12.1 | There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance - | No any form or trafficked labour was noted during assessment. | Yes |
| 6.12.2 | Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance - | Based on document review with workers and labour union, confirmed that no contract substitution was noted. | Yes |
| 6.12.3 | Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance - | The agreement for temporary workers is available and signed by them, there is no migrant worker is hired by the company. | Yes |
| 6.13 | Growers and millers respect human rights | | |
| 6.13.1 | A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance - | The company has human rights policy as documented in "Kebijakan sosial dan keberperanan komunitas", dated 01 st November 2011 which stated that the company "Respek terhadap Hak – Hak Asasi Manusia" (the human rights respectfully. During interview with the workers that the company has communicated this policy to their workforce. | Yes |
| PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS | | | |
| 7.1 | A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations. | | |

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| <p>7.1.1</p> | <p>An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.</p> <p>- Major compliance -</p> | <p>The company has EIA documents which have been approved by Bupati of Kutai Timur and also has EIA documents (UKL/UPL) as regulated by government for company operation areas.</p> | <p style="text-align: center;">Yes</p> |
| <p>7.1.2</p> | <p>Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.</p> <p>- Major compliance -</p> | <p>Environmental impact assessment refer to AMDAL documents, its consist of EIA document, Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL). The RKL/RPL consist of environmental management and monitoring where reported regularly to the local authorities.</p> | <p style="text-align: center;">Yes</p> |
| <p>7.1.3</p> | <p>Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p> <p>- Minor compliance -</p> | <p>The company also consider impact of smallholders in their social impact assessment.</p> | <p style="text-align: center;">Yes</p> |
| <p>7.2</p> | <p>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.</p> | | |
| <p>7.2.1</p> | <p>Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.</p> <p>- Major compliance -</p> | <p>Based on a semi-detailed soil maps (Land Suitability Class), it was found that type of soil for Jakluay Estate: aquic hapludults and typic hapludults soil type form with sandy loam texture; Long Buluh Estate: aquic hapludults soil type form, typic hapludults, typic Dystrudepts, typic endoaquepts with sandy loam texture and Pantun Mas Estate: the form of a typic endoaquepts, typic dystudepts, typic hapludults with sandy loam texture - sandy clay loam.</p> <p>No peat soil was identified within the company areas.\</p> | |

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| <p>7.2.2</p> | <p>Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations.</p> <p>- Minor compliance -</p> | <p>The company has topographic map and consider it in land preparation planning.</p> | <p>Yes</p> |
| <p>7.3 New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p> | | | |
| <p>7.3.1</p> | <p>There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</p> <p>- Major compliance -</p> | <p>No any replaced primary forest or containing HCV areas was noted and the company has gone through RSPO NPP for new planting after 1st January 2010, e.g. RSPO NPP document was submitted to the RSPO for Bukit Subur Estate on 19th August 2013.</p> | <p>Yes</p> |
| <p>7.3.2</p> | <p>A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status.</p> <p>- Major compliance -</p> | <p>HCV identification was conducted by "Biodiversity and Conservation Section – Sustainability Division" in 2013 and it had been reviewed by independent reviewer (Mr. Siswoyo).</p> | <p>Yes</p> |
| <p>7.3.3</p> | <p>Dates of land preparation and commencement shall be recorded.</p> <p>- Minor compliance -</p> | <p>Land preparation is documented in "Statement Area report"</p> | <p>Yes</p> |
| <p>7.3.4</p> | <p>An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (see Criterion 5.2).</p> <p>- Major compliance -</p> | <p>The HCV and RTEs management and monitoring is documented in "Rencana dan realsaisi monitoring HCV". Report of Management and Monitoring for HCV and RTEs is reported every 6 months and review is conducted regularly to ensure that monitoring is effective.</p> | <p>Yes</p> |

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| 7.3.5 | <p>Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2).</p> <p>- Minor compliance -</p> | <p>The company has considered local communities basic need in their operation</p> | Yes |
| 7.4 | Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided. | | |
| 7.4.1 | <p>Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.</p> <p>- Minor compliance -</p> | No any fragile and peat soil identified in company areas. | Yes |
| 7.4.2 | <p>Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts.</p> <p>- Major compliance -</p> | No any fragile and peat soil identified in company areas. | Yes |
| 7.5 | No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions. | | |

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| 7.5.1 | Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples. - Major compliance - | The company has procedure of FPIC which also describe preparation for a meeting with representatives of the public community attention to the various elements of community leaders, informal leaders, women, youth, farmers, etc. Participatory mapping and agreement involving various stakeholders in compensation to the local communities | Yes |
| 7.6 | Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements. | | |
| 7.6.1 | Documented identification and assessment of demonstrable legal, customary and user rights shall be available. - Major compliance - | The company has identified and compensated to the landowner with FPIC process prior open the land. | Yes |
| 7.6.2 | A system for identifying people entitled to compensation shall be in place. - Major compliance - | The company has procedure "Ganti rugi Tanah/Lahan" no. SOP / NP / SMART / VII / D and L | Yes |
| 7.6.3 | A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place. - Major compliance - | he company has procedure of FPIC which also describe preparation for a meeting with representatives of the public community attention to the various elements of community leaders, informal leaders, women, youth, farmers, etc. The Company also gives opportunity for each group to choose a representative in the meeting. Participatory mapping and agreement involving various stakeholders in compensation to the local communities | Yes |

| | | | |
|--------------|--|--|-----|
| 7.6.4 | Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. - Major compliance - | The company has "Plasma Program" for local communities surrounding company's area. The company also has established "Schema Smallholders Department" to manage smallholders plantation area. | Yes |
| 7.6.5 | The process and outcome of any compensation claims shall be documented and made publicly available. - Minor compliance - | Land compensation documents are available. | Yes |
| 7.6.6 | Evidence shall be available that the affected communities and rights holders have access to information and advice, that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. - Minor compliance - | The company has implemented FPIC in their land preparation. | Yes |
| 7.7 | No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice | | |
| 7.7.1 | There shall be no land preparation by burning, other than in specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance - | No any fire was used during land preparation | Yes |
| 7.7.2 | In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance - | No any fire was used during land preparation | Yes |
| 7.8 | New plantation developments are designed to minimise net greenhouse gas emissions. | | |

| | | | |
|--|--|--|-----|
| 7.8.1 | <p>The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.</p> <p>- Major compliance -</p> | N/A | N/A |
| 7.8.2 | <p>There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options.</p> <p>- Minor compliance -</p> | N/A | N/A |
| PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY | | | |
| 8.1 | Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations. | | |
| 8.1.1 | <p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of the supply base; • Optimising the yield of the supply base; <p>- Major compliance –</p> | <p>A continuous improvement activities:</p> <ul style="list-style-type: none"> - Applied EFB as fertilizer, fibre and shell are burned in boiler for electricity. - Planting beneficial plant for natural predator and barn owl to reduce pesticides usage. - Reserved of riparian zone and planting forest tree along the riparian zone. - Supporting scheme smallholders with “Plasma Program” for local communities surrounding company area. - Etc. | Yes |

3.2 Progress against Time Bound Plan

The company updated time bound plan annually due to large-scale of mills and plantations, it has been verified during audit some of projects the time bound plan is forwarded, the auditor conclude that this time bound is challenging and still relevant to their management. BSI audit team found that the company comply with the Time bound Plan.

PT. SMART Tbk, PT Ivo Mas Tunggal (IMT) and Golden Agri (GAR) RSP0 Timebound - Palm Oil Mills

| No | GROUP | COMPANY NAME | LOCATION | MILL | CPO Processed ¹ (Ton) | Orl RSP0 Timebound | 2012 Revised RSP0 Timebound | 2013 Revised RSP0 Timebound | 2014 Revised RSP0 Timebound | |
|--|-------|--------------------------------|--------------------|-------------------------------|----------------------------------|--------------------|-----------------------------|-----------------------------|-----------------------------|--|
| 1 | IMT | PT IVO MAS TUNGGAL | RIAU | SSMM SAMSAM MILL | 56.709 | 2009 | 2012 | 2012 | 2013 | |
| 2 | IMT | PT IVO MAS TUNGGAL | RIAU | LIBM LIBO MILL | 83.149 | 2009 | 2012 | 2012 | 2013 | |
| 3 | IMT | PT IVO MAS TUNGGAL | RIAU | UTJM UJUNG TANJUNG MILL | 48.897 | 2009 | 2012 | 2012 | 2013 | |
| 4 | IMT | PT BUANA WIRALESTARI MAS | RIAU | NSAM NAGA SAKTI MILL | 73.868 | 2010 | 2012 | 2012 | 2012 | |
| 5 | IMT | PT BUANA WIRALESTARI MAS | RIAU | KJGM KIJANG MILL | 68.806 | 2010 | 2012 | 2012 | 2012 | |
| 6 | IMT | PT RAHAJAYA PRAMUKTI | RIAU | RRMA RAMA-RAHA MILL | 60.527 | 2010 | 2012 | 2012 | 2012 | |
| 7 | IMT | PT MEGANUSA INTISAWIT | RIAU | IDSM INDRA SAKTI MILL | 79.938 | 2011 | 2012 | 2013 | 2013 | |
| 8 | IMT | PT BUMIPALMA LESTARIPERSADA | RIAU | BPMN BUMI PALMA MILL | 31.180 | 2012 | 2012 | 2013 | 2014 | |
| 9 | IMT | PT SAWITAKARYA MANUNGGUL | SOUTH KALIMANTAN | SWTM SAWITA MILL ² | - | 2012 | 2015 | 2015 | 2015 | |
| 10 | SMART | PT SMART TBK | NORTH SUMATRA | PHLM PADANG HALABAN MILL | 79.112 | 2010 | 2011 | 2011 | 2011 | |
| 11 | SMART | PT SMART TBK | SOUTH KALIMANTAN | BAMM BATU AMPAR MILL | 41.631 | 2010 | 2012 | 2012 | 2012 | |
| 12 | SMART | PT SMART TBK | SOUTH KALIMANTAN | TLTM TANAH LAUT MILL | 26.368 | 2010 | 2012 | 2012 | 2012 | |
| 13 | SMART | PT TAPIAN NADENGGAN | NORTH SUMATRA | LPYM LANGGA PAYUNG MILL | 57.234 | 2010 | 2012 | 2012 | 2012 | |
| 14 | SMART | PT TAPIAN NADENGGAN | CENTRAL KALIMANTAN | HNAH HANAU MILL | 95.945 | 2010 | 2012 | 2012 | 2012 | |
| 15 | SMART | PT MP LEIDONG WEST INDONESIA | BANGKA BELITUNG | LWSM LEIDONG WEST MILL | 52.177 | 2011 | 2012 | 2013 | 2014 | |
| 16 | SMART | PT TAPIAN NADENGGAN | CENTRAL KALIMANTAN | SMLM SEMILAR MILL | 128.511 | 2012 | 2012 | 2013 | 2013 | |
| 17 | SMART | PT TAPIAN NADENGGAN | EAST KALIMANTAN | JLYM JAKLUAY MILL | 28.341 | 2012 | 2013 | 2014 | 2014 | |
| 18 | SMART | PT KRESNA DUTA AGROINDO | EAST KALIMANTAN | MWHM MUARA WAHAU MILL | 48.710 | 2012 | 2012 | 2013 | 2014 | |
| 19 | SMART | PT KRESNA DUTA AGROINDO | EAST KALIMANTAN | GKMM GUNUNG KOMBENG MILL | 20.772 | 2012 | 2012 | 2013 | 2015 | |
| 20 | SMART | PT KRESNA DUTA AGROINDO | JAMBI | JLTM JELATANG MILL | 27.668 | 2012 | 2013 | 2013 | 2014 | |
| 21 | SMART | PT KRESNA DUTA AGROINDO | JAMBI | PLKM PELAKAR MILL | 55.031 | 2012 | 2013 | 2013 | 2014 | |
| 22 | SMART | PT KRESNA DUTA AGROINDO | JAMBI | LNGM LANGLING MILL | 53.665 | 2012 | 2013 | 2013 | 2014 | |
| 23 | SMART | PT SATYA KISMA USAHA | JAMBI | SBNM SUNGAI BENGKAL MILL | 35.500 | 2012 | 2012 | 2013 | 2014 | |
| 24 | SMART | PT SMART TBK | SOUTH KALIMANTAN | BKPM BUKIT KAPUR MILL | 36.208 | 2014 | 2015 | 2015 | 2015 | |
| 25 | GAR | PT SAWIT MAS SEJAHTERA | SOUTH SUMATRA | PPNM PANGKALAN PANJI MILL | 14.863 | 2013 | 2013 | 2014 | 2014 | |
| 26 | GAR | PT BUMI SAWIT PERMAI | SOUTH SUMATRA | BSWM BUMI SAWIT MILL | 34.689 | 2013 | 2013 | 2014 | 2014 | |
| 27 | GAR | PT DJUANDASAWIT LESTARI | SOUTH SUMATRA | MKNM MUARA KANDIS MILL | 51.939 | 2013 | 2013 | 2014 | 2014 | |
| 28 | GAR | PT BINASAWIT ABADI PRATAMA | CENTRAL KALIMANTAN | SRUM SUNGAI RUNGAU MILL | 112.244 | 2013 | 2013 | 2013 | 2013 | |
| 29 | GAR | PT BUMI PERMAI LESTARI | BANGKA BELITUNG | BPRM BUKIT PERAK MILL | 43.284 | 2013 | 2013 | 2014 | 2014 | |
| 30 | GAR | PT FORESTALESTARI DWIKARYA | BANGKA BELITUNG | TKAM TANJUNG KEMBIRI MILL | 52.359 | 2013 | 2013 | 2013 | 2014 | |
| 31 | GAR | PT SINAR KENCANA INTI PERKASA | SOUTH KALIMANTAN | SKPM SUNGAI KUPANG MILL | 60.979 | 2014 | 2015 | 2015 | 2015 | |
| 32 | GAR | PT SUMBER INDAH PERKASA | LAMPUNG | SBYM SUNGAI BUAYA MILL | 60.943 | 2014 | 2014 | 2013 | 2014 | |
| 33 | GAR | PT SUMBER INDAH PERKASA | LAMPUNG | SMRM SUNGAI MERAH MILL | 60.293 | 2014 | 2014 | 2013 | 2014 | |
| 34 | GAR | PT SINAR KENCANA INTI PERKASA | PAPUA | KSRM KASUARI MILL | 47.363 | 2014 | 2014 | 2014 | 2015 | |
| 35 | GAR | PT SINAR KENCANA INTI PERKASA | SOUTH KALIMANTAN | SNKM SENAKIN MILL | 21.376 | 2014 | 2014 | 2014 | 2015 | |
| 36 | GAR | PT AGROLESTARI MANDIRI | WEST KALIMANTAN | PKWM PEKAWAI MILL | 155 | 2014 | 2014 | 2014 | 2014 | |
| 37 | GAR | PT KENCANA GRAHA PERMAI | WEST KALIMANTAN | KNNM KENANGA MILL | - | 2014 | 2014 | 2014 | 2014 | |
| 38 | GAR | PT MITRAKARYA AGROINDO | CENTRAL KALIMANTAN | TNGM TANGAR MILL ¹ | - | 2015 | 2015 | 2015 | 2014 | |
| 39 | GAR | PT BINASAWIT ABADI PRATAMA | CENTRAL KALIMANTAN | PRDM PERDANA MILL | - | 2015 | 2015 | 2015 | 2014 | |
| 40 | GAR | PT AGROKARYA PRIMALESTARI | CENTRAL KALIMANTAN | KUYM KUAYAN MILL | - | 2015 | 2015 | 2015 | 2014 | |
| 41 | GAR | PT BANGUN NUSA MANDIRI | WEST KALIMANTAN | GHRM GAHARU MILL ² | - | 2015 | 0 | 0 | 0 | |
| 42 | GAR | PT PARAMITRA INTERNUSA PRATAMA | WEST KALIMANTAN | BLNM BELIAN MILL | - | 2015 | 2015 | 2015 | 2015 | |
| Data as of Jul 2009 to Jun 2010 for 42 Mills (ton CPO Processed) | | | | | Total CPO | 1.850.434 | | | | |

¹ Under Construction

² Cancelled Construction

| No | RSP0 TIMEBOUND | 2014 REVISED CERTIFICATION |
|-------|----------------|----------------------------|
| 1 | 2009* | 0 |
| 2 | 2010* | 0 |
| 3 | 2011* | 1 |
| 4 | 2012 | 10 |
| 5 | 2013 | 3 |
| 6 | 2014 | 20 |
| 7 | 2015 | 7 |
| Total | | 41 |

* Delay caused by RSP0 Grievance Panel Process

Jakarta, 30 Januari 2014

Prepared by:

Haskarhanus Pasang
Sustainability Division Head

Approved by:

Daud Dharsono
President Director

PT. SMART Tbk, PT Ivo Mas Tunggal (IMT) and Golden Agri (GAR) RSPO Timebound - Plantation

| No | GROUP | ESTATE COMPANY | LOCATION | ESTATE (FFB SUPPLIER) | PLANTED AREA (Ha) | Ori RSPO Timebound | 2012 Revised RSPO Timebound | 2013 Revised RSPO Timebound | 2014 Revised RSPO Timebound |
|----|-------|--------------------------------------|--------------------|----------------------------------|-------------------|--------------------|-----------------------------|-----------------------------|-----------------------------|
| 1 | | PT IVO MAS TUNGGAL | | SSME SAMSAM ESTATE | 2.816 | 2009 | 2012 | 2012 | 2013 |
| 2 | IMT | PT IVO MAS TUNGGAL | RIAU | KNDE KANDISTA ESTATE | 3.857 | 2009 | 2012 | 2012 | 2013 |
| 3 | | PT IVO MAS TUNGGAL | | PLPE PALAPA ESTATE | 3.044 | 2009 | 2012 | 2012 | 2013 |
| 4 | | PT IVO MAS TUNGGAL | | LIBE LIBO ESTATE | 4.378 | 2009 | 2012 | 2012 | 2013 |
| 5 | IMT | PT IVO MAS TUNGGAL | RIAU | NGLE NENGGALA ESTATE | 2.805 | 2009 | 2012 | 2012 | 2013 |
| 6 | | PT IVO MAS TUNGGAL | | SRKE SUNGAI ROKAN ESTATE | 3.921 | 2009 | 2012 | 2012 | 2013 |
| 7 | IMT | PT IVO MAS TUNGGAL | RIAU | UTNE UJUNG TANJUNG ESTATE | 3.864 | 2009 | 2012 | 2012 | 2013 |
| 8 | | PT BUANA WIRALESTARI MAS | | NMAE NAGA MAS ESTATE | 5.149 | 2010 | 2012 | 2012 | 2012 |
| 9 | IMT | PT BUANA WIRALESTARI MAS | RIAU | NSAE NAGA SAKTI ESTATE | 5.082 | 2010 | 2012 | 2012 | 2012 |
| 10 | | PT RAMAJAYA PRAMUKTI | | RBKE RAMA BAKTI INTI ESTATE | 2.706 | 2010 | 2012 | 2012 | 2012 |
| 11 | IMT | PT BUANA WIRALESTARI MAS SMALLHOLDER | RIAU | KJGE KIJANG MAS INTI ESTATE | 2.150 | 2010 | 2012 | 2012 | 2012 |
| 12 | | PT RAMAJAYA PRAMUKTI | | KJNP KIJANG PLASMA | 8.148 | 2011 | 2012 | 2012 | 2012 |
| 13 | IMT | PT RAMAJAYA PRAMUKTI | RIAU | RRME RAMA-RAMA INTI ESTATE | 4.092 | 2010 | 2012 | 2012 | 2012 |
| 14 | | SMALLHOLDER | | AJYP AMARTA JAYA PLASMA | 4.426 | 2011 | 2012 | 2012 | 2012 |
| 15 | | SMALLHOLDER | | RRMA RAMA-RAMA KKPA | 760 | 2011 | 2012 | 2015 | 2015 |
| 16 | | SMALLHOLDER | | STPA SUNGAI TAPUNG KKPA | 5.585 | 2011 | 2012 | 2012 | 2012 |
| 17 | | PT MEGANUSA INTISAWIT | | IDSE INDRA SAKTI ESTATE | 777 | 2011 | 2012 | 2013 | 2013 |
| 18 | IMT | SMALLHOLDER | RIAU | IDSA INDRA SAKTI KKPA | 4.868 | 2011 | 2012 | 2013 | 2013 |
| 19 | | SMALLHOLDER | | IDLA INDRA LESTARI KKPA | 2.211 | 2011 | 2012 | 2013 | 2013 |
| 20 | | SMALLHOLDER | | INDA INDRAGIRI KKPA | 6.975 | 2011 | 2012 | 2013 | 2013 |
| 21 | | PT BUMIPALMA LESTARIPERSADA | | BPLE BUMI LESTARI ESTATE | 1.680 | 2012 | 2012 | 2013 | 2014 |
| 22 | IMT | PT BUMIPALMA LESTARIPERSADA | RIAU | BPME BUMI PALMA ESTATE | 2.861 | 2012 | 2012 | 2013 | 2014 |
| 23 | | PT BUMIPALMA LESTARIPERSADA | | BSNE BUMI SENTOSA ESTATE | 1.734 | 2012 | 2012 | 2013 | 2014 |
| 24 | IMT | PT SAWITAKARYA MANUNGGUL | SOUTH KALIMANTAN | SWTE SAWITA ESTATE | 4.919 | 2012 | 2015 | 2015 | 2015 |
| 25 | | SMALLHOLDER | | SWTA SAWITA KKPA | 203 | 2012 | 2015 | 2015 | 2015 |
| 26 | | PT SAWITAKARYA MANUNGGUL | | PMKE PAMUKAN ESTATE | 1.641 | 2012 | 2015 | 2015 | 2015 |
| 27 | | PT SMART TBK | | PHLE PADANG HALABAN ESTATE | 7.134 | 2010 | 2011 | 2011 | 2011 |
| 28 | SMART | PT SMART TBK | NORTH SUMATRA | PRNE PERNANTIAN ESTATE | 2.153 | 2010 | 2011 | 2011 | 2011 |
| 29 | | PT SMART TBK | | ADPE ADI PATI ESTATE | 2.403 | 2010 | 2011 | 2011 | 2011 |
| 30 | | PT MP LEIDONG WEST INDONESIA | | KULE KANOPAN ULU ESTATE | 3.112 | 2010 | 2011 | 2011 | 2011 |
| 31 | SMART | PT TAPIAN NADENGGAN | | BAME BATU AMPAR ESTATE | 4.213 | 2010 | 2012 | 2012 | 2012 |
| 32 | | PT SMART TBK | | BMLE BATU MULIA ESTATE | 2.683 | 2010 | 2012 | 2012 | 2012 |
| 33 | GAR | PT SINAR KENCANA INTI PERKASA | SOUTH KALIMANTAN | SPNE SUNGAI PANCI ESTATE | 3.734 | 2010 | 2012 | 2012 | 2012 |
| 34 | | SMALLHOLDER | | SPNA SUNGAI PANCI KKPA | 3.259 | 2010 | 2012 | 2012 | 2012 |
| 35 | SMART | PT SMART TBK | SOUTH KALIMANTAN | TLTE TANAH LAUT ESTATE | 3.289 | 2010 | 2012 | 2012 | 2012 |
| 36 | | PT SMART TBK | | KNTE KINTAPURA ESTATE | 2.188 | 2010 | 2012 | 2012 | 2012 |
| 37 | | PT TAPIAN NADENGGAN | | LPYE LANGGA PAYUNG ESTATE | 4.739 | 2010 | 2012 | 2012 | 2012 |
| 38 | SMART | PT TAPIAN NADENGGAN | NORTH SUMATRA | PBNE PAYA BAUNG ESTATE | 2.507 | 2010 | 2012 | 2012 | 2012 |
| 39 | | PT SATYA KISMA USAHA | | NRME NORMARK ESTATE | 1.762 | 2010 | 2012 | 2012 | 2012 |
| 40 | | PT TAPIAN NADENGGAN | | HNAE HANAU ESTATE | 4.199 | 2010 | 2012 | 2012 | 2012 |
| 41 | | PT TAPIAN NADENGGAN | | TMSE TASIK MAS ESTATE | 4.287 | 2010 | 2012 | 2012 | 2012 |
| 42 | SMART | PT TAPIAN NADENGGAN | CENTRAL KALIMANTAN | TPRE TANJUNG PARING ESTATE | 3.966 | 2010 | 2012 | 2012 | 2012 |
| 43 | | PT TAPIAN NADENGGAN | | LGNE LANGDANG ESTATE | 2.054 | 2010 | 2012 | 2012 | 2012 |
| 44 | | PT SATYA KISMA USAHA | | MSRE MEDANG SARI ESTATE | 2.406 | 2010 | 2012 | 2015 | 2015 |
| 45 | SMART | PT MP LEIDONG WEST INDONESIA | | LWUE LEIDONG WEST UTARA ESTATE | 662 | 2011 | 2012 | 2013 | 2014 |
| 46 | | PT MP LEIDONG WEST INDONESIA | BANGKA BELITUNG | LWSE LEIDONG WEST SELATAN ESTATE | 627 | 2011 | 2012 | 2013 | 2014 |
| 47 | GAR | PT BUMI PERMAI LESTARI | | BINE BUKIT INTAN ESTATE | 4.657 | 2011 | 2012 | 2013 | 2014 |
| 48 | | PT BUMI PERMAI LESTARI | | BMSE BUKIT MAS ESTATE | 3.017 | 2011 | 2012 | 2013 | 2014 |
| 49 | SMART | PT TAPIAN NADENGGAN | | SMLE SEMILAR ESTATE | 3.993 | 2012 | 2012 | 2013 | 2013 |
| 50 | | PT TAPIAN NADENGGAN | CENTRAL KALIMANTAN | SRDE SEI RINDU ESTATE | 3.792 | 2012 | 2012 | 2013 | 2013 |
| 51 | GAR | PT BUANA ARTHA SEJAHTERA | | MNAE MANDANG ESTATE | 4.281 | 2012 | 2012 | 2013 | 2013 |
| 52 | | PT BUANA ARTHA SEJAHTERA | | PURE PURI ESTATE | 2.998 | 2012 | 2012 | 2013 | 2013 |
| 53 | | PT TAPIAN NADENGGAN | | PMSE PANTUN MAS ESTATE | 4.146 | 2012 | 2013 | 2014 | 2014 |
| 54 | SMART | SMALLHOLDER | EAST KALIMANTAN | PMSA PANTUN MAS KKPA | 964 | 2012 | 2013 | 2014 | 2014 |
| 55 | | PT TAPIAN NADENGGAN | | JLYE JAK LUAY ESTATE | 2.792 | 2012 | 2013 | 2014 | 2014 |
| 56 | | SMALLHOLDER | | JLYA JAK LUAY KKPA | 1.083 | 2012 | 2013 | 2014 | 2014 |
| 57 | | PT TAPIAN NADENGGAN | | LBLE LONG BULUH ESTATE | 3.523 | 2012 | 2013 | 2014 | 2014 |
| 58 | | PT TAPIAN NADENGGAN | | BSRE BUKIT SUBUR ESTATE | 1.516 | 2012 | 2013 | 2014 | 2014 |
| 59 | | SMALLHOLDER | | BSRA BUKIT SUBUR KKPA | 124 | 2012 | 2013 | 2014 | 2014 |
| 60 | | PT KRESNA DUTA AGROINDO | | GKME GUNUNG KOMBENG ESTATE | 3.101 | 2012 | 2012 | 2013 | 2014 |
| 61 | SMART | SMALLHOLDER | EAST KALIMANTAN | GKMA GUNUNG KOMBENG KKPA | 1.167 | 2012 | 2012 | 2013 | 2015 |
| 62 | | PT KRESNA DUTA AGROINDO | | MWHE MUIARA WAHAU ESTATE | 3.535 | 2012 | 2012 | 2013 | 2014 |
| 63 | SMART | PT KRESNA DUTA AGROINDO | EAST KALIMANTAN | RPNE RANTAU PANJANG ESTATE | 4.089 | 2012 | 2012 | 2013 | 2015 |
| 64 | | SMALLHOLDER | | RPNA RANTAU PANJANG KKPA | 975 | 2012 | 2012 | 2013 | 2015 |
| 65 | | SMALLHOLDER | | BNGP BANGKO PLASMA | 4.218 | 2012 | 2013 | 2013 | 2015 |
| 66 | SMART | SMALLHOLDER | JAMBI | KUJP KUBANG UJO PLASMA | 3.024 | 2012 | 2013 | 2013 | 2015 |
| 67 | | SMALLHOLDER | | PMNP PAMENANG PLASMA | 6.290 | 2012 | 2013 | 2013 | 2015 |
| 68 | | PT KRESNA DUTA AGROINDO | | PLKE PLAKAR ESTATE | 4.049 | 2012 | 2013 | 2013 | 2014 |
| 69 | SMART | PT KRESNA DUTA AGROINDO | JAMBI | BMRE BATANG MERANGIN ESTATE | 4.161 | 2012 | 2013 | 2013 | 2014 |
| 70 | | SMALLHOLDER | | TSRA TIGA SERUMPUN KKPA | 2.778 | 2012 | 2013 | 2013 | 2014 |
| 71 | | PT KRESNA DUTA AGROINDO | | BNGE BANGKO INTI ESTATE | 1.097 | 2012 | 2013 | 2013 | 2014 |
| 72 | SMART | SMALLHOLDER | JAMBI | BBNA BUKIT BUNGKUL KKPA | 4.676 | 2012 | 2013 | 2013 | 2015 |
| 73 | | PT SATYA KISMA USAHA | | BGDE BATANG GADING ESTATE | 2.783 | 2012 | 2012 | 2013 | 2015 |
| 74 | | SMALLHOLDER | | BGDA BATANG GADING KKPA | 1.086 | 2012 | 2012 | 2013 | 2015 |

| No | GROUP | ESTATE COMPANY | LOCATION | ESTATE (FFB SUPPLIER) | PLANTED AREA (Ha) | ORI RSPO Timebound | 2012 Revised RSPO Timebound | 2013 Revised RSPO Timebound | 2014 Revised RSPO Timebound | | |
|------------|--------------------------|-------------------------------|--------------------------|--------------------------------|-------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|------|------|
| 75 | SMART | PT SATYA KISMA USAHA | JAMBI | SBNE SUNGAI BENGKAL ESTATE | 2.343 | 2012 | 2012 | 2013 | 2014 | | |
| 76 | | SMALLHOLDER | | SBNA SUNGAI BENGKAL KKPA | 977 | 2012 | 2012 | 2013 | 2014 | | |
| 77 | | PT SATYA KISMA USAHA | | KILE KILIS ESTATE | 1.209 | 2012 | 2012 | 2013 | 2014 | | |
| 78 | | SMALLHOLDER | | KILA KILIS KKPA | 793 | 2012 | 2012 | 2013 | 2014 | | |
| 79 | SMART | PT SMART TBK | SOUTH KALIMANTAN | SCNE SUNGAI CANTUNG ESTATE | 3.755 | 2014 | 2015 | 2015 | 2015 | | |
| 80 | | PT SMART TBK | | BKPE BUKIT KAPUR ESTATE | 3.048 | 2014 | 2015 | 2015 | 2015 | | |
| 81 | GAR | PT BINASAWIT ABADI PRATAMA | CENTRAL KALIMANTAN | SRGE SUNGAI RUNGAI ESTATE | 3.378 | 2013 | 2013 | 2013 | 2013 | | |
| 82 | | PT BINASAWIT ABADI PRATAMA | | SSRE SUNGAI SERUYAN ESTATE | 4.210 | 2013 | 2013 | 2013 | 2013 | | |
| 83 | | PT BINASAWIT ABADI PRATAMA | | TRWE TERAWAN ESTATE | 4.660 | 2013 | 2013 | 2013 | 2013 | | |
| 84 | | PT BINASAWIT ABADI PRATAMA | | TNGE TANGAR ESTATE | 3.997 | 2013 | 2013 | 2013 | 2013 | | |
| 85 | | PT BINASAWIT ABADI PRATAMA | | BTGE BUKIT TIGA ESTATE | 2.628 | 2013 | 2013 | 2013 | 2013 | | |
| 86 | GAR | PT SAWIT MAS SEJAHTERA | SOUTH SUMATRA | SMSI SAWIT MAS ESTATE | 4.782 | 2013 | 2013 | 2014 | 2014 | | |
| 87 | | PT BUMI SAWIT PERMAI | | BSWE BUMI SAWIT ESTATE | 5.009 | 2013 | 2013 | 2014 | 2014 | | |
| 88 | | PT DIJUNDASAWIT LESTARI | | MKNE MUARA KANDIS ESTATE | 3.896 | 2013 | 2013 | 2014 | 2014 | | |
| 89 | | PT DIJUNDASAWIT LESTARI | | MTWE MUARA TAWAS ESTATE | 3.081 | 2013 | 2013 | 2014 | 2014 | | |
| 90 | | SMALLHOLDER | | PNDA PANDAWA KKPA | 2.060 | 2013 | 2013 | 2014 | 2015 | | |
| 91 | SMALLHOLDER | PNDP PANDAWA PLASMA | 1.135 | 2013 | 2013 | 2014 | 2015 | | | | |
| 92 | GAR | PT BUMI PERMAI LESTARI | BANGKA BELITUNG | BPBE BUKIT PERAK ESTATE | 3.680 | 2013 | 2013 | 2014 | 2014 | | |
| 93 | | PT BUMI PERMAI LESTARI | | BPTE BUKIT PERMATA ESTATE | 1.809 | 2013 | 2013 | 2014 | 2014 | | |
| 94 | GAR | PT FORESTALESTARI DWIKARYA | BANGKA BELITUNG | TKME TANJUNG KEMBIRI ESTATE | 5.839 | 2013 | 2013 | 2013 | 2014 | | |
| 95 | | PT FORESTALESTARI DWIKARYA | | TRSE TANJUNG RUSA ESTATE | 4.646 | 2013 | 2013 | 2013 | 2014 | | |
| 96 | GAR | PT SUMBER INDAH PERKASA | LAMPUNG | SBYE SUNGAI BUAYA ESTATE | 4.786 | 2014 | 2014 | 2013 | 2014 | | |
| 97 | | SMALLHOLDER | | GALA GEDUNG AJI LAMA KKPA | 5.002 | 2014 | 2014 | 2013 | 2014 | | |
| 98 | SMALLHOLDER | MSJA MESUJI KKPA | 5.206 | 2014 | 2014 | 2013 | 2014 | | | | |
| 99 | GAR | PT SUMBER INDAH PERKASA | LAMPUNG | SMRE SUNGAI MERAH ESTATE | 3.945 | 2014 | 2014 | 2013 | 2014 | | |
| 100 | | SMALLHOLDER | | GABA GEDUNG AJI BARU KKPA | 4.506 | 2014 | 2014 | 2013 | 2014 | | |
| 101 | GAR | PT SINAR KENCANA INTI PERKASA | SOUTH KALIMANTAN | SKPE SUNGAI KUPANG ESTATE | 4.225 | 2014 | 2015 | 2015 | 2015 | | |
| 102 | | SMALLHOLDER | | SKPA SUNGAI KUPANG KKPA | 3.859 | 2014 | 2015 | 2015 | 2015 | | |
| 103 | GAR | PT SINAR KENCANA INTI PERKASA | PAPUA | CNDE CENDRAWASIH ESTATE | 3.197 | 2014 | 2014 | 2014 | 2015 | | |
| 104 | | PT SINAR KENCANA INTI PERKASA | | NURE NURI ESTATE | 3.010 | 2014 | 2014 | 2014 | 2015 | | |
| 105 | | PT SINAR KENCANA INTI PERKASA | | RJWE RAJAWALI ESTATE | 3.676 | 2014 | 2014 | 2014 | 2015 | | |
| 106 | | PT SUMBER INDAH PERKASA | | MMEB MAMBRUK ESTATE | 3.445 | 2014 | 2014 | 2014 | 2015 | | |
| 107 | | PT SINAR KENCANA INTI PERKASA | | SNKE SENAKIN ESTATE | 5.394 | 2014 | 2014 | 2014 | 2015 | | |
| 108 | GAR | PT AGROLESTARI MANDIRI | WEST KALIMANTAN | KYNE KAYUNG ESTATE | 1.775 | 2014 | 2014 | 2014 | 2014 | | |
| 109 | | PT AGROLESTARI MANDIRI | | PKWE PEKAWAI ESTATE | 3.360 | 2014 | 2014 | 2014 | 2014 | | |
| 110 | | PT AGROLESTARI MANDIRI | | SKKE SUNGAI KELIK ESTATE | 1.626 | 2014 | 2014 | 2014 | 2014 | | |
| 111 | | PT AGROLESTARI MANDIRI | | NTYE MANGA TAYAP ESTATE | 4 | 2014 | 2014 | 2014 | 2014 | | |
| 112 | | SMALLHOLDER | | KYNA KAYUNG KEMITRAAN | 1.448 | 2014 | 2014 | 2014 | 2014 | | |
| 113 | GAR | PT KENCANA GRAHA PERMAI | WEST KALIMANTAN | KNCE KENCANA ESTATE | 2.849 | 2014 | 2014 | 2014 | 2014 | | |
| 114 | | PT KENCANA GRAHA PERMAI | | CDNE CENDANA ESTATE | 2.623 | 2014 | 2014 | 2014 | 2014 | | |
| 115 | | PT CAHAYA NUSA GEMILANG | | KNNE KENANGA ESTATE | 3.007 | 2014 | 2014 | 2014 | 2014 | | |
| 116 | | PT CAHAYA NUSA GEMILANG | | CMPE CEMPAKA ESTATE | 921 | 2014 | 2014 | 2014 | 2014 | | |
| 117 | | SMALLHOLDER | | KNCA KENCANA KEMITRAAN | 712 | 2014 | 2014 | 2014 | 2014 | | |
| 118 | | SMALLHOLDER | | KNNA KENANGA KEMITRAAN | 352 | 2014 | 2014 | 2014 | 2014 | | |
| 119 | | PT BANGUN NUSA MANDIRI | | GHRE GAHARU ESTATE | 2.021 | 2015 | 2015 | 2015 | 2014 | | |
| 120 | | GAR | | PT KARTIKA PRIMA CIPTA | WEST KALIMANTAN | MTNE MUARA TAWANG ESTATE | 2.400 | 2014 | 2014 | 2015 | 2015 |
| 121 | | | | PT PARAMITRA INTERNUSA PRATAMA | | BLNE BELIAN ESTATE | 2.698 | 2014 | 2014 | 2015 | 2015 |
| 122 | | | | PT PARAMITRA INTERNUSA PRATAMA | | THKE TENGGAWANG ESTATE | 152 | 2014 | 2014 | 2015 | 2015 |
| 123 | PT PERSADA GRAHA MANDIRI | | KHLE KAPUAS HULLU ESTATE | 3.438 | | 2014 | 2014 | 2015 | 2015 | | |
| 124 | GAR | PT BINASAWIT ABADI PRATAMA | CENTRAL KALIMANTAN | PRDE PERDANA ESTATE | 3.707 | 2015 | 2015 | 2015 | 2014 | | |
| 125 | | PT BINASAWIT ABADI PRATAMA | | LGGE LENGGANA ESTATE | 2.293 | 2015 | 2015 | 2015 | 2014 | | |
| 126 | | PT BINASAWIT ABADI PRATAMA | | SMNE SEMANDAU ESTATE | 3.841 | 2015 | 2015 | 2015 | 2014 | | |
| 127 | | PT BINASAWIT ABADI PRATAMA | | MDUE MUARA DUA ESTATE | 4.160 | 2015 | 2015 | 2015 | 2014 | | |
| 128 | | PT AGROKARYA PRIMALESTARI | | MNTE MENTAYA ESTATE | 3.003 | 2015 | 2015 | 2015 | 2014 | | |
| 129 | GAR | PT AGROKARYA PRIMALESTARI | CENTRAL KALIMANTAN | KUYE KUAYAN ESTATE | 3.276 | 2015 | 2015 | 2015 | 2014 | | |
| 130 | | PT AGROKARYA PRIMALESTARI | | BSTE BUKIT SANTUHAI ESTATE | 2.708 | 2015 | 2015 | 2015 | 2014 | | |
| 131 | | PT AGROKARYA PRIMALESTARI | | TBSE TAJUR BERAS ESTATE | 3.349 | 2015 | 2015 | 2015 | 2014 | | |
| 132 | | PT AGROKARYA PRIMALESTARI | | SRAE SERANAU ESTATE | 2.974 | 2015 | 2015 | 2015 | 2014 | | |
| 133 | | PT BUANA ADHITHAMA | | SPRE SAPIRI ESTATE | 1.474 | 2015 | 2015 | 2015 | 2014 | | |
| 134 | GAR | PT AGROLESTARI SENTOSA | CENTRAL KALIMANTAN | MNHE MANUHING ESTATE | 2.476 | 2015 | 2015 | 2015 | 2015 | | |
| 135 | | PT AGROLESTARI SENTOSA | | KJUE KAJUI ESTATE | 1.123 | 2015 | 2015 | 2015 | 2015 | | |
| 136 | | PT MITRAKARYA AGROINDO | | SLNE SULIN ESTATE | 4.196 | 2015 | 2015 | 2015 | 2014 | | |
| 137 | | PT MITRAKARYA AGROINDO | | NHYE NAHIYANG ESTATE | 3.160 | 2015 | 2015 | 2015 | 2014 | | |
| 138 | | PT MITRAKARYA AGROINDO | | KTYE KATAYANG ESTATE | 3.197 | 2015 | 2015 | 2015 | 2014 | | |
| 139 | | PT MITRAKARYA AGROINDO | | SNSE SUNGAI NUSA ESTATE | 2.536 | 2015 | 2015 | 2015 | 2014 | | |
| 140 | | PT ADITUNGGAL MAHAJAYA | | SKOE SAKO ESTATE | 1.242 | 2015 | 2015 | 2015 | 2015 | | |
| 141 | PT ADITUNGGAL MAHAJAYA | SAYE SUNGAI AYAWAN ESTATE | 1.946 | 2015 | 2015 | 2015 | 2014 | | | | |
| Total Area | | | | | 433.179 | | | | | | |

| No | RSPO TIMEBOU | 2014 REVISED ESTATE CERTIFICATION |
|-------|--------------|-----------------------------------|
| 1 | 2009* | 0 |
| 2 | 2010* | 0 |
| 3 | 2011* | 4 |
| 4 | 2012 | 21 |
| 5 | 2013 | 20 |
| 6 | 2014 | 64 |
| 7 | 2015 | 32 |
| Total | | 141 |

* Delay caused by RSPO Grievance Panel Process

Jakarta, 30 Januari 2014

Prepared by:

Haskartianus Pasang
Sustainability Division Head

Approved by:

Daud Dharsono
President Director

Auditor finding related time bound plan:

The auditor has verified the time bound plan for GAR and SMART as listed above, there are some changes was made in time bound plan due to a large of project will be certified. This time bound plan is updated by the company annually and communicated with RSPO.

BSI assessment team consider the time bound plan is challenging and still relevant to their management. BSI audit team found that the company comply with the Time bound Plan.

BSI also assessed the requirement for partial certification and concluded that:

1. There are no unresolved significant land disputes.
2. No replacement of primary forest or loss of HCV. New land acquisition follows the RSPO NPP process including public notification of new planting.
3. No labour disputes that are not being resolved through an agreed process.
4. No evidence of noncompliance with legal requirement was noted.

3.3. Details of findings

3.3.1 Major NC

No nay Major NC

3.3.2. Minor NC

No any minor NC

3.3.3 Observation

| Observation | |
|-------------|---|
| OBS No. | Description |
| 1 | Care should be taken for evaluation if any changes or amendments of regulation completely |
| 2 | It is nice to consider preparing OHS program for 2015 earlier and monitoring of fire extinguisher completely. |

3.4. Positive Findings

| Positive Findings | |
|-------------------|--|
| No. | Description |
| 1 | The company has developed scheme smallholder plantation (Plasma) for local communities surrounding company's area. |

3.5 Issues raised by stakeholders

The BSI has conducted interview with stakeholders during audit and also public announcement in RSPO website on 13th January 2015 for stakeholder's comments, no any comments was received within 30 days public announcement in RSPO website.

During stakeholder interviews, the BSI auditor has contacted and interview stakeholders as listed below:

| No. | Name | Institution |
|-----|------------------|--|
| 1 | Mr. AS | Kabid Amdal - Environmental Agency Kutai Timur District (BLH Kab. Kutai Timur) |
| 2 | Mr. WT | Manpower and Transmigration Department of Kutai Timur District (Dinas Tenaga Kerja dan Transmigrasi, kab. Kutai Timur) |
| 3 | Mr. SS | Agriculture Department of Kutai Timur District (Dinas Perkebunan Kab. Kutai Timur) |
| 4 | Mr. AP | National Land Authority of Kutai Timur District (Kasi P3 – Badan Pertanahan Nasional Kab. Kutai Timur) |
| 5 | Mr. AR | Village Head of Jak Luay |
| 6 | Mr. I MS | Village Head of Sido Mulyo |
| 7 | Mr. M and Mr. MY | Village head of Pantun Mas and Local Community Leader of Pantun Mas |
| 8 | Mr. S | Scheme Smallholders Cooperative leader |
| 9 | | |

Stakeholders comments were received during stakeholders meeting and company response as listed below:

Environment Agency KUTAI TIMUR District

The company has SEIA documents (AMDAL), license of storage hazardous waste, LA permit, RKL / RPL is reported regularly, no any reported disputes related environmental accident, Proper category is "Blue Grade".

Management Response:

The company appreciates the positive comments of BLH Kutai Timur District.

Auditor Response:

Positive comments.

Department of Manpower and Transmigration Kutai Timur District

In general, the communication between the company and the local government has been going well, labour condition is reported regularly, there is no indicated hired employees under 18 years old, payment of salary more than minimumwages, medical check up for employees who are involved in chemical substances is conducted regularly, operator has SIO (operator permit), training is conducted regularly, medical insurances for all workers (BPJS), the company has conducted HIRADC, preparing PPE appropriately,

Management Response:

The company appreciates the positive comments of Manpower and Transmigration Department of Kutai Timur District.

Auditor Response:

Positive comments.

Plantation Department Of Kutai Timur District

The company has Plantation Business License (IUP) and a plantation area is not in forest area.

Management Response:

The company appreciates the positive comments of Plantation department of Kutai Timur District.

Auditor Response:

Positive comments.

BPN of Kutai Timur:

The company has land title (HGU) and implement FPIC prior land preparation.

Management Response:

The company appreciates the positive comments of BPN - Kutai Timur District.

Auditor Response:

Positive comments.

Village Chief and Cooperatives Leader

The company has maintained good communication with the local communities, developed scheme smallholder (Plasma) for local communities surrounding company, preparing training for scheme smallholders, distributed fertilizer and loan seeds, CSR program,

Management Response:

The company appreciates the positive comments of Villages Head and cooperatives leader.



Auditor Response:

Positive comments.

3.6 Status of Non Conformities

| Reference | Category | Issued | Closed |
|-----------|----------|--------|--------|
| - | - | - | - |
| | | | |

Section 4. Acknowledgement of Assessment Finding

| Acknowledgement of Assessment Findings | Report Prepared by |
|--|--|
| Name: Izmu Zulfikar | Name: Haeruddin |
| Company name: PT. Tapan Nadenggan | Company name: PT. BSI Indonesia |
| Title: Head Of Environmental Department | Title: Lead Auditor |
| Signature:  | Signature:  |

Appendix "A"
RSPO Certificate Details

PT. TAPIAN NADENGGAN

RSPO membership No. 100190500000.

Dated 14th January 2005

Sinar Mas Land Plaza, Tower II, 30th Floor, Jl. MH Thamrin No. 51, Menteng
Jakarta – INDONESIA.

Certificate Number: SPO 623595

Applicable Standards: **RSPO Principles & Criteria: 2013**

RSPO Supply Chain Certification requirement for CPO Mills, Nov. 2011 – Module E Mass Balance

| PT. TAPIAN NADENGGAN PALM OIL MILL AND SUPPLY BASE | | | | | |
|---|------------------|--|-----------------|----------------------------|----------------------------|
| Location Address | | Desa Jak Luay Kecamatan Muara Wahau Kabupaten Kutai Timur Kalimantan Timur | | | |
| GPS Location | | E 116°54'54.00" - N 0°57'03.00" | | | |
| Certified CPO Tonnage Total | | 98,286 MT | | | |
| Certified PK Tonnage Total | | 21,409 MT | | | |
| Own estates FFB Tonnage | | 389,251 Tonnes | | | |
| Non-company Suppliers FFB Tonnage*) | | 136.630 Tonnes | | | |
| Estates | Mature (ha) | Immature (ha) | Others (Ha) | Total land-use titles (ha) | Annual FFB Production (mt) |
| Jak Luay Estate | 3,325.74 | 0 | 557.12 | 3,882.86 | 104,818 |
| Pantun Mas Estate | 4,364.91 | 0 | 731.28 | 5,096.19 | 142,939 |
| Long Buluh Estate | 2,682.32 | 13.12 | 803.95 | 3,499.39 | 87,849 |
| Bukit Subur Estate | 1,801.94 | 285.08 | 2,536.99 | 4,624.01 | 53,645 |
| TOTAL | 12,174.91 | 298.20 | 4,629.34 | 17,102.45 | 389,251 |

Note: *) Non Company Supplier FFB is not certified

Appendix "B"
Audit Plan

| AUDIT AGENDA | | | | | |
|-----------------------|------------------|--|-----------|-----------|-----------|
| Tanggal | Waktu/Jam | Uraian | HR | NM | WY |
| Senin, 12/01/2015 | | Flight Jakarta – Balikpapan – Berau (via pesawat) dan Berau – Lokasi (via darat) → diatur oleh PT. Tapian Nadenggan. | √ | √ | √ |
| Selasa, 13/01/2015 | 08.00 – 09.00 | Opening Meeting (Pertemuan pembukaan) - Presentasi oleh klien (Presentasi ringkas tentang manajemen PT. Tapian Nadenggan). - Presentasi oleh tim audit tentang proses audit dan ruang lingkup. | √ | √ | √ |
| | 09.00 – 12.00 | Field Visit: Jakluay Estate Herbicide application programmes, harvesting, fertilising operations, HCV's, riparian zones, water management, road maintenance, terracing, Boundaries inspection, worker interviews, social amenities, interview with local communities, social issues, etc. | √ | | |
| | | Field Visit: Jakluay Estate chemical stores, fertilizer store, workshops, housing, landfill, clinic, etc. | | | √ |
| | | Interview With Stakeholder: Interview with Government Officer in Wahau (BPN, Disbun, Disnaker and BLH) | | √ | |
| | 12.00 – 14.00 | Makan siang / istirahat | | | |
| | 14.00 – 17.00 | Dokumen Review: Jakluay Estate | √ | √ | √ |
| Rabu, 14/01/2015 | 08.00 - 12.00 | Field Visit: Pantun Mas Estate Herbicide application programmes, harvesting, fertilising operations, HCV's, riparian zones, water management, road maintenance, terracing, Boundaries inspection, worker interviews, social amenities, interview with local communities, social issues, etc. | √ | | |
| | | Field Visit: Pantun Mas Estate chemical stores, fertilizer store, workshops, housing, landfill, clinic, etc. | | | √ |
| | | Stakeholder Interview: Interview with stakeholders surrounding company, i.e. Head of village, local community leader, scheme smallholder leader, etc. | | √ | |
| | 12.00 – 14.00 | Makan siang / Istirahat | | | |
| | 14.00 – 17.00 | Dokumen Review: Pantun Mas Estate | √ | √ | √ |
| Kamis, 15/01/2015 | 08.00 – 12.00 | Field Visit Mill: Worker interviews (OSH, contract, salary, etc), PPE, safe working environment, walk ways, signs, EFB. POME treatment, emissions, diesel tanks, fire extinguishers, first aiders and boxes, etc | | | √ |
| | | Document review: Jakluay Mill Including RSPO SCCS | √ | √ | √ |
| | 12.00 – 14.00 | Makan siang / istirahat | | | |
| | 14.00 – 15.00 | Closing meeting | √ | √ | √ |
| | 15.00 - | Travelling Estate – Berau (Stay overnight in Berau) | √ | √ | √ |
| Jumat, 16/01/2015 | | Travelling Berau – Balikpapan - Jakarta | √ | √ | √ |

Appendix "C"
RSPO SCCS CHECKLIST "MODULE E – MASS BALANCE"

| Requirements | |
|---|--|
| E.1. Documented procedures | |
| E.1.1 The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified for Mass Balance (MB) supply chain requirements. | PT Tapian Nadenggan demonstrates sets of procedure for Supply Chain Certification with Mass Balance Module, applicable for Jakluay Mill. SOP Identifikasi dan Kemampu-telusuran PT.TN-JLYM/SOP/01 – describe the identification of supply bases; SOP Mass Balance PT.TN-JLYM/SOP/17 – describe the rules of mass balance, definition of balance in three-month system, credit stock system, it is also determine the maximum period would be 3 months. |
| E.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs. | Facility able to demonstrate documented procedures for receiving and processing certified and non-certified FFB. |
| E.2. Purchasing and goods in | |
| E.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received. | PT Tapian Nadenggan – Jakluay Mill demonstrate Mass Balance Report for SCCS, indicating the FFB received from each supply base, the production of traceable-CPO, production of traceable-kernel, and despatch of traceable-CPO and kernel. Traceable defined as product from same group company. The facility is able to verify certified and non-certified FFB received and record of certified and non certified FFBs is recorded. |
| E.2.2 The facility shall inform the CB immediately if there is a projected overproduction. | The company has the procedure no. SOP/SMART/CERS-EHSD/SADV/I/001 to inform CBs if any over production. |
| E.3. Record keeping | |
| E.3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of certified and noncertified palm products. | Record of certified and non certified product is recorded daily, monthly and three monthly basis and updated. |
| E.3.2 Retention times for all records and reports shall be at least five (5) years | According to SOP Pengendalian Catatan (Rekaman) No.PT.TN-JLYM/SOP/12, the retention period is specified as 10 years or as prescribed under Catatan Retensi Arsip form No.PT TN-JLYM/FOR-SOP/12-1. |
| E.3.3 (a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis. | All the inventory records are maintained and updated on three monthly reports. No PKO and Palm kernel meal at mill sites. All certified product is recorded daily, monthly and three monthly basis. |
| E.3.3 (b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. | The company able to demonstrate CPO and PK delivered from facility deducted in balancing stock by system. |
| E.3.3 (c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short. | The company only sell CPO / PK certified from positive stock, this system has been installed in Weight Bridge System. |
| E.3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model | The following trade names have been specified in the procedure as mentioned in indicator E.1.1. |

| | |
|---|---|
| used should be clearly indicated. | |
| E.3.5 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement. | No outsourcing activities. |
| E.4. Sales and goods out | |
| E.4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information (a) The name and address of the buyer (b) The date on which the invoice was issued (c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance) (d) The quantity of the products delivered (e) Reference to related transport documentation | Sales invoice will be issued contain information name and address of buyer, date, product description, supply chain model used and quantity of product as regulated in procedure no. PT.TN-JLYM/SOP/01 and form of those documents are available in place. |
| E.5. Training | |
| E.5.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems. | Staffs in the weighbridge, inventory, storage and processing, document control have attended training. Training SCCS was conducted on 5 March 2014, attended 19 workers who is involved in RSPO SCCS system, e.g. training for Switania dan Sinta M - Weighbridge. |
| E.6. Claims | |
| E.6.1 The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims. | No claims made because the supply base has not being certified. |

Certified Mill Production in previous year

| MILL | CAPACITY | CPO (tonnes) | PK (tonnes) |
|----------------------|--------------------|--------------|-------------|
| PT. Tapian Nadenggan | 80 tonnes FFB/hour | - | - |

Certified FFB received Monthly in previous year

| Month | Pantun Mas Estate | Jak Luay Estate | Bukit Subur Estate | Long Buluh Estate | Total FFB/Month |
|----------------|-------------------|-----------------|--------------------|-------------------|-----------------|
| January 2014 | - | - | - | - | - |
| February 2014 | - | - | - | - | - |
| March 2014 | - | - | - | - | - |
| April 2014 | - | - | - | - | - |
| May 2014 | - | - | - | - | - |
| June 2014 | - | - | - | - | - |
| July 2014 | - | - | - | - | - |
| August 2014 | - | - | - | - | - |
| September 2014 | - | - | - | - | - |
| October 2014 | - | - | - | - | - |
| November 2014 | - | - | - | - | - |
| December 2014 | - | - | - | - | - |
| TOTAL | - | - | - | - | - |

Sales of CPO and PK certified by etrace

| No. | Date | Name of buyer | CPO (Tonnes) | PK (Tonnes) |
|--------------|-------------|----------------------|-------------------------|------------------------|
| 1 | - | - | - | - |
| 2 | - | - | - | - |
| Total | | | - | - |

Appendix "E"
Abbreviation used

| | |
|-------|--|
| AMDAL | Analisis Mengenai Dampak Lingkungan (Social and Environmental Impact Assessment) |
| B3 | Hazardous, Dangerous and Poisonous Substance |
| BLH | Badan Lingkungan Hidup (Environmental Board) |
| BOD | Biological Oxygen Demand |
| BPN | Badan Pertahanan Nasional (National Land Authority) |
| BSI | British Standard Institution |
| CPO | Crude Palm Oil |
| CSR | Corporate Social Responsibility |
| EFB | Empty Fruit Bunch |
| FFB | Fresh Fruit Bunch |
| FSC | Forestry Stewardship Council |
| GPS | Global Positioning System |
| HCV | High Conservation Value |
| HGU | Hak Guna Usaha (Land) title for commercial use |
| HO | Head Office |
| IPM | Integrated Pest Management |
| ISO | International Standards Organisation |
| ISPO | Indonesia Sustainable Palm Oil Foundation |
| ISCC | International Carbon Certification System |
| IUP | Izin Usaha Perkebunan (Plantation Licence) |
| KER | Kernel Extract Ratio |
| MB | Mass Balance |
| NGO | Non-Government Organisation |
| NPP | New Planting Procedures |
| OER | Oil Extract Ratio |
| OHS | Occupational Health and Safety |
| P2K3 | Panitia Pembina Kesehatan dan Keselamatan Kerja |
| PK | Palm Kernel |
| PKB | Perjanjian Kerja Bersama (Worker Agreement) |
| POM | Palm Oil Mill |
| PPE | Personal Protective Equipment |
| PT | Perseroan Terbatas (Limited Company) |
| RKL | Rencana Pengelolaan Lingkungan (Environmental Management Plan) |
| RPL | Rencana Pemantauan Lingkungan (Environmental Monitoring Plan) |
| RSP0 | Rountable Sustainable Palm Oil |
| SEIA | Social & Environmental Impact Assessment |
| SIA | Social Impact Assessment |
| SCCS | Supply Chain Certification System |
| SOP | Standard Operation Procedure |
| UKL | Upaya Pengelolaan Lingkungan (Environmental Management Effort) |
| UPL | Upaya Pemantauan Lingkungan (Environment Monitoring Effort) |