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Roundtable on Sustainable Palm Oil

Annual Surveillance Audit Report

Report no.: ASA2_824 502 14007

Surveillance assessment against the
RSPO Principles & Criteria [NI P&C RSPO 2013 for Indonesia] and RSPO SCCS November 2014

Bakrie Sumatera Plantation Area Sumut 1 and Palm Oil Mill Kisaran

Head Office:

Jl. Ir. H. Juanda, Kisaran, Asahan District, North Sumatera Province, Indonesia 21202

Date of assessment: May 15th to 19th, 2017

Report prepared by:

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1.0 SCOPE OF ANNUAL SURVEILLANCE AUDIT

1.1 National Interpretation Used

The operations of the palm oil mill(s) and its supply base of FFB assessed against the national interpretation RSPO Principles and Criteria 2013 for Indonesia of the RSPO Principles & Criteria and RSPO Supply Chain Certification November 2014 with selected Supply Chain Model Mass Balance (Module E).

1.2 Type of Assessment

The 2nd annual surveillance audit was carried out on 1 mill and 5 estates (Tanah Raja estate, Kuala Piasa estate, Gurach Batu estate, Serbangan estate, and Sei Baleh estate) under PT Bakrie Sumatera Plantation by Bakrie Sumatera Plantation Group.

1.3 Certification Details

The details of RSPO certification of PT Bakrie Sumatera Area Sumut 1 - Kisaran Mill are as per the table below:

Table 1: RSPO Certification details of PT Bakrie Sumatera Plantation Area Sumut 1

| | |
|-------------------------------------------------------------------------|-----------------------------------------------------------------|
| RSPO Membership no.: | 1-0036-07-000-00 |
| RSPO Certificate no.: | 824 502 14007 |
| Date of first RSPO certificate & validity: | Issued: June 14, 2010 & validity: 2010-06-14 to 2015-06-13 |
| Date of recertification audit: | - |
| Date of previous surveillance audit: | April 13-16, 2015 |
| Date of revised RSPO certificate & validity (if applicable): | Revised: November 03, 2015 & validity: 2015-06-14 to 2020-06-13 |
| CPO tonnages claimed: | 30,483.33 |
| PK tonnages claimed: | 6,290.21 |
| Net GHG Calculation this year (tCO_{2e}/tCPO) | - |

1.4 Location and Maps

Table 2: GPS locations for all estates and mills included in annual surveillance assessment

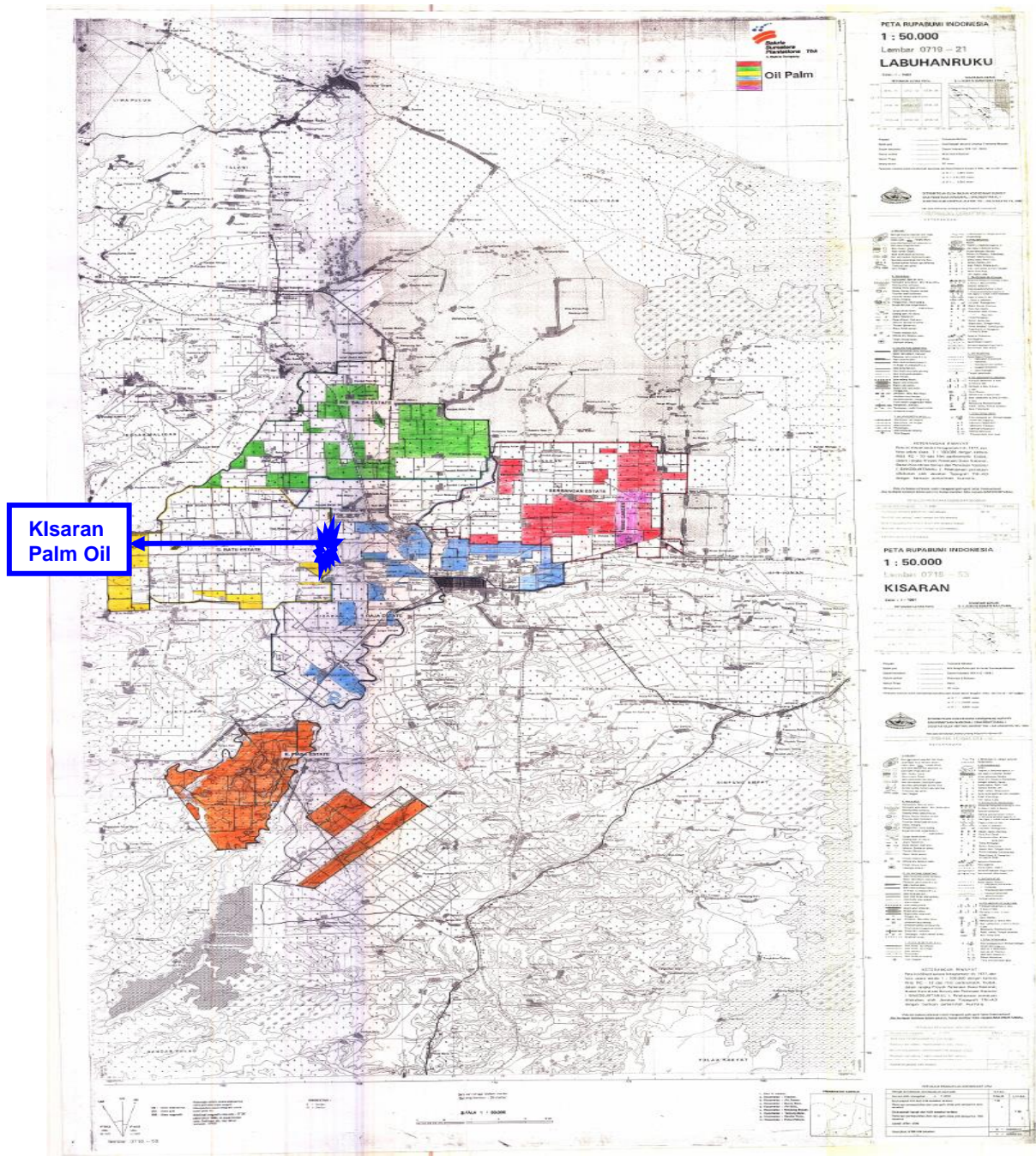
| Name of mill / estates | Location | GPS locations | |
|------------------------|--------------------------------------------------------------------------------------|---------------|---------------|
| | | Latitude | Longitude |
| Main office | Jl. Ir. H. Juanda, Kisaran 21202, Asahan Regency, North Sumatera Indonesia | 02°59'04.6"N | 099°38'12.1"E |
| Palm Oil Mill | Sei Baleh Village, Sei Baleh District, Batu Bara Regency, North Sumatra Province. | 03°02'26.7"N | 099°34'53.2"E |
| Tanah Raja | Sei Renggas Village, Kisaran Barat District, Asahan Regency, North Sumatra Province. | 02°57'50.0"N | 099°35'57.7"E |
| Gurach Batu | Gerak Tani Village, Meranti District, Asahan Regency, North Sumatra Province. | 3°20'45.0"N | 99° 58'23.4"E |
| Kuala Piasa | Tinggi Raja Village, Tinggi Raja District, Asahan Regency, North Sumatra Province. | 02°54'04.2"N | 099°34'00.2"E |
| Serbangan | Rawang Lama Village, Panca Arga District, Asahan Regency, North Sumatra Province. | 03°01'29.8"N | 099°39'30.3"E |
| Sei Baleh | Sei Baleh Village, District Sei Baleh, Batu Bara Regency, North Sumatra Province. | 03°04'12.1"N | 099°35'11.0"E |

Figure 1a: Location map of PT BSP Kisaran within the North Sumatera Province, Indonesia



Figure 1b: Map of PT Kencana Sawit Indonesia Estate

Figure 1b: Location map of PT Bakrie Sumatera Plantation Area Sumut 1 – Kisaran Mill



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1.5 Organisational Information / Contact Person

Contacts details of the company are as follows:

| | |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Company Name: | PT Bakrie Sumatera Plantation Tbk Kisaran Unit |
| Address: | Jl. Ir. H. Juanda, Kisaran 21202, Asahan Regency, North Sumatera Province, Indonesia Sei Baleh Village, Sei Baleh District, Batu Bara Regency |
| Contact Person: | Mr. Andi Wahyudin |
| Telephone: | +62-623- 41434, +62-623-348614; Fax: +62-623-41066 |
| Email: | iso.kisaran@bakriesumatera.com |

1.6 Description of Supply Base

Table 3: FFB Supply Information for Kisaran Palm Oil Mill year 2016 & year 2017 (April 2017)

| FFB Contributors | FFB supplied year 2016 | | FFB supplied year 2017 (until April 2017) | |
|-----------------------------------------------|------------------------|---------------|-------------------------------------------|---------------|
| | Tonnes | % | Tonnes | % |
| Company owned estates (certified sources): | | | | |
| Serbangan Estate | 29,894.770 | 14.74 | 9,288.380 | 19.16 |
| Sei Baleh Estate | 32,791.990 | 16.17 | 9,703.370 | 20.02 |
| Gurach Batu Estate | 13,526.660 | 6.67 | 3,788.630 | 7.82 |
| Tanah Raja Estate | 35,198.560 | 17.36 | 10,307.260 | 21.26 |
| Kuala Piasa Estate | 30,446.350 | 15.01 | 10,189.770 | 21.02 |
| Sub Total | 141,858.330 | 69.95 | 42,883.061 | 89.28 |
| Other company's area (non certified sources): | | | | |
| Aek Salabat | 183.610 | 0.09 | 64.970 | 0.13 |
| Seed garden | 16,006.420 | 7.89 | 4,799.120 | 9.09 |
| Graha Dura | 569.410 | 0.28 | 726.470 | 1.50 |
| Sub Total | 16,759.440 | 8.26 | 5,590.560 | 10.72 |
| Outgrowers | 44,179.289 | 21.78 | 0.000 | 0.00 |
| Sub Total | 44,179.289 | 21.78 | 0.000 | 0.00 |
| TOTAL | 202,797.059 | 100.00 | 48,473.621 | 100.00 |

1.7 Actual production volumes, tonnages and projected outputs.

Table 4: Certified tonnages claimed, certified tonnages purchased or sold, total and projected CPO and PK production from Kisaran Palm Oil Mill

| | Amount (MT) | |
|-------------------------------------------------------------------|----------------------------------|--------------------------------|
| | 2016 | 2017 |
| Certified tonnages claimed | CPO: 34,989 PK: 6,846 | |
| Certified tonnages sold* | CPO: 23,411.133 PK: 5,541.649 | |
| Certified tonnages purchased* | 0.00 | |
| Actual Production* | CPO: 43,895.411 PK: 8,686.879 | |
| Actual OER & KER | OER: 21.64 & KER: 4.28 | |
| Actual certified FFB year 2016 | 141,858.330 | |
| Actual FFB year 2016 | 202,797.059 | |
| Projected FFB for next 12 months | | 230,456.520 |
| Projected certified FFB for next 12 months | | 146,624.960 |
| Projected total output for next 12 months CPO & PK | | CPO: 47,911.91 PK: 9,886.58 |
| Projected certified output for next 12 months CPO & PK | | CPO: 30,483.33 PK: 6,290.21 |
| Projected OER & KER for next 12 months. | | OER: 20.79% & KER: 4.29% |

*Data from January until December 2016

1.8 Dates of Plantings and Replanting Cycles

The company follows a replanting cycle of 25 years. Information on the dates of plantings are as per the table below.

Table 5: Age and year of plantings of company estate supplying to Kisaran Palm Oil mill

| Age & Year of Plantings | Oil palm planted area at each estate(ha) | | | | | Total |
|----------------------------|------------------------------------------|------------------|--------------------|-------------------|---------------------|-----------------|
| | Serbangan Estate | Sei Baleh Estate | Gurach Batu Estate | Tanah Raja Estate | Kuala Pi-asa Estate | |
| 0 – 5 yrs (2017 – 2013) | 368.00 | 59.00 | 101.00 | 0.00 | 123.00 | 651.00 |
| 5-10 yrs (2012 – 2008) | 713.00 | 671.00 | 497.00 | 1,054.00 | 0.00 | 2,935.00 |
| 10-15 yrs (2007 – 2003) | 89.00 | 477.00 | 8.00 | 329.00 | 122.00 | 1,025.00 |
| 15-20 yrs (2002 – 1998) | 59.00 | 65.00 | 30.00 | 290.00 | 352.00 | 796.00 |
| 20-25 yrs (1997 – 1993) | 609.00 | 968.00 | 351.00 | 277.00 | 1,647.00 | 3,852.00 |
| 25-30 yrs (1992 – 1988) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL | 1,838.00 | 2,240.00 | 987.00 | 1,950.00 | 2,244.000 | 9,259.00 |

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Table 6: Planned and actual oil palm replanting activities for PT Bakrie Sumatera Plantation Tbk Kisaran Unit

| Year | Total planned replanting area (ha) | Total planned replanting area for each estate (ha) | | | | | Actual total area replanted (ha) |
|--------------|------------------------------------|----------------------------------------------------|------------------|--------------------|-------------------|--------------------|----------------------------------|
| | | Serbangan Estate | Sei Baleh Estate | Gurach Batu Estate | Tanah Raja Estate | Kuala Piasa Estate | |
| 2017 | 168.00 | 0.00 | 62.00 | 0.00 | 106.00 | 0.00 | 0.00 |
| 2018 | 376.00 | 76.00 | 0.00 | 253.00 | 47.00 | 0.00 | 0.00 |
| 2019 | 275.00 | 56.00 | 0.00 | 98.00 | 64.00 | 57.00 | 0.00 |
| 2020 | 119.00 | 0.00 | 50.00 | 0.00 | 0.00 | 69.00 | 0.00 |
| 2021 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 938.00 | 132.00 | 112.00 | 351.00 | 217.00 | 126.00 | 0.00 |

1.9 Area of Plantation (Total, Planted and Mature)

Table 7: Oil Palm Planted Area Summary, FFB Production and Average yield/ha for PT Bakrie Sumatera Plantation Tbk Kisaran Unit

| Estate Name | Total area (ha) | Oil Palm Planted area (ha) | Mature (Production) area (ha) | Immature (Non-production) area (ha) | FFB Production* (tonnes) | Average yield/ ha |
|--------------------|-----------------|----------------------------|-------------------------------|-------------------------------------|--------------------------|-------------------|
| Serbangan Estate | 1,838.00 | 1,838.00 | 1,590.00 | 248.00 | 29,894.770 | 18.80 |
| Sei Baleh Estate | 2,240.00 | 2,240.00 | 2,218.00 | 22.00 | 32,791.990 | 14.78 |
| Gurach Batu Estate | 987.00 | 987.00 | 886.00 | 101.00 | 13,526.660 | 15.26 |
| Tanah Raja Estate | 1,950.00 | 1,950.00 | 1,950.00 | 0.00 | 35,198.560 | 18.05 |
| Kuala Piasa Estate | 2,244.00 | 2,244.00 | 2,148.00 | 96.00 | 30,446.350 | 14.17 |
| TOTAL | 9,259.00 | 9,259.00 | 8,792.00 | 467.00 | 141,858.33 | 16.13 |

Note: * Production from January until December 2016 (after grading)

Table 8: Land use data for PT Bakrie Sumatera Plantation Tbk Kisaran Unit

| Estate Name | Total area (ha) | Rubber Planted Area (ha) | Oil Palm Planted Area (ha) | HCV/ Potential HCV areas (ha)* | Land used for other purposes (ha) | | | |
|--------------------|-----------------|--------------------------|----------------------------|--------------------------------|-----------------------------------|-----------------|---------------------|---------------|
| | | | | | Building | Road, rail-ways | Not Plant-able Area | Other Purpose |
| Serbangan Estate | 3,391.00 | 1,422.00 | 1,838.00 | 44.00 | 56.00 | 74.00 | 0.00 | 1.00 |
| Sei Baleh Estate | 3,955.00 | 1,588.00 | 2,240.00 | 131.16 | 53.00 | 69.00 | 4.00 | 1.00 |
| Gurach Batu Estate | 3,562.00 | 2,474.00 | 987.00 | 66.48 | 43.00 | 50.00 | 0.00 | 8.00 |
| Tanah Raja | 4,152.00 | 1,739.00 | 2,056.00 | 45.73 | 169.00 | 144.00 | 0.00 | 44.00 |

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|--------------------|------------------|-----------------|-----------------|---------------|---------------|---------------|--------------|--------------|
| Estate | | | | | | | | |
| Kuala Piasa Estate | 2,764.00 | 450.00 | 2,244.00 | 343.13 | 22.00 | 35.00 | 8.00 | 5.00 |
| TOTAL | 17,824.00 | 7,673.00 | 9,365.00 | 630.50 | 343.00 | 372.00 | 12.00 | 59.00 |

Note: * Inside planted area

1.10 Progress against Time Bound Plan

Table 9: Time Bound Plan of the Other Management Units

| Name of Holding | Location | Time bound plan for certification (year) | Remarks |
|------------------------------|------------------|------------------------------------------|--------------------------------------|
| PT Bakrie Pasaman Plantation | West Sumatera | 2018 | Planned |
| PT Citalaras Cipta Indonesia | West Sumatera | 2018 | Planned |
| PT Grahadura Ledong Prima | North Sumatera | 2019 | Planned |
| PT Monrad Intan Barakat | South Kalimantan | 2019 | Planned |
| PT Sumbertama Nusapertiwi | Jambi | 2019 | Planned |
| BSP Kisaran | North Sumatera | 2015 | Certified |
| Agromitra Madani | Jambi | 2012 | Recertification audit on August 2017 |

1.11 Compliance to Rules for Partial Certification

Compliance of the uncertified management units of BSP Group against the rules for partial certification according to RSPO Certification System clause 4.2.4 was assessed by reviewed BSP Group self assessment reports. A summary of findings is as stated below.

The company has not been able to show the timebound plan for uncertified estate that the majority shareholder own by Bakrie Group. **This condition raised as non-conformity (NCR RSPO 01083).**

The company has not been able to show the results of self-assessment of Partial Certification 4.2.4 for uncertified estate to fulfill point (e) until (h). **This condition raised as non-conformity (NCR RSPO 01084).**

| Partial Certification Requirements | Audit Findings |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) The parent organization or one of its majority owned and / or managed subsidiaries is a member of RSPO. | PT Bakrie Sumatera Plantation Kisaran is RSPO member with membership number 2-0017-05-000-00. |
| (b-d) A challenging time-bound plan for certifying all its relevant entities submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills. Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to review. for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the or- | The time frame laid out above is consider to be both challenging and realistic and update. The company has justified the reason for the changing timebound plan is related the operational cost to conduct certification for entire company on BSP Group and government policy related peat land because most of uncertified company has peat land. |

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| ganisation can demonstrate that they are justified | |
| (e) No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure | There is no replacement of primary forest or any area identified as containing High Conservation Value (HCV) based on HCV report for PT BPP and PT GLP. The company has established the HCV assessment program for other uncertified company such as PT CCI, PT MIB and PT SNP. The HCV assessment program will conduct starting from 2018 until 2019. |
| (f) Land conflicts, if any, are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6. | There is no land conflict issue found until surveillance audit |
| (g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3. | No labor disputed issue found until surveillance audit. |
| (h) Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. | The company has carried out evaluation of compliance to law & regulation. The result of evaluation is some of BSP Group have not complied with certain legal requirements, as example is the company have not yet identify and evaluated for entire regulation related environmental, OSH and Labor. The process is still ongoing. |

1.12 Compliance to other RSPO Procedure

| | |
|---------------------------------------------|---|
| RSPO NPP | - |
| RSPO Compensation and Remediation procedure | - |
| Areal Subject to sanction | - |

1.13 Compliance to RSPO Guidance on GHG calculation

During the surveillance audit, the audit team verify and confirm that:

| | |
|-------------------------------------------------------------|-----------------------------|
| The RSPO PalmGHG Calculator used | GHG Calculation version 3.0 |
| Accurate data has been put into the RSPO PalmGHG Calculator | Yes |
| Net GHG Emission Figure (tCO ₂ e/tCPO) | 6.03 |

1.14 Progress of associated smallholders or outgrowers towards RSPO compliance

The company does not has smallholders so the company does not has plan to conduct RSPO compliance.

1.15 Revised Approximate Tonnages Certified

The tonnages certified have revised from the previous amount stated in the RSPO certificate issued in year 2016 due to a decrease in the projected estimates (CPO and PK). The revised approximate tonnages certified

(as per Appendix 1), based on production in 2017 are as follows:

Crude Palm Oil (CPO) : 30,483.33 mt
Palm Kernel (PK) : 6,290.21 mt

1.16 Other Achievements and Certification Helds

| Name of mill / estate | Certification Standard / Award achieved | Certification Body / Awardee | Date Achieved |
|------------------------------|------------------------------------------------|-------------------------------------|----------------------|
| PT BSP Kisaran | Indonesian Sustainable Palm Oil | PT TUV Nord | 2015 |
| PT BSP Kisaran | ISO 9001; 2008 | PT TUV Rheinland Indonesia | 2015 |
| PT BSP Kisaran | ISO 14001; 2015 | PT TUV Rheinland Indonesia | 2017 |
| PT BSP Kisaran | SMK3 | PT Sucofindo | 2015 |

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2.0 ASSESSMENT PROCESS

2.1 Certification Body

PT TUV Rheinland Indonesia is member of Group TÜV Rheinland Group, a global leader in independent testing and assessment services. The TÜV Rheinland Group was established in 1872 with offices located in over 490 locations in 62 countries on all five continents. PT TUV Rheinland Indonesia offers certification for a wide range of management systems according to established international standards including ISO 9001, ISO 14001, OHSAS 18001, SA 8000, as well as CDM Validations and Verifications. PT TUV Rheinland Indonesia's office is located in Jakarta.

2.2 Qualifications of Lead Assessor and Assessment Team

The assessment team members of this surveillance audit that were part of the same assessment team for the certification audit are as follows:

1. None

New assessment team members that were not part of the previous assessment team are as per the table below:

| Name | Position | Qualifications / Experience |
|---------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Naik Monang Parlindungan Lingga | Lead Auditor | <p>Education: Bachelor of Forestry, Gadjah Mada University.</p> <p>Training attended: ISPO Auditor, Quality Management System (QMS) Auditor/Lead Auditor (ISO 9001:2008) by IRCA, Environmental Management Systems Auditor/Lead Auditor Conversion Training by IRCA (ISO 14001-2004), Lead Auditor RSPO Training, SCCS Training and HCVA Training</p> <p>Working experience: Field Assistant PT Sapta Karya Damai (2008-2013), Auditor in PT Sucofindo (2013-2015), and Auditor in PT TUV Rheinland Indonesia (2015-present).</p> |
| Panggad-ing Nangingolan | Auditor | <p>Education: Bachelor of Social, Institut Ilmu Sosial dan Ilmu Politik, Jakarta.</p> <p>Training attended: RSPO in house training by Mutu Agung Lestari, ISPO Training by Komisi ISPO and <i>Awareness QHSE (management system review dan integrated management system concept ISO 9001, 14001, OHSAS.</i></p> <p>Working experience: Komisi Nasional Perlindungan Anak – Community Relationship Staff, Divison Staff of Education Program – Common Ground Indonesia, Reporter on Global Informasi Bermutu, Producer on Netwave Multimedia, Producer on Satu Visi Perkasa Produksi, Project Supervisor on Surya Solusi Informasi and Auditor PT TUV Rheinland Indonesia.</p> |
| Doni | Auditor | <p>Education: Master in Rural Sociology, Graduate School of Bogor Agricultural University completed in 2005.</p> <p>Training attended:</p> |

| | | |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p>GIS Training, Auditor Training of Indonesian Sustainable Palm Oil (ISPO), Training of Participatory Mapping, Training of Document Preparation HCV and SIA, Auditor Training of Sustainable Production Forest Management (SFM), Training and Up-Grading of SFM, Training of Mentoring technique for the Rural Farmers, Conflict Resolution Training and Journalism Training.</p> <p>Working experience:</p> <p>Frequently conducted certification audits of RSPO and ISPO for Palm plantation, the certification audit of SFM (Sustainable Production Forest Management) for HPH and HTI, worked as a consultant for the National Development Planning Agency, Ministry of Environment and Forestry, Indonesian People Bank (BRI), Ministry of Rural Development (KPDT) and the Ministry of Public Works, Director General of Cipta Karya, JICA and UN-HABITAT and UNDP, HCVF document drafting team for the company of HTI, HPH and constituent team for documents of HCV / SIA for oil palm plantations. Since March 2016 till now, work at PT. TUV Rheinland Indonesia.</p> |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

2.3 Assessment Methodology & Agenda

The surveillance audit was conducted between 15-19 May 2017 as per the assessment program below. The assessment carried out in accordance with PT TUV Rheinland Indonesia’s RSPO audit procedure as well as the RSPO Certification Systems document. During assessment, the qualified TUV Rheinland assessors used the RSPO standard as endorsed for the country in which the assessment took place and recorded their findings.

Due to the location and proximity of the estates, combined with common management systems, it was possible to carry out both field and document assessments of all estates and the mill within the period without compromising the integrity of the assessment in anyway.

All 5 estates and 1 mill were visited and the assessment team carried out field and document assessments of compliance to all the RSPO principles and criteria. Common systems identified and specific evidence recorded for individual estates. Interviews conducted at all estates and the mill.

The company proposed the correction and corrective action for all identified non-conformities raised to the certification body 30 days after the closing meeting. Verification of closure of major non-conformances conducted 2 months after the closing meeting of the main assessment and implementation of corrective actions for minor non-conformities will verified during the next surveillance audit. The certification assessment agenda is as explained below.

Surveillance Assessment Agenda.

| Date | Location/ Main sites | Main activities |
|-------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15 May 2017 | - | Travelling from Jakarta to mill / estate location |
| | Kisaran POM | Opening Meeting Verification previous audit findings Verification of document and field relate of : <ul style="list-style-type: none"> • Incoming FFB verification (security post, loading ramp) • Interview with mill workers (boiler supervisor) • Good Agricultural Practices • Field visit to land application site for mill effluent • Waste management (hazardous waste store, palm oil mill effluent treatment ponds, mill license for temporary hazardous waste storage, license for land application, land application records) |

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| | | <ul style="list-style-type: none"> • Pollution prevention control • Water management • OSH system (fire simulation records, medical check reports for year 2016) • Warehouse (mill compound, chemical store) • Worker facilities, medical facilities at PT KSI Mill • Environmental (Environmental Management and Monitoring Program (UPL/UKL) and implementation reports, environmental objectives, targets and improvement plan, greenhouse gas calculation sheet, renewable energy efficiency analysis document) • Training (boiler operator training certificates and licenses) • Consultation with local community supplier • SCCS |
| 16 May 2017 | Kisaran POM | <p>Verification of document and field relate of :</p> <ul style="list-style-type: none"> • Incoming FFB verification (security post, loading ramp) • Interview with mill workers (boiler supervisor) • Good Agricultural Practices • Field visit to land application site for mill effluent • Waste management (hazardous waste store, palm oil mill effluent treatment ponds, mill license for temporary hazardous waste storage, license for land application, land application records) • Pollution prevention control • Water management • OSH system (fire simulation records, medical check reports for year 2016) • Warehouse (mill compound, chemical store) • Worker facilities, medical facilities at PT KSI Mill • Environmental (Environmental Management and Monitoring Program (UPL/UKL) and implementation reports, environmental objectives, targets and improvement plan, greenhouse gas calculation sheet, renewable energy efficiency analysis document) • Training (boiler operator training certificates and licenses) • Consultation with local community supplier • SCCS |
| | Estate | <p>Verification of document relate of (all estate) :</p> <ul style="list-style-type: none"> • Environmental, agrochemical, OHS, compliance regulation issues • Legal land, management plan, best practices, HCV issues • Social and employees • Good Agricultural • OHS system (accident records, recommendation letters for transfer of work for workers found with high blood cholinesterase levels and pregnant female sprayers, evidence of transfer to other work for aforementioned workers, OSH policy, OSH committee letter of approval from the Manpower Department). • Waste (medical waste disposal records) • Legal requirement register • Insurance of worker (Jamsostek) payment records for |

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| | | temporary workers |
|-------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 17 May 2017 | Estate | Verification of document relate of (all estate) : <ul style="list-style-type: none"> • Environmental, agrochemical, OHS, compliance regulation issues • Legal land, management plan, best practices, HCV issues • Social and employees • Good Agricultural • OHS system (accident records, recommendation letters for transfer of work for workers found with high blood cholinesterase levels and pregnant female sprayers, evidence of transfer to other work for aforementioned workers, OSH policy, OSH committee letter of approval from the Manpower Department). • Waste (medical waste disposal records) • Legal requirement register • Insurance of worker (Jamsostek) payment records for temporary workers |
| 18 May 2017 | Estate | Verification of field relate of (all estate) : <ul style="list-style-type: none"> • Good Agricultural practices in Afdeling I Kuala Pias estate(harvesting block P95102), Block 93101 Sei Silau estate (harvesting), harvesting at Division II and IV (Serbangan estate) • Legal land and maintenance of boundary stones/pillars (P05101) • OHS system (accident records, recommendation letters for transfer of work for workers found with high blood cholinesterase levels and pregnant female sprayers, evidence of transfer to other work for aforementioned workers, OSH policy, OSH committee letter of approval from the Manpower Department). • Waste (medical waste disposal records) • Legal requirement register • Insurance of worker (Jamsostek) payment records for temporary workers • Interview with harvesters and harvesting supervisor • Hazardous waste store • Fertilizer store • Sprayer's washroom • Chemical container and fertilizer and washing area • Housing compound • Domestic waste landfill • Clinic Closing meeting |

Agenda for Verification of Closure of Major Non-conformities

This agenda is not applicable because there is no verification of closure of major non-conformities is need to be done

| Date | Location / Main sites | Auditor | Main activities |
|------|-----------------------|---------|-----------------|
|------|-----------------------|---------|-----------------|

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

2.4 Stakeholder Consultation and Stakeholders Contacted

The stakeholder consultation involved both external and internal stakeholders. External stakeholders notified to make comments on the certification assessment by placing an invitation to comment on the RSPO website. Stakeholders included those immediately linked with the operation of the company such employees, outgrowers, the local government, NGO's, trade and labour unions and local communities.

Stakeholder consultation visited to stakeholder's location and interviews. Meetings with stakeholders held to seek their views on the performance of the company with respect to the sustainability practices outlined in the RSPO Principles & Criteria, and to comment on aspects where improvements be made. Meetings with local communities held at their respective premises within and near the company's area. A stakeholder consultation meeting also held on Karang Anyer village and Dadimulyo village on 18 May 2017. Letters inviting individual stakeholders to the stakeholder consultation meeting were prepared and sent to the individual stakeholders, while electronic mail and telephone calls made to arrange the meetings.

In all the interviews and meeting, the objectives of the RSPO and the purpose of the assessment was clarified at the outset followed by an evaluation of the relationship between the stakeholders and the company before discussion proceeded to obtain the stakeholders feedback on the company's compliance to different aspects of the RSPO Principles & Criteria. Although several stakeholders were not familiar with RSPO but they agreed with its objective and expressed their willingness to collaborate in the promotion of sustainable palm oil in West Sumatera province. In all interviews and meeting, the assessment team did not restrict discussion of both the positive and negative aspects of operations conducted by PT BSP Kisaran Tbk estates and mill.

The stakeholder consultation meeting held with stakeholders during the audit was extensive and productive, with an attendance of more than 53 person. This followed by site inspections, including visits to the local communities, interviews with land claimants and contractors, and inspections of worker amenities and infrastructure. All stakeholder issues raised were recorded and forwarded to the management for their written reponse, and this is summarized in Section 3.4. The list of stakeholders that attended the stakeholder consultation meeting and stakeholders interviewed during the assessment is included as Appendix 3.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

During the surveillance audit, there is identified nonconformities were assigned during this year surveillance audit i.e. 11 nonconformitis against Major Compliance indicators while 5 nonconformities were assigned against Minor Compliance Indicators, 5 observations or opportunities for improvement were identified. Further explanation of the non-conformities raised and corrective actions taken by the company provided in Section 3.3. The observations & opportunities for improvement listed in Section 3.4.

The following is a summary of findings made for the criteria listed in the RSPO Principles & Criteria [NI P&C RSPO 2013 for Indonesia] for detail information about company’s compliances to RSPO P & C.

Criterion 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.

Findings:

The company has maintained a list of stakeholders that consisting of people around the company, non-governmental organization, entreprizes/suppliers, government of villages, sub-district and district. Evaluation of the list of stakeholders will conducted if any changes of stakeholders. There is evidence that the stakeholder verification performed as documented in the list and office phone number/private stakeholders.

There is evidence that the company has provided information in appropriate form and language to relevant stakeholders, such as report to labor agency regularly every year.

The company has defined accessible informations by public, i.e: the company's history, basic values, vision, mission, strategies, sustainability, human resources, workers information, map the location, summary of the company's performance, organizational structure, financial performance, CSR, OHS matters, environment issues, waste, awards and certifications.

Otherwise, there are informations cannot accesed directly by public, but reported to relevant authorized agency, i.e.: environmental management and monitoring plan, hazardous waste activities, production plan, etc. The company also has defined confidential information and cannot accessed by public such as marketing strategy, assessment of employee performance, business development strategy, etc.

HR and area Division Head assigned by the company for providing and receiving informations to stakeholders. Based on interviews with stakeholders, evidenced that the stakeholders has known on how to get the information needed from the the company.

The organization has established mechanism for communication and consultation with stakeholders, including to handling information requisition and how to response. The mechanism has documented in` procedure of Participation and Consultation Communication SOP internal – external, document no. BMH -03, Rev. 06, dated 13 June 2016. The procedure was decsribed detailed mechanism and defined HR Area Head Division to en-

Compliance status: Yes No

NCR No: -

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sure that the mechanism implemented appropriately. Any problems conveyed by internal parties or external parties in the form of communication will be followed up by providing response / response information at the latest 30 (thirty) days from the date of receipt of the information.

The company has maintain records of information's requests from stakeholders as documented in a Log Book requests for Information (incoming mail) and Log Books of Providing Information (outgoing mail). There is evidence that the company was response and feedback information requested by stakeholders in a timely.

Criterion 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.

Findings:

There is evidence that the company was providing document regarding the information of company's history and development of the company's activities both legality, production activities, management of environment, social activities, financial reports and others, are available on the company's annual report. The document is also planning provides monitoring and reporting monitoring results. All documents are available to the public.

The company already share their documents such as legal, social to stakeholders, for example:

- Plantation Report to Regent of Asahan District for Period July to December 2017, January 18, 2017.
- Report of Manpower Within Company has reported to Head of Social and Manpower Agency of Asahan District, February 18, 2017.

Compliance status: Yes No

NCR No: -

Criterion 1.3. Growers and millers commit to ethical conduct in all business operations and transactions.

Findings:

The company has established a policy namely "Kebijakan Sustainable Palm Oil Area 1 (Sumut 1)" document no. Doc. B-MSM/01, Lampiran 18.1b. The policy signed by company's President Director dated May 06, 2013. In the policy was decribed commitment of the organization to ethical conduct in all their operation. There is sufficient evidence that the policy has communicated and understood by all personnel within the company.

There is evidence that the code of conducts has communicated to all levels of the workforce and operations within the organization, e.g: Minute of Socialization of Company Code of ethics and Integrity held on Apel Pagi Divisi I and II Serbangan Estate dated February 12, 2017. The socialization attended by 86 persons. The results of interviews with the management of the Kisaran of Pom Oil Mill known that since the last year (May 2016- May 2017) no job is contractor, all work done by the company itself. It is not necessary to socialize the code of counduct to the third place.

Compliance status: Yes No

NCR No: -

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Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.

Findings:

There are procedures for Identification of law and Regulation and others Requirement number BMH-01 Rev 06 Issued on November 23, 2014. That procedure mentioned "selection and identification process of law and regulation and others requirement through contact the regarding institution, email, letter and/or searching in the internet". Law and regulation related with RSPO, ISPO, Safety and Health, Environmental and Human Resource.

Some condition that are not in accordance with the fulfillment of laws and regulations, such as:

- Based on field visit to mill (mill office, control room sterilizer, MCC room, workshop and laboratory) and estate (Serbangan and Kuala Piasa estate) found the content of first aid kit does not accordance with Permenaker No. 15 year 2008
- Based on field visit to pesticide and fertilizer storage of Serbangan estate and pesticide storage of Kuala Piasa estate, there is not found the symbol of hazardous and toxic material in accordance with PermenLH No.3 year 2008
- Based on field visit to temporary storage of hazardous and toxic waste at Serbangan estate, there is not found symbol and label of hazardous and toxic waste in accordance with PermenLH No.14 year 2013

This condition raised as non-conformity (NCR RSPO 01085).

The company maintained and updated a list of applicable legal and other requirements, that consist of environmental field, OHS Fields, RSPO & ISPO related. There is evidence that the organization has evaluated the compliance of their estates to these legal requirements according to their company procedures as documented in their SOPs. The last updated was conducted at May 13, 2016. The company has not been able to show an evidence of compliance evaluation for regulation that conducted once a year (Serbangan Estate). **This condition raised as non-conformity (NCR RSPO 01086).**

Compliance status: Yes No

NCR RSPO 01085

Some condition that are not in accordance with the fulfillment of laws and regulations, such as:

- Based on field visit to mill (mill office, control room sterilizer, MCC room, workshop and laboratory) and estate (Serbangan and Kuala Piasa estate) found the content of first aid kit does not accordance with Permenaker No. 15 year 2008
- Based on field visit to pesticide and fertilizer storage of Serbangan estate and pesticide storage of Kuala Piasa estate, there is not found the symbol of hazardous and toxic material in accordance with PermenLH No.3 year 2008
- Based on field visit to temporary storage of hazardous and toxic waste at Serbangan estate, there is not found symbol and label of hazardous and toxic waste in accordance with PermenLH No.14 year 2013

NCR RSPO 01086

The company has not been able to show an evidence of compliance evaluation for regulation that conducted once a year (Serbangan Estate).

Criterion 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.

Findings:

The company has record of legal ownership of land i.e:

- Minister Decree of State Agrarian Affairs / Head of National Land Agency No: 66/HGU/DA/85/B/51 dated 13 November 1996 about granting of land use permits to PT. Bakrie Sumatera Plantations as large as 18,556.01 hectares located in Kisaran, North Sumatra Province.
- Certificate of land use permit No.2 dated 1 May 1997 located in Kisaran Timur village, Kota Kisaran Timur Sub District, Asahan District, North Sumatra Province as large as 18,517.76 hectares. Based on the historical of the certificate that the company has been release of land

Compliance status: Yes No

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as large as 25.6 ha from the total land as large as 18,556.01 ha.

The company has document to showing history of land tenure i.e:

- EIA document estate and mill that has approve by Head Decree of Environmental Agency of North Sumatera Province with No. 1512.D/BLH-SU/BTL-A year 2011 dated 3 October 2011 as large as 9,243 ha with mill capacity i.e. 45 ton/hour
- HCV document by YASBI March 2009
- SIA document year 2011

The company has map that describe about legal boundry which issued by National Land Agency. Based on field visit on pillar of HGU at Kuala Piasa Estate NoP05101, the pillar in good condition and well maintained. The company has procedure of identification and maintenance of pillars HGU (BMH-09 revision 00 effective dated 30 June 2016). The procedure regulated about maintenance of pillars HGU conducted every once a year. The company has been conduct regularly monitoring and maintenance that equipped with minutes of monitoring and maintenance such as:

- Kuala Piasa estate on November 2016
- Serbangan estate on January to April 2017

During in 2st surveillance audit, there is no land dispute in company's area and member of the surroundings community. The last conflict was between the company and Tinggi Raja community (Tinggi Raja sub district, Asahan district) which had been resolved and the result accepted by both parties.

Criterion 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.

Findings:

There is evidence that the Social Impact Assessment document preparation be participatory without coercion through focus group discussions with affected communities. There are no maps of indigenous communities because in the area of PT BSP there is no customary rights community. The company's Palm Oil Plantation built by the Dutch since 1911, thus the documents related to public land compensation is not available anymore. Based on interviews with people around the PT BSP note that there is no public denial of the existence of oil palm plantations. The Society helped with the plantation companies, especially in terms of employment. Evidence of the agreement is no longer available given the document storage period has exceeded 30 years so it has been destroyed.

In interviews with the village head of Karang Anyer and village officials of Dadimulyo, it explained that there are no indigenous land or customary rights in the area of the company. Since the beginning of land acquisition for the construction of the estate, there is no customary land or customary rights in the area of the company.

Compliance status: Yes No

NCR No: -

Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.

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Findings:

The organization has a documented management plan as documented in the document Budget 2017 and Strategic Plan 2017 – 2021 (including achievement data 2015 and 2016 estimation). The document was included, i.e.:

- Operational Data Palm (Hectare planted; Yield/Ha; Field Production; FFB Put Into Process; Extraction Rate; Factory Production; Mill Utilization; Sales Volume;
- Field Cost (Ha Mature; Field Production; Field Cost – Amount; Field Cost per Ha; Field Cost per ton;
- Processing Cost (Factory Production; Processing Cost Amount; Processing Cost per Kg
- Purchase Cost (Raw Mat'l and Finished Goods/Trading Purchase
- Cost of Goods Solds (Sales Volume, Production Cost, FFB Purchase, Processing Cost; Total Cost of Manufactured, and etc)
- Capital Expenditure (Plantations and Non Plantations)
- Statements of Income (Revenue, COGS, Gross Profit; Operating Expenses, Operating Profit, EBITDA, Income Before Tax, Net Income and etc)
- Balance Sheet, that showing financial indicators – profitability forecast

The company has defined replanting plan for year 2017 - 2021 Regarding Replanting Program 2017 until 2021, as table below:

| Estate | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------|---------------|---------------|---------------|---------------|----------|
| Serban gan | - | 76 ha | 56 ha | - | - |
| Sei Baleh | 62 ha | - | - | 50 ha | - |
| Gurach Batu | - | 253 ha | 98 ha | - | - |
| Tanah Raja | 106 ha | 47 ha | 64 ha | - | - |
| Kwala Piasa | - | - | 57 ha | 69 ha | - |
| Total | 168 ha | 376 ha | 275 ha | 119 ha | - |

The company will review its replanting program every year according condition and company's financial capability.

Compliance status: Yes No

NCR No: -

Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.

Findings:

The company has established documented procedures for all Mill's and Estates operation. There is sufficient evidence that the procedures are maintain and communicated to relevant sections and personnel. There is evidence that the procedures are availa-

Compliance status: Yes No

NCR RSPO 01087

Based on monitoring record of Ganoderma period of July to December

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ble at point of uses.

The SOPs for all estates are maintained on file and includes SOPs for all main estates activities procedures from seeding (nursery), land preparation, maintenance, harvesting to land clearing. The organization also has defined, maintained and implemented SOP for mill's operation.

The SOPs for mill include receiving of FFB, sorting, and processes such as sterilizing station, digester, pressing station, clarification station, kernel silo, CPO storage, PK and PKO and dispatch to storage tank. It observed that work instructions displayed at machines throughout the mill area and mill workshop, all SOPs presented in Indonesian language. Total number of SOP / WI listed on the "Document Master List" is 142 SOP/IK. Some of SOP/work instruction are listed as follow:

- BMEOP-WI-24 revision 02 dated 15-07-2015 Regarding FFB Shortage at Loading Ramp
- BMEOP-WI-36 Rev01 Date Issued on May 03, 2013 about guidelines for EFB operator, explained about PPE's for EFB operator, dosage, application procedures.
- BMO-WI-01, Rev.01, Issued date September 30, 2011, Concerning Penanggulangan Kecelakaan Kerja pada Proses Pengolahan Kelapa Sawit
- BMO-WI-02, Rev.01, Issued date September 30, 2011, Concerning Penanggulangan Kecelakaan Kerja pada Proses Workshop Mekanik dan Elektrik
- BMO-WI-03, Rev.01, Issued date September 30, 2011, Concerning Loading Ramp Processes
- BMO-WI-04, Rev.01, Issued date September 30, 2011, Concerning Lori Management
- BMO-WI-05 Rev.01, Issued date September 30, 2011, Concerning Sterilizer Processes
- BMO-WI-06, Rev.01, Issued date September 30, 2011, Concerning Indexer Processes
- BMO-WI-07, Rev.01, Issued date September 30, 2011, Concerning Tippler Processes
- BMO-WI-08, Rev.01, Issued date September 30, 2011, Concerning Thresher Processes
- BMO-WI-09, Rev.01, Issued date September 30, 2011, Concerning Empty Bunch Processes
- BMO-WI-10, Rev.02, Issued date January 28, 2016, Concerning Digester Processes
- BMO-WI-11, Rev.01, Issued date March 26, 2011, Concerning Screw Press Processes
- BMO-WI-12, Rev.01, Issued date September 30, 2011, Concerning Dilution Water Processes
- BMO-WI-13, Rev.01, Issued date September 30, 2011, Concerning Sand Trap Processes
- BMO-WI-14, Rev.01, Issued date September 30, 2011, Concerning Vibrating Screen Processes
- BMO-WI-15, Rev.01, Issued date September 30, 2011, Concerning Crude Oil Tank Processes
- BMO-WI-16, Rev.01, Issued date September 30, 2011, Concerning Continuous Setting Tank (CST) Processes
- BMO-WI-17, Rev.02, Issued date January 25, 2016, Concerning Wet Oil Tank and Sludge Tank Processes
- BMO-WI-18, Rev.01, Issued date September 30, 2011, Concerning Oil Purifier Processes

2016 at Serbangan estate, there is some of palm oil tree suffered heavy attack and died. There is no sufficient evidence that pest management carried out in accordance with the working guidelines BMEOP-WI-16 PK about the control of stem rot disease. (Example: Record of Ganoderma attack Division I is heavy attack as much as 1,682 palm oil tree and died as much as 544 palm oil tree).

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- BMO-WI-19, Rev.02, Issued date March 10, 2014, Concerning vacuum Dryer Processes
- BMO-WI-20, Rev.01, Issued date September 30 2011, Concerning Sand Cyclone Processes
- BMO-WI-21, Rev.02, Issued date January 25, 2016, Concerning Buffer Tank Processes
- BMO-WI-23, Rev.02, Issued date January 25, 2016, Concerning Brush Stainer Processes
- BMO-WI-31, Rev.03, Issued date January 25, 2016, Concerning Kernel Silo Dryer Processes
- BMO-WI-32, Rev.02, Issued date November 04, 2013, Concerning Boiler Operation
- BMO-WI-39, Rev.01, Issued date March 13, 2010, Concerning Weight Bridge Operation
- BMO-WI-40, Rev.05, Issued date March 18, 2013, Concerning Sortation Operation

SOP's socialization processes conducted by "Placed SOP at Point of use" and verbally communicated to related operator. The organization has established mechanism to check consistent implementation of procedures shall be in place that is "Procedure of Internal Audit, Doc. No. BMA-05, Rev. 05, dated November 27, 2014).

There is evidence that the organization has conducted internal audit that was cover Mill & all estates. The internal audit was cover standards ISO 9001:2008, ISO 14001:2004, OHS based on Government Regulation No. PP.50 Year 2012), Indonesian Sustainable Palm Oil (ISPO), and RSPO. The internal audit was on November. Internal audit was performed by trained and competent personnel, consist of 21 (twenty-one) persons of assignment auditors and 8 (eight) in trainee auditors.

The organization has established procedures to address non-compliance and corrective action for continuous improvement, that are:

- Procedure of Nonconformity, BMA-07, Rev.03, dated July 09, 2011
- Procedure of Corrective Action, BMA-08, Rev.02, dated June 05, 2014
- Procedure of Preventive Action, BMA-09, Rev.02, dated December 05, 2011

Recording the activities of integrated management system audit performed November and December 2016 and corrective action in closed per date documented in audit activity report prepared January 2017.

Based on monitoring record of Ganoderma period of July to December 2016 at Serbangan estate, there is some of palm oil tree suffered heavy attack and died. There is no sufficient evidence that pest management carried out in accordance with the working guidelines BMEOP-WI-16 PK about the control of stem rot disease. (Example: Record of Ganoderma attack Division I is heavy attack as much as 1,682 palm oil tree and died as much as 544 palm oil tree). **This condition raised as non-conformity (NCR RSPO 01087).**

The company has procedure about receiving of FFB (BM-03 revi-

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sion 07, effective date 26 September 2016). The procedure has been described related receiving of FFB from certified and non-certified supply base. The mill has list of FFB supplier. For year 2016, there is 3 (three) supplier of FFB i.e Franky Liwijaya, Piun Brahmana and Rismawati. The company has record of FFB from third party that found in recapitulation of FFB receiving.

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

Findings:

The company has procedure related fertilizer (KBMEOP-WI-18 revision 02 effective date 15 July 2013). There procedure explain about the mechanism of application, doses, time of implementation. At the time of audit, the company does not conduct fertilizing.

The company (Serbangan and Kuala Piasa estate) has record of fertilizer from January until December 2016. Based on record of fertilizer, it seen that fertilizer activity has been conducted in accordance with recommendation of leaf sampling analysis result.

The company has recorded of fertilizer used per tonnes FFB year 2016 i.e:

Kuala Piasa estate

- Kieserit: total realization until December 2016 as much as 17 kg with FFB produced as much as 30,446.35 tonnes so fertilizer application per ton FFB is 0.00055 kg/ton FFB
- MOP: total realization until December 2016 as much as 49 kg with FFB produced as much as 30,446.35 tonnes so fertilizer application per ton FFB is 0.0016 kg/ton FFB

Serbangan estate

- MOP: total realization until December 2016 as much as 126,560 kg with FFB produced as much as 29,894.77 tonnes so fertilizer application per ton FFB is 2.07 kg/ton FFB
- RP: total realization until December 2016 as much as 126,560 kg with FFB produced as much as 29,894.77 tonnes so fertilizer application per ton FFB is 1.23 kg/ton FFB

The company has guidance for leaf sampling to get recommendation of fertilizer with document number BMEOP-WI-17 revision 02 effective date 15 July 2013. The procedure stated that leaf analyze conduct once a year and soil analyze conduct every 5 year. The company has record of leaf analyze that conducted on October 2016 by Bakrie Agriculture Riset Institute to get fertilizer recommendation year 2017. The result of leaf analyze has been explained about ingredient i.e N, P, K, Mg, Ca, Cu, Zn, Mn, Fe, S and Cl. Sample of leaf that has been analysing as much as 43 sample (Kuala Piasa estate) and 27 sample (Serbangan estate). The company has been conduct soil analyze by PPKS on 28 August

Compliance status: Yes No

NCR No: -

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2016.

The company has record of EFB application i.e:

Kuala Piasa Estate

- January until December 2016 as large as 59.20 ha with total EFB application as much as 2,432.29 ton.

Serbangan estate

- January until December 2016 as large as 37.10 ha with total of EFB application as much as 3,459.83 ton.

Criterion 4.3: Practices minimize and control erosion and degradation of soils.

Findings:

During 2nd surveillance audit, there is no change of data or map about the fragile soil in the company. The company has a map of the land for Sei Baleh Estate, Serbangan Estate, Tanah Raja Estate, Gurah Batu Estate; Kuala Piasa Estate shows mainly alluvial soil type.

Maps of soil types for all estates are available at the main office. The maps show that there are no marginal soils within the estate area and most of the estate land consists of alluvial soils and podsoils.

The company has work instructions for planting on slopes are documented and describes methods to reduce soil erosion on slopes with 'tapak kuda' (horseshoe) methods.

In Kuala Piasa Estate, there is a small area of high slope (>30%), where this area was classified as a potential HCV 4 area base on HCV Assesment Document.

The company has working plan and realization of road maintenance year 2017, Form No. BME-FR- 06 Rev 01. For example in Kuala Piasa Estate (Jan- April) Division 1 has done road maintenance activities such as Road Grader, closing hole, spraying the road fortress, DIV II Road grader, create a water canal, Div III, Road grader, create watercanal, closing hole, soil erosion monitoring. At Serbangan estate Div IV has conducted road maintenance activities such as road (closing hole 5010 meter), Div III road grader maintenance (6.000 meter).

There is no peat soil or fragile or problem soils located within the estates.

Compliance status: Yes No

NCR No: -

Criterion 4.4: Practices maintain the quality and availability of surface and ground water.

Findings:

The organization has established a water management plan for mill and plantation with identified actions, as demonstrated at organization's environmental license, i.e: DELH. The water management plan was included following items identification of water

Compliance status: Yes No

NCR No: -

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sources, efficient use of water, renewability of water source, impacts on catchment area and local stakeholders, access of clean drinking water all year round for stakeholders, avoidance of surface and ground water contamination.

The identified water sources are Asahan River and Ground Water. In otherhand the sources of impacts are domestic and plantations activities at upstream of Asahan River and POME that applied for Land Application.

The organization has a license for utilizing surface water from authority agency of local government, i.e.: Head Decree of Integrated Services Agency Province of North Sumatera, No.610/127/BPPTSU/2/12.1/XI/2014, dated November 06, 2014, regarding granting License of utilizing surface water. The license valid 3 (three) year since issued.

The organization also has License for land application of mill effluent, based on Decree of Regent of Batu Bara District, Decree No. 660/235, dated April 24, 2015, concerning granting License POME Utilization for Land Application. The license valid 3 (tree) year since issuance. There is obligation for the license's holder, i.e.:

- Areal applied 120 ha, in Sei Balai Sub District, Batu Bara District, North Sumatera Province.
- Reported to Regent of Batu Bara District, cq.: Head of Environmental Agency of Batu Bara District, Head of Environmental Agency of North Sumatera Province, and Minister of Environmental, according to results of :
 1. POME monitoring each 6 (six) months
 2. Ground Water Quality monitoring each 6 (six) months
 3. Soil monitoring 1 (one) time per year

The actions for protect water contamination and pollution was identified and the monitoring program has been defined associated with HCV Programme. There is evidence that the action plan and monitoring program to protect water sources and to ensure that the quality of water still meet requirements (based on local and national government regulations) has been implemented.

There is a plan to manage and monitor water sources / rivers by planting mahogany and waru trees and maintenance along the riparian zone of Silau river. There is evidence of monitoring in April 2017, monitoring units related to mahogany trees and waru trees populations located in AFD I, II, III.

Monitoring program of Mahoni and Waru for period 2017 AFD I (block P93101, P14104, P05101, P05103), AFD II (block P96203), AFD III (block P 96301).

The organization has the effluent treatment process, where a process for checking and monitoring water discharge quality (especially BOD) are available. There is evidence that water discharge quality in compliance with national regulations. There is evidence that the organization monitoring their BOD from the wastewater periodically every month, some documents of monitoring results reviewed and found that the results still meet requirements. For the period 2017 January 260,5 mg/l , February

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448,8 mg/l.

The organization has maintain records of mill water use per tonnes of Fresh Fruit Bunches (FFB) processing, for the period of March 2017 of 1.51 m3 water / ton of FFB and in April of 1.29 m3 water / ton of FFB. Trough put average processing 40 ton of FFB / hr. The company has records of Mill water consumption for the period of February 2017 16.980 m3, March 2017 19.057 m3 and April 2017 16.179 m3.

Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.

Findings:

The company has procedure related to Integrated Pest Management (IPM) in the estate, such as:

1. BMEOP-WI-15 Rev 02 dated July 15, 2013 about Caterpillar and Bagworm controlling, when controlling such as:
 - Using beneficial plant (Turnera subulata and Antigonon leptopus)
 - Hand picking
 - Biological insecticide based on census level
 - Path spraying and fogging
2. BMEOP-WI-14 Rev 02 dated July 15, 2013 about Pest Integrated Management System for rat, thirataba, and oryctes. For rat level attack, when level attack < 5% in one area, controlled by Rodenticides on palm oil tree. If the level attack more than >5% in one area, controlled by Rodenticides in every tree palm oil. While the oryctes attack controlled by hand picking and using the oryctes trap (orycnet) in every tree palm oil.

BMEOP-WI-28 Rev 02 dated April 6, 2015 about Caterpillar and Bagworm census. Procedure mentioned the census conducted in every week in every field has been attacked, and every month for every filed attacked yet.

The company has IPM plan and implemented, example in Sei Baleh Estate, there is record of census Caterpillar and Bagworm on January 2016. No attacking pest above threshold, so that the control effort has not been made.

All estate has conducted census/EWS for Genoderma every 6 month. Based on record of Genoderma monitoring July – December 2016 period, example in Serbangan Div I, it was indicated high level attack 1682 staples and dead 544 staples.

Implement IPM programme by using benefical plant, i.e: plant turnera subulata, and antigodon leptosus, at near main road.

The company already conducted training provided to those involve in the implementation of Integrated Pest Management (IPM) namely Training of IPM for foreman, date on May 25, 2015 with followed 32 person and also Socialization of IPM training for foreman, on date May 28, 2015. The company has training plan for year 2017. The company scheduling the IPM training on

Compliance status: Yes No

NCR No: -

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Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment.

Findings:

The company has a policy on safe use of chemicals that are contain ISPO dan RSPO Sustainability policy. For pesticide application, the company uses approved and registered Agrochemicals permitted by local regulations and use of pesticides documented. Recommendation for approved and registered agrochemical permitted No. 1595/IV-DTK/2015, from In these recommendations only lists 45 types of pesticides used.

The type pesticide i.e. Dolgy are not included in the permit of recommendation from Disnakertrans of Asahan Regency concerning trademark of pesticide used by PT.BSP. **This condition raised as non-conformity (NCR RSPO 01088).**

There is evidence that use of pesticide maintained, including detail the active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications. Data of pesticide usage in 2017 :

Kuala Piasa Estate

Using Amiphosate pesticides:

- April Div I as much as 42,10 liter for area as large as 98 ha, Div 6 as much as 1,3 liter for area as large as 42,75 Ha, Div II as much as 19,75 liter for area as large as 42 Ha.
- February Div I as much as 12,1 liter for area as large as 27 Ha, Div II as much as 37,77 liter for area as large as 27 Ha, Div III as much as 13.05 liter for area as large as 29 Ha.
- January Div I as much as 37 liter for area as large as 106 ha, Div II as much as 55,65 liter for area as large as 39,75 ha, Div III as much as 92,65 liter for area as large as 145,75 Ha.

Serbangan Estate

Using Amiphosate pesticides on January 2017 as much as 406,5 liter for area as large as 336 Ha.

The company has program to manage their oil palm from pests, diseases and invasive organism in 2016 and implemented. Based on their work instruction number BMEOP-WI-22 Rev 01, in the page 2, state that the census will conducted in every 1 week in the every field for global census. And if any invasive in high categorized, the company conducted the effective census, with the categorized there is 4 head of bagworm per midrib, and 8 head of nettle caterpillar per midrib, the census will be conduct 1 – 2 per week with 5 – 6 tree/Ha. After that, the mortality census will be conducted if needed after the insecticide spraying with the aim is to ensure the mortality rate and effectiveness of the IPM program

This activity is accordance to Work Instruction about control of bagworm and nettle caterpillar with document number BMEOP-

Compliance status: Yes No

NCR RSPO 01088

The type pesticide i.e. Dolgy are not included in the permit of recommendation from Disnakertrans of Asahan Regency concerning trademark of pesticide used by PT.BSP.

NCR RSPO 01089

The medical checkup for spayer has not conducted after 04 June 2016 where cholinesterase examination should conduct every 6 months (Permenaker No. 3 year 1986).

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WI-23 Rev 01 in page 2, state about managing step for bag worm and caterpillar, with the step is:

1. Hand picking
2. Biological steps with integrated pest management use the beneficial plant i.e. *Turnera subulata*, and *Antigonon leptopus*
3. Chemical steps with spraying based on global and effective map of invaded censused use insecticide, Spraying methode also have 3 steps, first is spraying on the leaf, especially the underside of the leaves, second is spraying with mist blower, applied in the arround of the tree, and the third is fogging. This methode is a last alternative if the hand picking and biological steps can not handling the pest invasive.

Ther is no attacking pest above threshold limit in 2016, so that the control effort has not made.

The company has a policy on safe use of chemicals that are contain in Sustainability policy on article 11 e.i: "use of agricultural chemicals (agrochemicals) which is registered and permitted by the competent agency".

The company has done In House training Use of Pesticides Limited on September 25th, 2014 in cooperation with the Fertilizer and Pesticide Control Commission of North Sumatra province, evidenced by record attendance and certificate of completion of training participants.

Storage of pesticides including the disposal of used pesticide containers in accordance with the relevant regulations. The Company categorizes used pesticide containers as a Hazardous Waste (LB3). During 2nd surveilence, there is evidence that pesticide containers have stored at temporarily store hazardous waste. The company has valid licenced to temporarily store hazardous waste (Head of Batubara Regency Decree No. 660/235/BLH/IV/2015 Issued date April 24, 2015).

There is record of pesticide containiners in logbook and form sheets Hazardous waste storage. Base on record of form sheets Hazardous waste storage on April 2016, amount of pesticide containiners is 0.052 ton.

The company has work instruction for pesticide application nameily BMEOP-WI-09. Rev. 02, issued on dated July 15, 2013, sub chapter .4.3.2 about maintenance for mature and immature palm oil through spraying chemish.

There is evidence that the company has conduct socialization pesticide application through spraying chemist on date April 9, 2015. There is no Pesticides applied aerielly, there is no small-holder scheme, proper disposal of waste material, according to procedures that fully understood by workers and managers demonstrated during audit.

The company already conducted socialization about knowledge and skills on pesticide handling demonstrated, including provision of appropriate information materials. Example In Sei Baleh estate, Division 1, socialization for pesticide handling conduct on

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date January 7, 2015. The socialization include about personnel protective equipment (PPE).

The Company has a Hazardous waste Management Procedure No. BMA-18 dated May 12, 2014, as a guide in the management of Hazardous waste generated by the entire Department of PT BSP Tbk area 1 North Sumatera 1 Kisaran.

The medical checkup for spayer has not conducted after 04 June 2016 where cholinesterase examination should conduct every 6 months (Permenaker No. 3 year 1986). **This condition raised as non-conformity (NCR RSPO 01089).**

In Document “Perjanjian Kerja Bersama 2012-2017”, there is article that the company prohibited from employing no pregnant or breast-feeding women. The company have a system to identify pregnant and breast-feeding women through examination women at clinic office once every six months. Base on report of examination women on May 2016, there is no pregnant or breast-feeding women that handling pesticide including pesticide operator.

Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.

Findings:

The company has policy about safety and health approved by CEO BSP Kisaran (Hepi Sapirman) dated 28 February 2017. The safety and health policy has been covered risk accident and risk control. The policy has stated in Indonesian language. The company has been conduct socialization of policy on 10 April 2017 (mill), February 2017 (Kuala Piasa estate) and 4 May 2017 (Serbangan Estate). The company has OSH programme year 2017. The programme has been covered OSH aspect and equipped with target of implementation. Some of realization of HSE programme for year 2017 i.e:

- Socialization of OSH policy on 10 April 2017 (mill), February 2017 (Kuala Piasa estate) and 4 May 2017 (Serbangan Estate).
- Monthly inspection for hydrant and fire extinguishers
- OSH meeting every month
- Training of fire and emergency simulation on 28 December 2016

The company conduct monitoring for implementation of programme by OSH inspection every month. The OHS programme has delivered to each department. The company has due date to realize the HSE programme and if any target does not achieved so the company will conduct evaluation.

The company has identification of risk assessment, safety health and environmental impact (BMA-FR-02 revision 02). The risk assessment has been cover all process and activities.

Some of the safety and health conditions which does not comply such as:

- Operator of wheel loader at the mill on behalf Fundy does not have license (SIO)

Compliance status: Yes No

NCR RSPO 01090

Some of the safety and health conditions which does not comply such as:

- Operator of wheel loader at the mill on behalf Fundy does not have license (SIO)
- Back alarm of loader is not functioning (switch off)
- There is 13 employee that in-charge as welder but does not have OSH license (SIO)

NCR RSPO 01091

- Based on visit to mill found the worker and driver are not wearing PPE i.e. safety boot, helmet, earplug, mask and gloves.
- Based on interview with the worker of mill, the company not yet provide PPE in the last 3 years.

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- Back alarm of loader is not functioning (switch off)
- There is 13 employee that incharge as welder but does not have OSH license (SIO)

This condition raised as non-conformity (NCR RSPO 01090).

The company has training programme year 2017 related safety and health i.e training for boiler operator, training of OSH expert, training of OSH expert for electric, training for unit coordinator of fire preventive, training of internal auditor for OSH, training hyperkes for paramedic, training of fire and emergency and training for officer of hazardous and toxic. Based on visit to mill found the worker and driver does not wearing PPE i.e. safety boot, helmet, earplug, mask and gloves. **This condition raised as non-conformity (NCR RSPO 01091).** Based on interview with the worker of mill, the company not yet provide PPE in the last 3 years. **This condition raised as non-conformity (NCR RSPO 01091).**

The company has person incharge that responsible to implemented of OSH that listed in Occupational and Safety Health Committee. The company immediately re-authorize the arrangement of OSH committee where in the composition of the OSH committee has changed on behalf of Edi Gunawan who has mutated. This condition raise as an observation. The company should conduct regularly meeting and discussing about the problem that happened. This condition raise as an observation. The company has meeting record of OSC committee i.e on February 2017.

The company has procedure of emergency response (BMA-08 revision 03 effective dated 23 August 2016) covered fire, earthquake, demonstration, sabotase or bomb threat and oil spill. The procedures has socialized to entire worker. The company has officer that has first aid liscence i.e. M.Ridwan Siregar, Abdul Basid, Misroadi and Sugianto. The company has been conduct first aid training on 2013. The company has record of first aid training i.e attendant list of participant, first aid material and documentation of activity. The company has training plan related first aid training on May 2017. The company has conduct periodic inspection for first aid kit box stated on logbook (BMQ-FR-23 revision 00). The company has record of work accident listed in Accident recapitulation report (BMA-FR-035-17 revision 01).

The company providing medical care for employee i.e clinic and hospital. The company also provided social insurance i.e BPJS Kesehatan and BPJS Ketenagakerjaan. Based on evidence payment of BPJS Ketenagakerjaan of April 2017, the company has been paid BPJS Kesehatan as much as Rp. 425,665,216 dated 25 April 2017 with total of employee as much as 3,832 person. The company has been paid BPJS Ketenagakerjaan as much as Rp. 501,287,327 with total employee as much as 3,455 person. The company has record of lost time accident metrics for year 2016 and 2017.

Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.

Findings:

Company has training program for all workers (Mill and Estate)

Compliance status: Yes No

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2017, including training need analysis document. Some of type of training such as Boiler operator certification, Health and safety, and others. The company has not yet included the training program of Supply Chain Certification System (SCCS) in 2017. **This condition raised as non-conformity (NCR RSPO 01092).**

Some records of training from 2016-2017

1. HCV Training on 28 October 2016, attended by 25 participants.
2. Electrician Safety Training on 05-08 December 2016, attended by 1 participant.
3. Work accident investigation training on 27 December 2016, attended by 21 participants
4. Introduction and care of bearings on 31 August 2016, attended by 17 participants.
5. Industrial Relations negotiation techniques 31 August 2016, attended by 2 participants.
6. Boiler operator training on 18-26 January 2017 in Medan, attended by 6 participants

NCR RSPO 01092

The company has not yet included the training program of Supply Chain Certification System (SCCS) in 2017

Criterion 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.

Findings:

The company has EIA document i.e. Document of Environmental Evaluation (DELH) year 2011 and has been approve on 3 October 2011 with number No:1512.D/BLH-SU/BTL-A/2011 for estate and mill as large as 9,243 ha with mill capacity i.e. 45 ton/hour. The document covering operational such as mill operational, infrastructure and waste liquid management. The company has conduct environmental impact assessment in accordance with government regulation. An environmental impact assessment has been conduct with stakeholder consultation to identify an impact.

The company has EIA document i.e. Document of Environmental Evaluation (DELH) year 2011 and has been approve on 3 October 2011 with number No:1513.D/BLH-SU/BTL-A/2011 for rubber estate as large as 10,806 ha. The document covering operational such as mill operational, infrastructure and waste liquid management. The company has conduct environmental impact assessment in accordance with government regulation. An environmental impact assessment has been conduct with stakeholder consultation to identify an impact.

The company has environmental management plan that stated in the environmental management plan document (RKL) and environmental monitoring plan document (RKL). It is covering information such as type of impact, monitoring of impact, source of impact, parameter to monitoring, aim of monitoring, method of monitoring, location of monitoring, period of monitoring, person in charge and related agency. The company has been implemented the environmental management plan in accordance with matrix of environmental monitoring. The company has been reporting periodically each semester i.e.:

- Reporting of RKL-RPL semester I year 2016 on 21 November 2016 to Environmental Agency of North Sumatera

Compliance status: Yes No

NCR RSPO 01093

The Company has not discussed in the report of UKL-UPL of 1st semester and 2nd semester of 2016 in accordance with the matrix of management and monitoring plan such as the land function change, occupational health and safety, social unrest and disease prevalence.

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| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <p>Province</p> <ul style="list-style-type: none"> • Reporting of RKL-RPL semester II year 2016 on 23 March 2017 to Environmental Agency of North Sumatera Province <p>The company has conduct review of RKL-RPL on October 2017.</p> <p>The Company has not discussed in the report of UKL-UPL of 1st semester and 2nd semester of 2016 in accordance with the matrix of management and monitoring plan such as the land function change, occupational health and safety, social unrest and disease prevalence. This condition raised as non-conformity (NCR RSPO 01093).</p> | |
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Criterion 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.

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Findings:</u></p> <p>The company has been conducted HCV assessment. The HCV assessment conducted on April 2009 by Remark Asia. The HCV assessment covered protected areas inside land title, status of conservation (IUCN, CITES, Government regulation) and identification of habitat of high conservation value. Based on report of HCV assessment, there are list of stakeholder for HCV assessment i.e company, local community, government, community leaders. There is also minutes of meeting for stakeholder consultation and documentation of public consultation. The HCV assessment has been conduct checking include biological. Base on report of HCV assessment there is HCV 1 and HCV 4 i.e river border. The HCV assessment conducted refer to HCV toolkit that adopted on HCV toolkit Inodnesia year 2008. The company has map of HCV that has been overlay with land title map and area map.</p> <p>Based on HCV assessment there is identification of HCV that the habitat for RTE spesies i.e. Teratai lake, Kuala Piasa estate and Block P96301.</p> <p>Based on result of HCV assessment, there is mangement and monitoring plan year 2017 for area is a habitat for populations of threatened species, the spread is limited or protected survives. Some of the management and monitoring plans i.e. restoration of the habitat or vegetation in the riverside.</p> <p>The company has been conducted implementation of management and monitoring plan such as:</p> <ul style="list-style-type: none"> • Monitoring of signboard every month • Monitoring of flora and fauna every 4 month (BMA-FR-36 revision 00) • Socialization of HCV regularly to employee, staff and local community <p>The company has been conducted regularly inspection to ensure implementation of mitigation plan that has issued.</p> <p>The company has policy of sustainable of palm oil assigned 28</p> | <p>Compliance status: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>NCR RSPO 01094</p> <p>The Company has not been able to show evidence of agreement between the company and the local community of Terusan Tengah village, Tinggi Raja vil-lage (Kuala Piasa estate) and Subur vil-lage, Banjar village (Serbangan estate) to keep HCV area.</p> |
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February 2017 by CEO BSP Kisaran. The policy regulated about protected of RTE species. The company has monthly programme such as socialization related status of RTE species to employee, staff and community. The company conducted field inspection to check the traps inside location of HCV that stated in monthly report of HCV findings. The procedure for management and monitoring of HCV (BMA-09 revision 01 effective date 3 November 2016 has been stated about the sanction refer to regulation if any employee shown to do things that are prohibited i.e not allowed to trade wildlife both protected and unprotected.

The company has management and monitoring plan of HCV year 2017. The management and monitoring plan described about location of HCV, classification, status and comment, corrective action, person incharge, due date and cost. The company has record of monthly monitoring report for HCV area.

The company has HCV area set aside with local community i.e. local graveyard of Terusan Tengah village and Tinggi Raja village. The company has HCV map. The company has conduct socialization of HCV to Tinggi Raja village and Terusan Tengah village on 16 May 2016.

The Company has not been able to show evidence of agreement between the company and the local community of Terusan Tengah village, Tinggi Raja village (Kuala Piasa estate) and Subur village, Banjar village (Serbangan estate) to keep HCV area. **This condition raised as non-conformity (NCR RSPO 01094).**

Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

Findings:

The company has list of waste and source of waste. The company has inventory of chemical source and containers and kept in the hazardous and toxic waste storage.

The Company has temporary storage licenses to keep the hazardous and toxic waste, i.e. Head Decree of Asahan District Number: 660.1/0464/LH/2014 dated June 16, 2014 about the temporary storage permit of hazardous and toxic waste material PT BSP Kisaran. The decree valid until 5 years from the register date.

The company has management and disposal plan to reduce pollution. It is explain about identification and monitoring source of waste and pollution, management and disposal cooperation with third parties. The company has been realized the management and disposal plan cooperation with PT Amindy Barokah. The company does not conduct disposed off waste using open fire.

The Company has a recording of hazardous and toxic waste transport as evidenced by hazardous and toxic waste documents, i.e.:

- Hazardous and toxic waste document with number AVT 0000690 with type of waste is liquid i.e. contaminated oil with weight is 0.589 ton transported by PT Amindy Barokah on February 24, 2017

Compliance status: Yes No

NCR No: -

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- Hazardous and toxic waste document with number AVT 0000691 with type of waste is solid i.e. accu with weight is 0.071 ton transported by PT Amindy Barokah on February 24, 2017
- Hazardous and toxic waste document with number AVT 0000692 with type of waste is solid i.e. filter oil with weight is 0.017 ton transported by PT Amindy Barokah on February 24, 2017
- Hazardous and toxic waste document with number AVT 0000693 with type of waste is solid i.e. contamination containers with weight is 0.905 ton transported by PT Amindy Barokah on February 24, 2017
- Hazardous and toxic waste document with number AVT 0000697 with type of waste is solid i.e. contamination metal with weight is 0.071 ton transported by PT Amindy Barokah on February 24, 2017

Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimized.

Findings:

The company has recorded their energy use from the fossil fuel and the renewable energy for mill operation, evidenced by record use of fossil fuel, shell and fiber.

Sei Baleh Palm Oil Mill has used fiber and shell as sources of renewable energy (shells and fibres), i.e. to produce steam from the mill turbine/boiler. In year 2016 (January – December), total shell usage is 11,319.40 tonnes and total fiber usage is 26,411.93 tonnes.

The fossil fuel used is diesel oil, the monitoring result stated that in year 2015, the company used 66,729.50 tonne or 0,03% (diesel oil/tonne of FFB).

The company has a plan to reduce the use of diesel fuel by replacing with the use of shells and fibers as much as 0.4 liters per ton of FFB, on March fuel consumption report 0.80 l / ton of FFB and April 2017 - 0.69 liters / ton FFB and water use 0 , 2 tons of water. The company has procedure for Green House Gases Identification and Mitigation number BMA-17 Rev 00 dated on April 12, 2013.

Compliance status: Yes No

NCR No: -

Criterion 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.

Findings:

The company has established a zero burning policy signed by top management and not used fire for preparing land for replanting so assessment document not available. There is evidence that during field visit that there is no fire using for replanting or any other purposes.

Compliance status: Yes No

NCR No: -

Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

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Findings:

The company has identification of source emission and polluting from entire activity. The company has conduct identification for activity that produced emission and pollution. The company has mitigation program to reduce pollution and greenhouses gasses emission. The mitigation plan covered information i.e. goals, target and time period to reduce emission and pollution. Some of activity that has been realize such as shell used year 2016 as much as 9,962.4525 ton, fiber used as much as 23,245.7225 ton, monitoring of emission testing conduct on 5 November 2016, fossil fuel used year 2016 as much as 22,848 liter, EFB application and liquid waste application. The company also has been conduct quality testing of palm oil mill effluent each month from January until December 2016 and January until April year 2017. Based on testing result, the value of BOD still inside the threshold set in the regulations.

The Company has not conduct calculation of GHG emissions for 2016 using GHG Calculator version 3.0.1. **This condition raised as non-conformity (NCR RSPO 01095).**

The company has sent evidence monitoring of emission of pollutants came from estate and mill activity. The company has been conduct reporting of GHG calculation to RSPO. The company has been conduct GHG calculation in accordance with Palm GHG version 3.0.1.

The result of GHG calculation describe in the table below:

Summary of Net GHG Emissions

| Emissions per Product | tCO2e/t Product |
|-----------------------|-----------------|
| CPO | 6.03 |
| PK | 6.03 |

| Production | t/year |
|---------------|-------------|
| FFB processed | 202,729.979 |
| CPO Produced | 43,899.825 |

| Extraction | % |
|------------|-------|
| OER | 21.65 |
| KER | 4.29 |

| Land use | Ha |
|--------------------|----------|
| OP planted area | 8,777.00 |
| OP planted on peat | 0 |
| Conservation area | 0 |

Summary of Field Emissions and Sinks

Compliance status: Yes No

NCR RSPO 01094

The Company has not conduct calculation of GHG emissions for 2016 using GHG Calculator version 3.0.1

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Land conversion:

- Own crop: 86,598.28 tCO₂e or 9.88 tCO₂e/ha
- Group: 88.89 tCO₂e or 9.88 tCO₂e/ha
- 3rd party: -

CO₂ Emissions from Fertilizer:

- Own crop: 301,560.70 tCO₂e or 34.39 tCO₂e/ha
- Group: -
- 3rd party: -

N₂O Emissions

- Own crop: 1,389.55 tCO₂e or 0.16 tCO₂e/ha
- Group: -
- 3rd party: -

Fuel Consumption:

- Own crop: 186.16 tCO₂e or 0.02 tCO₂e/ha
- Group: 59.44 tCO₂e or 6.6 tCO₂e/ha
- 3rd party: -

Peat Oxidation:

- Own crop: 100.46 tCO₂e or 0.03 tCO₂e/ha
- Group: -
- 3rd party: -

Sinks:

- Own crop: -
- Group: -
- 3rd party: -

Crop Sequestration:

- Own crop: - 82,083.68 tCO₂e or -9.36 tCO₂e/ha
- Group: - 84.26 tCO₂e or -9.36 tCO₂e/ha
- 3rd party: -

Conservation Sequestration:

- Own crop: -
- Group: -
- 3rd party: -

Total:

- Own crop: 307,651.01 tCO₂e or 35.09 tCO₂e/ha
- Group: 64.07 tCO₂e or 7.12 tCO₂e/ha
- 3rd party: 0.04 tCO₂e or 0.00 tCO₂e/ha

Summary of Mill Emissions and Credits

| | tCO ₂ | tCo ₂ e/t FFB |
|------------------------------|------------------|-----------------------------|
| Emissions | | |
| POME | 10,714.09 | 0.05 |
| Fuel Consumption | 279.16 | 0 |
| Grid Electricity Utilization | 0 | 0 |
| Credits | | |
| Export of Grid | 0 | 0 |

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| | | |
|--------------|-----------------|-------------|
| Electricity | | |
| Sales of PKS | -1,771.00 | - 0.01 |
| Sales of EFB | 0 | 0 |
| Total | 9,222.25 | 0.05 |

Palm Oil Mill Effluent (POME) Treatment

| | |
|-------------------------------|-------|
| Divert to compost | 0 % |
| Divert to anaerobic digestion | 100 % |

POME Diverted to Anaerobic Digestion

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

Criterion 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.

Findings:

The companies PT BSP has had SIA document created in 2011 by a team of quality safety and environment. SIA making process and the findings have documented and reported in the document SIA. The SIA has covered all the potential impacts of factors ,i.e :

- Increased public education around
- The gap qualified labor needs
- Migration of people into wilayahdi around PT.BSP
- Insufficient resources of agricultural land and plantation
- Change livelihoods
- Changes in income
- Financial Institutions, both formal and non -formal, including banks and cooperatives
- Social capital
- Improved rural infrastructure (roads, transport, communications, religious facilities, sports facilities, etc)
- Health
- Workplace safety

There is an impact assessment involving the affected communities. The communities affected are the landowners and the people residing in villages around the site of PT. BSP. There is information from the public and based on the SIA document, that participatory assessment carried out by the method of Focus

Compliance status: Yes No

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Group Discussion with affected communities.

The SIA document contained recommendations on the preparation of the Social Management Plan as social impact mitigation plan. The Company has had a Social Management Plan year 2017, which aims to avoid or mitigate negative impacts and positive promotion, and monitoring the impacts.

There are reports of environmental management and monitoring plan (including social activities) as a form of review activities carried out once every 6 months. The report examined is RKL / RPL second half of 2014 and report KL / RPL semester II 2016. Review carried out independently by PT.BSP as a form of evaluation of the activities carried out. Review has documented in the form of RKL / RPL reports every 6 months reported also to the environmental agency. There management Plan for Social activities 2017.

The company has developed a social management plan that is implemented once a year based on stakeholder inputs on external public communication activities of Pondok Bungur Village and Subur Village for Serbangan Estate; Tanah Raja Estate from Dadi Mulyo Village and Karanganyar Village, Sei Baleh Estate from Plantation Sei Baleh Village; Gurah Batu Estate from Parhutaan Silau Village and Taman Sari Village; Kuala Piasa Estate from Padang Sari Village, Tinggi Raja Village, Sumber Harpan Village, Terusan Tengah Village and Piasa Ungu Village. Village heads given a questionnaire to determine the impact of the company's presence on social, cultural, economic and health aspects. For the 2017 social management plan implemented in January 2017.

There is no cooperation with group of farmers in the company activities, but there are people who settled at the company site. The surrounding communities have been involved in the preparation of the SIA as a resource of information. The main impact for the community is to increase employment.

Criterion 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

Findings:

The company owns and maintains a list of local stakeholders (communities) around the company (list of stakeholders see 6.2.3). The company has the SOP communication and consultation between the company and the local community and those affected by other interested namely SOP Communication Participation and Consultation Internal and External No. BMH -03 rev 06, dated 13 June 25, 2016.

The procedure aims to regulate the mechanism of communication, participation and consultation of the problems that occur and to ensure that any problems that exist are processed and followed up with corrective action or troubleshooting for continuous improvement.

SOP established by considering the interests of local communities, where they can apply for assistance for the activities of mi-

Compliance status: Yes No

NCR No: -

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cro enterprise development and socio-cultural activities. The SOP drafted in the Indonesian language that understood by the local community.

The procedure has been prepared by taking into account women's interests and public interests are marginal, without any discrimination. Based on interviewed, evidenced that the public understand the mechanisms of communication with the company. The company's CSR program is no discrimination of gender, religion, race etc.

The Company has appointed PIC Communications, i.e. HR and area Head Division and staf i.e. Yusri Helmy name Saros and Ismi Bebi Lestari Harahap (Industrial Relations and Legal). Job description of PIC Communication are :

- Communicate with stakeholders
- To coordinate with operating unit leaders and the regional coordinator of CSR
- Ensure a harmonious relationship with the community
- To identify and anticipate every obstacle in CSR activities
- Prepare and submit report

The Society has to understand PIC designated the company as evidenced by the incoming mail that can immediately addressed by the Company. There stakeholder document i.e. government stakeholder village, sub-district and district, stakeholder NGOs and stakeholders of the company partners/suppliers.

PT Bakrie Sumatera Plantation Tbk Unit Kisaran and Palm Oil Mill Kisaran key stakeholder's are: outgrower, village government, Sub Distric government, Distric Government, NGO, local community, and farmers. The interview with the head of Pengarungan Village and officials of Subur Village, it known that the company had conducted RSPO socialization that included socialization of communications procedures, consultation with stakeholders. The village head understands the procedures of communication with the company.

Recording confirmation correspondence documented in the log-book / letter entry – exit Incoming mail: dated October 10, 2016 Yonif 126 delivered letter no. B / 457 / X / 2016 regarding the application of shell assistance addressed to PT BSP. HRD PT BSP has replied to the letter dated October 12, 2016 through letter no. 244 / HRD / X / 2-016 and has provided 2 (two) ton shells for Yonif 126.

Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.

Findings:

There is a mechanism for handling complaints and grievances of all parties affected, namely: SOP Participation and Consultation Communication Internal and External No. BMH -03 rev 5, dated April 25, 2015. PT BSP has a policy of "Whistle Blowing Policy" that are specifically related to the mechanism for handling complaints and grievances of all parties affected, namely: SOP Par-

Compliance status: Yes No

NCR No: -

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participation and Consultation Communication Internal and External No. BMH -03 rev 5. There is an explanation that the company will facilitate if complainants requested confidentiality of his identity, without prejudice to the essence and the company's response to the complaint.

Receiving Complaints Procedures Stakeholders and Resolving Disputes Doc.No RSPO-02, Rev.1 dated April 14, 2011. There PIC that is responsible for the complaint that the PR department by appointing PIC Communication: HR Area Head Division and Staff HR Legal. The SOP system has disseminated to stakeholders. The system was conceived and running well.

Employees may submit complaints through maintenance and SPSI implementation mechanisms. If there is no agreement in the settlement of disputes will be resolved through bipartite meetings with the help of the union and if there is no agreement it will be resolved through the courts.

Results of interviews with construction workers, it known that they understand the procedures to submit a complaint to the company. The Company has documented every worker's complaints and responses on the form of complaint receipt. The worker's complaints have to be resolved. The department in charge for documenting employee complaints is PGA Department. For example: On October 6, 2016 of on behalf Suyati, Kwala Piasa Estate delivered a complaint about leaking in his house, and then on October 23, 2016 the worker's complaints had been resolved by replacing a leaky roof.

Criterion 6.4: 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.

Findings:

There is a procedure identifying the parties entitled to receive compensation Document No. RSPO - 01 dated 11 april 2011 revision 1. The procedures that guarantee the implementation of the identification of the parties entitled to receive compensation for damages crops, plants and buildings to obtain the concession for the company. Identification team formed jointly between the company and government districts, village and community leaders. The mechanisms can accepted by the affected communities. PT **BSP** has a procedure identifying the parties entitled to receive compensation. Related to the identification of the legal rights of the community, namely SOP Land Acquisition and Land Permit, which aims to ensure that decisions, steps or actions in the process of acquiring land for the benefit of industrial oil palm plantations is done properly, appropriately and in accordance with prevailing regulations and meet the principles and criteria of the RSPO, HCVF and FPIC particularly for land-related interests of the community and communal land.

The Company has procedures to identify the parties entitled to receive compensation Doc.No. RSPO - 01 rev 01 dated 14, April 2011. The procedure was disseminated and accepted by the recipient impact. The procedure will evaluated when there are changes in government regulations related to the compensation value set by the government. The procedure gives the same

Compliance status: Yes No

NCR No: -

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rights to the recipient of the impact regardless of gender, ethnicity, and religion.

In interviews with the village head of Karang Anyer and village officials of Dadimulyo, it explained that there are no indigenous land or customary rights in the area of the company. Since the beginning of land acquisition for the construction of the estate, there is no customary land or customary rights in the area of the company.

Criterion 6.5: 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.

Findings:

This type of arrangement wages by :

1. Agreement with Sumatera Utara Workers Union BKPPS Forum of for 2017 have been agreed on January 1, 2017, are:
 - BHL Harvesters and tappers (Day off): Rp 2.208.787,-/month.
 - PKWT (Specific Time Employment Agreement) contract labor: Rp 2.319.226.49,-/ month.
 - SKU (Daily fixed): wage setting by BKS PPS (Sumatera Plantations Company Cooperation Agency) for 2017 amounted to Rp 2.369.255,-/ month.
 - HIP (daily monthly): low of Rp 2.572.885,-/ month highs Rp. 3.550.452,-/ month.
 - Staff (Management): determination of salary based on performance.
2. Governor Decree No. 188.44 / 99 / KPTS / 2017 th of Asahan Regency Sectoral Minimum Wage in 2017 amounted to Rp 2.363.402,23,-per month.

There is a document employee's salary, for example, pay slips, as an example : Isturanto ID 3020 month of April 2017 :

- Basic salary : IDR. 2,544,413,-
- Accident insurance : IDR. 14,469,-
- Total salary : IDR. 2,558,882,-

A definition of wages has agreed in accordance with Law No. 13 of 2003 on Manpower. All of records the wages of employees have documented by the company in Finance.

The employment contract clearly indicate the basic salaries and working conditions of the facilities, such as working hours, benefits, cuts in wages, overtime, sick leave entitlements and maternity leave, reasons for termination, notice periods, etc. The employment contract prepared in the Indonesian language understood by the workers, signed by both parties, ie the company and its employees. Salary and conditions provided in accordance in labor laws, union agreements or direct contracts of employment in accordance with the minimum wage in accordance with the decree of the Governor of North Sumatera.

Based on the verification results to the workers there are no violation by the company PT BSP linked to remuneration of employees.

PT. BSP both plantations and mill have been providing adequate

Compliance status: Yes No

NCR RSPO 01096

Some condition that has raise as non-conformity such as:

- There is not available related Letter of Work Agreement (SPK) for Daily Worker (BHL) in accordance with Kepmenakertrans No. 100 of 2004, Article 12. For example Serbangan estate as much as 14 people
- There are workers who work on official holidays (eg harvesting in Serbangan estate), but there is no evidence of agreement between workers and management to work on official holidays (Law No. 13 of 2003, Article 85).
- Specific Time Working Agreement (PKWT) in Serbangan Estate as much as 17 people has expired where on 30 January 2017 has been filed for extension but until audit conducting there is no realization.
- There are workers (office clerk) who work overtime for 3 (three) hours or more (Serbangan estate) but have not yet provide food and drink at least 1,400 calories (Kepmenakertrans No. 102 of 2004, Article 7)

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housing and other basic needs national standard. Based on the verification of the workers , it is known that the PT BSP provides access to the food needs of the form:

1. The benefit of rice per month provided that: worker 15 kg / month; wives 9 kg / month; Child maksimum 3 child) @ 7,5kg / month
2. Duty trip : The payment of food allowance and trip services amounted to Rp 50,000 per day
3. Payment of insurance BPJS Desember 2015 : Rp 411.210.279,-
4. Payment of insurance BPJS Januari 2016 : Rp 411.066.121,-

PT BSP has a Joint Employment Contract ('Perjanjian Kerja Bersama'/PKB) 2015-2017 between the Agency for Cooperation of Sumatera Plantation Company (BKS-PPS) with the Central Board of the Federation of Trade Unions of Agriculture and Plantation of All Indonesian Workers Union (PP, FSP.PP-SPSI). PKB on April 21, 2015 s.d 20 April 2017 has been registered with the Ministry of Manpower c.q Directorate General of Industrial Relations and Labor Social Security with No.88 / Pdf.77 / PKB / VI / 2015. At 2nd surveillance, dated May 15, 2017 at the Office of BKS-PPS Jalan Pemuda no. 2 Medan is under discussion of proposals from members of BKS-PPS and PP, FSP.PP-SPSI by BKS-PPS negotiating team related to PKB discussions.

The facilities provided by PT. BSP is :

| Location | Total Worker House | Infrastructure | | | | | | Total unit |
|-------------------|--------------------|----------------|---------|--------|--------|-------|------------|------------|
| | | Mosque | Mushola | Church | Others | Sport | Polyclinic | |
| Head Office | 142 | 1 | - | - | 3 | 4 | - | 150 |
| Bunut Factory | 390 | 1 | 2 | 2 | 1 | 4 | 1 | 401 |
| POM | 105 | 1 | - | - | 2 | 3 | 1 | 112 |
| RSIK | 110 | 1 | - | - | 1 | 1 | - | 113 |
| Serban gan | 424 | 5 | 3 | - | 7 | 2 | 1 | 442 |
| S.Baleh Estate | 250 | 4 | 1 | - | 3 | 2 | 1 | 261 |
| G. Batu Est | 199 | 6 | - | - | 2 | 2 | 1 | 210 |
| T.Raja Estate | 414 | 7 | - | - | 7 | 2 | 1 | 431 |
| K.Piasa Estate | 190 | 3 | - | - | 2 | 2 | 1 | 198 |
| A. Salabat Esatet | 203 | 10 | - | 2 | - | 2 | 1 | 218 |

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Some condition that has raise as non-conformity such as:

- There is not available related Letter of Work Agreement (SPK) for Daily Worker (BHL) in accordance with Kepmenakertrans No. 100 of 2004, Article 12. For example Serbangan estate as much as 14 people
- There are workers who work on official holidays (eg harvesting in Serbangan estate), but there is no evidence of agreement between workers and management to work on official holidays (Law No. 13 of 2003, Article 85).
- Specific Time Working Agreement (PKWT) in Serbangan Estate as much as 17 people has expired where on 30 January 2017 has been filed for extension but until audit conducting there is no realization.
- There are workers (office clerk) who work overtime for 3 (three) hours or more (Serbangan estate) but have not yet provide food and drink at least 1,400 calories (Kepmenakertrans No. 102 of 2004, Article 7)

This condition raised as non-conformity (NCR RSPO 01096).

Criterion 6.6: 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.

Findings:

PT. BSP has a firm policy in the Indonesian language that recognizes the rights of employees to freedom of association. Employees have a union SPSI (All Indonesia Workers Union) and the SBSI (All-Indonesia Workers Union) to all workers including migrants and contract workers. Unions are associations of workers to negotiate with the company. The union SPSI PT SBI members about 3200 workers and SBSI PT SBI members about 300 workers.

The results of negotiations in the form of work agreement (PKB) endorsed by the company and union workers. The work agreement (PKB) period 2015-2017. The agreement contains the rights, obligations and working conditions, safety, welfare, leave, termination of employment, etc. Ratification PKB No. KEP 88/PHIJSK-PKKAD/ PKB/VI/2015 concerning the Registration Agreement BKS-PPS with the PP. FSP.PP-SPSI period 2015 - 2017 by contested of Industrial Relations Labor and Social Security. The agreement refers to the Law No. 13 of 2003 on Labor and has been disseminated to the workers, it is evident that workers know the contents of the CLA. Board SPSI PT BSP period 2016 – 2021 was available.

Meeting between the union and the company have documented. Documents available for the worker and stored by the Unions and HRD PT BSP. For example, on May 8, 2017, a discussion of PKB between 2018-2019 between the companies of PT BSP and the unions SPSI.

Compliance status: Yes No

NCR No: -

Criterion 6.7: Children are not employed or exploited.

Findings:

There are rules about the minimum age of workers at PT. BSP ie at least 18 years old by Memo HR Area Head No.

Compliance status: Yes No

NCR No: -

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783/HRD/V/2011 dated May 9, 2011. The company have total of worker on April 2017 such as:

- Kisaran Palm Oil Mill 118 people (HIP/daily monthly 98 people, SKU/ Daily Fixed 17 people, PKWT/Specific Time Employment Agreement 3 people)
- Kwala Piasa Estate 272 people (HIP 48 people, SKU 122 people, PKWT 12 people)
- Serbangan Estate 106 people (SKU 75 people, PKWT 18 people, and BHL 13 people).

Based on the verification of documents and interviews with workers proved that PT BSP does not employ workers younger than the minimum age. Based on the verification of documents, most young worker is : Edy Surya (ID 20 527) employees positions harvest, was born on 21 April 1995 and began working 1 Januari 2015 (age 19 years)

Criterion 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.

Findings:

PT BSP has a policy was no discrimination in employment, which is set in:

1. Human Rights Policy article 4. "We enforce all the people who worked at PT BSP fairly and without discrimination on differences in ideology, ethnicity, color skin, religion, gender, sexual orientation, national origin, age, disability or more status social".
2. Sustainable Palm Oil Policy, Article 17 "Every worker has an equal opportunity to obtain employment without discrimination and the right to equal treatment without discrimination from employers.

The procedure of selection acceptance of new employees Document No. BMH - 07 rev 01 dated February 2, 2013: every worker has an equal opportunity to obtain employment without discrimination, applicants are required a minimum of 18 years of age.

Information policy is open to the public are accessible to all interested stakeholders. Policies posted on the board companies. The policies have been implemented proven employees of PT BSP came from various regions of both local and surrounding areas. Job Vacancies postings through the mass media, job fairs, and announcements in the surrounding villages, as well as through a job fair in collaboration with universities in Medan. For example Job fair with the College of Chemical Industry Medan in February 2016.

Based on interviews with workers in mind that workers and groups including local communities, women, and migrant workers there is no discrimination in recruitment. Recruitment is open to anyone who has the ability, given appropriate salary Minimum Wages District, granting medical benefits applicable to all employees.

Men and women have the same opportunities in the process of recruitment, payroll, and benefits. Menstrual leave and childbirth /

Compliance status: Yes No

NCR No: -

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breastfeeding women given to employees regardless of their race or religion race. Recruitment, promotion conducted by expertise, educational background suitability for certain positions as well as their employee performance assessment each year.

Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.

Findings:

- There is a sexual harassment policy;
- Human Rights Policy, article 1 "we conduct business in a manner respecting the rights and dignity of all people in accordance with the legal requirements "
 - Oil SustainablePlam Policy, section 5 "Preventing sexual harassment and violence"

The policy has documented, implemented, communicated, and disseminated to all female worker through the socialization of women's rights and domestic violence on January 31, 2017.

There are mechanisms and clear rules for companies to handle / deal with issues such as / complaints received from labor. There is a Gender Committee as a means for workers to facilitate the fulfillment of basic rights of women. The leader of committee Gender: Suriana; Vice Chairman: Dian Carolina Secretary: Erlina Effendi Lubis; Members: ISMI Bebi, Nurimah siregar, Restu, Sul-fiah, Siti Aminah, Masdiana.

- Gender Committee activities are:
- Socialization of women's rights, domestic violence in each division.
 - Receive a report of domestic violence

- There is a policy of protection of women's reproductive rights. The policy also contained in:
- PKB article VIII, such as : menstruation , pregnancy , child-birth and breastfeeding
 - PKB Article XV include workers are required to use safety equipment or personal protective equipment. The medical examination colenestrace per 6 months for employees dealing with chemicals / agrochemicals; antenatal care for women workers related chemicals.

Based on interviews with women workers in Serbangan Estate, it known that the workers understand the reproductive leave entitlements, ie 2 days menstrual leave and maternity leave is three months.

Compliance status: Yes No

NCR No: -

Criterion 6.10: Growers and millers deal fairly and transparently with smallholders and other local businesses.

Findings:

Based on data of FFB receipt year 2016, the company does not receipt FFB from third party. So this criteria not applicable.

Compliance status: Yes No

NCR No: -

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Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.

Findings:

Identification of community needs has carried out by PT BSP, as can be seen in the SIA report. PT BSP annually carries out communication and consultation regarding the evaluation of CSR implementation that has implemented, develops CSR program and monitors the implementation of social management with stakeholders around the estate and palm oil mill such as Karang Anyer Village and Dadimulyo Village. PT BSP has contributed to regional development in the field of infrastructure development, education, religious social assistance, health and natural disaster relief. Assistance in education is the provision of auxiliary fees elementary school teachers in the villages around the company, educational scholarships for outstanding students, school football in the estate Bunut.

For example 2016:

- Office stationery assistance (ATK) at Aek Salabat Estate of IDR. 20.100.000.
- Assistance of honor teachers at Aek Salabat Estate IDR. 78.300.000.
- Assistance through proposals that come from the community of IDR. 130.450.000.
- Delivery of a parcel of rope to 990 people duaafa who are around the estate.
- Cleft lip surgery is free every 3 months.

Companies does not cooperate with farmers (scheme smallholders) to produce CPO.

Compliance status: Yes No

NCR No: -

Criterion 6.12: No forms of forced or trafficked labor are used.

Findings:

The company has particularly a policy on the prohibition of forced labor. Recruitment of foreign workers conducted by the Jakarta headquarters with reference to laobor regulations in Indonesia. The Company does not hold workers' identity as collateral work. The company has only a copy of the identity documents of workers. There are labor outsourcing, through cooperative work in the field of office cleaning and yard. Based on document tracking and verification in proved that :

- There is no evidence of the replacement of employment contracts of employees
- All workers have had a copy of the employment contract

There are two types of migrant workers, migrant workers internal and international migrants. Internal migrant workers are those workers who migrate within the country. Examples of the most common and easily understood is urbanization and transmigration. That international migrants are individuals who migrate abroad for work purposes.

Associated with internal migrant workers who mostly come from NTT and Java, the company does not discriminate in

Compliance status: Yes No

NCR No: -

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employment opportunities, wages, housing, health care, there is no change of the contract, the opportunity to worship and others.

Bakri PT Sumatera Plantation, committed to providing opportunities equal access to employment, through the following business :

1. The Company provides equal opportunities to workers to find employment and a decent income,
2. The company puts all workers in accordance with the expertise, capabilities and other job requirements, and in accordance with operational needs of employees.

Thus this policy is made, to be a concern and responsibility all parties on the implementation of this policy.

Criterion 6.13: Growers and millers respect human rights.

Findings:

PT BSP has had a policy on human rights, which have disseminated to all employees by the public relations department. Policy information also posted on the information board at the PT. BSP. There is sufficient evidence that never happened human rights violations in PT BSP during year 2015 and 2017 (until date of audit). Human rights dissemination policy has carried out on January 31, 2017 (Estate, Mill).

Compliance status: Yes No

NCR No: -

Criterion 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

Findings:

During the last one year, there is no new planting in the company PT BSP Kisaran. All existing area is the area under the company's existing HGU (cultivation Right), which is all previously planted and no planting in HCV area. The company is only carrying out expansion of their oil palm plantation inside existing HGU area from rubber plantation conversion area but since issued a letter No. 27/HBU/III/2011 dated on March 21, 2011 that no further conversion activities from rubber to oil palm.

Compliance status: Yes No

NCR No: -

Criterion 7.2: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.

Findings:

During the last one year, there is no new planting in the company PT BSP Kisaran. All existing area is the area under the company's existing HGU (cultivation Right), which is all previously planted and no planting in HCV area. The company is only carrying out expansion of their oil palm plantation inside existing HGU area from rubber plantation conversion area but since issued a letter No. 27/HBU/III/2011 dated on March 21, 2011 that no further conversion activities from rubber to oil palm.

Compliance status: Yes No

NCR No: -

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Criterion 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.

Findings:

During the last one year, there is no new planting in the company PT BSP Kisaran. All existing area is the area under the company's existing HGU (cultivation Right), which is all previously planted and no planting in HCV area. The company is only carrying out expansion of their oil palm plantation inside existing HGU area from rubber plantation conversion area but since issued a letter No. 27/HBU/III/2011 dated on March 21, 2011 that no further conversion activities from rubber to oil palm.

Compliance status: Yes No

NCR No

Criterion 7.4: Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.

Findings:

During the last one year, there is no new planting in the company PT BSP Kisaran. All existing area is the area under the company's existing HGU (cultivation Right), which is all previously planted and no planting in HCV area. The company is only carrying out expansion of their oil palm plantation inside existing HGU area from rubber plantation conversion area but since issued a letter No. 27/HBU/III/2011 dated on March 21, 2011 that no further conversion activities from rubber to oil palm.

Compliance status: Yes No

NCR No: -

Criterion 7.5: No new plantings are established on local people's 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.

Findings:

During the last one year, there is no new planting in the company PT BSP Kisaran. All existing area is the area under the company's existing HGU (cultivation Right), which is all previously planted and no planting in HCV area. The company is only carrying out expansion of their oil palm plantation inside existing HGU area from rubber plantation conversion area but since issued a letter No. 27/HBU/III/2011 dated on March 21, 2011 that no further conversion activities from rubber to oil palm.

Compliance status: Yes No

NCR No: -

Criterion 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.

Findings:

During the last one year, there is no new planting in the company PT BSP Kisaran. All existing area is the area under the company's existing HGU (cultivation Right), which is all previously planted and no planting in HCV area. The company is only carrying out expansion of their oil palm plantation inside existing HGU area from rubber plantation conversion area but since issued a letter No. 27/HBU/III/2011 dated on March 21, 2011 that no further conversion activities from rubber to oil palm.

Compliance status: Yes No

NCR No: -

Criterion 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.

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| <p>Findings:</p> <p>During the last one year, there is no new planting in the company PT BSP Kisaran. All existing area is the area under the company's existing HGU (cultivation Right), which is all previously planted and no planting in HCV area. The company is only carrying out expansion of their oil palm plantation inside existing HGU area from rubber plantation conversion area but since issued a letter No. 27/HBU/III/2011 dated on March 21, 2011 that no further conversion activities from rubber to oil palm.</p> | <p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p> |
| <p>Criterion 7.8: New plantation developments are designed to minimize net greenhouse gas emissions.</p> | |
| <p>Findings:</p> <p>During the last one year, there is no new planting in the company PT BSP Kisaran. All existing area is the area under the company's existing HGU (cultivation Right), which is all previously planted and no planting in HCV area. The company is only carrying out expansion of their oil palm plantation inside existing HGU area from rubber plantation conversion area but since issued a letter No. 27/HBU/III/2011 dated on March 21, 2011 that no further conversion activities from rubber to oil palm.</p> | <p>Compliance status: NA</p> <p>NCR No: -</p> |
| <p>Criterion 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.</p> | |
| <p>Findings:</p> <p>The company has environmental management plan that stated in the environmental management plan document (RKL) and environmental monitoring plan document (RKL). It is covering information such as type of impact, monitoring of impact, source of impact, parameter to monitoring, aim of monitoring, method of monitoring, location of monitoring, period of monitoring, person in charge and related agency. The company has been implemented the environmental management plan in accordance with matrix of environmental monitoring. The company has been reporting periodically each semester i.e.:</p> <ul style="list-style-type: none"> Reporting of RKL-RPL semester I year 2016 on 21 November 2016 to Environmental Agency of North Sumatera Province Reporting of RKL-RPL semester II year 2016 on 23 March 2017 to Environmental Agency of North Sumatera Province | <p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p> |

The following is a summary of findings made for the criteria listed in the RSPO Supply Chain Certification November 2014 with selected supply chain model Mass Balance (MB) for detail information about company's compliances to RSPO SCCS modul E.

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| E.1. Definition | |
| <p>Findings:</p> <p>The organization (PT Bakrie Sumatera Plantation Tbk Kisaran Palm Oil Mill) implemented the RSPO-SCCS Mass Balance (MB) model. This SCCS model allowed to mixing of certified and uncertified</p> | <p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p> |

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product but shall be control by the Mass Balance record to ensure the quantity of certified product, and only certified product could be claim by the organization as certified palm oil product. Organization has identified the volume of certified and uncertified FFB supplied to the mill.

PT Bakrie Sumatera Plantation Tbk Kisaran Palm Oil Mill has record of incoming FFB supplied to the mill. Based on record data year of 2016 and 2017 until April, FFB incoming into the mill is came from owned estate, company group and out growers/third party. During the surveillance assessment, for 2016 total incoming FFB under scope certification (Tanah Raja Estate, Gurah Batu Estate, Kuala Piasa Estate, Serbangan Estate and Sei Baleh Estate) is 141,858.330 mt and uncertified FFB from out grower/third party is 60,851.649 mt.

E.2 Explanation

Findings:

Estimated of tonnage CPO and PK products has been recorded into the public summary of the P&C report.

The actual of certified CPO and PK year 2016 are 30,698.14 MT (CPO) and 6,071.53 MT (PK). Whereas, projection of certified product year 2017 are 30,483.33 MT (CPO) and 6,290.21 MT (PK) with projection of certified FFB process is 146,624.960 MT and extraction rate are 20.79% (OER) and 4.29% (KER). This information gets from budget of mill year 2017.

Registration with IT trading platform PT Bakrie Sumatera Plantation Tbk Kisaran Palm Oil Mill has register to RSPO IT system with license number RSPO_PO100000184. PT Bakrie Sumatera Plantation Tbk Kisaran Palm Oil Mill has already selling CPO RSPO certified and has evidence the transactions has conducted in the RSPO E-Trace.

Compliance status: Yes No

NCR No: -

E.3 Documented procedures

Findings:

The company has list of procedures for implementation of SCCS such as:

- FFB incoming procedure, BMO-03, Rev.07 date issued September 26, 2016. In the procedure explained about the receiving of certified and uncertified FFB.
- Certified Palm Oil & Palm Kernel Storage Procedure, with document number BMO-04, Rev. 02, issued date July 09, 2011
- Certified Palm Oil & Plam Kernel Delivery Pro-

Compliance status: Yes No

NCR RSPO 01097

The Company has not conduct training related the implementation of SCCS where the last training was conducted in 2014 and the personnel have been transferred.

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| <p>cedure, with document number BMO-05, Rev.07, issued date October 5, 2016.</p> <ul style="list-style-type: none"> • Poduction Losses Analysis, Document No. BMO-09, Rev. 05, issued date October 25, 2014 • Reporting of Information of Projected of FFB, CPO and PK Procedure, Document No. BMO-19, Rev. 01 issued date October 25, 2014 • Procedure of Input Data to e-Trace Application/UTZ, Doc. No. BMO-20, Rev.01, Issued Date October 25, 2014. • Procedure of CPO Receiving, Document No. BMO-21, Issued date January 15, 2016. • Flowchart of Costumer Complaint Handling procedure, with document number BM-FC-02 Rev03 date issued July 09, 2011 • Flowchart for product sales and purchase contract, with document number BMO-FC-06 Rev03 date issued 09 July 2011 <p>The mill has been assigning person, i.e. mill manager, assistant processing, security, weighbridge clerk. The person that having overall responsibility for and authority over the implementation of SCCS requirements and compliance with all applicable requirements. The persons expected to be able to demonstrate awareness of the facilities procedures for the implementation of SCCS standard. Respective staff has good knowledgeable and competent in implementing the supply chain procedures in Kisaran Palm oil mill, as proved during interview with weight bridge staff, FFB ramp etc.</p> <p>The mill has records balance for all receipts of RSPO certified FFB and delivery CPO & PK on daily basis. The material balance includes information about incoming FFB from company's estate and out grower, FFB process, CPO & PK production including OER & KER.</p> <p>The Company has not conduct training related the implementation of SCCS where the last training was conducted in 2014 and the personnel have been transferred. This condition raised as non-conformity (NCR RSPO 01097).</p> | |
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E.4 Purchasing and good in

Findings:

PT Bakrie Sumatera Plantation Tbk Kisaran Palm Oil Mill has Incoming FFB procedure (BMO-03 revision 07 date issued 26 September 2016) description about definition for certified FFB (RSPO) and non-certified FFB (RSPO). The procedure described that weighbridge operator will ensure the status of FFB according to the ticket of FFB delivery letter. Operators will include the stamp certified or non-certified in accordance with the information

Compliance status: Yes No

NCR RSPO 01098

The Company does not have a procedure or mechanism regulated the notification to the certification body if any projection for over production.

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in the FFB delivery letter.

The Company does not have a procedure or mechanism regulated the notification to the certification body if any projection for over production. **This condition raised as non-conformity (NCR RSPO 01098).**

E.5 Record keeping

Findings:

The company has procedur of record control (BMA-04 revision 04 effective date 25 July 2016). The company will keep the record related RSPO as long as 5 years. Implementation of control and maintenance of the data & document has consisted. All records (weighbridge slips, FFB delivery note and FFB grading report) collected or compiled per month. Records on the quantity of FFB received and CPO/PK dispatched daily maintained in the weighbridge software. The mechanism to update information about production (production CPO/PK, dispatch CPO/PK, stock CPO/PK, OER and KER) to related section is by email notification every morning by the logistic division. The mill maintains accurate, complete and updated records and reports.

The mill has records balance for all receipts of RSPO certified FFB and delivery CPO on daily basis. The material balance includes information about incoming FFB from company's estate and out grower, FFB produced, CPO result including OER, PK result including KER, product dispatch and balance product in the storage tank including the mass balance percentage, included information about PK production from certified FFB.

All volumes of palm oil that delivered deducted from the material accounting system according to actual daily conversion rate. The material balance can show deliver product sales from a positive stock.

There is no outsourced process in PT Bakrie Sumatera Plantation Tbk Kisaran Palm Oil Mill. The mill's product CPO and palm kernel internally processed in company's location.

Compliance status: Yes No

NCR No: -

3.2 Status of Previously Identified Non-conformities

Total 8 (eight) nonconformances were identified during the 1st surveillance assessment. These consisted of 6 (six) major non-conformities and 2 (two) minor non-conformities. During this surveillance assessment, it found that there was sufficient evidence for closure of all non-conformities.

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The following is a description of the evidence of action taken to close the non-conformities raised during the previous assessment, as well as auditor's conclusions on the status of the non-conformities.

| Non Conformity Report No. | Non-conformity Description | Verification of Correction/Corrective Action | Status |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 4.2.3 | There is no records of soil analysis for all estates. | The company has been conducted soil analysis for entire estate. The company has sent soil sample to Pusat Penelitian Kelapa Sawit (PPKS) Medan. The company has record of soil analysis certificate with number: 953/0.1/Sert/VIII/2016 dated 28 August 2016. Total soil sample that has sent as much as 5 sample. | Closed |
| 4.6.1 | The pesticides recommendation letter of the organization has expired on April 13, 2016 | The company has been sent evidence of improvement such as: <ul style="list-style-type: none"> • Recommendation letter from the company (170/HRD/V/2017 dated May 23, 2017) to Labor agency of Asahan District related recommendation request of chemical used in the working area year 2017 with the total of type chemical used year 2017 as much as 48 type. • Reference letter from Labor agency of North Sumatera Province dated July 14, 2017. The reference letter described that the recommendation request of chemical used is still progress | Closed |
| 4.6.11 | There is no evidence that examination health for pesticide operator in 2015 and 2016 has performed. | The company has been sent evidence of improvement such as: <ul style="list-style-type: none"> • Letter from Labor minister (B.182/BK3-MDN/VI/2017 dated June 15, 2017 to PT BSP Tbk related the cost of medical checkup. The total cost for medical checkup as much as IDR. 16.420.000 for total worker as much as 49 people. • Letter from HR Area Head to Estate Manager (198/HRD/VII/2017 dated July 10, 2017). The letter described about the medical checkup conduct on July 13, 2017 • List of worker to conduct medical checkup as much as 49 people | Closed |
| 4.7.3 | Based on dokumen no. BMEOP-WI-23, Rev. 02, dated July 15, 2013, mentioned that mandatory PPE for Harvester is Safety Shoes only. This case raised as Nonconformity, because not in | The company has been revised work instruction related harvesting with document number BMEOP-WI-22 revision 04 date issued 15 June 2016. The work instruction has been adding PPE for harvesters such as safety | Closed |

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| | accordance potential hazard identified for harvester, for example struck by FFB and etc | shoes, glove, glasses and helmet. | |
| 4.7.5 | There is no First Aid Officer as required by the national regulation (Permenakertrans No. 15 year 2008). | The company has license of first aid officer which approved by Labor agency of Asahan District in accordance with Permenakertrans No. 15/2008 such as: <ul style="list-style-type: none"> • Sugianto • Misroadi • Suwardi • Suharto • Semin • Suparmono • Katimin • Darwin Batubara • H. Abdul Wahab • Abdul Basit • Abdul Karim • Anita Lubis • M. Ridwan Siregar • Rusdiwanto • Junaidi • Rumondang Parhusip | Closed |
| 6.3.1 | The company has not yet provided a policy that guarantee security protection for whistle-blowers | PT BSP has a policy related Whistle Blowing that are specifically related to the mechanism for handling complaints and grievances of all parties affected, namely: SOP Participation and Consultation Communication Internal and External No. BMH -03 rev 5. There is an explanation that the company will facilitate if complainants requested confidentiality of his identity, without prejudice to the essence and the company's response to the complaint. | Closed |
| 6.4.1 | The company does not have specific procedures for identifying the law, the rights of indigenous and local communities | PT BSP has a procedure identifying the parties entitled to receive compensation. Related to the identification of the legal rights of the community, namely SOP Land Acquisition and Land Permit, which aims to ensure that decisions, steps or actions in the process of acquiring land for the benefit of industrial oil palm plantations is done properly, appropriately and in accordance with prevailing regulations and meet the principles and criteria of the RSPO, and FPIC particularly for land-related interests of the community and communal land. | Closed |
| 6.9.1 | The company has no decree of Gender Committee, including structure at each unit respectively and job description and working program | There is a Gender Committee as a means for workers to facilitate the fulfillment of basic rights of women. Chairman of the committee Gender: Suriana; Vice Chairman: Dian | Closed |

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| | | <p>Carolina Secretary: Erlina Effendi Lubis; Members: ISMI Bebi, Nurimah siregar, Restu, Sulfiah, Siti Aminah, Masdiana.</p> <p>Gender Committee activities are:</p> <ul style="list-style-type: none">• Socialization of women's rights, domestic violence in each division.• Receive a report of domestic violence | |
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3.3 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions

During this surveillance assessment, total 16 nonconformances identified. These consisted of 11 major non-conformities and 5 minor non-conformities. For the major non-conformances, the company has taken the necessary corrective action to close these non-conformances within 60 days of completion of the assessment, and this verified by the audit team through an on-site verification audit conducted on 15-19 May 2017 as well as checks of documents submitted by the company. For the minor non-conformances, the company has taken corrective action against these as well, and for those which could not be verified as closed through document checks, the closure of these minor non-conformities will be assessed during the next surveillance audit. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as below:

3.3.1. Major non-conformities

It recommended by the lead auditor to award the system of the company with a certificate pursuant to the above-mentioned RSPO standards after eliminating the non-conformities rated as "major".

| Indicator | NCR No. | Evidence Observed | Deadline for implementation (Date) | Correction/Corrective Action taken | Auditor Conclusion |
|---------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| RSPO System Certification 4.2.4 | RSPO 01083 | TUV Rheinland has suspend PT BSP Kisaran starting from 17 July 2017 cause of the company closing the non-conformity exceeded the time limit. The company has been sent evidence of improvement i.e. report of uncertified company related assessment of compliance to RSPO Partial Certification requirement of the RSPO certification system. This report submitted on September 12, 2017. 14. | 18 May 2018 | <p>Correction:</p> <p>Create an update of timebound plan</p> <p>Corrective action:</p> <p>Ensure all of principle and criteria RSPO implemented</p> | Closed |

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| RSPO System Certification 4.2.4 | RSPO 01084 | TUV Rheinland has suspend PT BSP Kisaran starting from 17 July 2017 cause of the company closing the non-conformity exceeded the time limit. The company has been sent evidence of improvement i.e. report of uncertified company related assessment of compliance to RSPO Partial Certification requirement of the RSPO certification system. This report submitted on September 12, 2017. 14. | 17 July 2017 | <p>Correction:</p> <p>Conducting self assessment for unit of BSP Group that has not yet certified</p> <p>Corrective action:</p> <p>Ensure all of principle and criteria RSPO implemented</p> | Closed |
| 2.1.1 | RSPO 01085 | <p>The company has been sent evidence of improvement such as:</p> <ul style="list-style-type: none"> • List of first aid kit contents in accordance with Permenaker No. 15 year 2008 • Photo documentation related the first aid kit contents that has fulfilled in accordance with Permenaker No. 15 year 2008 at mill office, control room sterilizer, MCC room, workshop, laboratory, Serbangan estate and Kuala Piasa estate. • Photo documentation related the symbol and label of hazardous and toxic material that has been installed on pesticide and fertilizer storage at Serbangan estate and pesticide storage at Kuala Piasa estate • Photo documentation related the symbol and label of hazardous and toxic waste that has been install on hazardous and toxic waste storage at | 17 July 2017 | <p>Correction:</p> <ul style="list-style-type: none"> • Realizing the box and the contents of the first aid kit request and the socialization to the First Aid officer related the materials that may be used as the first aid box • Installing the symbols, labels of hazardous and toxic waste and socialization for hazardous and toxic waste officers. • Installing the symbols, labels of hazardous and toxic materials and socialization for hazardous and toxic waste. <p>Corrective action:</p> <ul style="list-style-type: none"> • Conduct periodically checking related the contents of the first aid box according to the bin card • Conduct periodically checking related the symbols and labels of hazardous and toxic waste. • Conduct periodically checking related the symbols and labels of hazardous and toxic materials. | Closed |

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| | | Serbangan estate | | | |
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| 4.1.1 | RSPO 01087 | <p>The company has been sent evidence of improvement such as:</p> <ul style="list-style-type: none"> Revised the procedure BMEOP-WI-16 revision 03 effective date July 13, 2017. The procedure described about the mechanism to control ganoderma such as chipping the palm tree and hand picking the ganoderma and make an isolated area Photo documentation of ganoderma control with make isolation drain as large as 1.5 meter from the palm tree in accordance with the procedure (Block P96101 as large as 33 hectare at Division I Serbangan estate and Block P 95101 as large as 20 hectare at Division I Serbangan estate) | 17 July 2017 | <p>Correction:</p> <p>Assign an effectiveness types of ganoderma control by revising the work instructions BMEOP-WI-16</p> <p>Corrective action:</p> <p>Evaluate the effectiveness of ganoderma control methods</p> | Closed |
| 4.6.1 | RSPO 01088 | <p>The company has been sent evidence of improvement such as:</p> <ul style="list-style-type: none"> Recommendation letter from the company (170/HRD/V/2017 dated May 23, 2017) to Labor agency of Asahan District related recommendation request of chemical used in the working area year 2017 with the total of type chemical used year 2017 as much as 48 type. Reference letter from Labor agency of North Sumatera Province dated July 14, 2017. | 17 July 2017 | <p>Correction:</p> <p>Applying the permit to Labor agency of Asahan District with the type of pesticide that has been up date</p> <p>Corrective action:</p> <p>Periodically updating for entire pesticide that used by company</p> | Closed |

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| | | The reference letter described that the recommendation request of chemical used is still progress | | | |
| 4.6.11 | RSPO 01089 (escalation from Major NC to Potential Suspend) | <p>The company has been sent evidence of improvement such as:</p> <ul style="list-style-type: none"> • Letter from Labor minister (B.182/BK3-MDN/VI/2017 dated June 15, 2017 to PT BSP Tbk related the cost of medical checkup. The total cost for medical checkup as much as IDR. 16.420.000 for total worker as much as 49 people. • Letter from HR Area Head to Estate Manager (198/HRD/VII/2017 dated July 10, 2017). The letter described about the medical checkup conduct on July 13, 2017. • List of worker to conduct medical checkup as much as 49 people • Medical checkup report from OSH center of Labor Agency with document number 106/DHU/BK3-MDN/VII/2017 dated July 2017. The company has conduct medical checkup for pesticide operator to checking spirometry and cholinesterase | 17 July 2017 | <p>Correction:</p> <p>Conduct medical checkup for spraying worker for 1st semester</p> <p>Corrective action:</p> <p>Create the schedule of periodic medical checkup</p> | Closed |
| 4.7.2 | RSPO 01090 | <p>The company has been sent evidence of improvement such as:</p> <ul style="list-style-type: none"> • Letter from PT BSP Tbk to UD Taruna (150/BSP/P&C/VI/2017 dated June 5, 2017) related license | 17 July 2017 | <p>Correction:</p> <ul style="list-style-type: none"> • Create the letter to 3rd parties related the license to wheel loader operator • Create the letter to 3rd parties related the repairing the alarm of wheel loader | Closed |

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| | | <p>of wheel loader operator and repairing the back alarm of wheel loader</p> <ul style="list-style-type: none"> • Letter from UD Taruna to PT BSP Tbk dated July 5, 2017 related license of wheel loader operator and repairing the back alarm of wheel loader. The 3rd parties will fulfill the requirement on August 8, 2017. • Letter from PT BSP Tbk to Labor agency of Asahan District (104/HR Training/VII/2017 dated July 11, 2017) related the proposal of welding training as much as 1 person • Training need analysis of QHSE and Sustainability Management System PT Bakrie Sumatera Plantation Tbk Unit 1 Sumut for periode 2017-2019. The training need analysis has been completed with the cost and total of participant | | <ul style="list-style-type: none"> • Attend the training for license welder <p>Corrective action:</p> <ul style="list-style-type: none"> • Ensure the 3rd parties comply to helath and safety aspect • Create the training need identification for each location completely | |
| 4.7.3 | RSPO 01091 | <p>The company has been sent evidence of improvement such as:</p> <ul style="list-style-type: none"> • Request and delivery material form (BMW-FR-12 revision 00) dated July 14, 2017 related PPE for processing department (Shift A/B) of Kisaran Palm oil mill such as safety shoes (48 pieces), helmet (48 pieces), mask (48 pieces), respirator (4 pieces), gloves (48 pieces), ear muff (6 pieces), ear plug (42 pieces) and | 17 July 2017 | <p>Correction:</p> <ul style="list-style-type: none"> • Condcut inspection of PPE • Realize the PPE request from the mill <p>Corrective action:</p> <ul style="list-style-type: none"> • Realize the cost of budget for PPE consistently • Establish the PPE inspection program to | Closed |

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| | | <p>glasses (4 pieces)</p> <ul style="list-style-type: none"> • Purchase order No.2584/KSR-UT/07/2017 dated July 14, 2017 to CV Pilaar Mandiri with description of the goods i.e. safety boot as much as 48 pcs • Purchase order No.2587/KSR-UT/07/2017 dated July 14, 2017 to CV Pilaar Mandiri with description of the goods i.e. helmet (48 pcs), mask (48 pcs), respirator mask (4 pcs), gloves (48 pcs), ear muff (6 pcs), ear plug (42 pcs) and glasses (4 pcs) • Minutes of handover PPE No.016/POM/XI/2017 dated 9 November 2017. The company has handover PPE such as safety boot, helmet, ear plug, gloves and mask) • Documentation of handover PPE i.e. photo documentation | | ensure the worker wearing the PPE | |
| 4.8.1 | RSPO 01092 | <p>The company has been sent evidence of improvement such as:</p> <ul style="list-style-type: none"> • Training program year 2017 including SCCS training. The training plan on July 2017 with total participant as much as 10 person • Quotation of awareness training of supply chain (302200 dated July 11, 2017) with total participant as much as 20 person and total of training cost i.e. IDR. 8.800.000 • Letter from HR Area Head to General Manager (109/HR | 17 July 2017 | <p>Correction:</p> <p>Conduct SCCS training</p> <p>Corrective action:</p> <p>Create the training program in accordance with training need for entire location</p> | Closed |

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| | | Training/VII/2017 dated July 13, 2017) related the proposal of participant for SCCS training as much as 20 person that has been planning on August 2017. | | | |
| 6.5.1 | RSPO 01096 | <p>The company has been sent evidence of improvement i.e;</p> <ul style="list-style-type: none"> • Letter of work agreement for daily worker (683/HRD-IR/017 dated May 6, 2017) for 14 workers at Serbangan estate. The letter of work agreement valid from May 1, 2017 until October 31, 2017 with salary as much as IDR. 2.208.787 • Agreement statement i.e. signature the workers to working in the official holiday for Serbangan estate (Division I, II, III and IV) for harvesting activity • Extension letter of temporary work agreement at Serbangan estate on behalf Susanto (207/HR Area/V/2017 dated May 20, 2017. The extension letter explain that the temporary agreement starting from February 1, 2017 until July 31, 2017 • Extension letter of temporary work agreement at Serbangan estate on behalf Budiyanto (208/HR Area/V/2017 dated May 20, 2017. The extension letter explain that the temporary agreement starting from February 1, 2017 until July 31, 2017 • Extension letter of temporary | 17 July 2017 | <p>Correction:</p> <ul style="list-style-type: none"> • Create the working letter agreement for daily workers • Create the agreement with the worker related approval to working in the official holiday • Create the new contract to the worker that has been expire related the temporary agreement • Providing extra fooding to employee which working overtime about 3 hours <p>Corrective action:</p> <ul style="list-style-type: none"> • Ensure all of daily worker has been made an agreement • Ensure the agreement related working in the official holiday • Ensure the temporary agreement (PKWT) has been updating • Ensure the worker earn extra fooding in accordance with regulation | Closed |

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| | | <p>work agreement at Serbangan estate on behalf Suparman (209/HR Area/V/2017 dated May 20, 2017. The extension letter explain that the temporary agreement starting from February 1, 2017 until July 31, 2017</p> <ul style="list-style-type: none"> • Extension letter of temporary work agreement at Serbangan estate on behalf Agus Salim (210/HR Area/V/2017 dated May 20, 2017. The extension letter explain that the temporary agreement starting from February 1, 2017 until July 31, 2017 • Extension letter of temporary work agreement at Serbangan estate on behalf Suyatno (211/HR Area/V/2017 dated May 20, 2017. The extension letter explain that the temporary agreement starting from February 1, 2017 until July 31, 2017 • Photo documentation related providing the extra fooding to office clerk at Serbangan estate i.e. egss and milk. | | | |
| E.3 | RSPO 01097 | <p>The company has been sent evidence of improvement such as:</p> <ul style="list-style-type: none"> • Training program year 2017 including SCCS training. The training plan on July 2017 with total participant as much as 10 person • Quotation of awareness training of supply chain (302200 dated July 11, 2017) with total participant as much as 20 per- | 17 July 2017 | <p>Correction:</p> <p>Conduct SCCS training</p> <p>Corrective action:</p> <p>Create the training program in accordance with training need for entire location</p> | Closed |

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|------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| | | <p>son and total of training cost i.e. IDR. 8.800.000</p> <ul style="list-style-type: none"> Letter from HR Area Head to General Manager (109/HR Training/VII/2017 dated July 13, 2017) related the proposal of participant for SCCS training as much as 20 person that has been planning on August 2017. | | | |
| E.4 | RSPO 01098 | The company has sent evidence of improvement i.e. the revising procedure BMO-19. The procedure has adding information i.e. if any over production of FFB, CPO and PK projection from claim certificate so the mill manager will inform to QHSE Head/MR and Palm Sales Head and certification body | 17 July 2017 | <p>Correction:</p> <p>Revise the procedure BMO-19</p> <p>Corrective action:</p> <p>Ensure the procedure in accordance with RSPO SCCS requirement</p> | Closed |

3.3.2. Minor non-conformities

It is recommended by the lead auditor to award the system of the company a certificate pursuant to the above-mentioned RSPO standards. The non-conformities identified shall be audited again in line with the timeframe during the next surveillance audit

| Indicator | NCR No. | Evidence Observed | Deadline for implementation (Date) | Correction/Corrective Action taken | Auditor Conclusion |
|--------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------|
| 2.1.3 | RSPO 01086 | The company has sent correction and corrective action request. The implementation of this CAR will be seen in the next surveillance. | 18 May 2018 | <p>Correction:</p> <p>Make an evaluation of regulation compliance each year.</p> <p>Corrective action:</p> | Closed |

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| | | | | | |
|-------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| | | | | Ensure the department conduct an evaluation of regulation in accordance with the schedule | |
| 5.1.2 | RSPO 01093 | The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance. | 18 May 2018 | <p>Correction:</p> <p>Create the EIA report (RKL-RPL) completely</p> <p>Corrective action:</p> <p>Adding entire mangement and monitoring of environmental impact into EIA report (RKL-RPL)</p> | Closed |
| 5.2.5 | RSPO 01094 | The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance. | 18 May 2018 | <p>Correction:</p> <p>Create an agreement with local community related HCV area</p> <p>Corrective action:</p> <p>Ensure the agreement of HCV area understood by local community</p> | Closed |
| 5.6.3 | RSPO 01095 | The company has sent correction and corrective action request. The implementation of this CAR will seen in the next surveillance. | 18 May 2018 | <p>Correction:</p> <p>Calculating the GHG emission year 2016 with used GHG calculator version 3.0.1</p> <p>Corrective action:</p> <p>Ensure the calculation of GHG has conduct refer to latest version</p> | Closed |

3.4 Noteworthy Positive Components and Potential for Improvement

Positive Observation:

| No. | Indicator | Positive Components |
|-----|-----------|--------------------------------------------------|
| 1 | - | The condition of mill housekeeping is very clean |

Potential for Improvement:

| No. | Indicator | Potential for improvement |
|-----|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | 4.2.4 | Based on fertilizing record seen that the fertilizer program does not accordance with leaf analysis result |
| 2 | 4.7.4 | <ul style="list-style-type: none"> The company immediately conduct re-validation the structure of safety and health committee because there is changes of safety and health structure on behalf Edi Gunawan The company should conduct meeting of safety and health committee periodically |
| 3 | 6.3.1 | <ul style="list-style-type: none"> Implementation of complaint handling for internal does not accordance with procedure No. Doc.BMH-07 revision 00 dated June 13, 2016. For example in the Kuala estate still use correspondence book to handling the complaint The company does not has procedure for monitoring of suggestion box |
| 4 | 6.5.1 | There are several types of work (Kwala Piasa estate) i.e. the transportation of FFB, circle spraying, path spraying, blanket spraying, manual weeding, fertilization application / EFB application and pruning application done by third party. There is no evaluation evidence for third party related an implementation of workers' rights and obligations. For example, wages, ethics business codes, respect human rights. |
| 5 | 6.11.1 | The company to improve the implementation of CSR / CD in accordance with the program compiled from the public consultation conducted once a year. |

3.5 Conclusion and Recommendation for RSPO P & C and Supply Chain Certification

The audit team has confirmed through the audit process that PT Bakrie Sumatera Plantation Tbk has established and maintains an effective system to ensure compliance with the RSPO P & C (NI P&C RSPO 2013 for Indonesia year 2016) and Supply Chain Certification System requirements (dated November 2014). It is also confirmed that the company's annual volume of CPO and PK sold for the period of 2016 has not exceeded the certified annual tonnages as claimed in the organization's RSPO certificate no. 82450214007 until 1st surveillance audit.

TUV Rheinland recommends that PT Bakrie Sumatera Plantation Tbk mill and estate be continuing approved for certification of compliance to the RSPO P & C and Supply Chain Certification System requirements.

3.6 Issues Raised by Stakeholders and Findings Pertaining to Issues

Below is a summary of issues raised by stakeholders interviewed on site

| No. | Issues Raised | Management Response | Audit Verification |
|-----|---------------|---------------------|--------------------|
| - | - | - | - |

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

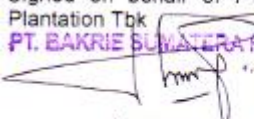
4.1 Date of Next Surveillance Visit

The next surveillance visit planned for April 2018

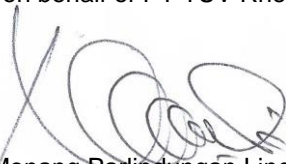
4.2 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client

It acknowledged that the assessment visit carried out as described in this report and we accept the assessment findings and report content.

Signed on behalf of PT Bakrie Sumatera
Plantation Tbk
PT. BAKRIE SUMATERA PLANTATIONS Tbk


Name: ANDI WAHYUDIN
Position: CHIEF HEAD
Date: OCTOBER 9, 2017

Signed on behalf of PT TUV Rheinland Indonesia


Naik Monang Parlindungan Lingga
Lead Auditor
Date: September 20, 2017

Appendices

Appendix 1: Details of Revised Certificate

Certificate

Standard : **RSPO Principles & Criteria for Sustainable Palm Oil Production;
Generic Standard year 2013 and RSPO Supply Chain
Certification Systems: 2014**

Certificate Registr. No. : 824 502 14007

Certificate Holder : PT TUV Rheinland Indonesia certifies :
**PT Bakrie Sumatera Plantations, Tbk
Unit SUMUT I, Kisaran – Palm Oil Mill
Unit SUMUT I, Kisaran
Jl. Ir. H. Juanda , Kisaran 21202, Indonesia
Phone: (0623) 41434; Fax: (0623) 42144**



and its company owned estates according to the annex

RSPO number : -
Scope : Palm Oil Production and Plantation Management System

An audit was performed, Report No. ASA2_824 502 14007. Proof has been furnished that the requirements according to RSPO Principles & Criteria for Sustainable Palm Oil Production; Generic Standard year 2013 are fulfilled.

Validity: The due date for all future surveillance audits is 14.04 (dd.mm).
The certificate is valid from 14-06-2015 until 13-06-2020.

The certificate shall remain valid in period stipulated above provided that the certificate holder mentioned here continues to comply with the RSPO P&C requirements. Status of compliance of the certificate holder shall be based on the annual inspections conducted by PT TUV Rheinland Indonesia.


RSPO registered parents company* : PT Bakrie Sumatera Plantations Tbk
(RSPO Member No. : 1-0036-07-000-00)

* Name of the RSPO registered member company of which the certificate holder is a subsidiary (if applicable)

PT TUV Rheinland Indonesia was accredited to provide RSPO Principles & Criteria (P&C) and RSPO Supply Chain Certification Systems on June 6, 2014 (RSPO-ACC-013).

Date of first certificate : June 14, 2010

Indonesia, 18-11-2017


PT TUV Rheinland Indonesia
Director

The certificate remains property of PT TUV Rheinland Indonesia and can be withdrawn in case of terminations as mentioned in the contract or in case of changes or deviations of the above-mentioned data. The licensee is obliged to inform PT TUV Rheinland Indonesia immediately of any changes in the above-mentioned data. Only an original and signed certificate is valid.

Annex to certificate

Standard : **RSPO Principles & Criteria for Sustainable Palm Oil Production; Generic Standard year 2013 and RSPO Supply Chain Certification Systems: 2014**

Certificate Registr. No.: 824 502 14007

Location: **PT Bakrie Sumatera Plantations, Tbk**
 Address : **Unit SUMUT I, Kisaran – Palm Oil Mill**
Unit SUMUT I, Kisaran
Jl. Ir. H. Juanda , Kisaran 21202, Indonesia
 Phone: (0623) 41434; Fax: (0623) 42144



The palm oil mill and supply base covered in certification scope are :

| Name of mill / estate | Location | GPS locations | |
|-------------------------------------------|--------------------------------------------------------------------------|---------------|----------------|
| | | Latitude | Longitude |
| Bakrie Sumatera Plantations Palm Oil Mill | Sei Baleh Village, Sei Baleh Sub-district, Batu Bara District, Sumut. | 03°02'26.7"N | 099°34'53.2"E |
| Tanah Raja Estate | Sei Renggas Village, West Kisaran Sub-district , Asahan District, Sumut. | 02°57'50.0"N | 099°35'57.7"E |
| Gurach Batu Estate | Gerak Tani Village, Meranti Sub-district, Asahan District, Sumut. | 3°20'45.0"N | 99° 58'23.4" E |
| Kuala Piasa Estate | Tinggi Raja Village, Tinggi Raja Sub-district, Asahan District, Sumut | 02°54'04.2"N | 099°34'00.2"E |
| Serbangan Estate | Rawang Lama Village, Panca Arga Sub-district, Asahan District, Sumut. | 03°01'29.8"N | 099°39'30.3"E |
| Sei Baleh Estate | Sei Baleh Village, Sei Baleh Sub-district, Batu Bara District, Sumut. | 03°04'12.1"N | 099°35'11.0"E |

CPO Tonnage Total Production*: 43,895.411 tonnes
 PK Tonnage Total Production*: 8,686.879 tonnes
 Company Estates FFB Tonnages: 146,624.960 tonnes
 FFB Tonnages from other sources: 83,831.56 tonnes
 CPO Tonnage claimed for certification: 30,483.33 tonnes
 PK Tonnage claimed for certification: 6,290.21 tonnes

*For Year 2016

Scope of SCCS & supply chain model assessed : FFB receipt, produce and delivery of CPO & PK with implementation of the following SCCS :

- Identity Preserved
- Mass Balance

Indonesia, 18-11-2017

PT TUV Rheinland Indonesia
Director

Issued by PT TUV Rheinland Indonesia

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Appendix 2: List of Abbreviations

| | |
|--------|------------------------------------------------------------------------------------|
| AMDAL | Analisis Dampak Lingkungan & Sosial (Social & Environmental Impacts Assessment) |
| BLH | Badan Lingkungan Hidup (Environmental Agency) |
| CPO | Crude Palm Oil |
| CWB | Central Warehouse Bunut |
| DELH | Dokumen Evaluasi Lingkungan Hidup (Environment Evaluation Document) |
| EIA | Environmental Impact Assessment |
| ERTs | Endangered, Rare & Threatened species |
| ESH | Environmental Safety & Health |
| EBITDA | Earn Before Interest, Tax, Depreciation and Amortization. |
| FFB | Fresh Fruit Bunches |
| EFB | Empty Fruit Bunches |
| HCV | High Conservation Value |
| IPM | Integrated Pest Management |
| Kopkar | Koperasi Karyawan (Employee Cooperatives) |
| LTA | Lost Time Accident |
| MSDS | Material Safety Data Sheets |
| NGO | Non-Government Organization |
| OSH | Occupational Safety & Health |
| P&C | Principles & Criteria |
| PK | Palm Kernel |
| PKO | Palm Kernel Oil |
| PKWT | Perjanjian Kerja Waktu Tertentu (Employment Agreement Specified Time) |
| POME | Palm Oil Mill Effluent |
| PPE | Personal Protective Equipment |
| PT BSP | PT Bakrie Sumatera Plantations (Company name) |
| RKL | Rencana Pengelolaan Lingkungan (Environmental Management Plan) |
| RPL | Rencana Pemantauan Lingkungan (Environmental Monitoring Plan) |
| SCCS | Supply Chain Certification System |
| SEL | Studi Evaluasi Lingkungan (Environment Evaluation Study) |
| SIA | Social Impact Assessment |
| SOP | Standard Operating Procedure |
| UKL | Upaya Pengelolaan Lingkungan (Environmental Management Efforts) |
| UPL | Upaya Pengelolaan Lingkungan (Environmental Management Efforts) |

Appendix 3: List of Stakeholders Interviewed and Contacted

| No. | Name of Stakeholder | Institution - Address | Remark |
|-----------------------------------------|-------------------------|------------------------------------------|--------|
| Stakeholders Interviewed On-Site | | | |
| 1. | Budi Iskandar | Mill manager | |
| 2. | Widya | HR Manager | |
| 3. | Azwar Hadii | Kuala Piasa Manager | |
| 4. | Iksan | Serbangan Manager | |
| 5. | Beby | Legal | |
| 6. | Andi | Sustainabilty Staff | |
| 7. | Fundy | Operator loader | |
| 8. | Faisal | Operator sterilizer | |
| 9. | Darmanto | Operator boiler | |
| 10. | Junaidi | Operator power house | |
| 11. | Rizal | Electric foreman | |
| 12. | Saino | Operator WTP | |
| 13. | M. Yunus | Harvesting foreman | |
| 14. | Purwadi | Harvester | |
| 15. | Rahimin Simbolon | Assistant Division I Kuala Piasa estate | |
| 16. | Adul Basit | Administration Kuala Piasa estate | |
| 17. | Ahmadsah Silalahi | Senior Assistant Kuala Piasa estate | |
| 18. | Andhika Satria Manurung | Assistant Division II Kuala Piasa estate | |
| 19. | M. Ikhazan | Estate Manager Serbangan estate | |
| 20. | Khairil Lubis | Clerk of Serbangan estate | |
| 21. | Widia Wardana | HRD Manager | |