Roundtable on Sustainable Palm Oil Certification

<table>
<thead>
<tr>
<th>Stage-1</th>
<th>[√] Stage-2</th>
<th>Surveillance</th>
<th>[ ] Re-Assessment</th>
</tr>
</thead>
</table>

Plantation Management/Owner: SIME DARBY Plantation Sdn Bhd
Plantation Name: Mandah POM – PT Bhumireksa Nusasejati
Location: Bente Village, Mandah Sub District, Indragiri Hilir District, Province of Riau, Indonesia

Certificate Code: MUTU-RSPO/xxx
Date of certificate issue: -
Date of expiry of certificate: -

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Assessment Date</th>
<th>PT. Mutuagung Lestari Auditor</th>
<th>Reviewed by</th>
<th>Approved by</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST-2</td>
<td>02 – 06 Juni 2013</td>
<td>Taufik Margani, Bukti Bagja, Muardi Marwas, Naila Karima, Siti Jamillah</td>
<td>Octo HPN Nainggolan</td>
<td>Tony Arifiarachman</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Submitted to RSPO on:</th>
<th>Approved by RSPO on:</th>
<th>Approved by Certification Body on:</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST-2</td>
<td>21 October 2013</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Mutuagung Lestari • Raya Bogor Km 33,5 Number 19 • Cimanggis • Depok 16953• Indonesia
Telephone (+62) (21) 8740202 • Fax (+62) (21) 87740745/6
Email : agri@mutucertification.com ● www.mutucertification.com
MUTU Certification • Approved by RSPO Secretariat on June 2008
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Figure 2. Operational Map of PT Bhumireksa Nusasejati
1.0 SCOPE OF THE CERTIFICATION ASSESSMENT

1.1 National Interpretation Used


1.2 Organization Information

1.2.1 Company name

SIME DARBY Plantation Sdn Bhd – Mandah POM (PT Bhumireksa Nusasejati)

1.2.2 Contact person

Mohamad Pirabaharan

1.2.3 Company address and site address

• Organization address:
  21, Jalan Gelenggang 50490 Bukit Damansara, Kuala Lumpur
• Company address (Indonesia):
  The Plaza Office Tower Lantai 36
  Jl MH Thamrin Kav. 28-30
  Jakarta 10350

1.2.4 Telephone

+62-21-29926000

1.2.5 Fax

+62-21-29922686

1.2.6 E-mail

mohamad.pirabaharan@simedarby.com

1.2.7 Web page address

www.simedarby.com

1.2.8 Company status

Private

1.2.9 Management Representative who completed the application for certification

Mohamad Pirabaharan
(Head of PSQM Minamas Plantation, Sime Darby)

1.2.10 Registered as RSPO member

8 September 2004
Registration number: 1-0008-04-000-00

1.3 Type of Assessment

1.3.1 Scope of Assessment

Palm Oil Mill and supply base

1.3.2 Type of certificate

Single

1.3.3 Company names listed in the certificate

PT Bhumireksa Nusasejati

1.3.4 Number of management unit

1 (one) Palm Oil Mill and 2 (two) Estates: Mandah POM, Mandah Estate (MDE) and Rotan Semelur Estate (RSE).

1.4 Locations of Mill, Plantations and Area Statement

1.4.1 Location of Mill

<table>
<thead>
<tr>
<th>Name of Mill</th>
<th>Location</th>
<th>GPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandah POM</td>
<td>Bente Village, Mandah Sub-district, Indragiri Hilir District, Riau Province, Indonesia</td>
<td>Latitude: 0° 06’ 57,5” N, Longitude: 103° 32’ 56,9” S</td>
</tr>
</tbody>
</table>

1.4.2 Location of Supply Base
1.4.3 Tenure

- Private
- State
  a. HGU (land title) certificate Number 01 dated 23 May 1996 for 13,900 Ha
  b. HGU (land title) certificate Number 02 dated 23 May 1996 for 11,762 Ha
- Community

1.4.7 Area Statement

- Total area
- Mature area
- Immature area
- Emplasement
- Mill
- Infrastructure
- Nursery
- Occupation
- HCV
- Land Clearing of 2013/2014

1.5 Description of Supply Base

1.5.1 Description of Mill

<table>
<thead>
<tr>
<th>Name of Mill</th>
<th>Capacity (tonnes/ hour)</th>
<th>FFB Processed (tonnes/year)</th>
<th>CPO</th>
<th>Palm Kernel</th>
<th>PKO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandah POM</td>
<td>45</td>
<td>78,301.37</td>
<td>14,320</td>
<td>21.11</td>
<td>2,791</td>
</tr>
</tbody>
</table>

* Production data on August 2012 – July 2013

1.5.2 Description of Estate(s)

<table>
<thead>
<tr>
<th>Name of Estate(s)</th>
<th>Total Area (Ha)</th>
<th>Planted Area (Ha)</th>
<th>FFB (tonnes/year)</th>
<th>Yield (tonnes/ha/year)</th>
<th>Supplied to Mill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandah Estate</td>
<td>5,052</td>
<td>4,111</td>
<td>69,139</td>
<td>16.83</td>
<td>45,495.67</td>
</tr>
<tr>
<td>Rotan Semelur</td>
<td>7,313</td>
<td>3,717</td>
<td>68,252</td>
<td>16.60</td>
<td>32,790.98</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>12,365</strong></td>
<td><strong>7,828</strong></td>
<td><strong>137,391</strong></td>
<td><strong>16.72</strong></td>
<td><strong>78,286.65</strong></td>
</tr>
</tbody>
</table>

* Production data on June 2012 – May 2013

1.5.3 Smallholder(s) and other source
### 1.5.4 Product categories

<table>
<thead>
<tr>
<th>Product categories</th>
<th>FFB/CPO/PK/PKO</th>
</tr>
</thead>
</table>

### 1.6 Dates of Plantings and Cycles

#### 1.6.1 Age profile of planted palms

<table>
<thead>
<tr>
<th>Planting Year</th>
<th>Mandah Estate (Ha)</th>
<th>Rotan Semelur Estate (Ha)</th>
<th>Total (Ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>-</td>
<td>116</td>
<td>116</td>
</tr>
<tr>
<td>1996</td>
<td>141</td>
<td>1,782</td>
<td>1,923</td>
</tr>
<tr>
<td>1997</td>
<td>842</td>
<td>846</td>
<td>1,688</td>
</tr>
<tr>
<td>1998</td>
<td>810</td>
<td>-</td>
<td>810</td>
</tr>
<tr>
<td>1999</td>
<td>645</td>
<td>482</td>
<td>1,127</td>
</tr>
<tr>
<td>2000</td>
<td>642</td>
<td>205</td>
<td>847</td>
</tr>
<tr>
<td>2004</td>
<td>521</td>
<td>-</td>
<td>521</td>
</tr>
<tr>
<td>2005</td>
<td>510</td>
<td>568</td>
<td>1,078</td>
</tr>
<tr>
<td>2007</td>
<td>-</td>
<td>108</td>
<td>108</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,111</strong></td>
<td><strong>4,107</strong></td>
<td><strong>8,218</strong></td>
</tr>
</tbody>
</table>

#### 1.6.2 New Planting area after November 2007

- **Ha**

#### 1.6.3 Planting Cycle

- **1st**
- **25 Years**

### 1.7 Approximate Tonnage Certified

#### 1.7.1 Past Annual Claim Certified Product

- **FFB Production**
  - **-**
  - **Tonnes/year**
- **CPO Production**
  - **-**
  - **Tonnes/year**
- **Palm Kernel (PK) Production**
  - **-**
  - **Tonnes/year**
- **Palm Kernel Oil (PKO) Production**
  - **-**
  - **Tonnes/year**

#### 1.7.2 Claim Certified Tonnage of FFB

<table>
<thead>
<tr>
<th>Name of Estate(s)</th>
<th>Total Area (Ha)</th>
<th>Planted Area (Ha)</th>
<th>FFB (tonnes/year)</th>
<th>Yield (tonnes/ha/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandah Estate</td>
<td>5,052</td>
<td>4,111</td>
<td>73,998</td>
<td>18.00</td>
</tr>
<tr>
<td>Rotan Semelur Estate</td>
<td>7,313</td>
<td>3,717</td>
<td>66,906</td>
<td>18.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>12,365</strong></td>
<td><strong>7,828</strong></td>
<td><strong>140,904</strong></td>
<td><strong>18.00</strong></td>
</tr>
</tbody>
</table>

#### 1.7.3 Claim Certified Tonnage of Palm Product

<table>
<thead>
<tr>
<th>Name of Mill</th>
<th>Capacity (tonnes/hour)</th>
<th>FFB Processed (tonnes/year)</th>
<th>CPO</th>
<th>Palm Kernel</th>
<th>PKO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandah POM</td>
<td>45</td>
<td>140,904</td>
<td>30,998.88</td>
<td>22.0</td>
<td>6,340.68</td>
</tr>
</tbody>
</table>
### 1.8 Other Certifications

- **1.8.2 OHSAS 18001:2007**
- **1.8.3 HACCP**
- **1.8.4 Others**

### 1.9 Time Bound Plan for Other Management Units

<table>
<thead>
<tr>
<th>Management Unit</th>
<th>Location</th>
<th>Hectarage (Ha)</th>
<th>Time Bound Plan</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sekunyir</td>
<td>PT. Indotrubga Tengah District of Seruyan and Kotawaringin Barat – Province of Central Kalimantan</td>
<td>7,734.60</td>
<td>2009</td>
<td>Certified 2010</td>
</tr>
<tr>
<td>Manggala</td>
<td>PT. Tunggal Mitra Plantations District of Rokan Hilir – Province of Riau</td>
<td>13,836.00</td>
<td>2009</td>
<td>Certified 2010</td>
</tr>
<tr>
<td>Bukit Ajong</td>
<td>PT. Sime Indo Agro District of Sanggau – Province of West Kalimantan</td>
<td>11,652.00</td>
<td>2009</td>
<td>Certified 2010</td>
</tr>
<tr>
<td>Teluk Siak</td>
<td>PT. Aneka Inti Persada City of Pekanbaru and District of Siak – Province of Riau</td>
<td>11,134.00</td>
<td>2010</td>
<td>Certified 2011</td>
</tr>
<tr>
<td>Sungai Pinang</td>
<td>PT. Bina Sains Cemerlang District of Musi Rawas – Province of South Sumatera</td>
<td>6,513.00</td>
<td>2010</td>
<td>Certified 2012</td>
</tr>
<tr>
<td>Sukamandang</td>
<td>PT. Kridatama Lancar District of Seruyan and Kotawaringin Timur – Province of Central Kalimantan</td>
<td>14,779.92</td>
<td>2010</td>
<td>Certified 2011</td>
</tr>
<tr>
<td>Pemantang</td>
<td>PT. Teguh Sempurna District of Seruyan and Kotawaringin Timur – Province of Central Kalimantan</td>
<td>16,601.66</td>
<td>2010</td>
<td>Certified 2011</td>
</tr>
<tr>
<td>Alur Dumai</td>
<td>PT. Lahan Tani Sakti District of Rokan Hilir – Province of Riau</td>
<td>3,759.02</td>
<td>2010</td>
<td>Certified 2012</td>
</tr>
<tr>
<td>Teluk Bakau</td>
<td>PT. Bhumireksa Nusasejati District of Indra Giri Hilir – Province of Riau</td>
<td>25,662.00</td>
<td>2010</td>
<td>Certified 2011</td>
</tr>
<tr>
<td>Mandah</td>
<td>PT. Sajang Heulang District of Tanah Bumbu – Province of South Kalimantan</td>
<td>7,794</td>
<td>2012</td>
<td>Certified 2011</td>
</tr>
<tr>
<td>Angsana Mini</td>
<td>Full Manage Plasma (KKPA) District of Tanah Bumbu – Province of South Kalimantan</td>
<td>16,000</td>
<td>2013</td>
<td>Certified 2013</td>
</tr>
<tr>
<td>Angsana</td>
<td>PT. Ladangrumpun Suburabadi District of Tanah Bumbu – Province of South Kalimantan</td>
<td>6,077.00</td>
<td>2010</td>
<td>Certified 2011</td>
</tr>
<tr>
<td>Gunung Aru</td>
<td>PT. Bersama Sejahtera Sakti District of Kotabaru – Province of South Kalimantan</td>
<td>12,704.54</td>
<td>2010</td>
<td>Certified 2011</td>
</tr>
<tr>
<td>Ladang Panjang</td>
<td>PT. Bahari Gembira Ria District of Muaro Jambi – Province of Jambi</td>
<td>1,202.04</td>
<td>2010</td>
<td>Certified 2012</td>
</tr>
<tr>
<td>Bebunga</td>
<td>PT. Langgeng Muaramakmur District of Kotabaru – Province of South Kalimantan</td>
<td>16,361.77</td>
<td>2011</td>
<td>Certified 2012</td>
</tr>
<tr>
<td>Pondok Labu</td>
<td>PT. Paripurna Swakarsa District of Kotabaru – Province of South Kalimantan</td>
<td>14,892.00</td>
<td>2011</td>
<td>Certified 2012</td>
</tr>
<tr>
<td>Selabak</td>
<td>PT. Swadaya Andika District of Kotabaru – Province of South Kalimantan</td>
<td>10,361.18</td>
<td>2011</td>
<td>Certified 2012</td>
</tr>
<tr>
<td>Rantau</td>
<td>PT. Laguna Mandiri District of Kotabaru – Province of South Kalimantan</td>
<td>15,299.80</td>
<td>2013</td>
<td>Audited 2013</td>
</tr>
<tr>
<td>Betung</td>
<td>PT. Tamaco Graha Krida District of Morowali – Province of Central Sulawesi</td>
<td>4,145.00</td>
<td>2011</td>
<td>Certified 2012</td>
</tr>
<tr>
<td>Ungkaya</td>
<td>PT. Guthrie Peconchina Indonesia District of Musi Banyuasin – Province of South Sumatera</td>
<td>10,139.91</td>
<td>2011</td>
<td>Certified 2012</td>
</tr>
<tr>
<td>Lembiru</td>
<td>PT. Sandika Natapalma District of Ketapang – Province of West Kalimantan</td>
<td>8,406.21</td>
<td>2011</td>
<td>Audited 2011</td>
</tr>
<tr>
<td>Location</td>
<td>Company</td>
<td>District</td>
<td>Year</td>
<td>Status</td>
</tr>
<tr>
<td>----------</td>
<td>---------</td>
<td>----------</td>
<td>------</td>
<td>--------</td>
</tr>
<tr>
<td>PT. Budidaya Agrolestari</td>
<td>District of Ketapang – Province of West Kalimantan</td>
<td>2011</td>
<td>Audited 2011</td>
<td></td>
</tr>
<tr>
<td>MAS</td>
<td>PT. Mitra Austral Sejahtera</td>
<td>District of Sanggau – Province of West Kalimantan</td>
<td>8,741.29</td>
<td>2011</td>
</tr>
</tbody>
</table>

Sime Darby has achieved 39 management units in Malaysia and 21 Management Units in Indonesia RSPO certified. There was change of the Time Bound Plan under Sime Darby cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani Kelapa Sawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTUAGUNG has consider that Sime Darby still comply with the RSPO requirement for partial certification.
## 2.0 ASSESSMENT PROCESS

### 2.1 Certification Body

PT Mutuagung Lestari  
Jl. Raya Bogor Km 33,5 No. 19, Cimanggis - Depok 16953  
Telp. +62-21-8740202;  Fax +62-21-87740745/46  
Website: [www.mutucertification.com](http://www.mutucertification.com)  
Email: [agri@mutucertification.com](mailto:agri@mutucertification.com)

### 2.2 Assessment Team

#### 2.2.1 Lead Assessor and Assessment Team

1. **Taufik Margani** *(Lead Auditor Witness)*. Bachelor of Science in Forestry, majoring in Forest Management. Specialist in Ecology and Environmental. He has led several audits for Sustainable Forest Management in Indonesia (under LEI- Indonesian Ecolabel Institute and FSC- Forest Stewardship Council) and he is a Lead Auditor for FSC chain of custody and Forest Management. Other experience: He is IRCA Lead auditor IRCA registered for Environment Management System and Quality Management System. Since 1999 he has been working for independent certification body and has conducted Environment Management System audits in Indonesia and Malaysia. Currently he is the General Manager of Management System Certification.

2. **Bukti Bagja** *(Lead Auditor Witness)*. Master of Science majoring in environment, Indonesia University. He had involved in RSPO assessment and HCV for GIS. The training he has followed namely. ArcGIS, MAPInfo, Global Mapper, ER MAPPER, ERDAS Imagine, Indonesian Sustainable Palm Oil auditor and RSPO Lead Auditor Training Course.

3. **Muardi Marwas** *(Auditor)*. Bachelor of Agriculture Bogor Agriculture Institute. Attended RSPO and ISPO Assessment in Indonesia. He had been trained Lead Auditor RSPO and Witteness Distribution Quality Management Process (DQMP) APMEA. Right now he works as auditor in independent Certification Body.


5. **Siti Jamillah** *(Trainee Auditor)*. Master of Agribusiness Management, Bogor Agricultural University. She had experience as quality control in Food Manufacture, export supervisor in agriculture trading and technical expert in Consultant Company. She had followed training such as Awareness RSPO, Indonesian Sustainable Palm Oil auditor, food safety – HACCP and enterprise risk management.

### 2.3 Assessment Methodology, Assessment Process and Locations of Assessment

#### 2.3.1 Figure of person days to implement assessment

| ST-2 | Number of auditors: 4 (four) auditors | Number of days for ST-2 on site: 5 (five) days | Number of working days for ST-2 on site: 20 (twenty) working days |

#### 2.3.2 Detail process of assessment

**ST-2**

The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the mandah POM and its supply base (PT PT Bhumireksa Nusasejati), to the requirements of National Interpretation of the Republic of Indonesia from RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO INA-NIWG, May 2008 and Supply Chain Requirement for CPO Mill).

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

Several opportunities for improvement of the results S-2 delivered by the auditors to the management unit and the results are the subject will be verified at the next assessment.
Improvement of findings from first surveillance assessment findings were observed by auditors at this ST-2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ST-2. Please find Appendix 2 for the assessment program.

2.3.3 Locations of Assessment

S-2

Mandah POM which received fresh fruit bunch from 2 (two) estates, such as: Mandah Estate (MDE) and Rotan Semelur Estate (RSE). Audit team used 0,8-\y formulation to determine estate sampling which became the main focus of the assessment. Based on this formulation, the chosen estate samples for initial assessment are Mandah Estate, Rotan Semelur Estate and 1 (one) mill (Mandah POM).

Mandah POM:
1. Processing (from loading ramp to dispatch). Observation related to the processing of FFB into crude palm oil (CPO), fire emergency response facilities at the mill; first aid emergency facility, and the implementation of Occupational Health and Safety.
2. Incinerator. Observation of the management of air quality resulting from the incinerator burning.

Mandah Estate:
1. Agrochemical Warehouse. Observation of pesticide storage and management activities, work instruction on handling the hazardous material and management of the spill, the installation of Hazardous material symbols in accordance with applicable regulations.
2. Fuel Tank. Observation of the management and storage of fuel, which is equipped with oil trap, fire extinguisher, spill handling facility, and the installation of hazardous material symbols in accordance with applicable regulations.
3. Block Spraying system (BSS) building. Observation of the place for washing working tools and Personal Protective Equipment for spray workers which is equipped with water receptacle.
4. Generator set room. Observation of the preventive activities of generator set maintenance, buildings equipped with fire extinguisher that are checked periodically, oil trap, and waterproof ground floor to prevent the spills of used oil directly to the ground.
5. Employee Housing. Observation of the employee housing, clean water facility such as wells and receptacle, religious facility such as Mosque, sport facility such as soccer field, and educational facility such as Kindergarten and Elementary schools.
6. Spray Activity in Block G010 Division III. Observation of spray activities from the mixing of the herbicide to the application in the field. Spray workers are already equipped with personal protective equipments such as apron, gloves, goggles, masks, and shoes to avoid poisoning and other hazards. The spray workers understand the stages of spraying and methods for herbicide solution and dilution. Spray workers are medically checked up by a company doctor regularly.
7. Harvesting Activity in Block H020 Division V. Observation of harvesting, ripe fruits harvested with the criteria of 5 fruits on the ground, harvesters have been equipped with working tools and personal protectors such as wheel loaders, chisels, sickles, sickle cases, shoes, and helmets.
8. Subsidence Pole at Mandah Estate. Observation of monitoring activity of peat land subsidence in the form of the installation of subsidence poles according to the types and the depth of the peat.
9. Piezometer and Water Level Management at Mandah Estate. Observation of the management and monitoring of water level in the peat land by installing the piezometer and monitoring the water level.
10. Main Canal and Main Dam. Observation of the canal and dam management activities and the pumps that is well-functioning.
11. Boundary Pole of the Land Use Title No. BRS77. Observation of the condition of the pole that is well-maintained and clear.
12. HCV Area. Observation of the HCV area and one of the management activities namely the installation of the sign board about the prohibition to hunt protected animals and to electrocute the fish.

Rotan Semelur Estate
1. **Agrochemical Warehouse.** Observation of pesticide storage and management activities, work instruction on handling the hazardous material and management of the spill, the installation of Hazardous material symbols in accordance with applicable regulations.

2. **Fuel Tank.** Observation of the management and storage of fuel, which is equipped with oil trap, fire extinguisher, spill handling facility, and the installation of hazardous material symbols in accordance with applicable regulations.

- **Employee Housing.** Observation of the employee housing, clean water facility such as wells and receptacle, lighting facility that comes from generators, religious facility such as Mosque, sport facility such as badminton court.

### 2.4 Stakeholder Consultation and List of Stakeholders Contacted

#### 2.4.1 Summary of stakeholder consultation process.

Public consultation process was carried out Consultation of PT Bhumireksa Nusasejati stakeholders was held by public consultation meeting with internal (workers and labour union), external (villagers, local peoples, non government organization and district agencies) by interviews, electronic mail and interviews. Numbers of input from stakeholders were clarified by PT BNS management. Numbers of inputs from stakeholders both positive and negative were received by the audit team as a material of consideration and observations in the assessment.

The consultation result present on 3.6 (Summary of Arising Issues from Public, Management and Auditor Response)

#### 2.4.2 List of stakeholder contacted

*Please find appendix 3*

### 2.5 Determining Next Visiting

The next visit (first surveillance) will be determined nine months after the certificate issued.
3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of PT Bhumireksa Nusasejati – Mandah POM, SIME DARBY Plantation Sdn Bhd operation consisting of 1 (one) mill and 2 (two) oil palm estates.

During the second assessment, there were three (3) Nonconformities were assigned against Major Compliance Indicator; two (2) nonconformities were assigned against supply chain indicator and nine (9) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company prepared and implemented corrective action that was reviewed and accepted by MUTU in form of documents and photographic evidence. Those corrective actions taken that consist of three (3) Major Nonconformities nad two (2) supply chain mor mill non-conformities had been closed out and shall be verified during next assessment.

MUTUAGUNG LESTARI found that PT Bhumireksa Nusasejati – Mandah POM comply with the requirements of RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008. Therefore MUTUAGUNG LESTARI recommends a certificate of compliance is issued.

<table>
<thead>
<tr>
<th>Ref Std.</th>
<th>VERIFICATION RESULT of MUTU-Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</strong></td>
<td></td>
</tr>
<tr>
<td><strong>1.1</strong> Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.</td>
<td></td>
</tr>
<tr>
<td>Company has SOP concerning Information Request (007/BNS/MDF-PI/IX/12) dated on 1 September 2012, which describes that all incoming information request mails are addressed to the operational unit manager. All incoming mails will be reviewed and responded by the manager except those that require approval from Head of Department or other departments. The SOP explains the complete step of information requests response starting from receiving letter until approval/disapproval within 14 days. The SOP has been extended and socialized to the community as shown by socialization records attended representatives of the community. In fact, most of the incoming mails are in the form of donation / charity request for social activities in surrounding community such as religion activities, social activites, etc. As guided by SOP, the company has responded all incoming information request, even though there was a case of late respond on a letter from Environment office dated on November, 5th 2012 regarding CD/CSR Implementation Report. The company has just responded on 23 June 2013 after several months late. According to SOP, retention time for information requests and responses is 2 years (SOP of Record Control No. 010/MDF-PC/IX/12, dated on 1 September 2012). In addition to that, the retention time of the documents is stipulated as follows:</td>
<td></td>
</tr>
<tr>
<td>- Documents for audit assessment are keeped for 3 years.</td>
<td></td>
</tr>
<tr>
<td>- Documents for references are keeped for 10 years.</td>
<td></td>
</tr>
<tr>
<td>- Documents of law and regulations are keeped until there is a change.</td>
<td></td>
</tr>
<tr>
<td>- Documents of information requests and responses are keeped for 2 years.</td>
<td></td>
</tr>
<tr>
<td>- Documents of the company policy are keeped until there is a change.</td>
<td></td>
</tr>
<tr>
<td>- Records of land compensation have unlimited time or keeped as long as the company is still in operation.</td>
<td></td>
</tr>
<tr>
<td><strong>1.2</strong> Management documents are publicly available, except where this is prevented by commercial confidentiality or</td>
<td></td>
</tr>
</tbody>
</table>
where disclosure of information would result in negative environmental or social outcomes.

Based on the SOP of Information Request No. 007/BNS/MDF-PI/IX/12 dated on September 1, 2012, several types of document that are made publicly available are:

- Legal documents: location permit, Plantation Business Permit, Land Title, etc.
- Performance indicators of Plantation and Mills: periodic report of plantation performance to local authority.
- Social document such as social activities, social impact management reports, documents of occupational health and safety, etc.

The arrangement of documents keeping mechanism is set out in the SOP of Corporation Document Keeping (SOP No. 323/LGL-OPN/07) which describes that document should be managed, stored and saved by Legal & Corporate in accordance with its classification and levels of importance of each document. Retention time of the documents is outlined in the SOP of Records Control (No. Policy 010/MDF-PC/IX/12) dated on September 1, 2012 as explained in criterion 1.1.

| Status: Full Compliance |

**PRINCIPLE #2  COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

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

PT BNS has proven its compliance to applicable legal requirements, especially to those that closely related to oil palm plantation operation such as (but not limited to):

- Legality of land ownership in the form of Land Use Title, as regulated by Act No. 05 year 1960 Jo. Act No. 40 year 1996 regarding the Land Title / Right .
- Plantation Business Permit (SPUP) from the Local Government.
- Environmental documents for estate and mills.
- Periodic repots of environmental management and monitoring (RKL-RPL).
- Management of peat area as regulated by Regulation of Ministry of Agriculture No. 14 year 2009.
- Prohibition of underage workforce as regulated by Act No. 20 year 1999 (as ratification to ILO Convention No. 138 concerning minimum age for workforce).
- Company has appointed OHS Expert to be Secretary of the Occupational Health and Safety Committee and submits periodic workforce report (quarterly) to Labor Agency as regulated by Regulation of Ministry of Labor No. 4 year 1987 concerning Occupational Health and Safety Committee.
- Provision of Personal Protective Equipment for employees as regulated by Regulation of Ministry of Labor No. 8 year 2010 concerning Personal Protective Equipment.
- Company has conducted zero-burning land clearing in accordance with Statute No. 18 year 2004 on plantation.
- Measurement of peat land subsidence to control land damage in accordance with the Government Regulation No. 150 year 2000.
- Legal compliance of foreign workers such as valid permit and pay taxes
- Boiler operator, engineer and electricians in mills and plantation have obtained Operator License in Occupational Health and Safety in accordance with Regulation of Labor Ministry No. 01 year 1988 on Boiler Operator.
- Crane Operator has obtained Operator License in Occupational Health and Safety in accordance with Regulation of Labor and Transmigration Ministry No. 09 Year 2010 on Operator and Transporting/Forklift Officer.
- Management of hazardous waste as regulated by Government Regulation No. 18 year 1999 concerning management of hazardous waste.

Company has also demonstrated evidences of effort of adaptation to the changing of applicable regulation, such as: Compliance to the changing of minimum wages according to local government decree and compliance to the retribution / local tax regulation to the local government.

To ensure compliance to all applicable regulation, PT BNS has developed a mechanism of monitoring and evaluation of
compliance to all applicable rules and regulation as shown by document of regulation list (compendium) and matrix of regulation compliance evaluation which contains information of regulations that must be followed by the company and its fulfillment status.

Such mechanisms of legal compliance monitoring is guided by SOP of Legal Compliance (RSPO/2.2/PH) that has been approved on August 1, 2011 by management. The SOP explains well the step of evaluation and job description of each related officers.

<table>
<thead>
<tr>
<th>Major 2.1.1</th>
<th>Status: Full compliance with Observation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2</td>
<td>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights</td>
</tr>
</tbody>
</table>

Document verification shows that PT BNS has appropriate right to use land of 25,662 hectares of plantation through 2 (two) land use titles, namely:

- **Land Use Title No. 01** that covers 13,990 hectares of land, located at Riau Province, Indragiri Hilir District, Kateman Subdistrict, Rotan Semelur Village, which valid from May 23, 1996 until May 23, 2031.
- **Land Use Title No. 02** that covers 11,762 hectares of land, located at Riau Province, Indragiri Hilir District, Kateman Subdistrict, Tagaraja Village, valid from May 23, 1996 until May 23, 2031.

Consistent with those Land Use Title, PT BNS has developed map of land title demarcation which contains information of Land Use Title marker poles distribution and its geographic coordinate. To prove the effort of marker maintenance, there is a checklist and report of marker pole condition checking and maintenance activities (periodic control and re-installation for lost marker), as well as the photograph of the current condition of the marker poles. The random field check shows that Land Title Marker Poles are well-maintained and clearly legible.

According to field inspection (supported by result of public consultation), there are several locations inside plantation area that are under conflict with surrounding community, such as: (a) the area in Rotan Semelur Estate (2,406.34 hectares) that is under land tenure conflict land conflict with Penjuru Village, Kateman Subdistrict; (b) the area in Mandah Estate (502 hectares) which has been occupied by people from Gurah Baru Subvillage, Teluk Bunian Village, Mandah Subdistrict.

To resolve these land tenure problems, the company has taken several resolution steps, such as: (a) Communication / dialogue with the conflicting villager, done by Public Relation Division of PT BNS; (b) Consultation with the local government of Indragiri Hilir regarding the conflict in the area of PT BNS. The consultation meeting was held on February 23, 2011 attended by the representatives of the company and the representatives of the government; (c) Formal statement from the company through the Memorandum from PSQM Head dated on 24 January 2011 that Minamas Plantation will not continue expanding plantation area at the conflict area; (d) Establish agreement with the conflicting parties (villagers) regarding:

- PT BNS will not expand oil palm plantation to the conflicted area occupied by villager.
- The conflicting villagers will not further occupy / claim plantation land that has been planted / developed by PT BNS.

In general, the company has implemented the principles of FPIC during the acquisition of its land rights. As evidence, there are records of agreement and compensation payment to the land owner witnessed by the village head and local authorities, compensation payment receipts, compensation payment process photographs, etc. Those free and without coercion compensation process occurred within year 2010 and 2011. For example, there are evidences of land acquisition of 8.13 hectares of land for road development on May 2011 in Gurah Baru subvillages, Teluk Bunian Village. The related villager are: Artawan for 2.28 hectares and 0.05 hectare, Afdal Darimi for 11.848 hectares, 1.95 hectare and 1.748 hectares, Muh Jam for 0.15 hectare, H Bahtiar for 0.05 hectares, Drs.H Lukman Hakim for 0.05 hectare.

For the purposes of conflict resolution, particularly conflicts over land, the company has SOPs such as:

- **SOP of Conflict Resolution (No. RSPO/2.2/PK)** which was legalized on 1 September 2012. This document contains general guidance for conflict resolution that may occur through complaint a mechanism/written claims and mutual agreement.
- **SOP of Land Acquisition to the Occupied Lands (No. 343/PSD-OKUP/11)**, which was legalized on 23 February 2012. This document contains the procedures of land acquisition and occupation that has occurred.

Those SOPs have been disseminated to internal parties as well as to the community, Example of the process is dissemination of SOP to the people of Rotan Semelur Village, Pelangiran Subdistrict on 13 August 2012 which was attended by the representatives of the village (Head of Rotan Semelur Village, Secretary of the Village, head of subvillage, head of...
Full Compliance

2.3
Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

Based on the Social Impact Analysis report, all of plantation area of PT BNS orginated from swamp and peat forest; there were no traditional rights in the work area of PT BNS. This has been confirmed / consulted with to the head of surrounding villages and community leaders in Gurah Baru Subvillage – Teluk Bunian Village and Penjuru Village. The vast majority of the people are immigrants. It has also been confirmed through consultation with the the office of National Land Agency, who stated that there were no customary lands / rights inside the area of PT BNS.

Full Compliance

PRINCIPLE #3  Commitment to long-term economic and financial viability

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

Company has projection of Palm Oil Production up to the next 5 year (2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018) for Nusa Lestari Estate (NLE), Rotan Semulur Estate (RSE), and Mandah Estate (MDE) which was compiled on Report of 2013-2014 Budgeting dated on 30 January 2013. The report describes work plans of each estate as outlined in the harvesting activity, transportation, maintenance, manuring, and warehouse, including social events or CSR (Corporate Social Responsibility).

Company has also been implementing the SAP program (System Application and Products in Data Processing) to assist financial monitoring in each estate and palm oil mill, and for projecting palm oil bussiness until the year of 2018 (production budget, extraction of crude palm oil and palm kernel budget, etc). Cost of HCV Management is included in the budget for Environmental Safety and Health (ESH).

Budget projection in POM Mandah emphasizes on the calculation of plan and cost of production, maintenance, and CPO process. Meanwhile, CPO price is perdicted by Head Office in Jakarta. Based on the information from the company, PT BNS up to 2013, still gain profitable benefit every year.

a. Mandah POM

<table>
<thead>
<tr>
<th>Activity</th>
<th>Unit</th>
<th>2013/2014</th>
<th>2017/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intake</td>
<td>M/T</td>
<td>153,355.41</td>
<td>126,838.39</td>
</tr>
<tr>
<td>OER (CPO)</td>
<td>%</td>
<td>23.00</td>
<td>14.82%</td>
</tr>
<tr>
<td>KER</td>
<td>%</td>
<td>4.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>Health</td>
<td>IDR</td>
<td>175,000,000</td>
<td>215,000,000</td>
</tr>
<tr>
<td>Social</td>
<td>IDR</td>
<td>143,160,000</td>
<td>174,609,000</td>
</tr>
<tr>
<td>ESH</td>
<td>IDR</td>
<td>169,400,000</td>
<td>205,906,000</td>
</tr>
</tbody>
</table>

b. Mandah Estate

<table>
<thead>
<tr>
<th>Activity</th>
<th>Unit</th>
<th>2013/2014</th>
<th>2017/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planted</td>
<td>Ha</td>
<td>4,111</td>
<td>4,111</td>
</tr>
<tr>
<td>Mature</td>
<td>Ha</td>
<td>4,111</td>
<td>3,146</td>
</tr>
<tr>
<td>TBS</td>
<td>Ton</td>
<td>90,046</td>
<td>70,727</td>
</tr>
<tr>
<td>Yield</td>
<td>Ton/ha</td>
<td>21.90</td>
<td>22.48</td>
</tr>
<tr>
<td>Environment</td>
<td>IDR</td>
<td>169,286,000</td>
<td>342,508,000</td>
</tr>
<tr>
<td>Social</td>
<td>IDR</td>
<td>1,019,129,000</td>
<td>1,632,000,000</td>
</tr>
<tr>
<td>Health</td>
<td>IDR</td>
<td>359,969,000</td>
<td>637,265,000</td>
</tr>
</tbody>
</table>

c. Rotan Semelur Estate

<table>
<thead>
<tr>
<th>Activity</th>
<th>Unit</th>
<th>2013/2014</th>
<th>2017/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planted</td>
<td>Ha</td>
<td>4,107</td>
<td>4,107</td>
</tr>
<tr>
<td>Mature</td>
<td>Ha</td>
<td>3,717</td>
<td>3,204</td>
</tr>
</tbody>
</table>
The report of 2013-2014 Budget Presentation and Projection up to the next 5 year also describes the replanting plan as follows:


For the replanting activity, the company has also conducted annual review by the POD (Plantation Operation Development – Jakarta) both for budget of activity and area. In the year of 2012-2013 the replanting had not been conducted; and for Nusa Lestari Estate, the replanting will be conducted for the planting year of 1996 covering an area of 423.65 hectares (3,170 hectares – 2,746.09 hectares).

The replanting program, there activities of land preparation, road and bridges, water management, soil conservation, planting, covers, weeding, pest and disease, manuring with the amount of IDR 13,682,601,000 divided by the replanting area of 423.65 hectares or 32,296.9 (IDR/ha) for the year of 2013-2014.

Full Compliance

PRINCIPLE #4 Use of appropriate best practices by growers and millers

4.1 Operating procedures are appropriately documented and consistently implemented and monitored.

SOP of the estate starting from LC (Land Clearing) until the harvest is described in the Agricultural Reference Manual (No. Policy 110/EST-ARM/08) of Minamas Plantation that was legalized on 19 August 2008 by the CEO. The content of the document include descriptions of Plant Material, Seeding Techniques, Replanting, Plant Maintenance, Manuring, Manuring of Immature Plant, Manuring of Immature Plant with Empty Bunches, water management on the peat soil to the oil palm, ablation, maturity standard, harvest rotation, fruits collecting, oil palm protection, control of the rotten disease on the base and the tip of the rods, and weeds control.

To protect the riparian and peat soil, the company has had the following SOP: SOP No. 724/TQEM-SPMS/09 concerning Guidelines for Sustainable Palm Oil Management, which includes protection of riparian area (100 meter for big river and 50 meters for small river), and SOP No. 01/BNS/III/09 dated 25/03/2009 concerning Water Resources Management. It contains the management of peat area, such as: Spillway management, ditch, water gate, canal, water level monitoring, water table monitoring, watergate management, etc.

SOP of the Mill starting from the acceptance of the FFB to the CPO dispatch is described in the document legalized on 26 July 2010, such as:

- Document of Administrative Procedures of the Palm Oil Mill Operational, Minamas Plantation (No. Policy 130/POD-FAC/07) which describes the procedure of FFB acceptance and weighing process, weighing procedure of palm oil and palm kernel, and procedure of producing the palm oil and palm kernel.
- Technical Guidelines of the Mill Volume II, Minamas Plantation (No. Policy 120/POD-FAC/07) which describes the types of boiler, power generator, diesel generator, work factor of the generator, operation and maintenance of electrical panels, supply networking, occupational safety and security, and maintenance system.

The inspection and monitoring of the operational activities conducted in the mill and estate include:

- Palm Oil Mill
  The inspection or the monitoring of the mill operational activities is conducted every 6 months by the Mill Advisor. The operational activities of POM Mandah started effectively in January 2013, so the inspection and monitoring of the operational activities had not been conducted. It is planned to be carried out in July 2013 (tentatively). The parameters of the inspection and monitoring are: Performance Quality Report, Processed FFB, CPO and PK Production, Product Quality, Product Stock, Raw and Boiler Water Chemical Consumption, Electricity Consumption, Mill Operating Cost, Ex...
Mill Cost, and Mill Operating Capability.

- **Estate**
  The inspection and monitoring of the operational activities is carried out every 6 month by the Plantation Advisor, with the inspection parameters include: Crop Production, FFB (Ton/ha), Yield Enhancement, Agro-Management Status, crop recovery, fertilizer application, water management, harvesting interval, crop evacuation, security, linesite management. In addition, it also includes information of: statement areas, crop production, harvesting system and productivity, crop recovery and crop quality, separate pruning/raking, workshop, crop security, soil conservation, drainages, weeding, pest and diseases, sanitation. Upkeep (maintenance – water management, social conservation, weeding, census, boundaries cost, path cost, pest and diseases cost, housing ESH (Environment Safety and Health).

Records of the result of operational activities in the mill and estate are in the form of monthly report, among others:

- **Palm Oil Mill**
  Monthly Report of April 2013 with the content of the report includes processed FFB, CPO & PK Production, Product Quality, Product Stock, and Electricity Consumption. In addition, based on the field observation at Mandah POM, there are records starting from Fruit Acceptance (Fruit Letter of Introduction), the weighing, to the stage of CPO processing and storing in distorage tanks are well-documented.

- **Estate**
  Monthly Report of April 2013 with the content of the report includes Crop Production, FFB (ton/ha), Yield enhancement, agro-management status, crop recovery, fertilizer application, water management, harvesting interval, crop evacuation, and security. In addition to that, there is also information on statement area, which consists of mature plants, immature plants, infrastructure area, boundary (3,459 ha in the form of trenches) in the form of notes for each period.

| Minor 4.1.2 | CAR.2013.01 with Minor non conformance is closed |

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

In maintaining the soil fertility to achieve optimum and sustainable level, each estate conducts soil and leaf analysis periodically to determine fertilizer recommendation, among others:

- Records of soil analysis result conducted by MRC (Minamas Research Center) on 23 November to 4 December 2011. From the result of soil analysis, the characteristic of the soil and chemical contents of the peat soil can be obtained.
  - In Mandah Estate for example in Div V, PH 2.74, Organic C 24.01%, Total N 0.30%, Zn 3.07 ppm, Fe 0.17 ppb.
  - In Rotan Semelur Estate for example in Divisi II: Organic ingredient C 24.83%, Total N 0.36 %, C/N 68.97%, Total P: 303.45 ppm, Available P 13.01 ppm, total k 0.8 cmol/Kg, Exch K: 0.36 cmol/Kg, Exch Mg: 3.16 cmol/Kg, Exch Ca: 10.49 cmol/Kg, Exch Na: 0.14 ppm, Ca 26.9 ppm, B: 0.72 ppm, Fe 0.18 pb.

- Leaf Analysis Report was conducted in Rotan Semelur Estate Block D034 on 23 April 2012 and in Mandah Estate on 7 May 2011. In addition, at the time of leaf sampling by Leaf Sample Unit, a visual observation was also conducted to see the condition of the oil palm with the status of healthy, unhealthy, or deficiency or lack of nutrients of N, P, K, Mg, B, Cu, Fe and Zn. This visual condition is also considered as a recommendation over fertilizers given.

There is an implementation of manuring based on the recommendation from MRC available. For example, the manuring data in 2012/2013 of Rotan Semelur Estate is as follows:

- Manuring Recommendation of bunch ashes with the amount of main plants: 60, 585 main plants, covering an area of 437 hectares, application of 1: 4 kg/tree and application of 2: 3 kg/tree.
- Fertilizers recommendation on 461,510 trees with an area covering 4,107 hectares, CuSO₄ with the dose of 0.235 kg/tree, ZnSO₄ with the dose of 0.21 kg/tree, and FeSO₄ with the dose of 0.219 kg/tree.

| Status: Full Compliance |

| 4.3 Practices minimize and control erosion and degradation of soils. |

The peat depth survey has been conducted on 23 November to 4 December 2011 by MRC for the entire work site of BNS. The method utilized in the survey was systemic method to measure the distance between the points of observation 500 m x 1,000 m.

Status of marginal land is clearly mapped in the peatlands map for each estate. The information presented in the broad distribution of peat depth, the extensive peat maturity level, location of the sampling points, location of the mill, location of the preparation area, and peat depth coverage is well-documented.
emplacement for each estate and the entire plantation of BNS.

Topography of the work area dominated by peat land is flat (slope class A) where the transportation access is to utilize canals. The area structuring applies the design of the canals consisting of: main canals, secondary canals, and tertiary canals. Canals maintenance run in addition to cleansing the impurities (for example, water moss) there is also planting activity on the canals embankment to prevent speedboat wave erosion utilizing the plants of burmese rosewood, acacia, China Grass and Aloe vera. No specific strategy needed in the management for planting in the area with certain slope with the consideration of soil types and local climate.

BNS has conducted water surface level management by monitoring the level of water surface every day and recorded it on the document that has been prepared before. In addition, monitoring of water surface level is also conducted utilizing the Piezometer. The piezometer was installed in June 2012 for each planting block with various quantities (1 to 3 pieces per planting block).

Program of water level is conducted by dividing the area of the estate based on the difference in height, setting the water level, installing spillway and watergate. BNS has prepared the monitoring of peat land subsidence that will be conducted annually in all estates of BNS. There is a broad distribution of monitoring poles of peat land subsidence.

Evaluation of water level and peat land subsidence has been carried out. The result of the evaluation of water level observation presented the data showing that the water level is in accordance with the regulation of 50 cm to 70 cm from the ground surface.

**Status: Full Compliance**

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

To protect the quality and quantity of surface water and ground water, there are SOPs available in the scope of PT BNS namely:

- **a.** SOP of Management Guidelines of Sustainable Plantation (No. 724/TQEM-SPMS/09) containing the protection for riparians (large river 100 m and small river 50 m).
- **b.** SOP of Water Management (No. 01/BNS/III/09) which was legalized on 25 March 2009. The document contains guidelines of spillway management, dams, water level measurement in all types of canals, Watergate management, rainfall, and conservation.

Measures for protecting the peat land/wetland applied based on the SOPs are:

- Making of water management zone according to the elevation to avoid excessive dryness at the block due to canalization.
- Installation and maintenance of the water management facilities to ensure the water level at the canals meets the regulation (50 to 80 cm) in the form of: Main Canal (KUT), Branch Canal (KCB), Collector, Center trench, tertiary trench, dam, Watergate of center trench, boundary watergate, water level monitoring station, ombrometer, overflow, and boundary trench.
- Monitoring of peat depth in the whole area of PT BNS as shown by the report of peat depth measurement in PT BNS in 2011.
- Monitoring of land subsidence (subsidence of peat land) through the installation of peat subsidence poles in the area of PT BNS.
- Dissemination of riparians protection to the external and internal parties and the ban of spraying on the edge of the canal.
- Monitoring of river water quality on a regular basis as outlined in the report of Environmental management Plan/Environmental Monitoring Plan.
- Monitoring the BOD of effluent discharged into the water bodies as shown by the report of the measurement result of effluent BOD discharged into the water bodies.

In accordance with the action plan/program of water management described above, there are records available for the implementation of water management program, such as:

- Record of zoning map that showed the division of estate area into zones according to the elevation.
- Record of water management facilities in the form of water management distribution map in PT BNS namely: Watergate, spillway, water level monitoring station, zoning dam, ombrometer, fire tower, fire-prone area map.
- Record of water level measurement in the locations of the measurement.
- Record of peat depth measurement as shown by the report of Peat Depth Survey in PT BNS conducted by Minamas.
PT. MUTUAGUNG LESTARI

ASSESSMENT REPORT

- Record of subsidence measurement in the entire area of PT BNS according to the variety of water zoning and estate.
- Dissemination of riparians protection to the external and internal parties.
- River water quality testing conducted at the upstream and downstream side of Kateman River and the spillway/overflow according to the quality standard of Government Regulation No. 82 year 2001 Category II.
- Water testing at the canal to monitor the possibility of effluent contamination from the mill.
- Monitoring record of the mill effluent BOD.

There is a record of effluent BOD monitoring of POM Mandah for the last three months (March – May 2013) conducted by Technical Unit of Public Infrastructure Agency of Riau Province that shows the BOD value of 13,918.8 mg/l (March 2013), 8,835.5 mg/l (April 2013) and 60.61 mg/l (May 2013), with the quality standard of 100 mg/l based on the Decree of Environment Ministry No. 51 Year 1995.

PT BNS has been monitoring the use of water for FFB processing activities at the mill by recording every day and recapitulating every month. Based on the data of the water use, an analysis of water use has been made that is compared with the FFB processed. It is showed that the average use of water is still below the estimated budget (1.25m³/ton FFB).

| Status: Full Compliance |

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

There are documents available of the program and implementation of Integrated Pest Management describing the types of pests, techniques in controlling the pests, stages of control (pest census, electing the proper controlling techniques based on the result of pest census, determining the use of chemicals based on the types of pests. All workers who are related to pesticide and chemical use such as sprayer have had training about how to maintained the pesticide including in safe spraying technique.

Nettle caterpillars control is conducted manually and chemically. Types of beneficial plants are planted to control the attack of nettle caterpillars such as Turnera Subulata, Cassia Cobanensis, Antigonon Leptosus. Disease management is conducted chemically if the number of population exceeds the threshold. The threshold for nettle caterpillars of caterpillar population is 5 heads per tree/midrib, and for rats the threshold is on the level of attack above 5 % (rat attack on 7 trees per hectare).

In controlling the rats attack, the company monitors the rats attack and facilitates nests for owls (Tyto alba), monitors the owls and making the nests for owls in Mandah Estate. There are 18 adult owls found in 25 nest boxes.

In controlling the nettle caterpillars, the company monitors the attack and plants beneficial plants as the natural enemies for nettle caterpillars. The beneficial plants are Turnera Subulata, Antigonon Leptoseus, Cassia Cobanensis. The company is able to demonstrate the monitoring of the planting of beneficial plants area:
- In the period of July 2012 – April 2013 at Rotan Semelur Estate Division 5, the company has planted Cassia Cobanensis (1,327 meters), Turnera Subulata (20,036 meters), Antigonon Leptosus (456 meters) with the total area of 676 hectares.
- In the period of July 2012 – April 2013 at Rotan Semelur Estate Division I, the company has planted Turnera Subulata (38,888 meters), Antigonon Leptosus (634 meters) with the total area of 927 hectares.
- In Mandah estate, the company has planted Turnera Subulata 33,170 meters, Cassia Tora 5,793 meters and Antigonon Leptosus 5,546 meters.

Nettle caterpillars census is to ensure whether the level of attack is below or above economic threshold (5%). The monitoring result of the census in Rotan Semelur Estate showed that there were no significant attacks in March, April, and May 2013. In January, the biggest attack showed 1.1 head per midrib. In certain sampling blocks, there were attack levels that exceeded the threshold/heavy attack category namely in Block F024 (9 caterpillars per midrib) and in Block F025 (7 caterpillars per midrib). The attacks were controlled chemically using Decis application.

Meanwhile, the result of the census in February showed the attacks report such as in Block C031 Division V (attack level 5.99%), in Block C032 (attack level 2.98%), in Block C033 (attack level 2.49%), in Block C034 (attack level 1.45%), and in Block C035 (attack level 2.26%).

There are documents of pesticide toxicity monitoring and chemicals of 2012/2013 containing types of ingredients, Registration Number, Acute Oral Toxicity, Unit, Dose/hectare, Liter/hectare or kg/hectare, LD50/hectare (Mg/hectare), active ingredient.
4.6

Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.

Agrochemicals utilized by the company are registered and authorized by the competent authority. The company is no longer utilizing paraquat in controlling weeds.

- **Herbicides**
  - Audit 480 SL; Active Ingredient: Glyphosate Isopropyl Amine; Registration No. RI.1863/9-2003/T
  - Prima up 480 AS; Active Ingredient: Glyphosate Isopropyl Amine; Registration No. RI.1179/11-2002/T
  - Metaprima; active ingredient metsulfuron methyl; Registration No. RI.1484/11-2000/T.
  - Starane 200 EC; active ingredient Fluroksipir; Registration No. RI.854/5-2004/T
  - Garlon 480 EC; Active Ingredient: Glyphosate Isopropyl Amine; Registration No. RI.695/8-2003/T
  - Kenlon 480 EC; Active Ingredient Triclopyr Butoxy Ethyl Ester. Registration No. RI 2433/5/2006/T

- **Insecticides**
  - Regent 50 SC; Active Ingredient: Fipronyl; Registration No. RI 1192/12-2005/T
  - Decis 25 EC; Active Ingredient: Deltametrin 25 gr/l; Registration No. RI.387/11-2007/T.

- **Rodenticides**
  - Klerat RB; brodifacum active ingredient; Registration No. RI.1666/1-2004/T.

There are records of the use of pesticides containing information about the active ingredients utilized. For example, in Rotan Semelur Estate:

- **Herbicides**
  - Audit; active ingredient: Glyphosate, applied 5,379 liters
  - Metaprima; metsulfuron methyl active ingredient, applied 189.25 kg
  - Garlon; active ingredient: Glyphosate, applied 52 liters
  - Starane; fluroksipir active ingredient, applied 390 liters
  - Prima up; active ingredient: Glyphosate, applied 500 liters
  - Kenlon; triclopyr active ingredient, applied 4500 liter

- **Insecticides**
  - Regent applied 25 liters
  - Decis applied 415 liters

- **Rodenticides**
  - Klerat applied 55 kg

Company has identified the types of waste generated from the operational activities of the estate and the mill. The waste from spraying is used packaging of pesticides.

Mechanism (730/7/BNS-ESH/10 dated on 2 August 2010) stated that the used packaging of agrochemicals is included in hazardous waste category. Therefore, it must be handled in accordance with applicable regulation. Hazardous wastes including used packaging of pesticides are stored in the Hazardous Waste Temporary Warehouse. There are 707 pieces of used packaging from various brands of agrochemicals in the warehouse of Rotan Semelur Estate. Mandah POM has not had yet permit for hazardous waste storage. The permit for Mandah POM is still on process at local authority. Hazardous waste are centralized at Teluk Bakau Mills (other mills under Sime Darby, at the location) before transported to the legal waste collector. (There are documents and evidence that shows periodic hazardous waste delivery from Mandah POM to Teluk Bakau POM).
Company stores the hazardous waste more than 90 days. Against that case, the company has obtained a recommendation from relevant authority (Environment Bodies of Indragiri Hilir District) on the extension of temporary storage of the hazardous waste (no. 660.1/BLH/VII/2012 dated on 30 August 2012).

The company has conducted medical screening on a regular basis every 6 month for spray workers and manuring workers. The medical screening includes physical checks, urine, blood, and respirometric test, which are carried out by the company’s doctor in cooperation with the Public Health Center of Pelangiran Subdistrict. The result of periodical check-ups for spray and manuring workers are:

- **Mandah Estate**
  The medical screening was conducted in December 2012. The number of employees examined was 45 from spray workers, manuring workers, and maintenance workers. The result of the examination showed that 18 workers have health problems such as anemia and symptoms of kidney disorders. Doctor’s recommendation is attached with the report that the workers proceed to control to the clinic if there are complaints.

- **Rotan Semulur Estate**
  The medical screening was conducted in November 2012; with the number of workers examined were 81 from spray workers, manuring workers, and maintenance workers. The result showed that 37 workers have health problems such as anemia, kidney disorder symptoms, hypotension, hypertension, and gastritis. There is a doctor recommendation attached to consume multivitamin, working in accordance with SOP, etc.

Based on the field visit and interviews with the female spray workers in Block G010 Division III of Mandah Estate, are in the normal condition, there are no diseases from skin disorders or rashes, breathing difficulties or nail problems which are classical symptoms of toxic reactions.

There is a record of the granting for leave H1 (menstruation) and H2 (pregnancy) for female workers of Mandah Estate in May 2013. It is showed that the number of leave H1 is 151 days and leave H2 is 45 days. This is to ensure that female spray workers are not in pregnant or breastfeeding condition at work. Based on the field visit and interviews with the female workers in Block G010 Division III of Mandah Estate, it is known that all workers understands the company’s policy that prohibits female spray workers to work during pregnancy or breastfeeding. If a worker is found to be pregnant she must inform the supervisor/employer to be transferred to the works that are not related with chemicals.

**Status: Full Compliance**

### 4.7  
**An occupational health and safety plan is documented, effectively communicated and implemented.**

The company has put together the Occupational Safety and Health Policy into the document of Sustainable Plantation Management Guidelines (Policy No. 724/TQEM-SPMS/09), which was approved on 1 April 2010 by Chief Executive Officer. The following points are specified in said policy:

- Formulate, establish and execute the SMK3 (OHS Management System);
- The staff/employees are given necessary trainings that correspond to their competence/expertise in their field of work;
- Apply the Statutes, Government Regulations, and other regulations set by the Indonesian Upstream Plantation regarding OHS, as well as employing the cultural codes of conduct in the operational activity of the Indonesian Upstream Plantation;
- Continuously improve the OHS performance;
- Prevent any accident from taking place, and constantly pursuing the harmonious, safe, and healthy working environment for the entire staff/employees.

The following are the implementations of OHS policy:

- Provide the workers with Personal Protection Equipment that are compatible with the hazard and risk of each type of jobs. For example, based on the field observation done at Block H020 Division V Mandah Estate, it was confirmed that the workers there have been equipped with necessary PPE, namely helmets and shoes.
- A welder named Arik Winarto holds the Welder Certificate No. S.289/JL/PNK3/XI/12 that was granted on 6 November 2012, in accordance with the Regulation of the Minister of Manpower and Transmigration (Permenakertrans) No. 02 Year 1982 regarding Welder’s Qualifications.
- The Work Program of the Guiding Committee of Occupational Health and Safety (P2K3) of Rotan Semelur Estate for the period of July 2012 – June 2013 is listed below:
  - OHS and Environmental Management: to update the structure of emergency response team, fire fighting team, and P2K3 team.
  - Preparation of OHS and Environmental implementation: Hazard Identification Risk Assessment Risk Control (HIRARC), review and update of the Material Safety Data Sheet (MSDS);
The Guiding Committee of Occupational Health and Safety (P2K3), which was established by the company, is the one in charge for the execution of the OHS programs, both at the estate and at the mill. Said Guiding Committee has been authorized by the Manpower and Transmigration Agency of Indragiri Hilir District.

The organizational structure of P2K3 is composed of Patron/Advisor, Chairman, Deputy Chairman, Secretary, Coordinator, and Members.

- **Mandah POM**
  - Decree No. 27/NAKERTRANS-PKHI/P2K3/560 was passed on 16 April 2013.
  - P2K3 Secretary, named Anwar, is already a certified OHS specialist, holding a certificate No. SKP 486/DJPPK/AK3-U/2008 that was authorized on 31 July 2008 for a 3-year license period. Due to said license being expired, a receipt is available notifying its extension request, which was submitted to the Manpower and Transmigration Agency HQ in Jakarta on 31 May 2013.
  - P2K3 report for the First Quarter of 2013 (January – March 2013) has been submitted to the Manpower and Transmigration Agency of Indragiri Hilir District on 6 April 2013, proven by the receipt No. 062/BNS-MDF/04/2013. The content of the report included the recap of P2K3 activities, occupational accident report, and recommendations of P2K3 secretary.

- **Mandah Estate**
  - Decree No. 01/NAKERTRANS-PKHI/560 was passed on 29 May 2013.
  - P2K3 Secretary, named Rilaudin, has joined the Training for OHS General Specialists held on 15 – 24 April 2013. The certificate, however, is still in process.
  - P2K3 report for the First Quarter of 2013 (January – March 2013) has been submitted to the Manpower and Transmigration Agency of Indragiri Hilir District on 7 April 2013, proven by the receipt No. 043/BNS-MDE/IV/2013. The report includes the P2K3 organizational structure, recap of occupational accident, and minutes of P2K3 meeting.

- **Rotan Semelur Estate**
  - Decree No. 04/NAKERTRANS-PKHI/560 was passed on 3 August 2012.
  - P2K3 Secretary, named Henny Manurung, was assigned through an SKP letter No. 2031/DJPPK/AK3-U/XII/2009 that was authorized on 24 December 2009 with a 3-year validity period. Due to said license being expired, a receipt is available under No. 001/BNS-RSE/IV/2013 notifying its extension request, which was submitted to the Manpower and Transmigration Agency HQ in Jakarta on 3 June 2013.
  - P2K3 report of the first quarter of 2013 (January – March 2013) has been submitted to the Manpower and Transmigration Agency of Indragiri Hilir District on 7 April 2013, proven by the receipt No. 001/BNS-RSE/IV/2013. The report includes the P2K3 organizational structure, recap of occupational accident, and minutes of P2K3 meeting.

The company has enrolled its employees in the Labor Social Assurance (Jamsostek) program, which covers the Occupational Accident (JKK), Life Insurance (JK), and Pension Funds (JHT). As for the Health Care Program (JHT), the company is providing clinic with company doctor assisted by nurses and midwives.

The following are two receipts available as proofs of payment made by PT BNS to Jamsostek:
- Mandah POM, receipt no. BE.701 702 dated 23 April 2013.

The company also schedules a 6-monthly medical checkup for employees who work at places bearing high potential hazards both at the mill and at the estate. The medical checkup includes physical examination, urine check, blood test, respirometric check and audiometric test, which are all done by the company doctor together with Community Health Center (Puskemas) of Pelangiran Subdistrict.

The records for such medical checkup result are available at both premises:
- **Mandah POM**
  Medical checkup was performed in April 2013 on 55 mill workers. The result showed there were 5 workers who were having health problem (mild hearing loss) and were advised to use PPE (earmuff/earplug) by the doctor.
- **Mandah Estate**
  Medical checkup was conducted in December 2012 on 45 workers (spray workers, fertilizer workers, and nursery workers).
workers). The result showed there were 18 workers having health problem, such as anemia and renal failure symptoms. On doctor’s recommendation, they were advised to go to the central clinic should the symptoms remain.

- **Rotan Semulur Estate**
  Medical checkup was conducted in November 2012 on 105 workers (spray workers, fertilizer workers, nursery workers, generator operators, heavy equipment operators, and water transport operators (boat / pompong – small motor boat / bargas – local tugboat). The result showed there were 45 workers having health problem, such as anemia, renal failure symptoms, hypotension, hypertension, and gastritis. Doctor’s recommendation on such problem includes multivitamin intake and working under SOP.

There is an SOP for OHS Guidelines of Hazard Identification Risk Assessment and Risk Control (HIRARC) under the Policy No. 7301/PSQM-ESH/11 that was approved on 7 July 2011. The SOP describes the following workflow of risk analysis process: hazard is identified based on types of works, and then the level of risk is determined using the qualitative assessment method (Risk = Exposure x Probability) to decide whether to use low, medium, or high category for the risk assessment.

- The Mill’s HIRARC, with the following activities/work process: fruit incoming station, boiler, thresher, pressing, clarification, nut & kernel, boiler, water treatment, machine chamber, empty bunch, effluent pond, laboratory, warehouse, and workshop.
- The Estate’s HIRARC, with the following activities/work process: harvesting, budding, fertilizing, spraying, road maintenance, warehouse maintenance, generator chamber maintenance, and workshop maintenance.

There are records of minutes of occupational health and safety training program done at the Mill and Estate as follow:

- 29 February 2013, training for Fire Extinguisher usage was done at Pondok Seroja and was attended by assistant Division IV and Supervisor I of Rotan Semelur Estate.
- 12 March 2013, simulation of cardiopulmonary resuscitation (CPR) for the heart, lung and brain was given by the company doctor and was attended by the employees of Rotan Semelur Estate.
- 10 April 2013, training for the officers and the implementation of PPE was attended by the assistants, supervisors, harvesters, and nursery workers of Rotan Semelur Estate.
- 27 April 2013, training of Fire Extinguisher usage for housewives and employees at Division III of Mandah Estate.
- 25 May 2013, training of Fire Extinguisher usage, water hydrant usage, and fire fighting techniques was attended by the employees of Mandah Mill.
- 30 May 2013, First Aid training was given by the company doctor for the employees of Mandah Mill and Mandah Estate.

The company has set up a procedure for emergency preparedness and response, with the following details:

- **SOP for the Identification and Evaluation of Emergency Potentials (011/BNS/MDF-IEFD/IX/12)** was set on 1 September 2012. The SOP describes the types of emergency potentials, and the assessment of the level of probabilities and consequences, to be used by the emergency response team in taking necessary measures to reduce the emergency potentials.
- **SOP for Earthquakes (015/BNS/MDF-GB/IX/12),** set on 1 September 2012, describes the steps taken in the event of an earthquake occurring at the Mill and Estate.
- **SOP for Explosion Prevention and Mitigation (017/BNS/MDF-PPL/IX/12)** was set on 1 September 2012. The procedure describes the explosion potentials existing both in the estate and in the mill, such as pressurized tanks, compressed gas cylinders, boilers, air compressors, as well as the countermeasures in the event of an explosion.
- **SOP for Hazardous Waste Spillage or Leakage Control (020/BNS/MDF-TLB3/IX/12)** was set on 1 September 2012. The procedure describes the countermeasures to be taken to control and to handle any spills/leaks of hazardous materials and hazardous waste.
- **SOP for Fire Prevention and Response (014/BNS/MDF-PPK/IX/12),** was set on 1 September 2012. The procedure describes the fire prevention method by providing firefighting equipment and by establishing a non-smoking area, as well as the fire fighting techniques using Fire Extinguisher, and using water hydrant.
- **SOP for evacuation (013/BNS/MDF-EV/IX/12),** which was set on 1 September 2012, describes the systematic evacuation steps that should be taken in the event of emergency.

The company has provided a number of OHS equipment, such as fire extinguisher, water hydrant, and first aid kit in both the mill area and the estate area such as the estate office, workshops, and a number of stations at Mandah POM. The OHS equipment is also regularly checked on a monthly basis. The field visit done to Mandah Estate has also confirmed that there are 30 cylinders of dry powder fire extinguisher and 12 boxes of first aid kit available at various locations in the estate.
The company has also conducted the First Aid training for the employees who are assigned as the person-in-charge of the First Aid in their work unit, such as:

- 12 March 2013, Cardiopulmonary Resuscitation CPR simulation for heart, lungs and brain was delivered by the company doctor and was attended by the employees of Rotan Semelur Estate.
- 30 May 2013, First Aid training was delivered by the company doctor to the employees of both Mandah POM and Mandah Estate.

There is a record of the recap of workplace accident data for the Estate and the Mill of PT BNS for the period of June 2012 – May 2013, which was well kept and monthly reviewed. Below are the detailed numbers of workplace accidents occurred at each work unit:

- Mandah POM: one case of mild accident occurred (First Aid / no lost workdays).
- Mandah Estate: 41 cases of medium accidents occurred (1 – 4 lost workdays).
- Rotan Semelur Estate: 42 cases of mild and medium accidents occurred.

### Major 4.7.1 Status: CAR 2013.02 Major non conformance is closed

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

The company has put together a continuous training program for the staff and employees in accordance with the competence of each job function. The training program is divided into two types, namely: Behavior Management Competencies (such as Financial Resources Management, Relationship Management and Network Management), and Regulation-related Competencies (such as OHS Specialist Certificate, Heavy Equipment Operator Certificate, and Welder Certificate).

The records of all trainings attended by each staff are kept at Pekanbaru HRM (Human Resources Management) division in the document of the 2012/2013 Minamas Plantation’s Training Calendar.

The company has given necessary training/seminar, which is intended to the improvement of the capability and the competence of the employees and staff. Below is the list of examples:

- **Nafiah** (supervisor) was given the training of occupational health and safety in May 2012.
- **Jakompan Sipatuhar** was given the training of occupational health and safety in April 2012.
- **Ritaudin, Wardanu Husodo, Yulisman, Achmad Sugianto** were given the training of general OHS Specialist in April 2013, in collaboration with the Training and Development Center.
- As for the staff, they were given a training briefing of ‘core executive program’ that was based on the type of works. For example, Bista and Muhammad were both given the training on 17 February 2013.
- The training for conveyor and forklift operators (for Iwan Manalu) was given on 3 August 2012.

The contractors responsible for any activity are selected by considering the competence described in their company profile, the certificates held by the employees, Operational License, and working experience. There is also a training given to local contractors, such as harvesting and maintenance contractors. Such training is based on the Program and Schedule of the Training of PT BNS, as specified in the document of PT BNS’s Training Matrix.

### Status: Full Compliance

#### PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity

#### 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

PT BNS keeps the environmental documents and the environmental impact assessment documents in the following form:

- Document of Environmental Evaluation Study for PT BNS, which was approved by Agribusiness Division of Department of Agriculture under a document No. 07/BA.5.3/V/1996; the document contains the approval of EIA Document of PT Bhumiraksa Nusasejati and it was approved on 17 May 1996. As a follow up, PT BNS has also put together a RKL-RPL document that was approved by the Minister of Agriculture under a letter no. 093/RKL-RPL PT Bhumireksa Nusasejati on 14 May 1996.
- The presence of several issues, such as fire at the premise, peat land subsidence, and the construction of the pier, has brought PT BNS to do the RKL-RPL revision in 2006, which has been approved by the Head of Environmental, Mining, and Energy Agency of Indragiri Hilir District under document no. 11/IH/RKL-RPL/V/2006 on 3 May 2006.
Document of UKL-UPL for Mandah Palm Oil Mill, which was approved by the Agency of Environment, Mining and Energy of Indragiri Hilir District under letter no. 660/DLHPE-PDL/XI/2008/289 on 13 November 2008; The document contains the Approval of UKL-UPL of PT BNS for its Palm Oil Mill with a capacity of 45 tons per hour, located at Bente Village, Mandah Subdistrict Indragiri Hilir District.

PT BNS has compiled the records of environmental management reports on a regular basis, as seen in the following documents:
- The Reports of Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) are submitted every semester to the Environment Bodies of Indragiri Hilir District, Riau Province. For example the cover letter for the RKL-RPL report of the first semester of 2012. This report was submitted to the Environment Bodies of Indragiri Hilir under the document no. 60/BNS/TBF/VIII/2012 on 23 August 2012 (received on 24 August 2012).
- The report of UKL-UPL execution at Mandah POM is not yet available, since the mill has just started its operational activity on June 2013. This fact has called the company for a consistency in executing the environmental management and monitoring, as well as in preparing the reports to be in accordance with the existing environmental document.

As for PT BNS’s estate, the development in the environmental management requirements and the changes in operational aspects have brought up the need for some revision on the RKL-RPL document. Said revision has been approved by the Head of Environmental, Mining and Energy Agency of Indragiri Hilir District under the letter No. II/IH-RKL-RPL/L/2006 on 3 May 2006.

The changes and revisions made to the document were necessary, as there was also the need to do the management and monitoring of a fire impact; of a peat land subsidence, and of the construction of the pier for private use (DUKS).

Regarding the construction of a new mill at Mandah Estate, the company has also prepared an additional environmental document in a form of UKL-UPL for Mandah Estate with the capacity of 45 tons per hour. The UKL-UPL has been approved by the Head of Mining and Energy Agency of Indragiri Hilir under a letter no. 660/DLHPE-PDL/XI/2008/289 on 13 November 2008. The approval came under a document No. 07/IH-UKL/UPL/XI/2008 dated 13 November 2008.

5.2 Status: Full Compliance

5.2
The status of rare, threatened or endangered species and 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 their conservation taken into account in management plans and operations.

Overall, the company has made identification on the species that are protected, rare, extinct, or endangered, and on the habitat with high conservation value. Such identification was conducted by the HCV assessor that is listed on RSPO. The identification process was done in October 2010, and by the time the audit was performed, the final document of said HCV identification result was already available. The identification process has resulted in the finding of 125 species of flora, three of which are protected; 55 species of fauna, which comprise of 6 species of mammal, 8 species of reptile, and 41 species of birds. Furthermore, the area of PT BNS was also discovered to be holding several HCV areas, namely HCV 1, HCV 3, and HCV 4 with a total area of 705.92 hectares.

As the follow up from the above identification activity, the Head of Plantation Operations has published 6 (six) points of recommendation for the execution of the HCV management and monitoring in the area of PT BNS. Such recommendations are specified in the Memorandum No. POD-UM-061/IV/2010 dated 8 March 2010. The measures taken are a follow:
- Patrol and observation of wildlife and flora are done at BNS area by special officers;
- Installation of signboards that read the prohibition to hunt protected animals and to catch fish using electrical current;
- Dissemination of hunting prohibition and HCV area protection that is given internally as well as to the surrounding community;
- Community development is done through the establishment of Fire Alert Community (MPA) in Penjuru Village and Teluk Bunian Village. The MPA establishment is under supervision and approval of GM of RSSS No. 009/RSS-UMM/III/2012 dated 17 March 2012.

In general, the abovementioned measures were taken in compliance with the applicable regulations, especially with Statute No. 5 year 1990 regarding Conservation of Biodiversity Natural Resources and their ecosystem, as well as with the Presidential Decree no. 32 year 1990 regarding Conserved Areas, and other regulations that follow after.
For dissemination purposes, PT BNS has provided 45 pieces of signboard posters containing the information on the types of protected animals, which are installed at various places in PT BNS area. Other than through posters, the dissemination is also given to all employees and community, as seen on the minutes of dissemination conducted on 4 August 2012 and on 7 July 2012 at Saba Jantan Subvillage, Teluk Bunion Village.

As for the implementation of HCV management, PT BNS has appointed specially trained officers working under the company’s structure. These specially trained officers are responsible for the management of the protected species and HCV area within the area of PT BNP, they are Wandiyo, who works at Rotan Semelur Estate and Haryanto Manurung, who works at Mandah Estate. To ensure their competence, an internal HCV training has been given, which was also attended by the managers, assistants, and supervisors, made up a total of 13 participants on 13 February 2012.

However, the action plan is not yet well structured in the measurable management plan matrix, thus could not be monitored. Therefore, the company is urged to improve its performance by putting together a more measurable management plan matrix that would easily be monitored, in order to achieve the goal of HCV protection.

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

Consistent with the result of ST1 audit, the result of waste identification is already available at PT BNS, which is included in the following documents:
- A general identification of the waste for PT BNS describes the generated waste at PT BNS in general falls into two categories: hazardous waste and non-hazardous waste.
- Hazardous waste identification at the estates (Mandah, Nusa Lestari, and Rotan Semelur) categorized the types of hazardous waste generated from the estates.
- Hazardous waste identification at Mandah POM classified the types of hazardous waste generated from the POM.

However, the waste identification specified in the above documents has not yet thoroughly included the information of the waste volume; therefore, the company is urged to identify the estimated volume of waste generated in order to prepare a more effective plan.

The management plan of the identified waste is specified in the following documents:
- The Environmental Protection Policy, No. KPL/04/2003, which was prepared by the Committee of Environmental Protection Policy of Minamas Plantation, stipulates the measures to the management of solid waste, gas waste, and liquid waste to keep the environment from being contaminated.
- The Waste identification at PT BNS describes the waste generated from PT BNS and its handling management.
- Domestic waste management plan, which is available at each estate.

As for the records of the execution of the above plans are available in the following forms:
- Documentation of Hazardous Waste Landfill at the estate (the Hazardous Waste Landfill license is granted by the local Environment Bodies to all estates).
- The regular RKL-RPL Reports (6-monthly) that explain the implementation of various wastes management at PT BNS, including solid waste management.
- Hazardous Waste balance sheet is prepared every month and is submitted every 3 months to relevant institutions.
- The documentation of domestic waste handling activities done at all estates; the document contains the mechanism, SOP, photo documentation, and schedule of domestic waste management.

Specifically for Hazardous Waste, PT BNS has set up a plan of management that is included in the following documents:
- SOP for Hazardous Waste Management (RSPO/P&C/PLB3), which was approved in 2 August 2010.
- Hazardous Waste Identification at the estates (Mandah, Nusa Lestari, Rotan Semelur), which explains the types of hazardous waste generated from the estates, including the agrochemical waste generated from the estate’s cultivation process, as well as its management plan.
- Hazardous Waste Identification at Mandah POM, which specified the hazardous waste at the POM and its management.
The followings are important notes in managing hazardous waste:

- Mandah POM has not yet owned a licensed landfill for hazardous waste, therefore their waste is sent to Teluk Bakau POM. There is a sample of dispatch letter available from 20 May 2013 informing the transport of used batteries, used oil, oil buckets, and used filters. The landfill's construction plan has been specified in the 2013 action plan.
- Non-clinical hazardous waste has not yet been picked up by the licensed third party, as there was not any such licensed third party available around the estate by the time of the audit that could carry the waste using water transport and manage the waste. This issue has caused the hazardous waste was stored exceeding the retention time set.
- Clinical hazardous waste is still being stored and has not been managed by any licensed third party based on rejection letter from Batam Hospital No. B/847/RSOB/12/2010 dated 23 December 2010 regarding the request for cooperation of clinical hazardous waste explain that hazardous waste can not received from outside Batam authority and also rejection letter from Pelangiran Clinical on 21 October 2010.

The waste that is managed is also monitored and analyzed through the following:

- Monthly and quarterly waste balance sheets that illustrate the stockpile variation of each hazardous waste stored at the landfill.
- There is a documentation of the utilization and the management of solid waste at the POM (fibers and shells), which is used as power generator (refer to explanation in indicator 6.4.1), and empty fruit bunch (EFB) waste that is incinerated in the incinerator.

| Status: Full Compliance |

### 5.4 Efficiency of energy use and use of renewable energy is maximized.

PT BNS keeps a monitoring record of the utilization of renewable energy, namely fibers and shells, which are used as boiler's fuel at the mill. The usage of such renewable energy resulted in the steam, which can be used in the FFB processing as well as in powering the turbine to create electricity. The average use of such renewable energy (kcal/TBS) at Mandah POM from July 2012 (trial period) to April 2013 was 18.9 KWH per Ton FFB.

PT BNS has also performed the monthly monitoring of the utilization of diesel fuel for the generators. Other than monitoring the diesel fuel consumption, PT BNS is also doing the analysis on said fuel consumption. The most recent analysis result showed that the overall consumption of diesel fuel is still under budget (18,750 liters). Thanks to the utilization of fibers and shells as the source of fuel for the boilers, the diesel fuel consumption could be minimized and saved.

| Status: Full Compliance |

### 5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.

PT BNS has been applying the zero-burning policy in performing land clearing and replanting, which complies with the Sustainable Plantation Management Guidelines (No. Policy 724/TQE-SPMS/09) point 5.7.2 regarding Zero Burning Techniques during replanting activity, where the plants are toppled and cut into pieces, and left to decompose.

PT BNS has kept a procedure of fire response, which comprises of preventive, curative, and administrative measures.

The records of Land Fire Emergency Response consist of the following:

- Land Fire drill, held on 12 March 2013 at Rotan Semelur Estate, attended by 16 participants (assistants, supervisors, employees).
- Minutes of Activity were available from the drill of fire response, flood response, and earthquake response, held at RSE housing facility on 13 August 2012, and attended by 15 participants (list if attendance is available). The photos of such activity are also available.

The company has provided the infrastructure and facilities for land fire handling as well as establishing a fire team in the estate and in the mill. It also provided the equipments needed for this type of situation. It has identified the prone-to-fire areas at PT Bhumireksa Nusa Sejati (350 Ha of land at Rotan Semelur Estate, and 200 Ha of land at Mandah Estate). The fire fighting team at Rotan Semelur Estate consists of 5 sections, e.g. Supplies Section, Catering/Refreshments Section,
The condition of firefighting equipment is monitored on a monthly basis:

1. **Monthly Report of land firefighting equipment available at Mandah Estate:** Mechanical pump (1 unit, good condition), cloth hoses (25 units, good condition), and suction hose (1 unit, good condition).
2. **The report of fire extinguishers available at Mandah Estate:** 88 cylinders of Fire Extinguisher placed in various points at main complex, Lodge II, III, and IV, and the location map of Fire Extinguishers.
3. **The report of land firefighting equipment available at Rotan Semelur Estate:** Mechanical Pump (one is working, the other one is broken), 6 suction hose, and 1 spraying hose.
4. **The report of firefighting equipment available at Rotan Semelur Estate:** 73 cylinders of Fire Extinguishers are all in good condition.

| Status: Full Compliance |

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

PT BNS has performed identification on the sources of pollution and the Mill’s emission as specified in the Document of Pollution and Emission Identification at Mandah POM. The document describes the category or the types of pollution, the sources of pollution, and its management plan.

For example:

1. Air Pollution and Emission coming from the boiler’s flue, from the generators, and from the flue of empty bunch furnace were given the handling recommendation.
2. The source of noise from turbine engine, generators, boiler, and engine vibration, kernel station, and from the pompong’s engine (small boat), that carries the FFB.

To follow up the identification process, Mandah POM has conducted a monitoring on the quality of emission with the following details:

1. The examination of the emission’s quality from one unit of boiler;
2. The examination of emission’s quality from 3 units of generators;
3. The examination of ambient air quality

The test was performed by “Bina Lab”; a well accredited Laboratory of Environmental Quality Test from Bandung. This lab was performing the test over the following aspects: ambient air quality at the production chamber, ambient air quality at the effluent pond, ambient air quality at the housing facility, level of odor at the effluent pond, boiler’s emission, and generator’s emission.

PT BNS has presented the records of plan and realization of reducing the pollution and emission at Mandah POM in the following forms:

- Record of monitoring of emission air quality and ambient air quality;
- Installation of empty bunch pressure unit to process the empty bunches until they become completely dry and waterless prior to being stored into the furnace, to create a perfect incineration and to prevent more pollution and emission.

For future improvement, there has been a plan to reduce pollution and emission by repairing the smoke density meter that is used for identifying the density level of smoke produced by the boiler. This way, the pollution occurred at Mandah POM shall be easily monitored. Another plan of reducing pollution and emission is by utilizing the methane gas contained in the effluent that is collected using methane capture method.

The company has presented the proof of the execution of emission air quality monitoring done at two units of incinerators and generators at Mandah POM, as a compliance with the EIA document guidelines. The examination for the period of Semester I of 2013 was performed at the Binalab Laboratory on 27 June 2013, as can be seen from the proof of sampling.

| Status: Full Compliance |

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

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Prepared by Mutuagung Lestari for Mandah POM, PT Bhumireksa Nusasejati – Sime Darby
6.1 Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.

There is a report of environmental and social impact assessment at PT BNS Plantation that was prepared by the Indonesian Sustainable Palm Oil Foundation (ISPO) in 2010, in which there is a documentation stating that the preparation of said report has involved the community and government officials.

There is a document of Management Plan Program for the Social Impact Assessment (SIA) of PT BNS, which is an action plan put together as recommended by the SIA report. This document describes the CSR program, its goals, and types of program prepared, plans and realization of the CSR and Community Development Program of PT BNS for the period of 2012/2013.

Below is the list of CSR programs prepared:

- Community empowerment program, such as the establishment of Fire Alert Community (MPA), local contractor selection, etc.
- Educational aspect, such as scholarship program, internship program, tutor/teacher assistance, library support, computer grant, etc.
- Economical aspect/public facility repair, such as bridge construction at Rotan Semelur Village, lighting aid, assistance in the construction/rehab of mosques, clean water supply, etc.
- Health aspect; such as regular medical checkup and treatment for the community, cleft lip surgery, collective circumcision, etc.
- Religious day support

There is a revised document of Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) that has been approved by the Agency of Environment, Mining and Energy of Indragiri Hilir No. 11/IH-RKL-RPL/V/2006 dated 3 May 2006. The revised RKL-RPL document contains the management of anxiety impact or social impact, which is done through the counseling, effluent handling that goes with the NAB, prioritizing local workforce, providing vocational training, planning Aloe Vera plant cultivation in the area around the company.

PT BNS has submitted the report of the environmental management and monitoring which is done regularly in a 6-month period to the Environment Bodies of Indragiri Hilir District. There are also the minutes of handover of RKL/RPL documents of PT Bhumireksa Nusasejati for the period of Semester II of 2012 dated 16 March 2013. The RKL/RPL report informed that the social impact management was done by recruiting the local residents to be working in the Estate and POM. As for the monitoring of public anxiety, it was done through direct observation as well as questionnaire handing out to the community.

There is no plasma farmer scheme at PT BNS.

Minor 6.1.1 Status: Minor non conformance CAR.2012.06 is closed

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.

The company has an SOP of Communication and Consultation with the Community (No 005/BNS/MDF-KKM/IX/12) dated 1 September 2012. The SOP stipulates that should there be any issue/matter worth communicating/consulting with the community, the unit manager shall give out the letter through the head of village and provide a 10-day period for the community to respond to it. The SOP has been disseminated to the community, as proven by the photo documentation and list of attendance. For example the one held at Pelangiran Village (Mandah Estate) and Teluk Air Village on 16 July 2013 was attended by 20 participants.

The record of community aspirations contains mostly the proposal for request of assistance. The following are such examples and the ones that have been responded by the company:

- SMK (Vocational School) road construction and soccer field repair at Rotan Semelur Village are both worth IDR 13,055,000.
- Assistance given to the construction of Al-Ubudyah Mushola (praying hut) that was worth IDR 5,000,000.
- Assistance given to Al-Qur’an Reciting Study Center that was worth IDR 1,500,000.
- Assistance given to the construction of roads and trenches cleaning that was worth IDR 90,000,000.
- Assistance given to MTQ event of Indragiri Hilir District that was worth IDR 10,500,000, which was given in stages
- Assistance given to the port repair at Rotan Semelur Village that was worth IDR 9,312,000.

The company has assigned special officers who shall take responsibility in executing the communication and consultation program with community on behalf of Mr. Moch. Nahafi Effendi that complies with the memorandum from the GM of South Riau Estate dated 3 September 2012 under a document no. 123/RSS-pod/IX/2012 regarding the assignment as PR officer / Plantation Service Officer for PT BNS.

The company keeps a list of stakeholders that illustrates the following details: Name/Institution, Job Position, Address and Contact Numbers. The list of institutions included regional government, central government, NGOs, community leaders, suppliers and customers of PT BNS, contractor partners, schools, hospitals, insurance companies, and banking.

| Status: Full Compliance |

6.3 The company has set up a procedure for complaints handling, both externally (community) and internally (employees). The dispute/complaints shall be settled through a meeting held by both disputing parties, and another third party, should a facilitator needed.

- The procedure for Community Complaints Handling (RSPO/6.3/PKM), explicates that the complaints shall be made in written and addressed to the Manager via Section Head, which in turns shall be responded by the manager and/or the Head of Department. The unit management shall then forward the response letter and responded to it.
- The procedure of Employee Complaints Handling (RSPO/65/PKK), described that each complaint shall be handled by the Manager or Head of Department. Should both party fail to reach an agreement, the labor union shall take a step in and facilitate the disputing parties through a Bipartite LKS. The result of this attempt shall then be presented to the Unit Manager to be forwarded to the Department Head.

The record of complaints / objections handling that is available is the one coming from external source (community), while the internal input (employees) has not yet been available by the time the audit took place.

The followings are the records of complaints conveyed by the community, e.g. a letter from FSPTI – PSPSI Bayu Jiwa Rizky, Rotan Semelur Village Pelangiran Subdistrict on 10 September 2012 regarding the objection on the external transport service provider. The company has responded to such objection by holding a meeting at Mill Manager’s room on 4 March 2013 at 09:00. The meeting was attended by 9 people.

The meeting result indicated that the MWA for unloading cargo shall be revised and the MWA included in the MDF shall no longer valid. For the time being, the pompong or SPSI’s boat is still in use for transporting the kernel until the deadline of the MWA revision is set and agreed by both parties. Subsequently, another meeting is scheduled to be held with the board members of SPSI should the required MWA could not be completed.

The company has also prepared the procedure of identification and calculation of a fair compensation to cover the loss of legal rights or traditional rights over a land. Such procedure id specified in the SOP of Occupied Land Acquisition (343/PSD-OKUP/11), which was approved on 23 February 2012.

Below is the list of land acquisition phases:
- The identification of the area of land under dispute (occupied / to be released), equipped with the photo attached that illustrates the condition of the location taken from GPS Mapping, and the technical feasibility survey done by the Department of MRC (Minamas Research Center).
- The calculation of the location of occupied land or the one to be acquired is set to a maximum price (budget), which is adjusted to the budget available at each location.
- The negotiation for the acquisition of occupied land between the company and the former owner (based on valid document) was done by the manager of Plantation Service – Region and by the Estate Manager, which was witnessed by village authorities or other relevant institution. The minutes of negotiation were also available.
- The payment of compensation for the acquired/occupied land, Estate need to have the required standard document that has to be signed by authorized institution and to be documented (photos) to then set up other supporting records, such...
as:
- List of attendance of the witnesses present at the compensation payment
- Minutes of Compensation Payment event
- Report of the payment realization for the cleared Land

● All standard documents used in the process of occupied land acquisition were transformed into the Logbook of Compensation and is kept at the Legal & Corporate Department.

**Status: Full Compliance**

### 6.4

**Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

There is an SOP for Conflict Settlement Number 006/BNS/MDF-PK/IX/12 dated 1 September 2012, which specifies that it is the PSD’s personnel’s responsibility to handle any issue occurred in the process of land claim settlement. The Manager shall then set up a verification team to collect supporting data.

The format or process of the settlement is done by reaching a collective agreement. The SOP has been disseminated to the community, such as the one held at Parit Baru Village that was attended by 11 participants comprising of the representative of PT BNS, heads villages, community leaders, and other community members on 30 August 2008. Said dissemination was focused on the comprehension of SOP for Conflict Settlement and Land Compensation, as well as explaining the flow of delivery to the company.

There is a procedure to identify and calculate a fair settlement to cover the renouncement of legal rights or traditional rights over land. Such subject matter is specified in the SOP of the Release of Occupied Land (343/PSD-OKUP/11), which was authorized on 23 February 2012. The procedure puts in order the process or the method of land acquisition that is based on the maps, on the results of technical feasibility survey and other required documents.

There is a record of the identification of those receiving the compensation. The list is documented, such as the one called SKGR (Surat Keterangan Ganti Kerugian – Compensation Notification Letter) and that of Minutes of Compensation process between the Company and the land’s owners. There is also the list of compensation paid and its content, the letter of joint statement specifying that the agreement was reached with no coercion from others and that they were in both good physical and spiritual health, the individual payment receipt marked with stamp duty, signature, thumb imprints and a photograph at the time of payment/receipt of money.

There is a procedure to identify and calculate a fair settlement to cover the renouncement of legal rights or traditional rights over land. Such subject matter is specified in the SOP of the Release of Occupied Land (343/PSD-OKUP/11), which was authorized on 23 February 2012. The procedure puts in order the process or the method of land acquisition that is based on the maps, on the results of technical feasibility survey and other required documents.

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There is a record of negotiation process, such as the one done for the land release for canal path around Mandah Estate, in a form of minutes of meeting held on 10 August 2009 at Mr. Artawan’s residence (Parit Gurah Village) and was attended by 37 people.

The agreement was reached and the amount of compensation that would be given in return for the land and the plants evicted by the construction of the ±10,000 meter long access road was settled to be IDR 16,000 per hectare of land. It was also agreed that the community shall not impede the project and shall support it.

**Rotan Semelur Estate**

There is a document of land compensation for the following land clearing:

- **Jamal**, for an area of 5.4 Ha and a house, which made the total compensation paid to be as much as IDR 11,020,000.
- **Lipo**, for an area of 6.0 Ha and a house, which made the total compensation paid to be as much as IDR 9,800,000.
- **Kamarudin**, for an area of 6 Ha, worth IDR 6,240,000.
- **Jumat**, for an area of 4.8 Ha, which made a total IDR 3,120,000 of compensation paid.
- **Tagi**, for an area of 4.8 Ha and a house, which made the total compensation paid to be as much as IDR 8,240,000.
- **Basir**, for an area of 4.8 Ha and a house, which made the total compensation paid to be as much as IDR 21,253,000.
- **Mhd Nasir**, for an area of 3.39 Ha, which made a total compensation of IDR 4,407,000

- On 12 June 2007, a total amount of IDR 19,500,000 compensation was given to **Juri** for releasing an area of 1.75 Ha and 2 houses.
Mandah Estate

There is a recap of the release of community land located within the HGU (Land Use Title) area of PT BNS, e.g. Gurah Baru Subvillage, Teluk Bunian Village Pelangiran Subdistrict Indragiri Hilir District Riau Province. These lands were released for the construction of canal path with the following details of compensation:

- Phase I on 27 March 2010
  - Land acquired from Dasril Darimi for an area of 4 Ha worth IDR 114,000,000 compensation.
  - Land acquired from Afdal Darimi for an area of 2 ha worth IDR 62,000,000 compensation.
  - Land acquired from Surya Lesmana, SE for an area of 2 Ha worth IDR 62,000,000 compensation.
  - Land acquired from M Yusuf for an area of 2 Ha worth IDR 62,000,000 compensation.
- Phase II on 12 May 2011
  - Land acquired from Artawan for an area of 2.28 Ha worth IDR 31,000,000 compensation, and for an area of 0.05 Ha worth IDR 800,000 compensation.
  - Land acquired from Afdal Darimi for an area of 1.848 Ha worth IDR 29,568,000 compensation, for an area of 1.950 Ha worth IDR 31,200,000 compensation, and for an area of 1.784 Ha worth IDR 27,960,000 compensation.
  - Land acquired from Muh. Jam for an area of 0.15 Ha worth IDR 2,400,000 compensation.
  - Land acquired from H. Bahtiar for an area of 0.05 Ha worth IDR 800,000 compensation.
  - Land acquired from Drs. H. Lukman Hakim for an area of 0.05 Ha worth IDR 800,000 compensation.

**Status: Full Compliance**

### 6.5 Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

According to Riau Governor Regulation No. 67 Year 2012 on minimum wage of 12 districts/cities in Riau province in 2013, the appendix of that regulation states that the minimum wage in 2013 for Indragiri Hilir District is IDR 1,492,000/month. As the compliance with the regulation’s provisions, the company made a memorandum No. 118/HRM-III/2013 dated 16 April 2013 regarding the daily SKU wage and salary structure of monthly SKU for plantations in 2013 for PT BNS which came into effect from 1 January 2013, among others:

- The lowest wage of daily SKU workers is of IDR 1,509,000/month.
- The wage of monthly SKU workers starting from the lowest class/level G8 of IDR 1,611,910/month to the highest class/level A1 of IDR 2,267,120/month.
- In addition to money wages, daily and monthly SKU workers receive wages in the form of rice with the following details, for each worker is of 15 kg, unemployed wife/husband is of 9 kg and children (3 children at maximum) is of 7.5 kg respectively.

There is Collective Labor Agreement (CLA) between Sumatera Plantations Cooperation Agency (BKS-PPS) with the Central Board of the Agriculture and Plantation Workers Union Federation-Indonesian Workers Union (PPS) with the Central Board of the Agriculture and Plantation Workers Union Federation-Indonesian Workers Union (PPS) which has been registered according to the Decree of the Director General of Industrial Relations and Labor Social Security No. Kep. 191/PH/JSK-PKKAD/PKB/XII/2012 with a validity period of 14 November 2012 to 13 November 2014.

BNS provides facilities for employees including: housing facilities for each employee; education facilities consisting of 5 units of Private Elementary Schools, 1 unit of Junior High School, and 6 units of Kindergartens; health facilities: 1 unit of Central Polyclinic and 5 units of Branch Polyclinics; transportation: 7 units of school boats, transportation for employees: 25 units of boats; places of worship: 15 mosques and one church; clean water facilities: rainwater tanks and surface water tanks with a volume of 500 liters in each house.

Based on field observations in housing complex of Mandah Estate employees, housing of G2 type is a permanent building with 3 bedrooms, a living room, a kitchen, and a toilet. Source of light is from the generator. The source of clean water is in the form of the reservoir tank from wells and rainwater. The company has been testing the quality of water supplied to the employee housing. Tests conducted by the Department of Public Works Riau Province. These lands were released for the construction of canal path with the following details of compensation:

- There is Collective Labor Agreement (CLA) between Sumatera Plantations Cooperation Agency (BKS-PPS) with the Central Board of the Agriculture and Plantation Workers Union Federation-Indonesian Workers Union (PPS) which has been registered according to the Decree of the Director General of Industrial Relations and Labor Social Security No. Kep. 191/PH/JSK-PKKAD/PKB/XII/2012 with a validity period of 14 November 2012 to 13 November 2014.

There is Mutual Work Agreement No. 011/Bangunan-Rumah/BNS-MDE/X/2011 with PT Synergy Alliance as the contractor based in Pekanbaru, with the scope of work contract agreement for constructions of 8 housing units of G1 type and 25 units of G2 type in Mandah Estate. The Mutual Work Agreement requires the contractor to comply with applicable regulations on
employment set in:
- Article 9 regarding insurance, the contractor is obliged to provide Labor Social Security for employed labor force and they fully become the expenses and responsibility of the contractor.
- Article 12 regarding occupational security and safety, the contractor is responsible for providing the equipment and the facilities to maintain the workforce’ safety.

**Status: Full Compliance**

### 6.6
The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

There is Social Policy in Sustainable Plantation Management Guidelines with Policy No. 724/TQEM-SPMS/09 set on 1 April 2010; point 5 states that the company is expected to respect the rights of all employees to form and join Workers unions of their choice and to negotiate together.

There is Work Unit Board-Indonesian Workers Union (PUK-SPSI) in each work unit of POM and Estates, among others:
- **Mandah POM**
  - There is Decree No. 61/NAKERTRANS-PKHI/560 set on 18 March 2013, with the management formation of PUK SPSI of Mandah POM among others: Chairman (David V. Sitanggang), Deputy Chairman (Aagus Riadi), secretary (Rezki Marpaung), Treasurer (Rais Syahputra) and Deputy Treasurer (Chandro R. Siagian).
  - There is a record of meeting on 18 May 2013 with the agenda of the discussion regarding the coordination of organizational consolidation in Nusa Lestari Estate.
- **Mandah Estate**
  - There is evidence of recording No. 40/Was-Nakertrans/560 from Labor and Transmigration Agency of Indragiri Hilir District dated 28 July 2010 stating the formation of PUK SPSI of Mandah Estate period of 2010-2013. The management formation is as follow: Chairman (Eko Sugriwo), Deputy Chairman (Harianto Manurung), Secretary (Miftahul Falah), and Treasurer (Marasi Siboro).
  - Records of PUK SPSI of Mandah Estate meetings: 17 April 2013, with the agenda of the discussion regarding the coordination of organization of Indonesian Workers Union of Mandah Estate, and 19 April 2013, with the agenda of the discussion regarding the performance accountability of Indonesian Workers Union of Mandah Estate.
- **Rotan Semelur Estate**
  - There is an organizational structure of PUK-SPSI of Rotan Semelur Estate period of 2012-2015 with the formation: Chairman (Saharudin. M); Deputy Chairman (Saiful Arif Nasution); Secretary I (Marizon); Secretary II (Junaidi); Treasurer (Zulherman).
  - There is a record of meeting on 18 May 2013 with the agenda of the discussion regarding the coordination of organizational consolidation in Nusa Lestari Estate.

**Status: Full Compliance**

### 6.7
Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education program. Children are not exposed to hazardous working conditions.

There is Social Policy in Sustainable Plantation Management Guidelines with Policy No. 724/TQEM-SPMS/09 set on 1 April 2010; point 6 states that the company does not take advantage of underage workers (children).

There is job vacancy information of Mandah Estate and Rotan Semelur Estate in August 2012 for SKU harvest workers; the information states that the minimum workers’ age is of 20 years and the maximum is of 35 years. It shows the compliance of the implementation of company policies regarding workers’ age requirements and is in accordance with Statute No. 13 Year 2003 regarding employment.

**Status: Full Compliance**

### 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.

There is Social Policy in Sustainable Plantation Management Guidelines Policy No. 724/TQEM-SPMS/09 set on 1 April 2010; point 1 states that all staff/employees should be treated equally and fairly in terms of those relating to recruitment, advancement, working conditions and description, regardless of the race, degrees, ethnicity, sex, complexion, imperfection (disability), sexual orientation, organizations membership, political views, religion and age.
There is data of Mandah Estate and Rotan Semelur Estate employees; they come from various ethnicities such as Javanese, Batak, Bugis, Sundanese, and banjo, while the religion consists of Islam and Christianity. It shows that there is no discrimination on ethnicity, race and religion, and the company has provided equal opportunities and treatment in employment.

**Status: Full Compliance**

### 6.9 Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

There is Social Policy in Sustainable Plantation Management Guidelines Policy No. 724/TQEM-SPMS/09 set on 1 April 2010; point 4 states that the company develops and implements policies to protect women workers from sexual harassment and crime and protects the rights relating to reproduction.

As the evidence of implementation of sexual harassment prevention policy, the company established Gender Committee in the work units. Through this committee, women workers’ rights such as receiving good treatment in the family, prevention of abuse treatment, reproductive rights, and the empowerment of women workers become the work program of the gender committee.

- **Mandah Estate**
  - Program activities, which are regular meetings every 4 months, immunization of infants and toddlers every month, maternal health examination every month, providing extra feeding for toddlers every month, and the socialization of gender committee.
  - There are records of gender committee meetings and socialization on 29 June 2012 with the agenda of discussion regarding gender committee assignments on 20 July 2012 and committee gender socialization in division 1, 2 and 5 of Mandah Estate.

- **Rotan Semelur Estate**
  - There is a gender committee structure, chaired by Ariana Sutri, formed on 3 January 2011 according to appointment letter No. 001/BNS-RSE/I/2011/S.
  - There is a record of meeting on 11 August 2012 with the agenda of discussion on the rights of women workers related to prohibition of chemical work for pregnant and breastfeeding women.

Records of implementation evidence of reproductive rights protection policy in the form protection policy for women workers, with the following conditions:
- Provision of H1 (menstrual leave) for 2 days.
- Provision of H2 (maternity leave) for 3 months.
- Pregnant women workers are prohibited to perform work related to the application of the chemical spraying and fertilizing.
- Women workers who just gave birth and breastfeed are prohibited to perform work related to the application of chemical spraying and fertilizing for 1 year.
- Women workers should be protected from sexual abuse treatment and domestic violence.

As the implementation of the policy, there are records of effective weekdays of daily SKU in Mandah Estate during May 2013: H1 is 151 days and H2 is 45 days. The field observations and interviews with spraying workers in Block G010 of Mandah Estate Division III show that women workers have understand the company’s policies that protect the rights of women workers such as H1 and H2 leave; if they are pregnant, they have to immediately inform the foreman / supervisor to be transferred to other jobs without chemicals use; and if they experience domestic violence or sexual harassment they have to immediately report it to the Gender Committee.

Employees’ complaints handling mechanism is set out in SKU workers’ and Staffs’ Complaints Handling procedure (RSPO.6.5/PKK), the procedure described employee complaints handling steps. In addition, specific complaints handling such as complaints regarding female issues such as sexual harassment and domestic violence can be addressed through the Gender Committee, if the complaints or grievance on female issues can not be resolved in Gender Committee, they can be reported to the Chairman in this case assistants and managers.

**Status: Full Compliance**
6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.
PT Bhumireksa Nusasejati manages smallholder estates and there is no cooperation with smallholders or in the form of Smallholders Scheme.  
**Status: Full Compliance**

6.11 Growers and millers contribute to local sustainable development wherever appropriate.

The company has contributed to local development by allocating funds for CSR activities in 2012/2013 as much as IDR 1,924,143,816 and up to assessment stage-2 it has been realized for IDR 489,640,116 or 25.45 % for the activities of education, health, economic and social.

There are documents showing the contribution of PT BNS on local development, among others:
- Construction of the road of Vocational High School and restoration of football field in Rutan Semelur village.
- Free medical check-ups every month.
- Aids for the construction of office of military command (Koramil) 08.
- Aids for repairing docks and bridges.
- Aids for the construction of roads and ditch cleaning as much as IDR 39,000,000
- Aids for Pelangiran Police Station renovation.
- Restoration of harbor of Rotan Semelur village.
- Granting Undergraduate Scholarship Program (S1 and D3) of Minamas Sime Darby 2012 for employees’ children and the community surrounding the company's operation units.
- Providing job vacancy as contractors to local community, such as the villagers of Tagaraja, Kateman Subdistrict for Raking.
- Proof of tax payment on employment and purchase of goods of PT BNS.

**Status: Full Compliance**

**PRINCIPLE #7  Responsible development of new plantings**

7.1 A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

The data of planting year and field observation shows that PTBhumireksa Nusasejati does not have new planting areas after November 2007.

**Status: Full Compliance**

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.

The data of planting year and field observation shows that PTBhumireksa Nusasejati does not have new planting areas after November 2007.

**Status: Full Compliance**

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.

The data of planting year and field observation shows that PTBhumireksa Nusasejati does not have new planting areas after November 2007.

**Status: Full Compliance**

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

The data of planting year and field observation shows that PTBhumireksa Nusasejati does not have new planting areas after November 2007.

**Status: Full Compliance**
7.5 No new plantings are established on local peoples’ land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

The data of planting year and field observation shows that PT Bhumireksa Nusasejati does not have new planting areas after November 2007.

Status: Full Compliance

7.6 Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

The data of planting year and field observation shows that PT Bhumireksa Nusasejati does not have new planting areas after November 2007.

Status: Full Compliance

7.7 Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.

The data of planting year and field observation shows that PT Bhumireksa Nusasejati does not have new planting areas after November 2007.

Status: Full Compliance

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

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

PT BNS has established long-term plans related to the reduction of air emissions and pollution, among others:

- Plans for reducing air emissions and pollution from mill wastewater by using methane gas as an energy source, or also called Biogas Project. This plan will be implemented at Mandah POM, and the third party consultant has conducted preliminary surveys to Mandah POM.
- Reduction of emissions from the incineration of empty bunches at furnace has been done through the installation of Empty Bunch Press which is placed outside the conveyor leading to the furnace.
- Maintaining occupational health by performing medical check-up to all employees annually
- Management and monitoring of air quality and noise are continuously performed every 6 months in collaboration with the relevant agencies
- Planting trees that is capable of holding water in riparian areas in PT.BNS locations to return them into HCV areas

PT BNS constantly improves the work quality by conducting internal audits in the mills and estates that aim for optimization and cost efficiency and maximizing production. There are management responses and action plans on internal audit findings for Rotan Semelur Estate and Mandah POM, among others:

- Development of special warehouse for fertilizer storage.
- Strategy of production costs efficiency.
- Reduction of solid waste in the form of shells that were previously stored for sale, now they will be used entirely as a boiler fuel for processing activities in the mills.
- Construction of permanent place for diesel fuel in the generator house to avoid direct contamination to the ground.
- Implementation of OHS policy by making SIME Observation Card to foster OHS culture.

Status: Full Compliance
### 3.2. Summary of Assessment Report of Supply Chain

<table>
<thead>
<tr>
<th>Clause</th>
<th>(Module D) CPO Mills - Segregation Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Documented Procedures</td>
</tr>
</tbody>
</table>
| 1.1    | The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:  
  a) Complete and up to date procedures covering the implementation of all the elements in these requirements.  
  b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard. |

Mandah POM is able to show written work procedures or instructions for implementing Supply Chain Certification Systems (RSPO/P&C/SC – SOP-027/BNS/13) set on 30 January 2013. Requirements related to the implementation of the supply chain is set in this procedure starting from the identification of raw materials, palm oil processing and palm oil delivery from POM to bulking, CPO products storage and CPO products delivery. The treatment of supply chain system with segregation model is provided in section 7.3. SOP-027/BNS/13 where RSPO certified FFB weighing ticket document is separated, CPO and kernel total production are made in the daily production, a summary report or 3 months-balance sheet are made for CPO and kernel production as well as the delivery with franco sale (delivered). The annex on standard requirements of Segregation supply chain model (Module D) is included in SCCS SOP.

Section 6 of SOP-027/BNS/13 procedures set that the persons in charge for supply chain is Mill Manager - associated with the implementation of SCCS, PSQM Assistant related to FFB quality, product monitoring, analysis and quality testing of raw materials, storage and distribution of raw materials and products, Bulking/logistics Assistant/Manager related to transportation of CPO and PK from POM and handling/storage.

**Status:** Full Compliance

| 1.2    | The facility shall have documented procedures for receiving and processing certified and non-certified FFBs. |

FFBs received at Mandah POM are derived from 3 estates, namely MDE, RSE, and NLE since the beginning of active operations in January 2013, but currently the incoming FFBs are from MDE and RSE. These 3 estates are certified estates (MUTU-RSPO/008), which are valid until 11 October 2016, and Mill Manager describes that no fruits are received for processing; thus the scope set in Mandah POM is segregation or separation supply chain model.

Documented procedures for the reception and processing of certified and non-certified FFB are set forth in SCCS SOP of Segregation Products; which is section 7.3. SOP-027/BNS/13 where RSPO certified FFB weighing ticket document is separated, CPO and kernel total production are made in the daily production, a summary report or 3 months-balance sheet are made for CPO and kernel production as well as the delivery with franco sale (delivered).

**Status:** Full Compliance

<table>
<thead>
<tr>
<th>2</th>
<th>Purchasing and goods in</th>
</tr>
</thead>
</table>
| 2.1    | The facility shall verify and document the volumes of certified and non-certified FFBs received.  
  FFBs received by Mandah POM are derived from the smallholder estates consisting of 3 estates, namely MDE, RSE, and NLE (the estates’ status is RSPO certified).  
  FFBs are received using the FFB baskets at the reception station and lifted using a crane for weighing process. Incoming FFBs are weighed and recorded using the form of Fruit Delivery Note (FFB) with “RSPO Certified” stamp and then inputted in the SAP program with parameters: Estate Name, Estate Block, planting year, Transporter, hours of arriving, net weight. In the SAP system, the fruits data cannot be inputted if the estates are not registered as certified estates (rejected by the system) including if the fruits come from outside the estates.  
  The use of SAP program and recording when FFBs are received is a verification and documentation of certified and non-certified FFBs volume received. |
<table>
<thead>
<tr>
<th>2.2</th>
<th>The facility shall inform the CB immediately if there is a projected overproduction.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The company is able to show the provisions that if there is excessive production over projected production the company will inform the Certification Body, which is stated in the Memorandum of PSQM Head dated 27 February 2013 regarding the RSPO Supply Chain Systems to all companies addressed to all GM Estates / Mill / Head Zone, Mill and Estate Managers, Marketing Head. Section 2.3 of the memorandum states or regulates that Mills must inform the Certification Body if there is any change in the actual production data compared with the data recorded in the RSPO certificate.</td>
</tr>
<tr>
<td></td>
<td><strong>Status:</strong> Full Compliance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3</th>
<th><strong>Record keeping</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.</td>
</tr>
<tr>
<td></td>
<td>Activities regarding FFBs reception process, processing until CPO and palm kernel are produced, are noted, recorded and controlled (documented). Available recording is in a form of daily record of the production process of Palm Oil and Palm Kernel and the storage of palm oil stock. The records can be shown and accessed well and easily, for example at Mandah POM field observations, daily documents and summary of FFB reception, production daily report documents, monthly performance reports on the activities of Mandah POM were shown.</td>
</tr>
<tr>
<td></td>
<td><strong>Status:</strong> Full Compliance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.2</th>
<th>Retention times for all records and reports shall be at least five (5) years.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The retention of the record and reports documents related with supply chain systems (SCCS) is 5 years and is set in the record control procedure (SPO/010/BNS/MDF-PC/IX/12) established on 1 September 2012. Section 6 point E.1 of the procedure describes that records expiration time and the destruction of the records for audit / assessment examination needs is 5 years.</td>
</tr>
<tr>
<td></td>
<td><strong>Status:</strong> Full Compliance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.3</th>
<th>The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mandah POM has records in a form that balances all RSPO certified FFBs reception and CPO delivery every month. The form is in SOP-027/BNS/13 describing processed FFB (Ton), CPO Production (Ton) and Kernel Production (Ton); the description is also stated in monthly production reports, for example Monthly Summary for Certified FFB, CPO and Kernel in March to May 2013, in which certified FFB products in May 2013 was 10,321.905 tons, non-RSPO-certified CPO was 2,249.052 (21.79%) and non-RSPO-certified PK was 445.810 Ton (4.32%).</td>
</tr>
<tr>
<td></td>
<td><strong>Status:</strong> Full Compliance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.4</th>
<th>The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. <em>product name</em>/MB or Mass Balance. The supply chain model used should be clearly indicated.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mandah POM has not been RSPO-certified so it has not yet produced or claimed certified CPO, although the supply bases, which consist of 3 estates (NLE, RSE and MDE) have been RSPO certified.</td>
</tr>
<tr>
<td></td>
<td>Mandah POM under the management of PT BNS has a rule in writing the trade name by giving RSPO Certified Segregation label as outlined in the Memorandum of PSQM Head dated 27 February 2013, in the documents of Delivery Order, Fruit Delivery Note (Mandah POM Section Head), Weighing Tickets (Weighing Clerk) and Sales Contract / Tax Invoice / Invoice (by Marketing Jakarta).</td>
</tr>
<tr>
<td></td>
<td><strong>Status:</strong> Full Compliance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4</th>
<th><strong>Sales and goods out</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>The facility shall ensure that all sales invoices issued for RSPO palm oil delivered include the following information:</td>
</tr>
<tr>
<td></td>
<td>(a) The name and address of the buyer</td>
</tr>
</tbody>
</table>

---

Prepared by Mutuagung Lestari for Mandah POM, PT Bhumireksa Nusasejati – Sime Darby
| (b) | The date on which the invoice was issued |
| (c) | A description of the product, including the applicable supply chain model (Segregated) |
| (d) | The quantity of the product delivered |
| (e) | Reference to related transport documentation |

Invoices related to products delivered/sold or issued are stamped “RSPO Certified Segregation”. The invoices contain information about the name/address of the buyer, date of issuance, description of products, applicable supply chain model (segregation), and the number of products delivered. The invoice for certified product has not been made by PT BNS for the scope of Mandah POM, where the invoice is made by Marketing Jakarta; however, the invoices are made based on Delivery Order (DO), for example: Contract No. 00137, Buyer (PT Synergy Oil Nusantara), Supply Chain Model (will be stamped SG), Quantity 600,000 Kg, reference documents such as Minutes of loading and RSPO Certified Segregation stamp.

**Status: Full Compliance**

### 5 Processing

5.1 The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non-certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100% segregated material to be reached. The systems should guarantee the minimum standard of 95% segregated physical material; up to 5% contamination is allowed.

Transportation and storage of certified product by BNS-Mandah POM has a system to ensure product (CPO and Kernel) has no contamination. Beside, BNS Mandah POM processed FFB from certified main estate only.

**Status: Full Compliance**

5.2 The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.

RSPO certified products issued are always equipped with documents of D/O containing CPO products to be delivered with the Minutes, an example of D/O: Contract No. 00137, Buyer (PT Synergy Oil Nusantara), Supply Chain Model (will be stamped SG), Quantity 600,000 Kg, reference documents such as Minutes of loading and RSPO Certified Segregation stamp. Then based on the existing stock, stock taken from the Storage Tank and CPO certified products stock status can be identified.

**Status: Full Compliance**

5.3 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that:

- The crush operator conforms to these requirements for segregation
- The crush is covered through a signed and enforceable agreement

Mandah POM does not carried out processing of Palm Kernel into Palm Kernel Oil or there are no outsource activities for Palm Kernel crushing.

**Status: Full Compliance**

### 6 Training

6.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems

SCCS Training was conducted on 20 March and 30 July 2012 when Mandah POM has not operated. The training was delivered by PSQM from Pekanbaru who is responsible for the implementation of RSPO system and SCCS. There is a list of attendees of all participants involved in the SCCS implementation from both POM and Estates, some of which can be demonstrated in the attendance of trainees of SCCS training, namely: Assistant Process (Dely Marpaung), Senior Assistant (Simson), Assistant PSQM (Anwar); Mill Manager (Paiddo) and Assistant Process (Hafi).

To ensure that the SCCS system continues to run well, the company is encouraged to create a training program related to Supply Chain also to ensure the competence of personnel involved in supply chain process of segregation model.
<table>
<thead>
<tr>
<th>Status: Full Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
</tr>
<tr>
<td><strong>7.1</strong> The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.</td>
</tr>
<tr>
<td>PT BNS with Mandah POM have arranged to support the use of RSPO certified palm oil in accordance with RSPO Guidelines for Communication and Claims. The arrangements on the use of certified palm oil are described in the supply chain system procedures of SOP-027/BNS/13 document, 1st revision, dated 4 June 2013, by listing the reference of RSPO Guidelines on Communication and Claims which is in section 3.8 (reference) and point 8.3 (special conditions).</td>
</tr>
<tr>
<td>Status: Full Compliance</td>
</tr>
</tbody>
</table>
3.3. Conformity Checklist of Certificate and Logo Use

<table>
<thead>
<tr>
<th></th>
<th>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</th>
<th>X or √</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST-2</td>
<td>Will be verified at the time of surveillance activities.</td>
<td></td>
</tr>
<tr>
<td>Status:</td>
<td>Not Applicable</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</th>
<th>X or √</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST-2</td>
<td>Will be verified at the time of surveillance activities.</td>
<td></td>
</tr>
<tr>
<td>Status:</td>
<td>Not Applicable</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Implementation of Certificate and Logo is not used on product</th>
<th>X or √</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST-2</td>
<td>Will be verified at the time of surveillance activities.</td>
<td></td>
</tr>
<tr>
<td>Status:</td>
<td>Not Applicable</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</th>
<th>X or √</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST-2</td>
<td>Will be verified at the time of surveillance activities.</td>
<td></td>
</tr>
<tr>
<td>Status:</td>
<td>Not Applicable</td>
<td></td>
</tr>
</tbody>
</table>
### 3.4. Summary of RSPO Partial Certification.

<table>
<thead>
<tr>
<th>The Management Unit name, under subsidiaries:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.1</strong> There is compliance with all applicable local, national and ratified international laws and regulations.</td>
</tr>
<tr>
<td>The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.</td>
</tr>
<tr>
<td><strong>2.2</strong> The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</td>
</tr>
<tr>
<td>The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.</td>
</tr>
<tr>
<td><strong>6.3</strong> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</td>
</tr>
<tr>
<td>The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.</td>
</tr>
<tr>
<td><strong>6.4</strong> Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</td>
</tr>
<tr>
<td>The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.</td>
</tr>
<tr>
<td><strong>7.3</strong> New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</td>
</tr>
<tr>
<td>The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.</td>
</tr>
<tr>
<td><strong>7.5</strong> No new plantings are established on local peoples’ land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</td>
</tr>
<tr>
<td>The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.</td>
</tr>
<tr>
<td><strong>7.6</strong> Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</td>
</tr>
<tr>
<td>The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.</td>
</tr>
</tbody>
</table>
3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

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

<table>
<thead>
<tr>
<th>CAR No</th>
<th>Ref Std</th>
<th>Finding Description</th>
<th>Area</th>
<th>Grade</th>
<th>Time Limits</th>
<th>Corrective Action</th>
<th>Observation</th>
<th>Status</th>
<th>Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013. 01</td>
<td>Major 1.1.2</td>
<td>Responses to the Request for Information</td>
<td>Estate and Mill</td>
<td>NC</td>
<td>Before certificate issued</td>
<td>The company must be able to show records in response to requests for information from Environment Body through letter no. 007/BNS/MDF-PI/IX/12 on the Implementation Report of CD/CSR</td>
<td>12 July 2013</td>
<td>Closed</td>
<td>12 July 2013</td>
</tr>
<tr>
<td>2013. 02</td>
<td>Major 2.1.1</td>
<td>The Compliance of Applicable Legal Requirements</td>
<td>Estate and Mill</td>
<td>NC</td>
<td>Before certificate issued</td>
<td>The company needs to show proof of compliance with applicable legal requirements associated with OHS license for boiler and conveyer operators, as well as hazardous material waste retention time.</td>
<td>03 September 2013</td>
<td>Closed</td>
<td>03 and 30 Sept 2013</td>
</tr>
<tr>
<td></td>
<td></td>
<td>a. There was no OHS license for Boiler Operator in accordance with Labor Ministry Regulation No. 01 Year 1988 and conveyer operator in accordance with Labor and Transmigration Ministry Regulation No. 09 Year 2010.</td>
<td></td>
<td></td>
<td></td>
<td>a. The company has shown the proof of compliance with applicable legal requirements associated with OHS license for boiler and conveyer operators, as well as hazardous material waste retention time.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Number</td>
<td>Activity</td>
<td>Responsible Party</td>
<td>Status</td>
<td>Reason for Closure</td>
<td></td>
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<tr>
<td>30 Sept</td>
<td></td>
<td>Retention time until 180 days</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Crane type level III (13.21900-OPK3-PAA/VI/2013 and 13.21899-OPK3-PAA/VI/2013)</td>
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</tbody>
</table>

b. The company has complied with regulations related to hazardous waste storage, that is hazardous waste in hazardous waste landfill which has exceeded the retention time of 180 days, has been transported by PT Logam Jaya Abadi as the certified company of hazardous waste transporter and collector (Partnership Agreement Letter No. 60/BNS-LJA/IX/2013) in accordance with minutes of hazardous waste transportation (Document No. 01/TBF/LB3/IX/2013) dated 30 September 2013 which is equipped with hazardous waste document (hazardous waste manifest).

---

### Monitoring of Emissions Quality From Sources of Pollution

The company has been monitoring the quality of emissions from boilers and generators, but there has not been enough evidence that emissions quality monitoring from two incinerators in Mandah POM has been done. This is not in accordance with the EIA of plantation, which requires analysis of the quality of emissions from incinerators.

#### Before certificate issued

The company must show the evidence of monitoring of emissions quality from two incinerators in Palm Oil Mill.

12 July 2013

The company has shown evidence of the implementation of the monitoring of emissions air quality from two units of incinerators and generators in Mandah POM as a form of compliance with the requirements of the EIA document.

The testing for the period of 1st semester of 2013 was carried out by the laboratory of Binalab on 27 June 2013, as shown by the evidence of sampling by Binalab.

Closed 12 July 2013

### SCCS training

PT BNS must provide the evidence of training.

05 June 2013

Closed 05 June
The Company has conducted trainings for all staff involved in the implementation of SCCS (supply chain certification) requirements, for example SCCS training on 30 July 2012, however, there are some personnel at Mandah POM who have not been able to show evidence that they have attended trainings, namely on behalf of: Mr. Dely Marpaung (Process Assistant), Mr. Samson (Senior Assistant), Mr. Anwar (Asst. PSQM), Mr. Paido (Mill Manager), and Mr. Hafi (Process Assistant).

The Company must make a claim regarding the use of RSPO certified palm oil in accordance with the RSPO Guidelines for Communication and Claims.

| 04 | Modul D SCCS | The Company has conducted trainings for all staff involved in the implementation of SCCS (supply chain certification) requirements, for example SCCS training on 30 July 2012, however, there are some personnel at Mandah POM who have not been able to show evidence that they have attended trainings, namely on behalf of: Mr. Dely Marpaung (Process Assistant), Mr. Samson (Senior Assistant), Mr. Anwar (Asst. PSQM), Mr. Paido (Mill Manager), and Mr. Hafi (Process Assistant). | certificate issued | training in the form of recorded trainings for all staffs as required to implement Supply Chain Certificate System requirements. | PT BNS has been able to show evidence of SCCS training for key personnel involved in the implementation of SCCS which is the training on 20 March 2012 on behalf of: Mr. Samson, Mr. Paido and a number of other personnel. | 2013 |
| 2013. 05 | 7.1 Modul D SCCS | Certified Product Claims | Mill NC | Before certificate issued | The Company must make a claim regarding the use of RSPO certified palm oil in accordance with the RSPO Guidelines for Communication and Claims | 05 June 2013 | PT BNS has revised procedures of supply chain systems in the SOP document (SOP-027/BNS/13) of the 1st revision dated 4 June 2013, by listing reference of RSPO regulations on Communication and Claims (RSPO Guidelines for Communication and Claims) which is in section 3.8 (reference) and point 8.3 (special conditions). | Closed 05 June 2013 |
### 3.5.3 Opportunity for Improvement

<table>
<thead>
<tr>
<th>No</th>
<th>Ref Std</th>
<th>Descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Major 2.1.1. Compliance with Applicable Legal Requirements</td>
<td>The company is encouraged to be more proactive in communication with relevant agencies to ensure the completion of compliance with legal requirements, especially those related to: plantation-processing Business Permit, wastewater discharge permit, the obligation of hazardous waste management. The company is encouraged to ensure the presence of records of authority response related to the proposal of obligation completion.</td>
</tr>
<tr>
<td>2</td>
<td>Major 4.7.2 The improvement of Guiding Committee of OHS Performance.</td>
<td>The company needs to be more consistent in improving the performance of Guiding Committee of OHS (P2K3) by: ensuring the mechanism of the extension of decree appointing OHS experts before it expires, reporting Guiding Committee of OHS periodically to relevant agencies, Performing periodic meetings of Guiding Committee of OHS every month.</td>
</tr>
<tr>
<td>3</td>
<td>Minor 4.7.3 The Improvement of OHS Performance</td>
<td>The company may improve OHS performance by ensuring risk analysis (HiRAC) is available for all activities or work processes in POMs and estates.</td>
</tr>
<tr>
<td>4</td>
<td>Major 5.1.2 The conformance of environmental management and monitoring efforts with EIA requirements</td>
<td>The company is encouraged to always ensure the consistency of implementation of the environmental management and monitoring with environmental documents especially applicable EIA and environmental management efforts / environmental monitoring efforts.</td>
</tr>
<tr>
<td>5</td>
<td>Major 5.2.2. Endangered Species or HCV Protective Measures</td>
<td>The company has performed HCV protective measures such as through the installation of signboard, HCV monitoring, and socialization, however, the company needs to ensure that there are mechanisms of sufficient protective measures planning so that the achievement of the objectives of HCV protection can be monitored.</td>
</tr>
<tr>
<td>6</td>
<td>Major 5.3.1 Waste Management</td>
<td>The company needs to improve the performance of waste sources identification by estimating the volume of waste generated from every activity in the plantations and palm oil mills.</td>
</tr>
<tr>
<td>7</td>
<td>Minor 5.6.2. WWTP Management</td>
<td>The company is encouraged to improve the performance of WWTP management by: implementing alternative technology to ensure WWTP pond’s capacity does not shrink due to organic matter, monitoring wastewater through the installation of adequate measuring device to determine the flow accurately, assessment of wastewater disposal into the water body in accordance with Government Regulation 82 Year 2001 on water pollution control.</td>
</tr>
<tr>
<td>8</td>
<td>Minor 6.1.1 Responses to the CSR Management Aspirations</td>
<td>The company needs to ensure that the responses are appropriate to the aspirations in terms of the preparation of CSR program, which should be more productive, and be able to contribute to the community's economy.</td>
</tr>
<tr>
<td>9</td>
<td>SC - 6.1 Modul D SCCS training.</td>
<td>The company is encouraged to create training programs related to Supply Chain to ensure the competence of personnel involved in supply chain process of segregation model.</td>
</tr>
</tbody>
</table>
### 3.5.4 Noteworthy Positive Components

<table>
<thead>
<tr>
<th>No</th>
<th>Ref Std</th>
<th>Descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Minor 6.5.1.</td>
<td>The company has provided free educational facilities from kindergarten to senior high school level for employees’ children.</td>
</tr>
<tr>
<td>2</td>
<td>-</td>
<td>Three estates of PT BNS (Mandah Estate and Rotan Semelur Estate) which are the supply bases for Mandah POM, have been RSPO certified previously.</td>
</tr>
<tr>
<td>3</td>
<td>-</td>
<td>PT BNS has the commitment and enthusiasm for the implementation of the RSPO principles and criteria</td>
</tr>
<tr>
<td>4</td>
<td>-</td>
<td>The staffs and officers involved in RSPO certification process have a good competence in their field supported with good communication skills</td>
</tr>
</tbody>
</table>
## 3.6 Summary of Arising Issues from Public, Management and Auditor Response

<table>
<thead>
<tr>
<th>Public Issues (Institution/ NGO/Community)</th>
<th>Management Responses</th>
<th>Auditor Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Labor and Transmigration Agency of Indragiri Hilir District</strong></td>
<td>a. Is in conformance with the conditions in the field</td>
<td>All the regulation has been met by the company</td>
</tr>
<tr>
<td>a. Indonesian Workers Union (SPSI) has been formed and registered to the agency</td>
<td>b. Is in conformance with the conditions in the field</td>
<td></td>
</tr>
<tr>
<td>b. Reports of OHS System Management implementation have been received by agencies</td>
<td>c. Is in conformance with the Decree of Riau Governor</td>
<td></td>
</tr>
<tr>
<td>• Minimum wage of Indragiri Hilir is of IDR 1,492,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Plantation Agency of Indragiri Hilir District</strong></td>
<td>a. Progress report of Plantation Business Semester II of 2012 has been delivered by PSD Jakarta</td>
<td>The making of Business Permit of Plantation – Processing for Mandah POM is still being processed by the company. This will be the object of observation in the next audit</td>
</tr>
<tr>
<td>a. Plantation business progress reports of the last 2 years has not been received by the Agency</td>
<td>b. The making of Plantation-Processing Business Permit in still in process.</td>
<td></td>
</tr>
<tr>
<td>b. BNS is building a new mill, but the Plantation Business Permit for Processing has not been issued.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Forestry Agency of Indragiri Hilir District</strong></td>
<td>Is in conformance with the conditions in the field</td>
<td>The regulation has been met by the company</td>
</tr>
<tr>
<td>For BNS ownership area, forest acquisition permit has been issued by the Agency.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Environment Body of Indragiri Hilir District</strong></td>
<td>a. This incident has been communicated to the surrounding community and air emissions corrective measures have been taken and the ambient is in accordance with the quality standard that have been set.</td>
<td>The company shows the evidence of hazardous waste management efforts; however, there are still difficulties in hazardous waste distribution because there are no third parties who are capable and qualified. The company is encouraged to obtain a fatwa from local Environment Body related to this issue.</td>
</tr>
<tr>
<td>a. There are records of smoke pollution incident at Teluk Bakau Mill</td>
<td>b. Licensed container is not willing to take hazardous waste of BNS since the license of water transportation is not available and this has been communicated to Local Environment Body of Indragiri Hilir District.</td>
<td></td>
</tr>
<tr>
<td>b. Hazardous waste in PT. BNS has not been handled and emissions monitoring facility still needs improvement</td>
<td>c. Boiler chimney ladder in TBF has been made.</td>
<td></td>
</tr>
<tr>
<td><strong>National Land Agency of Indragiri Hilir District</strong></td>
<td>a. Is in conformance with the conditions in the field</td>
<td>Company had the land ownership title (HGU) accordance to the regulation.</td>
</tr>
<tr>
<td>a. The area of land ownership was marked by Land Use Title (HGU) ownership from government agencies. There are 2 Land Use Title in the area of Rotan Semelur Village covering 13,900 ha (HGU No. 70/HGU/BPN/1994) and Tegaraja Village covering 11,726 ha (HGU70/HGU/BPN/1995). Total area is of 25,626 ha.</td>
<td>b. Is in conformance with the conditions in the field</td>
<td></td>
</tr>
<tr>
<td>b. The result of field survey is there are no indigenous / customary lands in Indragiri Hilir district.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SPO – 4006a.5  
Prepared by Mutuagung Lestari for Mandah POM, PT Bhumireksa Nusasejati – Sime Darby  
Page 49
### Parit Gurah Baru Subvillage, Teluk Bunian Village (Community Leaders)

- **a.** At the beginning of the opening, the company used the canal ditch lane but once the mill operated canal ditch lane is no longer used. According to the public if the lane is still operated, it can help improve the local economy.
- **b.** Aids from the company in the form of bridges improvement, mosques, medical treatment and qurban animal are still considered not enough, that aids should be more focused on the needs of the community.
- **c.** According to the community, they are never promised by the company that the Gurah Baru community will be prioritized in job recruitment, but up to now the applicants from local community (high school graduates) has not been responded.

### Rotan Semelur Village (Village Head)

- **a.** The company has provided assistance such as improvement of port infrastructure, volleyball, drinking water basin, school, free medical care and the company is willing to lend its boat if there are sick or died people.
- **b.** Most of the assistance is given only if the village sends fund proposal. The company should be more transparent in terms of budget of CSR funds for Rotan Semelur Village considering most parts of Semelur Rotan village are near to the company, so that it will received significant impacts of the company’s operations.
- **c.** Village officials hope that the company can be more transparent in terms of employment opportunities socialization announced on the village board.
- **d.** A smoke pollution occurred due to mill operations in 2011 - 2012, but this has been resolved and the company has provided the compensation in the form of the provision of drinking water and chimney repairment, currently there is still smoke pollution in low intensity (thin).
- **e.** The company stored waste of fiber and shell on the seashore (river side), so far there has been no problem, but if it is left uncontrollable, the waste can be carried by the rain or high tide, then it could contaminate the sea and it could make the fish / shrimp around it die. The company should prevent it before it happens.

### Penjuru Village (Village Head)

The company has provided aids such as qurban animals and mosque. Currently, Penjuru village still lacks educational facilities; the company is expected to provide assistance in the development of early childhood kindergarten-which is now still using the madrassa building.

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**CSR assistance will be a yearly program, especially in Penjuru Village**

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**The company is encouraged to perform more intensive communication with the public so that arising issues can be handled quickly.**

The formulation of a better CSR program needs to be considered so that the estate sharing benefit can be perceived by the public.
### 4.0 CERTIFIED ORGANISATION’S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

#### 4.1 Formal Sign-off of Assessment Findings

Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.

Signed on behalf of:

**PT Aneka Inti Persada, Sime Darby Sdn Bhd**

Head of PSQM

**Mutuagung Lestari**

Lead Auditor

*Mohamad Pirabaharan*  
Tuesday, 1 October 2013

*Bukti Bagja*  
Tuesday, 1 October 2013
### Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process

<table>
<thead>
<tr>
<th>No</th>
<th>Institution/NGO/Community</th>
<th>Address</th>
<th>Phone/Email</th>
<th>Form of Contact</th>
<th>Date of Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Labour and Transmigration Agency (Dinas Tenaga Kerja dan Transmigrasi)</td>
<td>Jl. Kerangat No. 47, Tembilahan Hilir – Riau</td>
<td>Telp. (0768) 23762 Fax. (0768) 21678</td>
<td>Interview</td>
<td>27 May 2013</td>
</tr>
<tr>
<td>2</td>
<td>Plantation Agency (Dinas Perkebunan)</td>
<td>Jl. Pendidikan No. 06, Tembilahan – Riau</td>
<td>Telp. (0768) 211138 / 2130</td>
<td>Interview</td>
<td>27 May 2013</td>
</tr>
<tr>
<td>3</td>
<td>Forestry Agency (Dinas Kehutanan)</td>
<td>Jl. Pendidikan No. 06 Tembilahan – Riau</td>
<td>Tlp. (0768) 21138, 22103 Fax.(0768) 21301</td>
<td>Interview</td>
<td>27 May 2013</td>
</tr>
<tr>
<td>4</td>
<td>Environmental Agency (Badan Lingkungan Hidup)</td>
<td>Tembilahan – Riau</td>
<td></td>
<td>Interview</td>
<td>27 May 2013</td>
</tr>
<tr>
<td>5</td>
<td>National Land Agency (Badan Pertanahan Nasional)</td>
<td>Jl. Kembang No. 52, Tembilahan – Riau</td>
<td>Telp. (0768) 21060</td>
<td>Interview</td>
<td>27 May 2013</td>
</tr>
<tr>
<td>6</td>
<td>JIKALAHARI (Jaringan Kerja Penyelamat Hutan Riau)</td>
<td>Pekanbaru</td>
<td>Telp. (0761) 27875 Fax. (0761) 27875 <a href="mailto:secretariat@jiklahari.org">secretariat@jiklahari.org</a></td>
<td>questioner via email</td>
<td>01 June 2013</td>
</tr>
<tr>
<td>7</td>
<td>Jaringan Masyarakat Gambut Riau</td>
<td>Pekanbaru</td>
<td>a/n. Halim, Hp.0813.6594.2590, email: <a href="mailto:anaknegeri.andalas@gmail.com">anaknegeri.andalas@gmail.com</a></td>
<td>questioner via email</td>
<td>01 June 2013</td>
</tr>
<tr>
<td>8</td>
<td>WWF</td>
<td>Pekanbaru</td>
<td>a/n Suhandri Hp.0812.7522.745, <a href="mailto:suhandri@wwf.or.id">suhandri@wwf.or.id</a></td>
<td>questioner via email</td>
<td>01 June 2013</td>
</tr>
<tr>
<td>9</td>
<td>Community Leader of Parit Gurah Baru Hamlet, Teluk Bunian Village</td>
<td>Village of Teluk Bunian, Subdistrict of Mandah</td>
<td></td>
<td>Interview</td>
<td>04 June 2013</td>
</tr>
<tr>
<td>10</td>
<td>Village Head of Rotan Semelur</td>
<td>Village of Rotan Semelur</td>
<td></td>
<td>Interview</td>
<td>3 June 2013</td>
</tr>
<tr>
<td>11</td>
<td>Village Head of Penjuru</td>
<td>Village of Penjuru</td>
<td></td>
<td>Interview</td>
<td>3 June 2013</td>
</tr>
</tbody>
</table>
### Appendix 2. Assessment Program

<table>
<thead>
<tr>
<th>DATE</th>
<th>2 – 5 JUNE 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program</strong></td>
<td><strong>PROCESSES / CLAUSES TO BE AUDITED</strong></td>
</tr>
<tr>
<td><strong>Sunday, 2 June 2013</strong></td>
<td></td>
</tr>
<tr>
<td>09.00-11.00</td>
<td>Jakarta – Batam</td>
</tr>
<tr>
<td>13.00-17.00</td>
<td>Batam – PT Bhumireksa Nusasejati</td>
</tr>
<tr>
<td>09.00-11.00</td>
<td>Jakarta – Pekanbaru</td>
</tr>
<tr>
<td>13.00-17.00</td>
<td>Pekanbaru – Tembilahan</td>
</tr>
<tr>
<td><strong>Monday, 3 June 2013</strong></td>
<td></td>
</tr>
<tr>
<td>08.00-09.00</td>
<td>Opening Meeting</td>
</tr>
<tr>
<td>09.00-12.00</td>
<td>Public Consultation</td>
</tr>
<tr>
<td></td>
<td>● Related Government Institution and NGO (Tembilahan)</td>
</tr>
<tr>
<td>09.00-12.00</td>
<td>Checklist completion and document observation</td>
</tr>
<tr>
<td>14.00-18.00</td>
<td>Field Observation: Rotan Semelur Estate:</td>
</tr>
<tr>
<td></td>
<td>Harvesting, Upkeep (spraying, fertilizing, EFB application), Worker Facilities (Housing, clean water, etc), Operational boundary and utilization, Conservation area</td>
</tr>
<tr>
<td><strong>Tuesday, 4 June 2013</strong></td>
<td></td>
</tr>
<tr>
<td>08.00 - 12.00</td>
<td>• Mandah Estate: Harvesting, Upkeep (spraying, fertilizing, EFB application), Worker Facilities (Housing, clean water, etc), Operational boundary and utilization, Conservation area</td>
</tr>
<tr>
<td>08.00-12.00</td>
<td>Public Consultation</td>
</tr>
<tr>
<td></td>
<td>● Public meeting (related community and villages)</td>
</tr>
<tr>
<td>14.00-18.00</td>
<td>Field Observation:</td>
</tr>
<tr>
<td></td>
<td>● Mandah POM: WWTP (IPAL), Operational, K3 (OHS), Supply Chain</td>
</tr>
<tr>
<td></td>
<td>- Continued document review and verification of field visit</td>
</tr>
<tr>
<td><strong>Wednesday, 5 June 2013</strong></td>
<td></td>
</tr>
<tr>
<td>09.00-11.00</td>
<td>Closing Meeting</td>
</tr>
<tr>
<td>12.00-17.00</td>
<td>PT Bhumireksa Nusasejati – Batam</td>
</tr>
</tbody>
</table>

**TFK: Taufik Margani**  **BB: Bukti Bagja**  **MM: Muardi Marwas**  **NK: Naila Karima**  **SJ: Siti Jamilah**
### Appendix 3. Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMDAL / SEIA</td>
<td>Analisis Mengenai Dampak Lingkungan (Social and Environmental Impact Assessment)</td>
</tr>
<tr>
<td>APD / PPE</td>
<td>Alat Pelindung Diri (Personal Protection Equipment)</td>
</tr>
<tr>
<td>B3</td>
<td>Bahan Beracun and Berbahaya (Hazardous Material Waste)</td>
</tr>
<tr>
<td>BKSDA</td>
<td>Balai Konservasi Sumberdaya Alam (Natural Resources Conservation Agency)</td>
</tr>
<tr>
<td>BNS</td>
<td>Bhumireksa Nusasejati</td>
</tr>
<tr>
<td>BOD</td>
<td>Biological Oxygen Demand</td>
</tr>
<tr>
<td>BPN</td>
<td>Badan Pertanahan Nasional (National Land Agency)</td>
</tr>
<tr>
<td>CD/CSR</td>
<td>Community Development / Corporate Social Responsibility</td>
</tr>
<tr>
<td>CPO</td>
<td>Crude Palm Oil</td>
</tr>
<tr>
<td>EFB</td>
<td>Empty Fruit Bunch</td>
</tr>
<tr>
<td>HCV</td>
<td>High Conservation Value (Nilai Konservasi Tinggi)</td>
</tr>
<tr>
<td>HGU</td>
<td>Hak Guna Usaha. (Land Use Permit)</td>
</tr>
<tr>
<td>HIRARC</td>
<td>Hazard Identification Risk Assessment and Risk Control</td>
</tr>
<tr>
<td>IUP</td>
<td>Izin Usaha Perkebunan. (Plantation Business License)</td>
</tr>
<tr>
<td>IPAL / WWTP</td>
<td>Instalasi Penyaluran Air Limbah (Wastewater Treatment Plant)</td>
</tr>
<tr>
<td>JAMSOSTEK</td>
<td>Jaminan Sosial Tenaga Kerja (Social Assurance of Labor)</td>
</tr>
<tr>
<td>K3 / OHS</td>
<td>Keselamatan and Kesehatan Kerja. (Occupational Health and Safety)</td>
</tr>
<tr>
<td>K3L / ESH</td>
<td>Keselamatan dan Kesehatan Kerja Lingkungan (Environment and Occupational Safety and Health)</td>
</tr>
<tr>
<td>MDE</td>
<td>Mandah Estate</td>
</tr>
<tr>
<td>MRC</td>
<td>Minamas Research Centre</td>
</tr>
<tr>
<td>NAB</td>
<td>Nilai Ambang Batas</td>
</tr>
<tr>
<td>NLE</td>
<td>Nusa Lestari Estate</td>
</tr>
<tr>
<td>NC</td>
<td>Non Conformities</td>
</tr>
<tr>
<td>OER</td>
<td>Oil Extraction Rate</td>
</tr>
<tr>
<td>P2K3</td>
<td>Panitia Pembina Keselamatan and Kesehatan Kerja (Occupational Safety and Health Committee)</td>
</tr>
<tr>
<td>P&amp;C</td>
<td>Principle and Criteria</td>
</tr>
<tr>
<td>PHT / IPM</td>
<td>Pengendalian Hama Terpadu (Integrated Pest Management)</td>
</tr>
<tr>
<td>PK</td>
<td>Palm Kernel</td>
</tr>
<tr>
<td>PKO</td>
<td>Palm Kernel Oil</td>
</tr>
<tr>
<td>PKS / POM</td>
<td>Pabrik Kelapa Sawit (Palm Oil Mill)</td>
</tr>
<tr>
<td>PSD</td>
<td>Plantation Services Department</td>
</tr>
<tr>
<td>PSQM</td>
<td>Plantation Sustainability and Quality Management</td>
</tr>
<tr>
<td>RKL/RPL</td>
<td>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan (Environmental Management Plan/ Environment Monitoring Plan)</td>
</tr>
<tr>
<td>RSE</td>
<td>Rotan Semelur Estate</td>
</tr>
<tr>
<td>RSPO</td>
<td>Roundtable on Sustainable Palm Oil</td>
</tr>
<tr>
<td>SIA</td>
<td>Social Impact Assessment</td>
</tr>
<tr>
<td>SCCS</td>
<td>Supply Chain Certification System</td>
</tr>
<tr>
<td>SOP</td>
<td>Standard Operating Procedure</td>
</tr>
<tr>
<td>SOU</td>
<td>Strategic Operation Unit</td>
</tr>
<tr>
<td>TBS / FFB</td>
<td>Tandan Buah Segar (Fresh Fruit Bunches)</td>
</tr>
<tr>
<td>UKL/UPL</td>
<td>Upaya Kelola Lingkungan/ Upaya Pemantauan Lingkungan (Environmental Management Efforts/ Environmental Monitoring Efforts)</td>
</tr>
</tbody>
</table>