

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

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : Ladang Panjang Factory – PT Bahari Gembira Ria subsidiary of Sime Darby Plantation Sdn Bhd

Plantation Name : PT Bahari Gembira Ria; Ladang Panjang Estate & Karya Mandiri Cooperative

Location : Village of Ladang Panjang, Sub District of Sungai Gelam, District of Muaro Jambi, Province of Jambi, Indonesia

Certificate Code : **MUTU-RSPO/019**

Date of Certificate Issue : 29 November 2017

Date of License Issue : 29 November 2017

Date of Certificate Expiry : 28 November 2022

Date of License Expiry : 28 November 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	29 May – 02 June 2017	Rudi Ramdani (LA Supervised); Oktovianus Rusmin (LA Witnessing); Mohamad Amarullah; Naila Karima; Radityo Puspanjana	Ganapathy Ramasamy	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	29 November 2017

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Figure 1. Location Map of PT Bahari Gembira Ria

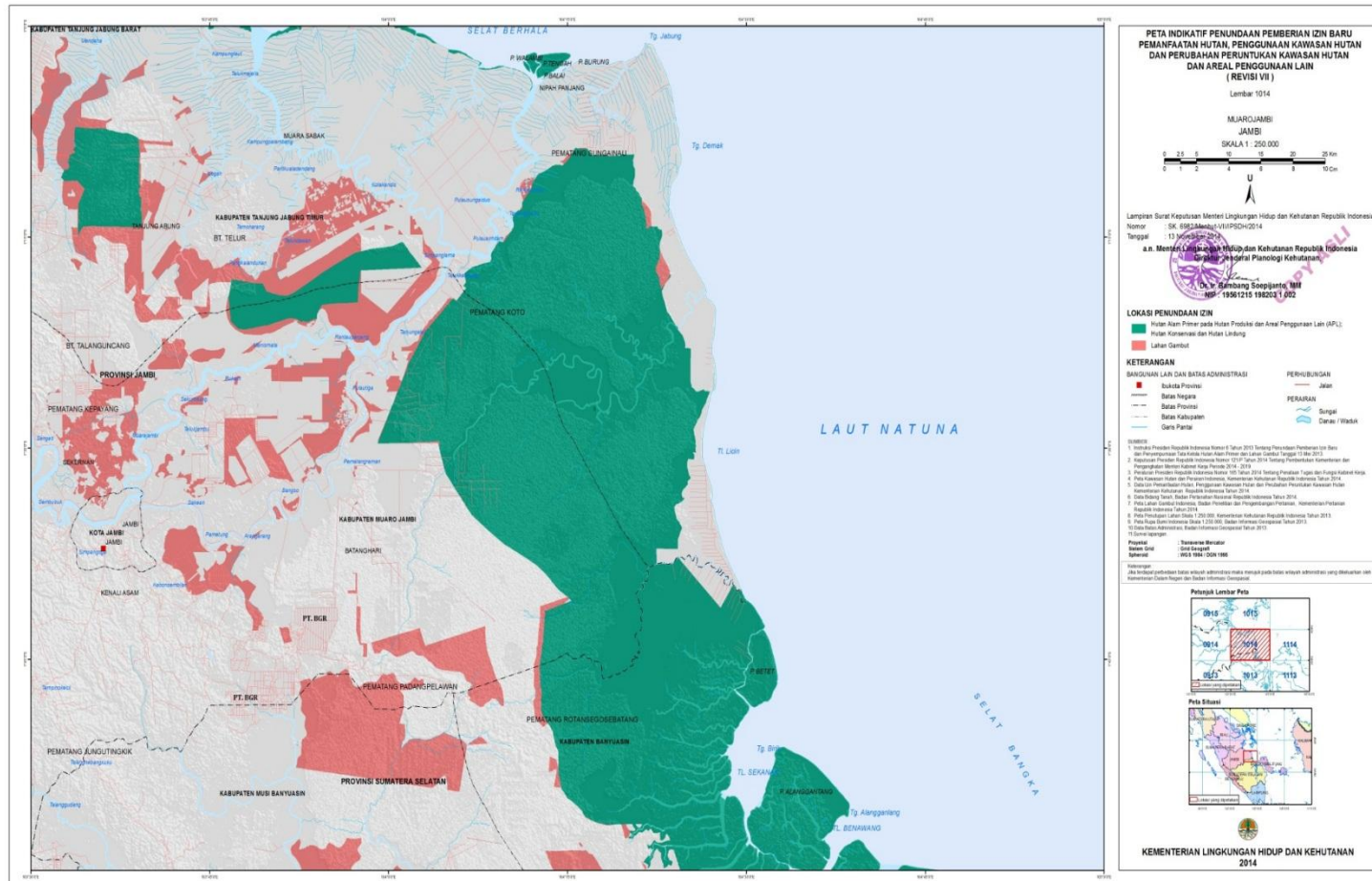
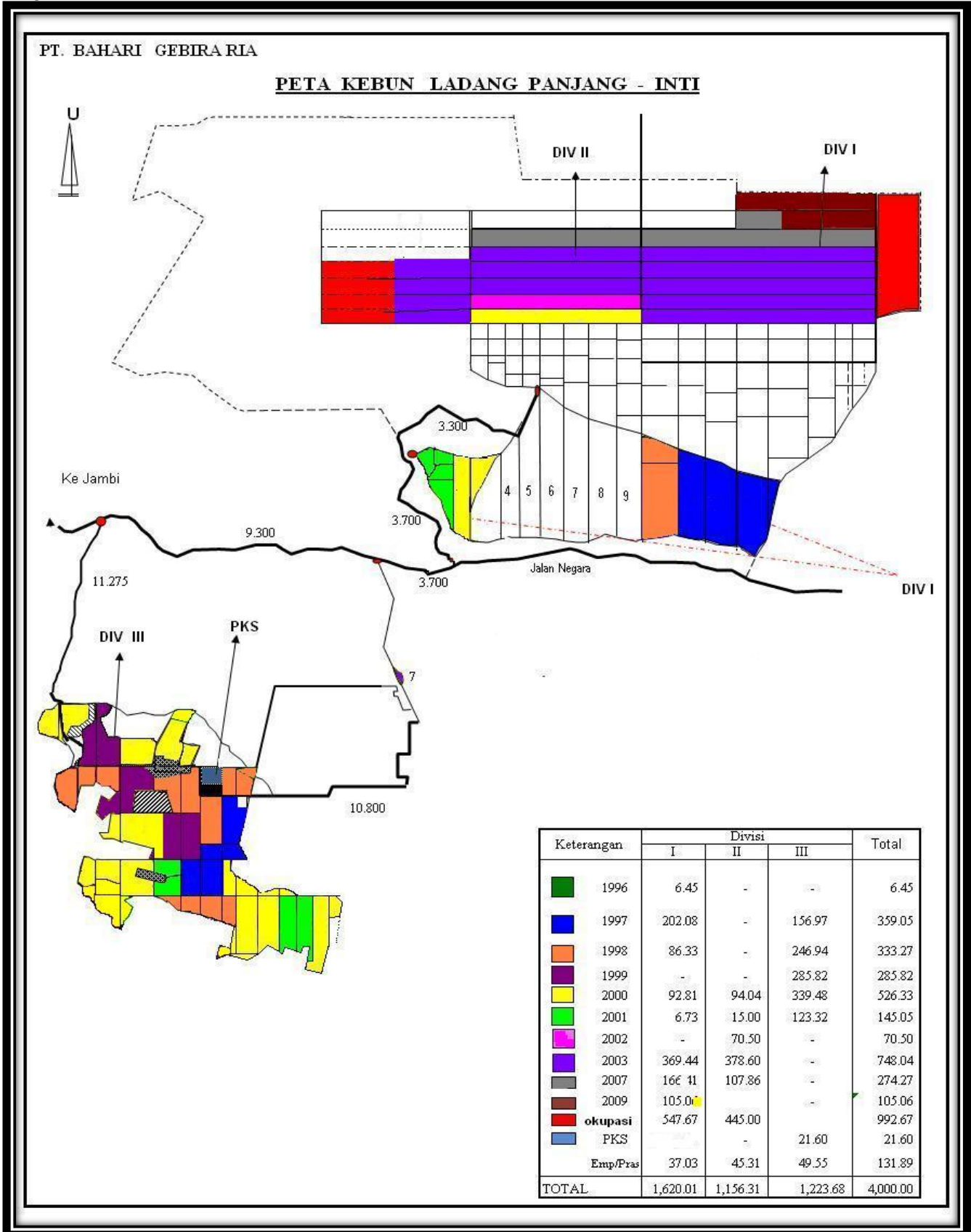


Figure 2. Operational Map of PT Bahari Gembira Ria



Abbreviations Used

AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Social and Environmental Impact Assessment)
BGR	:	Bahari Gembira Ria
BLHD	:	Badan Lingkungan Hidup Daerah (<i>District Environment Body</i>)
BOD	:	Biological Oxygen Demand
BPJS	:	Badan Penyelenggara Jaminan Sosial (<i>Social Assurance of Labor</i>)
BPN	:	Badan Pertanahan Nasional (<i>National Land Agency</i>)
BSS	:	Block Spraying System
CPO	:	Crude Palm Oil
CSR	:	Coorporate Social Responcibility
EHS	:	Environment Health and Safety
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunches
HCV	:	High Conservation Value
HGU	:	Hak Guna Usaha. (<i>Land Use Title</i>)
IUP	:	Izin Usaha Perkebunan. (<i>Plantation Operation Licence</i>)
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
KPHP	:	<i>Kesatuan Pemangkuan Hutan Produksi</i> (Production Forest Management Unit)
KUD	:	<i>Koperasi Unit Desa</i> (Village Cooperative)
LPE	:	Ladang Panjang Estate
LPF	:	Ladang Panjang Factory
LUCA	:	Land Use Change Analysis
MRC	:	Minamas Research Centre
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pelaksana Keselamatan and Kesehatan Kerja</i> (Occupational Health and safety Guiding Committee)
PIR-Trans	:	Perusahaan Inti Rakyat – Transmigrasi
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PSD	:	Plantation Services Departement
PSQM	:	Plantation Sustainability and Quality Management
RKL/RPL	:	<i>Rencana Kelola Lingkungan/Rencana Pemantauan Lingkungan</i> (Environmental Management Plan/ Environment Monitoring Plan)
SOP	:	Standard Operating Procedure
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used		
	<ul style="list-style-type: none"> • <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013, Endorsed by BOG on September 2016.</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> 		
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Bahari Gembira Ria subsidiary of Sime Darby Plantation Sdn Bhd.	
1.2.2	Contact person	Mohamad Pirabaharan	
1.2.3	Organisation address and site address	RSPO registered company: No 2, Plantation Tower, PJU 1A/7Street, Petaling Jaya, Malaysia 47301. Liaison Office: The Plaza Lt. 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@sime-darby.com	
1.2.7	Web page address	www.sime-darby.com	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM Minamas Plantations-Sime Darby)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 7 September 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base : <ul style="list-style-type: none"> • Ladang Panjang Factory and Ladang Panjang Estates 	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Ladang Panjang Factory	Ladang Panjang Village, Sungai Gelam Sub District, Muaro Jambi District, Jambi Province, Indonesia	S 1° 47' 33" E 103° 47' 37"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Ladang Panjang Estate	Ladang Panjang Village, Sungai Gelam Sub District, Muaro Jambi District, Jambi Province, Indonesia	S 1° 47' 39" E 103° 47' 57"
	Karya Mandiri	Trimulya Jaya Village, Sungai Gelam Sub	S E

	Cooperative	District, Muaro Jambi District, Jambi Province, Indonesia		1° 48' 33"	103° 49' 24"		
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State			1,202.04	Ha		
	• Community			1,066.37	Ha		
1.5.2	Area Statement						
			PT Bahari Gembira Ria (Ha)	Karya Mandiri Cooperative (Ha)	Total (Ha)		
	• Total area		1,202.04	1,066.37	2,268.41		
	• Mature area		1,123.40	1,066.37	2,189.77		
	• Immature area		-	-	-		
	• Mill/ Emplishment		38.49	-	38.49		
	• Infrastructure (road, drainage & ditch)		29.84	-	29.84		
	• Nursery		6.00	-	6.00		
	• HCV conservation		4.31	-	4.31		
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
		Hectarage (Ha)					
	Planting Year	Ladang Panjang Estate (Ha)	Karya Mandiri Cooperative (Ha)	Total (Ha)			
	1997	159.55	1,066.37	1,225.92			
	1998	298.10	-	298.10			
	1999	171.40	-	171.40			
	2000	410.35	-	410.35			
	2001	88.31	-	88.31			
	TOTAL	1,127,71	1,066.37	2,194.08			
1.6.2	New Planting area after January 2010			-	Ha		
1.6.3	Planting Cycle	1 st Cycle					
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Ladang Panjang Factory	30	134,250.59	27,977.82	20.84	5,813.05	4.33
	<i>*Production data source from May 2016 – April 2017</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/	Supplied to Mill	

				year)	FFB (tonnes/year)	%	
	Ladang Panjang Estate	1,202.04	1,127.71	33,941.08	30.09	33,941.08	100
	Karya Mandiri Cooperative (541 Smallholders)	1,066.37	1,066.37	22,824.00	21.40	22,824.00	100
	TOTAL	2,268.41	2,194.08	56,765.08	19.20	56,765.08	100
<i>*Production data source from May 2016 – April 2017</i>							
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type o(RSPO certified / non-certified)f Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill FFB (tonnes/year)		
	HGU on process PT BGR (RSPO non-certified)	PT BGR	-	1,462.62	17,932.51		
	Marga Jaya Cooperative (RSPO non-certified)	Scheme smallholder	636	1,248.29	26,407.00		
	Mitra Inti Sumber Makmur Cooperative (RSPO non-certified)	Scheme smallholder	415	828.58	17,092.00		
	Manggar Jaya Cooperative (RSPO non-certified)	Scheme smallholder	896	1,743.01	8,705.00		
	Karya Maju Cooperative (RSPO non-certified)	Scheme smallholder	448	910.75	7,349.00		
	TOTAL				77,485.51		
<i>*Production data source from May 2016 – April 2017</i>							
1.7.4	Product categories			FFB, CPO, PK			
1.8	Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 9 July 2016 to 8 July 2017 (tonnes/year)		Actual certified product 9 July 2016 to 29 May 2017 (tonnes/year)		
	• FFB Production		53,723		50,606		
	• CPO Production		12,625		10,590		
	• Palm Kernel (PK) Production		2,418		2,182		
1.8.2	Product selling						
	Tonnage of selling product			Actual selling product period 09 July 2016 until 29 May 2017			
	• CSPO			5,200.03			
	• CSPK			-			
	• CPO under other scheme trading (e.g ISCC, RFS)			-			
	• CPO under conventional trading (if any)			5,389.97			
	• PK under other scheme			-			
	• PK under conventional trading (if any)			2,182			
1.8.3	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Ladang Panjang Estate	1,202.04	1,127.71	32,794	29.08		

Karya Mandiri Cooperative (541 Smallholders)	1,066.37	1,066.37	19,280	18.08
TOTAL	2,268.41	2,194.08	52,074	23.74

**Projected FFB production for 29 November 2017 to 28 November 2018*

1.8.4 Estimate of Certified Palm Product Claim

Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
			Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
Ladang Panjang Factory	30	52,074	12,107	23.25	2,395	4.6

**Projected CSPO and CSPK production for 29 November 2017 to 28 November 2018*

1.9 Other Certifications

Others	ISPO Certificate MUTU-ISPO/069 issued by PT Mutuagung Lestari 06 December 2016 to 05 December 2021
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1.10. Time Bound Plan of Sime Darby Plantation Sdn Bhd updated December 2017
1.10.1 Time Bound Plan for Other Management Units

Management Unit		HGU on Process		Supply Base	Time Bound Plan	Location	Status
Mill	Time Bound Plan	Ha	Time Bound Plan				
INDONESIA							
Sekunzir. PT. Indotruba Tengah	2010			Sekunzir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified
				Seruyan	2010		Certified
Manggala. PT. Tunggal Mitra Plantations	2010			Manggala 1	2010	Rokan Hilir District – Riau	Certified
				Manggala 2	2010		Certified
				Manggala 3	2010		Certified
Bukit Ajong PT. Sime Indo Agro	2010	1,652	2019	West	2010	Sanggau District – West Kalimantan	Certified
				East	2010		Certified
				Sei Mawang	2018		-
				East Plasma	2010		Certified
				West Plasma	2010		Certified
Teluk Siak. PT Aneka Inti Persada	2011	421.31	2020	Teluk Siak	2011	Pekanbaru, Siak District – Riau	Certified
				Pinang Sebatang	2011		Certified
				Aneka Persada	2011		Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	308.25	2020	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified
				Bukit Pinang	2012		Certified
Pematang. PT. Teguh Sempurna	2011			Pematang	2011	Seruyan and East Kotawaringin Distri ct – Central Kalimantan	Certified
				Kawan Batu	2011		Certified
				Hatan Tiring	2011		Certified
				Batang Garing	2011		Certified
Alur Dumai. PT Lahan Tani	2011			Alur Dumai	2011	Rokan Hilir District – Riau	Certified

Sakti							
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011			Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
				Nusa Perkasa	2011		Certified
				Nusa Lestari	2011		Certified
Mandah. PT. Bhumireksa Nusa Sejati	2014			Mandah	2011	Indra Giri Hilir District – Riau	Certified
				Rotan Semelur	2011		Certified
Angsana Mini. PT Sajang Heulang	2011			KKPA-1 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
				Pantai Bonati	2011		Certified
Angsana. PT Ladangrumpun Suburabadi	2011			Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
				Gunung Sari	2011		Certified
				KKPA-4 PT.SHE	2013		Certified
Mustika. PT Sajang Heulang	2013			Mustika		Tanah Bumbu District – South Kalimantan	Certified
				KKPA-2 PT.SHE	2013		Certified
				KKPA-3 PT.SHE	2013		Certified
				KKPA-5 PT.SHE	2013		Certified
				SAP 1	2020		ST-2
Gunung Aru. PT Bersama Sejahtera Sakti	2011	765	2020	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
				Gunung Kemasam	2011		Certified
				Laut Timur	2011		Certified
				Pantai Timur	2011		Certified
				KKPA BSS	2020		-
Bebunga. PT. Langgeng Muaramakmur	2011	1,162	2020	Sungai Cengal	2011	Kotabaru District – South Kalimantan	Certified
				Bebunga	2011		Certified
				KKPA Sungai Cengal	2014		Certified
Sukamandang PT Kridatama Lancar	2011			Sukamandang	2011	Seruyan and East Kotawaringin Distri ct – Central Kalimantan	Certified
				Sapiri	2011		Certified
				Barasdanum	2011		Certified
				Kuala Kuayan	2011		Certified
Pondok Labu. PT Paripurna Swakarsa	2012	1,120	2020	Binturung	2012	Kotabaru District – South Kalimantan	Certified
				Pondok Labu	2012		Certified
				Rampa	2012		Certified
				Sesulung	2012		Certified
PT Swadaya Andhika	2012	63	2020	Selabak	2012	Kotabaru District – South Kalimantan	Certified
				Randi	2012		Certified
				Sangkoh	2012		Certified
				Lanting	2012		Certified
Rantau. PT Laguna Mandiri	2012			Rantau	2012	Kotabaru District – South Kalimantan	Certified
				Matalok	2012		Certified
Betung. PT Laguna Mandiri	2014			Betung	2012	Kotabaru District – South Kalimantan	Certified
				Sekayu	2012		Certified

Ungkaya. PT Tamaco Graha Krida	2012			Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
				Plasma TGK	2015		Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	1,639	2020	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
				Plasma BGR	2020		-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	4,133	2020	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
				Bumi Ayu	2012		Certified
				Karang Ringin	2012		Certified
				Napal	2012		Certified
				Mangun Jaya	2012		Certified
Sungai Jernih Estate and GPI KKPA	2017	-					
Blang Simpo. PT Perkasa Subur Sakti	2013	1,286	2020	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
				Batang Ara (PT PSK)	2013		Certified
				Blang Simpo-01	2013		Certified
				Blang Simpo-02	2013		Certified
MAS. PT Mitra Austral Sejahtera	2020			MAS 1	2018	Sanggau District – West Kalimantan	-
				MAS 1	2018		-
				MAS 1	2018		-
				Plasma MAS	2020		-
Lembiru. PT Sandika Nata Palma	2014			Lembiru	2014	Ketapang District – West Kalimantan	Certified
				Awatan	2014		Certified
				Karya Palma	2018		-
				KKPA SNP	2020		-
				Pelanjau (PT BAL)	2018		-
				Sungai Putih (PT BAL)	2018		-
				Baturus (PT BAL)	2018		-
KKPA BAL	2020	-					
MALAYSIA							
Sg Dingin SOU 1	2010			Bukit Hijau	2010	Kerangan, Kedah	Certified
				Padang Buluh	2010		Certified
				Bukit Selangor	2010		Certified
				Sg Dingin	2010		Certified
				Jentayu	2010		Certified
				Anak Kuli	2010		Certified
				Somme	2010		Certified
Chersonese SOU 2	2011			Chersonese	2011	Kuala Kurau, Perak	Certified
				Holyrood	2011		Certified
				Kalumpong	2011		Certified
				Tali Ayer	2011		Certified
Elphil SOU 3	2011			Kinta Kellas	2011	Sg Siput, Perak	Certified
				Elphil	2011		Certified

				Kamuning	2011		Certified
Flemington SOU 4	2011			Flemington	2011	Teluk Intan, Perak	Certified
				Bagan Datoh	2011		Certified
				Sabak Bernam	2011		Certified
				Sg Samak	2011		Certified
Seri Intan SOU 5	2011			Seri Intan (Main Division)	2011	Teluk Intan, Perak	Certified
				Sabrang	2011		Certified
				Sg Wangi	2011		Certified
				Sogomana (Main Division)	2011		Certified
Selaba SOU 5	2011			Seri Intan (Selaba Division)	2011	Teluk Intan, Perak	Certified
				Sogomana (Cashwood & Sg Beruas Division)	2011		Certified
				Bikam	2011		Certified
				Clumy	2011		Certified
Tennamaram SOU 6	2011			Tennamaram	2011	Bestari Jaya, Selangor	Certified
				Sungei Buloh	2011		Certified
				Bkt Talang	2011		Certified
Bkt Kerayong SOU 7	2011			Bkt Kerayong	2011	Kapar, Selangor	Certified
				Bkt Cherakah	2011		Certified
				Bkt Rajah	2011		Certified
				Bkt Lagong	2011		Certified
				Elmina	2011		Certified
East SOU 8	2010			East	2010	Carey Island, Selangor	Certified
				Dusun Durian	2010		Certified
				Sepang	2010		Certified
West - SOU 9	2010			West	2010	Carey Island, Selangor	Certified
Bukit Putri - SOU 10	2011			Bukit Putri	2011	Raub, Pahang	Certified
Kerdau SOU 11	2011			Kerdau	2011	Temerloh, Pahang	Certified
				Jentar	2011		Certified
				Mentakab	2011		Certified
				Sg Mai	2011		Certified
				Chenor	2011		Certified
Jabor - SOU 12	2011			Jabor	2011	Kuantan, Pahang	Certified
Labu SOU 13	2011			Labu	2011	Nilai, Negeri Sembilan	Certified
				New Labu	2011		Certified
				Bradwall	2011		Certified
Tanah Merah SOU 14	2010			Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
				Sua Betong	2010		Certified
				Bukit Pelandok	2010		Certified
Sua Betong SOU 15	2014			Salak	2014	Port Dickson, Negeri Sembilan	Certified
				Sengkang	2014		Certified
				Siliau	2014		Certified
				PD Lukut	2014		Certified

				Sungai Baru	2014		Certified
				Tampin Linggi	2014		Certified
Kok Foh SOU 16	2011			Bukit Pilah	2011	Bahau, Negeri Sembilan	Certified
				Kok Foh	2011		Certified
				Muar River	2011		Certified
				St. Helier	2011		Certified
				Pertang	2011		Certified
				Sg Gemas	2011		Certified
				Sg Sebalang	2011		Certified
				Sg Senarut	2011		Certified
				Kempas SOU 17	2010		
Kemuning	2010	Certified					
Tangkah	2010	Certified					
Diamond Jubilee SOU 18	2011			Bukit Asahan	2011	Jasin, Melaka	Certified
				Diamond Jubilee	2011		Certified
				Serkam	2011		Certified
Pagoh SOU 19	2014			Pagoh	2014	Muar, Johor	Certified
				Lanadron	2014		Certified
				Pengkalan Bukit	2014		Certified
				Welch	2014		Certified
Chaah SOU 20	2010			North Labis	2010	Chaah, Johor	Certified
				Cha'ah	2010		Certified
				Sg Simpang Kiri	2010		Certified
Gunung Mas SOU 21	2010			Gunung Mas	2010	Kluang, Johor	Certified
				Kempas Klebang	2010		Certified
				Bukit Paloh	2010		Certified
				Yong Peng	2010		Certified
Bukit Benut SOU 22	2011			Bukit Benut	2011	Kluang, Johor	Certified
				CEP Niyor	2011		Certified
				Lambak / Elaeis	2011		Certified
Ulu Remis SOU 23	2011			Pekan	2011	Layang-layang, Johor	Certified
				Sembrong	2011		Certified
				Tun Dr. Ismail	2011		Certified
				Ulu Remis	2011		Certified
				Bukit Badak	2011		Certified
				Cenas	2011		Certified
Hadapan SOU 24	2011			CEP Rengam	2011	Layang-layang, Johor	Certified
				Kulai	2011		Certified
				Layang	2011		Certified
				Seri Pulai	2011		Certified
Sandakan Bay SOU 26	2008			Tun Tan Siew Sin	2008	Sandakan, Sabah	Certified
				Tunku	2008		Certified
				Tigowis	2008		Certified
				Sentosa	2008		Certified
				Saguliud	2008		Certified
Melalap	2011			Melalap	2011	Tenom, Sabah	Certified

SOU 27				Sapong	2011		Certified
Binuang SOU 28	2009			Tingkayu	2009	Kunak, Sabah	Certified
				Sungang	2009		Certified
				Jelata Bumi	2009		Certified
				Binuang	2009		Certified
Giram SOU 29	2009			Mostyn	2009	Kunak, Sabah	Certified
				Giram	2009		Certified
Merotai SOU 30	2009			Imam	2009	Tawau, Sabah	Certified
				Merotai	2009		Certified
				Table	2009		Certified
				Tiger	2009		Certified
Lavang SOU 31	2011			Belian	2011	Bintulu, Serawak	Certified
				Kelida	2011		Certified
				Lavang	2011		Certified
				Lavang (SE)	2011		Certified
				Rasan	2011		Certified
Rajawali SOU 32	2011			Rajawali	2011	Bintulu, Serawak	Certified
				Samudera	2011		Certified
				Semarak	2011		Certified
				Bayu	2011		Certified
Derawan SOU 33	2011			Takau	2011	Bintulu, Serawak	Certified
				Damai	2011		Certified
				Derawan	2011		Certified
				Sahua	2011		Certified
Pekaka SOU 34	2011			Chartquest	2011	Bintulu, Serawak	Certified
				Dulang	2011		Certified
				Peroh	2011		Certified
				Pekaka	2011		Certified
				Ruai	2011		Certified

Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia.

A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and Sime Darby Plantation Sdn Bhd targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.

There was change of the Time Bound Plan under Sime Darby on 15 April 2016 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, MUTU has consider that Sime Darby still comply with the RSPO requirement for partial certification.

1.10.2 Progress of Associated Smallholders and Outgrowers for Certifiable Standard

One of Cooperative associated smallholders of PT BGR has carried out RSPO internal audit conducted in April 2016 and the results of the audit showed there is a non conformity against the RSPO standard. The other 4 Cooperataive did not want to be certified RSPO yet.

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
RC	<ol style="list-style-type: none"> Rudi Ramdani (Lead Auditor Supervised). Indonesian citizen with bachelor degree majoring in Agronomy. Experience as assistant manager in private oil palm company for ±3 years. He has followed training in several aspects as of: ISO 9001, ISO 14001, In house training of OHSAS, ISPO & RSPO. He rules as lead auditor of ISPO since April 2016. He had involved many audit in scheme of ISPO and RSPO certification since 2012, with aspect audit of : best management practice in oil palm plantation & mill, legal, environment, social, worker welfare. During this audit, he assigned to verify legal, social, land conflict and SCCS. Oktoavianus Rusmin (Lead Auditor Witnessing). Bachelor's Degree in Social & Political Sciences Department of Anthropology. The working experience, consist of: Coastal Project-Department of Anthropology in Indonesian University (Pilot Project of Mangrove Rehabilitation in coastal area of South Sulawesi) as Social Supervisor (1999-2001), Center of Anhtropology-Indonesian University (Research and Publication) as Researcher (2002 – 2014), The Forest Trust-Indonesia (Consultant of Sustainable Forest Management) as Social Advisor (2004 – 2010) and eForest Consultant (HCV Identification and Social Impact Assessment) as staff (2010 – 2011). Already participated in several training, consist of: Forest Management Auditor (FSC Standard), Environmental Management System ISO 14001, ISO 9001:2008, Conflict Resolution, Human Right, Verification System of Wood Legality, Training Lead Auditor of ISPO & RSPO Scheme. Had participate in Sustainable Forest Certification (Eco Labelling Indonesia Standard), Gap Analysis of FSC Standard. He was numerously involved in audit of sustainable palm oil certification since 2011 for Indonesian Sustainable Palm Oil (ISPO) and RSPO Scheme in Indonesia & Malaysia as Auditor and <i>Lead Auditor</i>. During this audit he has been LA witnessing. M. Amarullah (Auditor). Indonesian Citizen. Master of Wood Science and Technology and Bachelor of Forestry, majoring in Forest Product Technology. Has experiences as an Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has been attended several trainings such as Lead Auditor of ISPO, RSPO, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, HCV, etc. Has been conducted several ISPO audit scheme as an Auditor since 2014 in BMP, environment, conservation and OHS aspect. Fluent in Bahasa, Malay and English. During this audit, he assigned to verify Best Management Practices and waste management. Naila Karima (Auditor). Bachelor of Public Health, Department of Occupational Health and Safety. Faculty of Public Health, University of Indonesia. She has experience working in private oil palm plantation companies in Indonesia. Who had attended the training including training understanding the RSPO certification system, ISPO Lead Auditor, and certified Integrated Management System (Occupational Health and Safety Management System OHSAS 18001:2007, Environmental ISO 14001:2004, Quality ISO 9001:2008). In the assessment activity, she assessed on safety and health, worker welfare. Radytio Puspanjana (Auditor Trainee). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Sience. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMIT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training,IHT Geospacial Information System, IHT Hight Conservation Value, IHT Environmental Impact Assesment, IHTGreen House Gas and RSPO Awareness In House Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. At the time of audit, has verify aspect of Transparency, conservation and Environment.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
RC	<p>Number of auditors : 3 auditor and 1 auditor trainee</p> <p>Number of days for RC at site : 4 days.</p> <p>Number of working days for RC at site : 16 Working days.</p>
2.2.2	Assessment Process
RC	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Bahari Gembira Ria to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by

INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D 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.

Some opportunities for improvement of the results **RC** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-1.1**).

Improvement of findings from main assesment findings were observed by auditors at this **RC** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **RC**.

The assessment program please find Appendix 2

2.2.3 Locations of Assessment

RC

Ladang Panjang Factory:

- **Security post.** Field interview with security officer regarding of FFB receive and CPO/PK send out.
- **Weightbridge post.** Field interview with weighbridge officer concerning of FFB receive and CPO/PK send out.
- **Grading station.** Field interview with workers and supervisor concering of FFB grading standard, worker right, safety, worker union, etc.
- **Sterilizer station.** Field interview with workers and supervisor concering of FFB grading standard, worker right, safety, worker union, etc.
- **Boiler station.** Field interview with workers and supervisor concering of FFB grading standard, worker right, safety, worker union, etc.
- **Digester station.** Field interview with workers and supervisor concering of FFB grading standard, worker right, safety, worker union, etc.
- **Engine room.** Field interview with workers and supervisor concering of FFB grading standard, worker right, safety, worker union, etc.
- **Mill Drainage.** Observations mill effluent lines, sanitation mill and flow of leaching mill.
- **WTP station.** Observation and interview with operator towards technical, OHS and manpower aspects.
- **EFB station.** Observations related to the suitability of waste management with SOPs and environmental aspect.
- **Hydrant & Fire Extinguisher.** Observation on the availability and condition of fire equipment and preparedness of fire-fighting team.
- **Chemical material warehouse.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.
- **Workshop.** Observations and interviews with workers related to the management and implementation of health safety, and social worker.
- **Hazardous waste temporary warehouse.** Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.
- **WWTP. Observation management effluent.** Field observations related to Ban to entry to WWTP, run off, testing of effluent. Officers equipped with PPE and Recording of effluent debit effluent.
- **Worker Housing.** Observations related to facility employees, domestic waste management, emergency response facilities, provision of clean water, and access to basic needs
- **Talang Duku Bulking.** Observation and interview the bulking staff related to mechanism of CPO stored from Ladang Panjang POM and the shipment process (loading).

Ladang Panjang Estate:

- **Block C041, Bounday pole number 9.** The pole is in good condition and as boundary with KUD Karya Mandiri.
- **Block C040, Bounday pole number 8.** The boundary is in good condition and as boundary wiht province of Sumatera Selatan.
- **Block B18, Division II.** Observation the conditions and position of legal boundary BGR 005.
- **Block B15, Division II.** Observation the conditions and position of legal boundary BGR 004.

- **Employee Housing.** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities
- **Workshop.** Observation and interviews related to the competence of workers, medical check up, implementation OHS and waste management.
- **Fire Facility Warehouse.** Observation on the availability and condition of fire equipment and preparedness of fire-fighting team.
- **Chemical Warehouse.** Observation of fertilizer and pesticide storage area, equipped with pallets, symbol and MSDS.
- **BSS Warehouse.** Observed the washing of working tools, PPE spray teams and used pesticide containers.
- **Hazardous Waste Storage.** Observed the hazardous waste storage licensed and completeness of the building such as waste balance sheets, symbols and labels, the availability of fire extinguisher and emergency wash.
- **Block C028 Divisi 3.** Observation of **land application (POME)** and interview with Foreman and Operators towards technical, OHS, manpower and conservation aspects.
- **Block C027 Divisi 3.** Observation of **Harvesting** activities and interview with Foreman and Harvester towards technical, OHS, manpower and conservation aspects.
- **Block C035 Divisi 3.** Observation of **EFB application** and interview with Foreman towards technical, OHS, manpower and conservation aspects.
- **Block C038 Divisi 3.** Observation of **Barn Owl Box (BOB), fertilizer application (NPK) and pesticide application (Kenlon)** activities and interview with Foreman, fertilizer applicators and pesticide applicators towards technical, OHS, manpower and conservation aspects.
- **Block C029 Divisi 3.** Observation of **Nursery** activities and interview with Foreman and workers towards technical, OHS, manpower and conservation aspects.
- **Block A11, Division II.** Observation the Peat management consist of canals system, water level, and piezometer poles.
- **Block B015 Division II.** Observations related to the measurement of peat land with subsidence pole.
- **Block A17, Division II.** Observation as well as barn owl box and peat cover crop condition.
- **HCV area, Blok A002, Division I.** Observations marking of HCV areas and RTE information signboard, prohibition of burning , hunting and illegal logging of natural trees.

Karya Mandiri smallholder office:

- Interview with out grower related to ex pesticide container management, HCV area and RTE.
- **Pesticide and fertilizer warehouse.** Field observations related to the fulfillment of health and safety, building standard
- **Signboard HCV, Tri Mulyo 2.** Information of HCV areas and RTE information signboard, prohibition of burning, hunting and illegal logging of natural trees.

Smallholder Trimulyo 2 & 3 :

- Observation of best agricultural practices implementation on the field and interview with smallholders towards their understanding on legal, BMP, Barn Owl Box, environment and conservation aspects and observation on riparian area of **Terentang River**.

Government Agencies of Muaro Jambi District and surrounding village:

- **National Land Agency (BPN).** Interview and agency perception towards PT BGR through legal aspects such as land permit and business license, as well as conflict resolution implementation.
- **Agency of Plantation (estate Crop) and Animal Husbandry.** Interview and agency perception towards PT BGR through land suitability and land planning, overlapped with forest area, new planting, fire issues, community culture, CSR and social aspects implementation.
- **Agency of Environment.** Interview and agency perception towards PT BGR through hazardous and hazardous waste materials, as well as related environment management aspects implementation.
- **Agency of Manpower and Transmigration.** Interview and agency perception towards PT BGR through industrial related manpower aspects implementation such as relationship, wages, OHS facility and implementation, insurance, worker status, time of work, license of devices and operators, health facility for workers, etc.

	<ul style="list-style-type: none"> • Gambut Jaya village. Interview with village head concerning of communication, social, land issue, etc. • Ladang Panjang village. Interview with stakeholder concerning of communication, social, land issue, etc.
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
RC	<p>Consultation of stakeholders for PT. Paripurna Swakarsa was held by:</p> <ul style="list-style-type: none"> • Public Notification on 25 April 2017 at RSPO website • Public Notification on 22 May 2017 at PT Mutuagung Lestari Website. • Public consultation with government of Muaro Jambi Regency conducted on 29th May 2017. • Public consultation meeting with local stakeholder conducted by interview on 30th May 2017. • Public consultation meeting with internal stakeholder on 30th May 2017. • Public consultation with NGO by email conducted on 23rd May 2017.
2.3.2	Stakeholder contacted
	<i>Please find appendix 1.</i>
2.4	Determining Next Assessment
	The next visit (ASA-1) will be determined one year after this RC (June -2018) .

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Ladang Panjang Factory – PT Bahari Gembira Ria, Sime Darby Sdn, Bhd Group operation consisting of one (1) mill and 1 own estate and 1 smallholder scheme.

During the assessment, there were thirteen (13) Nonconformities were assigned against Major Compliance Indicator(s); seven (7) nonconformity(s) were assigned against Minor Compliance Indicators; and nil (0) nonconformance(s) against supply chain requirement for CPO mil and four (4) opportunity(s) for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (*document record/photographic/etc...*). Those corrective action(s) taken that consist of thirteen (13) Major non-conformity(s) and seven (7) Minor non-conformity(s) had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Ladang Panjang Factory – PT Bahari Gembira Ria, Sime Darby Sdn, Bhd Group complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Issued

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
<p>1.1.1: Companies can show list of stakeholders that have been updated in 2016 which is informing the stakeholders involved with the operations of the company, starting from the village, community leaders agencies/ institutions/ agencies/ departments of local government or central, police, hospitals, NGOs, trade unions, associations and contracting partners of the company. Information in the list include official name, office address, email and phone numberl. The Head of administration will providing and update the stakeholder list. List of stakeholders. Karya Mandiri smallholders list is referring to PT BGR.</p> <p>The Company provides information in the form of regular reports, such as an example report of environmental management to relevant agencies. This implementation report is made every six months and reported to the Environment Bodies of Muaro Jambi Regency and the Environment Bodies of Jambi Province, as example of implementation report of semester II of 2016 which sent to Environment Bodies of Muaro Jambi Regency on April 10, 2017. The PIC which providing and updating information is head of administration (KTU) in each unit.</p> <p>Interviews with the Agency of the District Muaro Jambi (Labour Agency, Environment Bodies and Plantation Agency) informed that the company has openly expressed a document that can be accessed by the public, for example related to legal, environmental, social, OHS, etc. As if it needed information regarding the above, the department will send a letter to the company.</p>	

The company shows minutes meeting of socialization about information request procedure that conducted in January 17, 2017 and was involving related institutions such as government agencies, district government, local government and community surrounding. Based on interviews with related stakeholders in the Muaro Jambi District (Manpower Agency, environmental agency and Plantation Agency), informed already knew of documents that can be accessed by the public, such example : document related to legality, environment, social, OHS..

1.1.2:

The Company has consistently documented SOPs Request for Information (Document No. 008/BGR-PI/VIII/10, August 1, 2012). In SOP explained that the requests for information received will be studied and made his answer by manager operational unit of Mill or Estate, and has covered the types of information that can be accessed by the public. Based on the flow chart in Appendix of this SOP explained that since received a letter of request for information from stakeholders to make a response to the determined period of 14 days.

The records documented information in the Log Book Inbox/Outgoing Mail and recorded in the office of each operational unit (Mill and Estate). The study results Log Book Inbox/ Outgoing Mail January - March 2016 till June 2017, there is no letters associated with requests for information, that there is associated with the demand for financial aid, road repairs, or an invitation from the office to attend an event.

Base on public consultation with the Agency of the District Muaro Jambi (Labour Agency, Environment Bodies and Plantation Agency) submitted that the company had responded properly if there is a request for information from the agency.

Status: Comply

1.2

Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

1.2.1:

The Company has consistently documented the list of documents available to the public are described in Memorandum No.01/BGR/04/15 dated 21 April 2015 issued by the Chairman SOU 21 Ladang Panjang. The documents include land use title, plantation business permit, HCVA, SIA, land application/hazardous waste permit, EIA, environmental management plan/environmental monitoring plan, OHS, employee data, data production (FFB, CPO, PK), hazardous waste data, specification engine plant, vehicle specifications, detail and complaints, sustainable plantation management guidelines, public summary of the certification assessment report, a human rights policy, and negotiation procedures. The document is saved in the Office Estate/Mill, traction and secretariat. A list of documents available to the public set by PT BGR compliance with RSPO Principles & Criteria.

The management unit showed evidence of socialization of public access to documents on 22 April 2015 attended by the village community Trimulya Jaya Village, Mingkung Jaya Village, Sumber Agung Village, Petaling Jaya Village, RT 26 RW 04 Ladang Panjang. Also based on the results of interviews with the District Muaro Jambi (Labour Agency, Environment Bodies and Plantation Agency) submitted that the company has openly expressed a document that can be accessed by the public, for example related to legal, environmental, social, OHS, etc.

Karya Mandiri Cooperative

The smallholder has an Information Demand SOP (Document No. 008 / KUD-KM/VIII/2016 August 02, 2016) describing the company's guidance in response to requests for information from stakeholders. The SOP describes the publicly available documents.

Status: Comply

1.3

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

1.3.1:

The company has documented the Business Ethics Policy which approved by GM on 24 May 2007. In the policy submitted that the management units to develop business ethics with regard to the company and its stakeholders' expectations how to enforce the ethics including monitoring, reporting and sanctions for violations of the code of conduct. The commitment in interacting with stakeholders is a major concern of companies and be part of the company's business ethics, as well as the creation of added value. In addition, within the policy also explained about the work ethic that governs the basic attitude individual's and behavior of individuals inside and outside the company, including appreciate a personal nature fellow employees, such as religion, status, ethnic or racial and family, not committed an unlawful act such as gambling, stealing or embezzling company assets.

The policy has been communicated to all workers including contractors through socialization in morning briefing on March 3, 2016, which was attended by the foreman and workers Division I, II and III LPE, and on April 27, 2016 submitted to the workers in the LPF. To ensure that the workers have to know the company's business ethics policy also conducted interviews with workers at workshop LPF and LPE, a warehouse clerk LPE and LPF, operational workers estate such as harvesters and sprayers Division III LPE as well as the harvesting and loading contractors FFB.

Karya Mandiri Cooperative

Based on interviews with members of cooperative Karya Mandiri smallholder known to have understood the code of conduct owned. The socialization was conducted on September 15, 2016 which was attended by all members of the Cooperative.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1:

The company has shown the evidence of compliance with local, national and international regulations. List of laws and regulations updated on May 19, 2017 approved by Manager EHS/PSQM Sumatra.

- Have Land rights in the form of Land Use Title, location permit and plantation business permit for the activities of oil palm plantation and palm oil mills accordance Plantation Act 39/2014 on plantation and Law No. 5 of 1960 on Main Agrarian Regulations (refer to criteria 2.2)
- The company has endeavored to protect workers from hazards and risks by providing PPE for high noise areas such as earplugs and earmuffs, and for areas with potential dangers of dust, smoke and ash in the form of masks. In addition to the provision of PPE, protection for workers is done by performing regular health checks in the form of audiometry and spirometry. As well as testing the air quality in the factory environment to ensure that the working environment in a safe condition in accordance with requirement (refer to indicator 4.7.3)
- Workers at specific station have completed with license (boilerman, electrician, heavy equipment operator and welder) in accordance with requirement (refer to indicator 4.7.3)
For example OHS License for Boiler man No.12.P.08.970 OPK3-PUBT-B.I/XI/2012 valid until 30 November 2017, OHS License for Becho Loader operator No. 14.34394-OPK3-PAA/IV/2014 valid until 12 April 2019, certificate welder No.01/ILMTA.3/Sert-Las/IV/2007 and Electrician has been attended the training and certification OHS Electricity on 09-12 January 2017 certificate still in process
- Already has an organizational structure of Guiding Committee of Occupational Safety & Health and reporting regularly every three months (refer to indicator 4.7.4).
- Has been implements the requirement of environment aspect such as EIA management and monitoring in routinely (refer to criteria 5.1).
- The Certification unit has comply with minimum wage referring the decree of Jambi Governor (refer to indicator 6.5.1)
- Have the hazardous waste storage permit.
- Have the permission to utilize effluent on land (Land Application).
- Have a document of environmental impact assessment (EIA).
- Sending the reports of Environmental Management Plan and Environmental Monitoring Plan every semester.
- Sending quarterly reports of hazardous waste management.

According to document review and field observations, several evidence of laws and regulations pursuance related to the best agricultural practices are zero burning method during land clearing activities as mentioned by Plantation Agency of Muaro Jambi, has only plants seeds which produced from government recognised seeds producers, adopting integrated pest management, has only used pesticides listed in Pesticides Commission of Department of Agriculture on period 2016, has conducting water management and peat subsidence measurement on peat soil areas, etc.

Certificate holder can show a copy of the regulations was documented on soft file by PSQM department. Based on the interviews with relevant agencies (Plantation Agency, Labor Agency and Environmental Body) known that the management unit has fulfilled the regulations related to the plantation, employment, environment, and regulations that applicable.

Karya Mandiri Cooperative

Plasma Manager stated that all laws/regulations implemented in Plasma were adopted from PT BGR management. Based on interview with smallholders in Trimulyo 2 and Trimulyo 3, it was stated that Assisstant Plasma (Internal Control System) routinely provide a technical training which related to oil palm agronomy practices, such as manuring, pest management, harvesting and chemicals upkeep. Both parties also stated that two-side communication were goes satisfactory.

2.1.2; 2.1.3 and 2.1.4:

The company has a mechanism to identify and evaluate the compliance with the law described in the SOP of Law Terms (No 010/PH-BGR/VIII/10, 10 August 2010). PIC who is responsible for identifying the regulation and for evaluating the regulations was Plantation Services Department and EHS Manager. Information of regulation from national, provincial and district regulatory bodies, and renewal of any changes to prevailing laws and regulations and monitoring of expired regulations/licenses. A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO. All regulations are noted in the list of rules which are always evaluated regularly at least once a year or if there are regulatory / latest requirements referenced. List of laws and regulations updated on May 19, 2017 approved by Manager EHS/PSQM Sumatra. Internal audits have been conducted continuously every once a year and are documented and reviewed on 01 May 2017 by PSQM Department.

Status: Comply

2.2

The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.

2.2.1:

The Company's land rights consist of:

1. Land Use Tittle decree for an area of 1,202.04 Ha which is clear boundary pole of it.
2. 3 plots of land that are still in cadastral stage for the management of HGU with the latest developments are:
 - The management unit showed the letter dated 22 May 2017 from the National Land Office of Jambi Province number 368 / 9-15 / V / 2017 regarding the invitation of the meeting committee for B land examination of Jambi Province to PT Bahari Gembira Ria based on the application letter of land use tittle PT Bahari Gembira Ria dated May 19 2017 on land parcels, according to land parcels of 23 November 2016 08/2016 number of 292.40 Ha, 09/2016 number of 107.13 Ha, and land parcels of May 19, 2017 number 7/2016 of 1,396 Ha or total area 1,795.53 Ha located in Muaro Jambi Regency, Jambi Province. The meeting is planned on May 23, 2017.
 - Report the results of the examination in the field by land examination committee Jambi B of the application for the concession of PT Bahari Gembira Ria dated May 26, 2017, for an area of 1,396.66 hectares, 292.40 hectares and 107.13 hectares in the village of Parit, Sumber Agung, Gambut Jaya and Arang-arang, sub district of Sungai Gelam, and Kumpeh Ulu, Muaro Jambi, Jambi Province. Measurement was attended by 30 participants from the National Land Agency, the company's staff, village heads of Gambut Jaya, Sumber Agung, Arang-arang, Parit, Head of Subdistrict Kumpeh Hulu, 11 officers of National Land Agency, Head of sub district Sungai Gelam, National Land Agency of Muaro Jambi Regional Office, representatives Transmigration Jambi Province. The total area of field examination is: 1.796,19 Ha.

Karya Mandiri Cooperative:

There is recapitulation document of the names of farmer groups per year planting which consist of 21 smallholder groups, 541 members with an area of 1,066.37 ha. For example for KT Mawar Abadi I with year of 1997 planting, area of 49,61 Ha and 24 members.

The distribution of planting members of KUD Karya Mandiri is 1996, 1997, 2000, 2001 (bleached on agreement to be planting year 1997 and 1998) with 1 plot of 2 Ha.

There is an example of a certificate of land title from the Land Agency of Muaro Jambi district, number 3319 for ownership certificates on behalf of Suparinah, located in Petaling Jaya village on June 30, 2009 on May 8, 2008 for land of 20,160 sqm. Head of Karya Mandiri smallholder inform that by now, the management of land title certificate is by their own member, because the land title certificate has been paid off from the plantation company.

2.2.2:

The Company shows the program and the realization of the maintenance of the boundary pole year of July 2016-June 2017 in the form of activities conducted per 3 months, namely:

- Re-registration of stakes, cleaning around the stakes, repainting for 20 stakes division 1 (not HGU), 6 stakes division 2 (not HGU), 10 stakes Division 3 (already HGU 1,202,04 Ha).
- The 3rd Division 3 HGU certificate checks are in good condition, 6 stakes 2nd in good condition, 20 stakes 1st in good condition.

Based on the results of field observations on the maintenance of the boundary marks known as follows:

- Block B18. Observation of boundary condition of HGU BGR No.005, in good condition and well maintained.
- Block B15. Observation of BGR HGU No.004 boundary condition, in good condition and well maintained.
- Block C041. Observation of BGR No.009 HGU boundary condition in good condition and well maintained. Boundary between PT BGR and KUD Karya Mandiri.
- Block C040. Observation of HGU boundary No.008 in good condition and well maintained. It borders the province of South Sumatra.

Karya Mandiri Cooperative:

Available documents:

- TSM I, II and III development layout maps located at Petaling Jaya Estate Muaro Jambi Regency scale 1: 10.000.
- Map of per group of KUD Karya Mandiri farmers with scale of 1: 10,000 with 21 farmer groups (originally named map of plots per farmer group stage IV / VI and VII Petaling Jaya Estate).

Field visits to farmer groups Tri Mulyo II and III of Karya Mandiri smallholders known not found the boundary marker as a physical boundary marker in the field between land owners. **Nonconformance No.2017.01.**

2.2.3:

Based on field observations and interviews with employees, villages and plasma cooperatives, there is no land conflict in the company's work area.

The results of interviews with Gambut Jaya village Head and village officials of Ladang Panjang obtained information that there is no land .4.issue between the company and the villagers. The boundary between the village and the company is clear demarcated.

Karya Mandiri Cooperative:

Based on the focus group discussion with Karya Mandiri smallholders management and members on June 31, 2017 at Karya Mandiri smallholders office, it was found that there were no land conflicts between farmers and companies or among farmer owners.

2.2.4:

Based on field observations and interviews with employees, villages and plasma co-operatives there is no conflicts of land in the company's work area

The results of interviews with Gambut Jaya vilah head and village officials of Ladang Panjang obtained information that there is no land issue between the own estate and the villagers. The boundary between the village and the company is clear demarcated.

Karya Mandiri Cooperative:

Based on the focus group discussion with Karya Mandiri smallholders management and members on June 31, 2017 at Karya Mandiri smallholder office, it was found that there were no land conflicts between farmers and companies or among farmer owners.

2.2.5:

Based on field observations and interviews with employees, villages and plasma co-operatives there is no conflicts of land in the company's work area

The results of interviews with Gambut Jaya vilage head and village officials of Ladang Panjang obtained information that there is no land issue between the own estate and the villagers. The boundary between the village and the company is clear.

Karya Mandiri Cooperative:

Based on the focus group discussion with Karya Mandiri smallholders management and members on June 31, 2017 at Karya Mandiri smallholders office, it was found that there were no land conflicts between farmers and companies or among farmer owners.

2.2.6:

Based on GM GR policy, Adm & Secretary Number: 026 / GRAS-IM / II / 2016 dated February 1, 2016 regarding security policy in operational unit which explains:

- in conducting operational activities, the company shall be guided by and applicable legislation in Indonesia.
- The handling of conflicts between companies and other parties is resolved under the terms of the company and does not employ mercenary or paramilitary services in connection with the settlement of the conflict.
- The company does not justify violence in conflict resolution

Based on field observations and interviews with employees, villages and plasma co-operatives there is no conflicts of land in the company's work area.

Karya Mandiri Cooperative:

Based on the focus group discussion with Karya Mandiri smallholders management and members on June 31, 2017 at Karya Mandiri smallholders office, it was found that there were no land conflicts between farmers and companies or among farmer owners.

Karya Mandiri smallholders has a conflict resolution SOP legalized on September 24, 2016 by the chairman and management of the cooperative. There is also a security policy at Karya Mandiri (number 26 / KUD.KM / VII / 2017, dated March 14, 2017) to farmers groups and plasma farmers consisting of 4 points, whereas in point 2 that the handling of conflicts between Karya Mandiri smallholders and other parties are resolved under the terms of the smallholders management and do not use the services of the mercenaries or paramilitaries in connection with the settlement of the conflict, point 3 that the smallholders does not justify violence in conflict resolution.

2.2.2	Status: NCR No. 2017.01 with Minor category
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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.
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2.3.1:

The results of interviews with community leaders of Ladang Panjang Village are known that there is no customary land in the operational area of PT BGR. The acquired land is the property of individuals who have been compensated by the company. Since ASA-4 activities untill recertification, the company did not acquire new land.

Karya Mandiri smallholders:

Based on the focus group discussion with Karya Mandiri smallholders management and members on June 31, 2017 at Karya Mandiri smallholders office, it was found that there were no land conflicts between farmers and companies or among farmer owners.

The land belonging to Karya Mandiri smallholders members comes from the land of the ex-transmigration villagers of Petaling Jaya which has been divided into 5 villages, one of which is Trimulya Jaya village.

2.3.2:

The results of the review of documents, interviews and field visits indicate that there is no clearance of new areas undertaken until the implementation of the recertification activities for the estate in PT BGR.

Karya Mandiri Cooperative:

Based on the focus group discussion with Karya Mandiri smallholders management and members on June 31, 2017 at Karya Mandiri smallholders office, it was found that there were no land conflicts between farmers and companies or among farmer owners.

The land belonging to Karya Mandiri members comes from the land of the ex-transmigration villagers of Petaling Jaya which has been divided into 5 villages, one of which is Trimulya Jaya village.

2.3.3:

The results of the review of documents, interviews and field visits indicate that there is no clearance of new areas undertaken until the implementation of the recertification activities for the Estate in PT BGR.

Karya Mandiri Cooperative:

Based on the focus group discussion with Karya Mandiri smallholders management and members on June 31, 2017 at Karya Mandiri smallholders office, it was found that there were no land conflicts between farmers and companies or among farmer owners.

The land belonging to Karya Mandiri smallholders members comes from the land of the ex-transmigration villagers of Petaling Jaya which has been divided into 5 villages, one of which is Trimulya Jaya village.

Available document of Cooperation Agreement Between PT Bahari Gembira Ria By KUD Marga Jaya Petaling Jaya Village About Development of Oil Palm Plantation No.134 / PT BGR / SPK / IV / 1994 or 095.MGJ / KUD / IV / 1994 dated April 30, 1994 for Construction of 425 HH farms and each members will obtain 2 ha of oil palm plantations. It was renewed due to the splitting of villages from 1 village to 4 villages (Petaling Jaya, Trimulya Jaya, Sido Mukti and mingkung Jaya) then smallholders changes:

- KUD Marga Jaya (Parent 1994).
- KUD Mitra Inti Sumber Makmur (2004).
- KUD Karya Mandiri (in 2009).
- KUD Makarti (2013).

2.3.4:

The results of the review of documents, interviews and field visits indicate that there is no clearance of new areas undertaken until the implementation of the recertification activities for the estate in PT BGR.

Karya Mandiri Cooperative:

Karya Mandiri smallholders showed the letter of application number 0124 / KUD / 1/93 dated January 29, 1993 from the board of Marga Jaya smallholders submitting the request from member of Marga Jaya smallholders in Petaling village, Batang Hari Regency for requesting the submission of plasma member on 2 ha /members owned and undeveloped. The document is also accompanied by a letter of statement dated February 10, 1994 in the form of a statement of members of Karya Tani Makmur to give up their respective business land to be developed by PT Bahari Gembira Ria.

Status: Comply

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.

3.1.1:

The Company shows the Full Year Forecast document for the period 2016-2022, replanting work program and budget aktual evaluation 2016-2017.

- There are also target achievement of OER and PK yield per month and per year until 2022.
- Until the implementation of reaudit, the company does not have expansion plans for the Ladang Panjang Esatte nor the increase in plant capacity.
- A general strategy for environmental and social management has been established within the budgets of the company's PSQM department.
- The company has also demonstrated the results of a drainability study, water management and peat subsidence.
- The PIC responsible for handling information updates is the PSQM staff.
- The company also has its own internal department, both in the estate and factory.
- In addition, there are plasma managers, assistants to the plasma mandates who are tasked with providing guidance to smallholders.
- The Company has also demonstrated a statement area covering an area of 2,980.20 Ha which describes land use in the company's operational areas, including: planting areas, infrastructure advice, roads and drainage, HCV, palm oil mill, nursery, etc.
- The company has developed a replanting program for plasma management in the form of KKPA pattern, but until the implementation of the recertification activities, obtained information from the smallholders that has not agreed on the form of replanting cooperation that will be done.

3.1.2:

The Company has revised the replanting plan recorded in the form of Long Range New Planting Programe which has been made for the period 2016-2030. Based on field visits to Division 1 block A11 planting year 2017 known in 2016 has been done replanting activities.

Karya Mandiri Cooperative:

Based on the data of planting year of KUD Karya Mandiri members and interviews with cooperative management, it is known that the plant belongs to the members with the distribution of planting age 19-20 years (1997-1998 planting year), so it has not entered the age of replanting. The chairman of the cooperative explained that the new replanting will be done when the plant is 22 years old.

The company and cooperative management have socialized the replanting and funding plan of replanting savings to KUD members, but not yet agreed by the members.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1:

There is no revision of procedure of oil palm agronomy and processing. Procedure of agronomy is presented in document of Agricultural Reference Manual Policy No. 110/EST-ARM/13 dated September 1st 2013, issued by the Head of Plantation Upstream Indonesia, while for processing are presented in documrnt of plantation palm oil mill guidelines Part I and Part II, policy No. 130/POD-FAC/07, No. 110/POD-FAC/07, Policy No. 14x/PTK-TRP/2004, No. SOP-SLF-01/2010 and No. 721/TQEM-PKA/08 Sub-chapter 6.2. According to procedures review, it could be concluded that the oil palm agronomy and processing procedures were still relevant with current situation and covers all main aspects from the field to the mill. All SOP's were available in Bahasa. Furthermore, based on observation to estate and mill office, it could be concluded that the respective SOP's were well distributed by PSQM officers.

Procedure of safe working practices towards pesticides application is presented in the following documents:

- No. LF/SOP.ESH/04 dated January 11th 2011 about agrochemicals handling.
- ARM Policy No. 110/EST-ARM/13 Chapter 15 dated September 1st 2013 about plant protection.

- Material Safety Data Sheet (MSDS) of pesticide products.

Safe working practices for mill is already mentioned in the Mill procedures such as Minamas Plantation palm oil mill guidelines Part I and Part II, policy No. 130/POD-FAC/07 and No. 110/POD-FAC/07, etc.

According to field observation to estate and mill, as well as interview with the respective workers, it could be concluded that in general the workers has understood the basic of safe working practices such as using a set of personal protection equipment (PPE), meaning of risk symbols, agrochemicals and hazardous materials handling, etc.

Based on field observation and interview with harvester in Block C027 Divisi 3, it could be concluded that the harvester was able to explain and demonstrate the harvesting process in accordance with SOP, such as ripeness criteria, frond stacking and the use of personal protection equipment (PPE). Furthermore, based on field observation and interview with pesticide applicators in Block C038 Divisi 3, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as considering wind flows during spraying process, pesticides and weeds target, prohibited areas to be sprayed (for example conservation area and riparian zone, which were marked with yellow poles and yellow mark on the palm trunks), PPE's to be used as well as its management. Moreover, based on observation to Pondok Labu Factory on loading ramp station, processing stations, workshop, WTP and WWTP, it could be concluded that all activity applied has comply with the procedures.

Karya Mandiri Cooperative:

Plasma Manager and Assistant stated that agronomic procedures implemented in Plasma were adopted from PT BGR management. Training or refreshment for smallholder members related to agronomy practices has been conducted regularly. For example, training on harvesting, manuring and pesticide application in KUD Karya Mandiri has conducted in July 1st 2015 and March 19th 2016. Since most of KUD member were also PT BGR employee, hence, smallholder were familiar with BMP procedures. This is confirmed during field observation and interview with smallholders in Kaveling (Lot) No. 399, Lot No. 410, Lot No. 498, Lot No. 502 and Lot No. 489. However, hardcopy of procedures was not available in KUD Office. Hence, raised **NCR No. 2017.02 with Major category**.

4.1.2

For monitoring and consistency purposes, some mechanism had been carried out by PT BGR, such as Monthly Mill Manager Process control report, Monthly Estate Manager report which also presented in Ladang Panjang Management Committee Meeting, Semester mill advisory visit report by Head Office team from Kuala Lumpur, as shows in document No. MINAMAS/LPF/01/16-17 for visit which carried out in October 23rd-25th 2016, Semester Plantation Advisory visit report by Agronomy team from Head Office, as shows in document No. MINAMAS/SOU22/LPE/16-27 for visit which carried out in October 16th-18th 2016, semester performance qualitative report by Head Office team, annual RSPO internal audit by PSQM team from Head Office Kuala Lumpur and annual RSPO internal audit which focus on finance, administration and field application by PSQM team from Regional Department.

Oil palm processing report has covers issues on oil losses, OER achievement, high amount of sludge in cooling pond and EFB balance at the mill hoppers/dupt site were need to be seriously taken up by Mill management. Furthermore, oil palm agronomy report has covers mature palm and nursery performance which focused on production, harvesting quality, pruning, field upkeep, soil and water conservation, road maintenance, integrated pest management and machinery maintenance. Summary of report stated that estate performance has categorized as good with average score of 76.02 point. All observation results has documented and delivered via online to head office management for personal performance scoring purposes.

Internal audit report for estate and mill were carried out separately and presented in plantation advisory and mill advisory report, respectively. Both report has describes summaries and mentioned critical point(s) found and noted during audit. All findings were need to be response and follow up by the respective Manager through action plan and time frame, immediately. Progress were reported directly to the respective Advisor(s) and upper ordinate or authority (head office management). Field verification and evaluation later on to be conducted by the Advisor(s) on the coming assessment.

Karya Mandiri Cooperative:

For monitoring and consistency of procedure implementation purposes such as harvesting, field upkeep and manuring,

Assistant Plasma has carried out a daily field visit. This is confirmed during interview with Smallholders in Trimulyo 2 and Trimulyo 3. Apart from daily visit, it also stated that “Bina Tani” team (or smallholder building program) from PT BGR has visit smallholder trice a month. The visit has discussed issues related with oil palm agronomy, cooperation, etc.

4.1.3:

Mill and Estate Management operational activity has monitored, documented and regularly reported, for example as follows:

- Production report by Assisstant PSQM which describes FFB received, FFB processed, CPO and PK production, bulking and its stock in storage and bulking for RSPO certified and Non-certified.
- Monthly Mill Manager report which describes general data, production quality, production loss, FFB quality, EFB and POME application, delivery, losses analysis, production cost, manpower, etc.
- Monthly and semester FFB production report which describes production per Block, rotation, bunch weight, etc.
- Manuring report which describes program vs actual fertilizers application.
- Daily harvesting notes and Mandore notes.
- Daily work plan.

Karya Mandiri Cooperative:

Plasma Manager was able to shows the record of BMP implementation for example FFB production, agrochemicals (fertilizer and pesticide) application, barn owl box monitoring, etc.

4.1.4

Procedure of FFB delivery and acceptance from third party sources is presented in Policy No. 110/POD/FAC/07 sub-chapter 1.1. Procedure of FFB delivery has also mentioned in the letter of agreement.

List of third party FFB is presented as follows:

- Karya Mandiri Cooperative.
- Marga Jaya Cooperative
- Mitra Inti Sumber Makmur Cooperative.
- Karya Maju Cooperative.

4.1.1	Status: NCR No. 201702 with Major category
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4.2

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

4.2.1 and 4.2.3:

Procedure of soil fertility management is presented in document policy No. 110/EST-ARM/13 part 8 about manuring. SOP mentioned that manuring recommendation must be based on leaf and soil sampling analysis. Leaf sampling and soil sampling analysis should be carried out once and every five years, respectively. Leaf and soil sampling were not conducted on the projected replanting areas (about 2 years before replanting).

The company was able to shows leaf sampling records dated July 25th 2016 with parameter being measured and analized are macronutrient (N, P, K, Ca, Mg and Mn) and micronutrient (Fe, B, Zn and Cu) content (in %). Furthermore, soil analysis results was recorded in Test Report No. S37/2016 dated December 29th 2016, with parameter being measured and analized are nutrient retention (pH, % organic-C, CEC), available nutrient (N-total, P-total, available-P, K-dd and Mg-dd) adn soil properties (texture, drainage class, rooting depth). Both analysis were carried out by Minamas Research Centre (MRC) Laboratory Services in Pekanbaru, Riau. Moreover, for nutrient status monitoring and additional correction-manuring program purposes, visual assessment of palm vigour land field condition by MRC Agronomist has also carried out every 6 months through Plantation Advisory. According to manuring recommendation program in 2017/2018, it could be concluded that calculation of fertilizer rates were derived from leaf and soil analysis. Furthermore, actual time of application has follows the schedule recommended by MRC Agronomist team.

According to soil survey semi detail report which conducted in December 12th-16th 2011, it was informed that soil limitation in PT BGR were mainly due the presence of deep peat soil which mainly located on Divisi 1 and Divisi 2, sandy soil texture and low fertility. To overcome this situation several strategy has been implemented based on field observation such as

water management on peat areas, installing filed drain in prone flood areas for smooth flushing purposes, adopting by-products application (EFB and POME) to enhance organic matters and additional nutrient supply (N and K) in sandy soil areas, as well as to follows manuring program as recommended by MRC.

Karya Mandiri Cooperative:

Based on interview with smallholders in Lot No. 399, Lot No. 410, Lot No.498, Lot No. 502 and Lot No. 489 Trimulyo 2, it was stated that fertilizer recommendation was given by Bina Tani and its application schedule has follows Ladang Panjang Estate schedule. However, fertilizer application in plasma is strongly depended on Lot owners' decision. Smallholders were very well understood and able to demonstrate manuring technique accordance with the standard and training given by Plasma Assistant and Bina Tani.

4.2.2:

Uses of fertilizers were recorded on Manuring Recapitulation Report of Estates 2017-2018 and monthly management committee meeting (MCM) which prepared by Estate Manager. Fertilizer recommended in 2017/2018 are NK Blend, Rock Phosphate (RP), Kieserite and HGF Borate. For example, recapitulation record of RP application from January to April 2017 were 6.64, 8.04 and 13.66 mt in Divisi 1, Divisi 2 and Divisi 3, respectively. Based on interview with fertilizer applicators in Block C038 Divisi 3, it was stated applicators has trained periodically by Foreman and Assistant Manager. The applicators has also able to explain and demonstrate technical aspects such as fertilizer placement, time of application, correct dosage, PPE used and areas where prohibited to be applied.

Karya Mandiri Cooperative:

Type of fertilizer was provided by KUD Karya Mandiri. Plasma Manager was able to shows record of fertilizer application in 2017, for example recapitulation of Urea, MOP and CIRP from January to April 2017 were about 10.10, 11.25 and 4.45 mt, respectively.

4.2.4:

Apart from chemical fertilizers, organic fertilizers which came from by-products (EFB and POME) has also applied for nutrient cycle purposes. By-products application was documented in monthly Estate Manager report chapter monthly work realization, realization of manuring report and by-product realization report. EFB dosage recommended were varies about 35-40 ton/ha/year (or about 250 kg/palm/year) which depends on field condition, while for land application was about 62.53 m³/ha /year. According to by-product application records from January to April 2017, it was informed that EFB had been applied totaling for about 9,770.62 mt on 257.39 ha areas and POME had been applied totaling about 23,425 m³ for land application. Based on field observation to Block C035 Divisi 3 for EFB application and Block C028 Divisi 3 for land application, it could be concluded that both by-products application were satisfactory and in accordance with procedures and permit (land applicaiton).

Karya Mandiri Cooperative:

Based on field visit, information from Plasma Manager and interview with KUD Karya Mandiri Smallholders, it couldd be concluded that there is no by-products application. Nutrient cycle strategy was only came from pruned frond during harvesting.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1; 4.3.2 and 4.3.6:

Ladang Panjang Estate

The company has soil map with scale 1:45,000 which derived from soil survey semi detail report which conducted in December 12th-16th 2011. Accoding to soil map analysis, it was informend that about 67.94 % from Ladang Panjang Estate total area was classied as flat (0-4 %) while the rest was undulating (4-12 %). This is confirmed during field observation. Hence, there is no planting strategy on hilly to steep areas. Furthermore, it was informed that soil limitation in PT BGR were mainly due the presence of deep peat soil (depth >3.00 m) which mostly covers Divisi 1 and Divisi 2, sandy soil texture and low fertility. To overcome the presence of peat soil (*Typic Haplofibrist*) in both Divisions which also is consider as fragile soil in PT BGR operational areas, estate management has conducting water management which aims to enhance soil pH, keep soil moisture, soil and water conservation purposes and maintain soft grasses through selective

weeding. Furthermore, management strategy recommended for limitation in sandy soil and low fertility soil are:

- To enhance organic matters on sandy soil areas towards by-products application such as EFB mulching and land application by POME.
- Manuring management through nutrient balance which recommended by Agronomist team, maximizing fertilizer use efficiency (to choose suitable fertilizers type, time of application and placement), minimizing soil erosion and leaching/nutrient run-off as well as conducting water conservation (U-shape fronds heap).

Karya Mandiri Cooperative

Plasma management unit was not be able to shows soil map with proper scale and/or study which informed soil properties in KUD Karya Mandiri operational areas. Hence, raised **NCR No. 2017.03 with Major category**.

Based on information from Plasma Manager and Smallholders in Lot No. 399, Lot No. 410, Lot No.498, Lot No. 502 and Lot No. 489 Trimulyo 2, it was stated that slope condition in KUD Karya Mandiri operational area was mostly flat to undulating. Hence, there is no planting strategy on hilly to steep areas.

4.3.3:

Program of road maintenance has found on annual budget plan which is included on Budget of transportation cost. Road maintenance activities were consist of manual maintenance such as cover crop clearance, surface reparation through gravels, road grader and compaction for mineral area and canals desilting for peat dominant area in Divisi 2. The company shows records on program and realization of road maintenance in 2017, for example map and data of road maintenance in Divisi 3 informed that road for about 32,000 m; 20,400 m and 8,240 m has been graded on January, February and March 2017, respectively. Document picture before and after road grading activities were shows on program evaluation of road maintenance. Based on field observation to Divisi 1, Divisi 2 and Divisi 3, road/canal conditions were satisfactory maintained and easily passable by FFB transportation unit (dump truck or boat).

Karya Mandiri Cooperative

Transportation in Plasma area was fully land based. Based on observation to Tri Mulyo 2 and Tri Mulyo 3 operational areas, it was found that road conditions were generally well maintained, hence FFB transportation to the mill was smoothly runs. Smallholders mentioned that to avoid "restan (or overnight) FFB", transportation to the mill must be less than 24 hours. Smallholders and Plasma Manager stated that PT BGR has support road and accessibility maintenance by incidental condition.

4.3.4:

Procedure on peat management has presented in document No. SOP/SMART/MCAR/II/TA-PPA about planning on new planting area and No. SOP/SMART/MCAR/IV/TA-PLB about new land clearing. Both procedures mentioned that in order to minimize peat subsidence and peat overdrain, water level management on 50-70 cm, water table monitoring through piezometer, peat subsidence poles monitoring, Watergate installation and drains or canals desilting were compulsory to be conducted. The management unit Divisi 1 and Divisi 2 were able to shows water level and piezometer monitoring for period 2017 with summary as follows:

- Average of water level measurement from yard stick monitoring record on January to April 2017 in Block A007, A009, A012 and A014 Divisi 1, as well as Block B 016-020 and Block B022 Divisi 2 were within 20-50 cm.
- Average of water table measurement from piezometer monitoring record on January to April 2017 in Block A007-A008, A012-0014 and A003-006 Divisi 1, as well as Block B015-022 Divisi 2 were within 20-50 cm.

Both measurement mentioned above were below 50 cm due to Estate Manager policy with consideration for canal transportation.

Subsidence poles in PT BGR was installed in Block A006 Divisi 1, Block A009 Divisi 1 and Block B015 Divisi 2 since January 8th 2012. According to 2016 records subsidence in PT BGR from 2012 to 2016, it could be concluded that during 4 years from 2012, peat subsidence were about 11.00 cm to 11.50 cm and subsidency rates was about 2.75 to 2.87 cm/year. These figures were still bellow Minister of Environmant Regulation (PermenLH) No. 7 year 2006 threshold (35 cm per five years or about 7 cm/year). Based on field observation to subsidence poles, it was found that poles were

installed on the inter rows. Its conditions were satisfactory maintained and installed firmly into the mineral substratum. Moreover, soft grasses has looks maintained to retain soil moisture on the field.

Monitoring of rainfall data was conducted daily which aims for water management most crucial consideration on peat areas, through controlling the water gate. The company has maintained water level on about 50 cm. Apart for peat soil conservation purposes, maintain water level also used for smoothness of transportation.

Karya Mandiri Cooperative

Based on information from Plasma Manager and Smallholders in Lot No. 399, Lot No. 410, Lot No.498, Lot No. 502 and Lot No. 489 Trimulyo 2, as well as field observation to Trimulyo 2 and Trimulyo 3 it could be concluded that presence of peat soils were spotted and its soil peat depth was still bellow 50 cm. Hence, water management in such areas is not necessary.

4.3.5:

Study of drainability study for replanting area, for example in Divisi 1 of PT BGR was presented in document No. MRC/VPI/Mgr-Est/0231/V/2017 dated May 19th 2017 conducted by MCR team. Summary of study is presented as follows:

- According to rainfall study during wet and drought season, it could be concluded that there is no significant effect on replanting areas. Drainage system from Block field to the outlet was simply adopting gravity force.
- Drainability class was classified as Class 1 (good category). Water flows on drainage systems were ealisy run out.
- Replanting in Block A009-A001 for program 2016/2017 and A006-A008 for program 2017/2018 were suitable to be carried out.

Karya Mandiri Cooperative

Since there is no large peat areas, drainability study is not necessary.

4.3.1	Status: NCR No. 2017.03 with Major category
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4.4

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

4.4.1:

The company have conducted water management on mill and estate which consist of:

- Manage effluent in Wastewater Treatment Plant (WWTP) before it utilize to estate/land in accordance with permit.
- Monitoring ground water quality on application area of POME and settlement area.
- Maintain the water installation to avoid water leakage.
- Arranging the schedule of domestic water distribution.
- Separating the non-chemical water and chemical water.
- Marking the Terentang riparian as far as 5 oil palm tree from water body.
- Install the sign board related the prohibition of poisoning the fish and cutting down trees at riparian.
- Socialization every briefing morning about prohibition of chemical use in riparian area.
- Monitoring of water surface quality (river) in operational area.

4.4.2:

Field visit at Terentang riparian, Field C-025, Division III, Ladang Panjang Estate showed that has been seen the marking of riparian in the form of yellow paint in the palm tree. The marking of riparian is 50 meter from water body or as far as 5 oil palm tree. The management units also plant the trees such as *angsana*, *jelutung* and bamboo. Interview with sprayer show that they already knew about prohibition chemical use in riparian.

4.4.3:

Effluent from mill is managed on WWTP before it utilize to estate/land. Document review show that monitoring the quality of effluent for land application is conducted every month by Local Environmental Laboratory of Environment Agency of Jambi Province (LP-413-IDN). The testing result on July 2016 – April 2017 show that all parameter are meet with environmental threshold.

The Company may show permit for the utilization of liquid waste for land application, as indicated in the Letter of Head of Badan Pelayanan Terpadu Satu Pintu Kabupaten Muaro Jambi. 01 / Kep.Ka.BTSP / VI / 2016 dated June 13, 2016

regarding extension of utilization permit of palm oil mill waste of PT BGR for land application on 162 ha of land in Division 3. Based on a review of test results from January to March 2017, it can be concluded that there are no test result parameters that exceed the quality standard threshold, as required by some related regulations.

4.4.4:

Interview and field visit known that the source of water used for mill is reservoir. Field visit at Water Treatment Plant (WTP) show that flow meter in good condition and monitoring of water usage is conducted by WTP operator every day. The average of water usage in mill on July 2016 – April 2017 is under the budget (1.4 M3/ ton FFB).

Status: Comply

4.5

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

4.5.1:

The company has committed to implement integrated pest management (IPM) which presented in procedure of ARM Policy No. 110/EST-ARM/13 Chapter 15 about plant protection which covers early warning system, census and analysis, biological and chemical pest population management and monitoring. The estate management has a program of integrated pest management and its realization which presented in monthly committee meeting report, for example census of leaf eating caterpillar in February 2017 informed that incidence which more than economic threshold were noted in Block C040, C029 and C032 Divisi 3, occupied about 25.90 ha. Hence, trunk injection by 70kg of Kencepat (Acephate) was recommended by Agronomist to overcome this situation. For biological control, the company has conducting beneficial plants (*Turnera subulata* and *Antigonon leptopus*) for leaf eating caterpillar control, adopting barn owl (*Tyto alba*) for rats control and pheromone trap for rhino-beetle (*Oryctes rhinoceros*) control. Those biological control application has confirmed during field observation along mainroad and collectionroad for beneficial plants and Block C038 Divisi 3 for barn owl box. In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Trendy 20 WG (Methyl Metsulfuron) could be substitute with Basta 150 SL (Ammonium Glufosinat) or Kenlon 480 EC (Triclophyr Butoksi Ester). Moreover, biological control has also adopted as mentioned above.

Karya Mandiri Cooperative

Assitant Plasma and Smallholders stated that there is no program for integrated pest management. Chemical action was taken after census is taken by Bina Tani team. Recommendation is given directly after census analysis. Smallholder has also carried out biological control such as planting of beneficial plants as seen during field observation to Trimulyo 2 and Trimulyo 3 and adopting barn owl box as found on Lot 498 Trimulyo 2.

4.5.2:

The Company has conducting several trainings which aims to maintain workers knowledge and skills towards P&D management. Training on used of PPE, census, beneficial plants and HIRAC had been conducted on February 2nd 2017, December 22nd 2016 and April 18th 2017 in Divisi 1, Divisi 2 and Divisi 3, respectively. Those trainings are attended by upkeep workers.

Based on field observation and interview with pesticide applicators in Block C038 Divisi 3, it could be concluded that the interviewee were able to explained and demonstrate several technical skills such as PPE used, spraying techniques and prohibited application areas such as HCV and riparian areas which marked with yellow paint on palm trunks or yellow poles.

Karya Mandiri Cooperative

Training has also conducted by Bina Tani to smallholders. Tis particular training has been conducted in July 1st 2015 and March 19th 2016. Picture documentation during training was available. Since most of KUD Karya Mandiri member were also PT BGR employee, smallholder were familiar with IPM procedures.

Status: Comply

4.6

Pesticides are used in ways that do not endanger health or the environment
4.6.1; 4.6.3:

Procedure ARM Policy No. 110/EST-ARM/13 Chapter 15 about plant protection mentioned that the use of agrochemical should be based on census analysis evaluation when the level of incidence is more than threshold limits. In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Trendy 20 WG (Methyl Metsulfuron) could be substitute with Basta 150 SL (Ammonium Glufosinat) or Kenlon 480 EC (Triclophyr Butoksi Ester). Moreover, biological control has also adopted such as planting of beneficial plants (*Turnera subulata* and *Antigonon leptopus*) for leaf eating caterpillar population control, where easily found on the main and collection roads during filed observation, pheromone trap for rhino-beetle (*Oryctes rhinoceros*) control and conducting barn owl (*Tyto alba*) for rat's population control. Based on field observation to Block C038 Divisi 3, it was found the presence of barn owl signed with rat's bones and barn owl feathers.

Pesticides used in 2016/2017 is consist of 8 brands which aims for weeds (Herbicide active substance: Methyl Metsulfuron, Isoprophyl Amine Glyphosate, Triclophyr Butoksi Ester and Ammonium Glufosinat), leaf eating caterpillar (active substance: Acephate) and termite (active substance: Fipronil) control. All pesticides used were listed in the book of pesticide commission 2016 issued by Department of Agriculture, Republic of Indonesia.

The company has committed to reduce the use of pesticide which presented in the program of field upkeep that already describes dosage recommended by producer and/or MRC, monitoring pesticide used per ha and/or per ton FFB beeing produced, as well as the total and percentage of pesticide active substances used. Moreover, biological control method has also adopted as alternative to reduce pesticide uses, such as planting of beneficial plants, introduction of barn owl and rhino beetle pheromone trap. For example, based on pesticide used in 2016 and 2017, application of coumatetralyl 0.0375 % for rats population control were zero kg/ha, due to barn owl application.

Karya Mandiri Cooperative

Technique and application of pesticide for pest population management has follows recommendation from Bina Tani Team or Assisstant. Smallholders use 12 brands of pesticide which aims for weeds control (active substance: Methyl Metsulfuron, Isoprophyl Amine Glyphosate and Triclophyr Butoksi Ester) only. Exception for Barrani 20 WG, all pesticides used were listed in the book of pesticide commission 2016 issued by Department of Agriculture, Republic of Indonesia. The company is not be able to shows selling permit of Barrani 20 WG which used as consideration when choosing pesticide products. Hence raised **NCR No. 2017.04 with Major category**.

Pest management of smallholder areas were assisted by Bina Tani team member. Biological control has also adopted, such as planting of beneficial plants and barn owl for leaf eating caterpillar and rats population control purposes, respectively. Based on field observation to Lot No. 498, it was found the presence of barn owl signed with rat's bones and barn owl feathers.

4.6.2:
PT BGR and Karya Mandiri Cooperative

Record of pesticide used is presented in document of pesticide uses record and monthly manager report or monthly committee meeting. Records of pesticide uses for Ladang panjang Estate and KUD Karya Mandiri as per April 2017 is presented as follows:

Pesticides	LD-50	Total Application (l or kg)			
		Divisi 1	Divisi 2	Divisi 3	KUD
Kenlly 20 WG	LD ₅₀ ORAL: 5,000 mg/kg in Rats LD ₅₀ DERMAL: 2,000 mg/kg in Rabits	20.75	13.21	-	-
Trendy 20 WG		26.25	2.77	11.75	-
Helli 20 WP		-	-	-	0.29
Tron 20 WG		-	-	-	2.25
Ally 10 WP		-	-	-	0.10
Barrani 20 WG		-	-	-	35.00
Audit 486 SL		LD ₅₀ ORAL: 1,480 mg/kg in Rats	299.00	154.00	130.00
Ken Up 486 SL	LD ₅₀ DERMAL: 2,000 mg/kg in Rabits	-	21.40	65.60	-

Ben Up 480 SL		-	-	-	26.00
Borneo Up 500 SL		-	-	-	2.00
Solo 490 SL		-	-	-	22.00
Kiss Up 490 SL		-	-	-	13.00
Rambo 480 SL		-	-	-	74.00
Blosat 480 SL		-	-	-	5.00
Winfos 525 SL		-	-	-	0.20
Kenlon 480 EC	LD ₅₀ ORAL: 1,480 mg/kg in Rats	6.00	102.00	171.00	-
Garlon 670 EC	LD ₅₀ DERMAL: 2,000 mg/kg in Rabbits	-	-	-	5.51
Basta 150 SL	LD ₅₀ ORAL: 22.35-24.30 mg/kg in Rats LD ₅₀ DERMAL: 5,000 mg/kg in Rabbits	18.00	-	-	-
Kencepat 75 SP	LD ₅₀ ORAL = 688 mg/kg in Rats LD ₅₀ DERMAL = 2 g/kg in Rabbits	113.00	216.00	282.00	-
Agenda 25 EC	LD ₅₀ ORAL = 688 mg/kg in Rats LD ₅₀ DERMAL = 2 g/kg in Rabbits	233.00	14.00	-	-

4.6.4:

PT BGR and Karya Mandiri Cooperative

Based on pesticide used records in 2016/2017 for Ladang Panjang Estate and KUD Karya mandiri which presented in Indicator 4.6.1 and 4.6.2, as well as field observation to agrochemical warehouse in Ladang Panjang Factory, Ladang Panjang Estate and KUD Karya Mandiri, it could be concluded that there is no pesticides listed in WHO Appendix 1A, 1B and/or listed in Stockholm or Rotterdam Convention as well as paraquat. Moreover, the company has Memorandum of Ladang Panjang Estate dated March 11th 2013 which mentioned the company has commits for zero Paraquat application.

4.6.5; 4.6.7 and 4.6.9:

Procedure of pesticide handling, use and application were presented in several documents, such as document No. LF/SOP.ESH/04 dated January 11th 2011 about agrochemicals handling, ARM Policy No. 110/EST-ARM/13 Chapter 15 dated September 1st 2013 about plant protection, Material Safety Data Sheet (MSDS) of pesticide products and Hazard Identification Risk Assessment Determining Control (HIRADC) for estate. In general, procedures has covers guideline of storage and handling of pesticides, handling of accident and first aid, risk identification, pesticides spills and leaks handling, PPE, physical and chemical properties, reactivity and material stability, toxicology and ecology information, pesticide wastes handling and transportation.

The Company has conducting several trainings which aims to maintain workers knowledge and skills towards P&D management. Training on used of PPE, census, beneficial plants and HIRAC had been conducted on February 2nd 2017, December 22nd 2016 and April 18th 2017 in Divisi 1, Divisi 2 and Divisi 3, respectively. Those trainings are attended by upkeep workers.

According to document verification, statement from estate managert, interview with pesticide applicators and field observation to agrochemicals warehouse, it could be concluded that the company has no use of pesticides which required a special training for its applicators (ex. Paraquat) as arranged by Ministry of Agriculture Regulation (Permentan) No. 24 year 2011.

Based on field observation and interview with pesticide applicators in Block C038 Divisi 3, it could be concluded that the interviewee were able to explained and demonstrate several technical skills such as PPE used, spraying techniques and prohibited application areas such as HCV and riparian areas which marked with yellow paint on palm trunks or yellow poles. Furthermore, based on field observation to pesticides warehouse in Ladang Panjang Estate, it was found that all MSDS were available and match with pesticide stocks, symbols of risk and hazardous level, instruction and PPE used were displayed properly. Furthermore there are block spraying system (BSS) House as pesticide mixing and PPE's place.

Based on field observation to Block C038 Divisi 3 Ladang panjang Estate, it was found that safety mask used were in

accordance with MSDS, which is a respirator, as shows in the following figure:



The Foreman and Pesticide Applicator mentioned that pesticide mixing was carried out in the Block Spraying System (BSS) House. Moreover, they stated that pesticide mixing on the field is not allowed by estate management.

Based on observation to Ladang Panjang warehouse, it could be concluded that list and record of agrochemical inventory were match with its physical appearance.

Karya Mandiri Cooperative:

Training has also conducted by Bina Tani to smallholders. This particular training has been conducted in July 1st 2015 and March 19th 2016. Picture documentation during training was available. Since most of KUD Karya Mandiri member were also PT BGR employee, smallholder were familiar with IPM procedures. However, KUD management unit was not be able to shows MSDS of pesticides used for pest population control. Hence, raised **NCR No. 2017.05 with Major category**.

4.6.6:

Based on visit to agrochemical warehouse, it is known that the storage of pesticides in accordance with recognized best practices, among others, the separation of pesticides with other materials; available MSDS, available emergency response equipment such as eye wash, first aid kit, fire extinguisher; setting air circulation by using exhaust fan and prevention of leakage has been made concrete embankment.

Nonconformance no.2017.06 with major category raised as of:

- a. Based on the results of field visits at Karya Mandiri smallholder office, it is known that pesticides have not been stored in accordance with recognized best practices, for example: installation of hazardous symbol, MSDS, emergency wash, limited access, air circulation, etc.
- b. Karya Mandiri smallholder has not been able to show evidence that the former packaging of pesticides has been managed and documented according to applicable waste management procedures and regulations.

4.6.8:

PT BGR and Karya Mandiri Cooperative

Based on field observation and information from estate management, it was informed that there were no pesticide application by plane through the air. All pesticides has applied through spraying and trunk injection.

4.6.10:

The Company has consistently documented the flow diagram Handling Pesticides Used Container outlined in Policy No. 004/PT BGR/PBL3/10 on Handling Hazardous Waste Procedure.

Based on interviews with workers on duty at the hazardous waste storage LPE and Estate Manager submitted that the entire former pesticide containers are washed first in the warehouse then stored in the hazardous waste storage LPE that have been licensed, and further waste of used pesticide containers are transported by freight forwarders and collection hazardous waste licensed (PT Surya Cipta Wisesa).

The amount and type of waste discarded containers of pesticides in and out is recorded on the balance board hazardous waste to determine the actual stock hazardous waste. The company show documents Hazardous Waste No. AUJ 0000216 as evidence of waste transportation of used pesticide containers as much as 0, 00174 ton on February 24, 2016. The hazardous waste transportation using vehicles Box No. No. BH.8873.ME has permission carriage by the Director General of Land No. SK 3444/AJ309/DPJD/2016/1507/10344BB-0004 with a validity period until July, 21 2019.

4.6.11:

Based on interviews with workers on spraying activities in Block 038 Division 3, there is no workers has indication of skin disease and itches.

NCR No. 2017.07 with Major category

- a. The Company has conducted annual medical (Cholinestrase) of pesticide operators conducted in April 2017. However, based on review a document list of pesticide operators and annual medical records of PT BGR's, it is known that there are pesticide operators Division II who have not conducted medical examination (foreman and two pestcide operators).
- b. No record of annual medical for pesticide operators for the scope of smallholders or workers on smallholders.

Annual medical include cholinesterase test conducted on April 2017. The results of the examination showed that all workers in healthy with the results of examination of cholinesterase within normal limits for pesticide operators Division III (8 workers) and Division II (7 workers).

4.6.12:

Based on interviews with workers on spraying activities in Block 038 Division 3, it is explained that every month all female workers who perform chemical activities performed pregnancy check, when the checks detected the worker are pregnant then the worker immediately transferred to the activity that does not use the material chemistry. Workers also know the prohibition of working in chemist activities during pregnancy or breast-feeding. At the visit there were no spraying woman workers who are pregnant and breast-feeding status. Furthermore there is no workers has indication of skin disease and itches.

4.6.1	Status: NCR No. 2017.04 with Major category
4.6.5	Status: NCR No. 2017.05 with Major category
4.6.6	Status: NCR No.2017.06 with Major category
4.6.11	Status: NCR No. 2017.7 with Major category

4.7

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

4.7.1:

Policy related to OHS still the same as previous assessment, namely policy OHS passed by CEO Minamas Plantation dated August 27, 2010. Based on interview with workers known that they have been known about the OHS policy, for example workers are required use PPE while working . They also said that assistant perform morning briefing every day before starting work and ensure the completeness of the PPE of all workers.

4.7.2:

NCR No. 2017.08 with Major category

- a. The Company may show Hazard Identification Risk Assessment and Control (HIRAC) documents of the Mill and plantation that is an analysis and identification of hazards and risks that can be generated by POM and Estate operations. Nevertheless, from the HIRAC document review of the period of 2017 it is known that the risk assessment has not been fully available for all operational work of the Estate, such as manual maintenance, weed and disease control, polyclinic, office, etc.
- b. Not yet available Hazard Identification Risk Assessment and Control (HIRAC) documents for operational activities at KUD, smallholders or groups smallholders.
- c. Based on field visits to Ladang Panjang Factory, there were found sterilizer leaks number 2, staircases and handrails in dirty and slippery conditions, leakage of steam pipes over digester stations, EFB under conveyors near machine stations. This condition is not in accordance with the control plan contained in the HIRAC document of the Mill process station.

4.7.3:

Based on field visit in Estate and Mill, all workers have been using PPE according to risk analysis made and PPE is in good condition and in accordance with its function, for example for engine room operator at mill using PPE kinds of helmets, ear muff, and safety shoes. Workers also can explain how to work safely for example in the boiler station, workers can explain the PPE to be used, how to monitor the boiler in order to operate safely, has been given training related

firefighters. The Company has shown that they have attended the training and certification of OHS Electrician on 09 - 12 January 2017 held in Pekanbaru.

During field visit in Block C038 Division 3 on spraying activity and pesticide storage were known to PPE type of mask used in the form of particulate respirator type NIOSH N95 PSP SH 2550 CV TC 84A-4008, it has been in accordance with MSDS.

Based on visits to KUD Karya Mandiri's office and interviews with smallholders, it was reported that when working in the field smallholders and / or workers on smallholders have used PPE such as safety shoes and helmets. For PPE is provided by individual smallholders or workers on smallholders who can be purchased at KUD offices.

Medical Check-Up of LPF workers was conducted in April 2017 with type of audiometric examination. The results of the examination indicated that there was one worker indicated to have decreased hearing and one worker had hearing loss. The doctors recommendation is done further examination to specialis ENT (Ear, Nose and Throat) for workers. The Company presented a Certificate from RS Royal Prima Jambi dated May 23, 2017 stating that the relevant re-control needs to be done on May 30, 2017. will be re-observed in ASA 1.1 assessment activities. To ensure that further examination results are performed for workers with hearing impairment. Further examination on May 30th 2017 results indicate that the worker stated no hearing loss, there is only ear wax so there is a blockage in the ear hole.

4.7.4:

Certificate holder has identified those responsible for implementation of OHS program formed in P2K3 structure. P2K3 that owned has been approved by Labour Agency Muaro Jambi District by SK No. KEP.31Disnakertrans-5.3/IV/2017 dated April 2017 for Estate and No. SK/144/DISNAKERTRANS-3.1/2017 dated February 10, 2017 for mill. Based on interview with Labour Agency Muaro Jambi District, company has P2K3 and OHS Officer in accordance with the regulations.

Besides that, meeting related OHS has been done on every month by P2K3, example meeting on March 2017 in LPF with a discussion agenda about hazards such as harvesting, chemist, fertilizing, etc. which is supplemented with recommendations from OHS Expert. In LPE with a discussion on the change of P2K3 management, inspection of PPE for transportation of FFB from KUD, and transportation of CPO

NCR No. 2017.09 with Major category

- a. Available Inter-Office Mail No. 105/BGR-AME/V/2017 dated May 30, 2017 regarding the Appointment Letter of OHS Responsible Person in KUD Karya Mandiri, however, there is insufficient evidence that the appointed personnel have qualifications and competencies in OHS aspect.
- b. KUD Karya Mandiri has not been able to show recording periodic meetings to discuss safety and health issues

4.7.5:

Certificate holder has made efforts to deal with emergencies and accidents, among others:

- Have procedures related to the handling of emergencies. The procedure related to the handling emergencies is still the same as the previous assessment.
- Have emergency facilities and infrastructure such as fire extinguisher, first aid kit, hydrant, water machine, water tank, clothing for firefighters, chainsaws, hoses and syringes peat, tractors and other supporting equipment.
- Conducting a training of emergency, example emergency response training in LPF on February 27, 2017 and emergency response training of natural disasters and use of fire extinguisher in LPE on March 4, 2017.

Based on field visits in mill at boiler station known that hydrant can function properly and in each fire extinguisher there is checklist of inspection that monitored every month. As well as interviews with harvest foreman in Block C027 Division 3, it is known that the foreman had been equipped with first aid kit and can explain the functions of each of contents in first aid kit and can explain the handling of occupational accidents

NCR No. 2017.10 with Minor category

- a. KUD Karya Mandiri has not been able to demonstrate emergency procedures, but is not limited to fire, chemical

- spills, and potential specific natural disasters, for example: Earthquakes, etc.
- b. Not enough evidence that smalholders have First Aid Training in the operational area.
- c. First aid kits are not yet available at work and / or during field operations, with regular monitoring in accordance with applicable legal requirements.
- d. Based on the results of field visits in Ladang Panjang Factory, it is known that the emergency evacuation route signs are not maintained.

4.7.6:

Certificate holder has provided the employees with insurance to cover occupational accident in accordance with the provision set by the government (BPJS). Such insurance is named Workers Social Security Agency (Worker Social Security Agency for employment), which is routinely paid every month. Based on interview with Worker Union, explained that all employees have been registered in accident insurance. As for KUD Karya Mandiri management, health protection is registered in individual health BPJS program. For example the chairman of KUD with membership of BPJS Health number 0001474883392.

NCR No. 2017.11 with Minor category

A review of the results of medical check up in April 2017 revealed the number of workers examined by 34 workers (parts of process, laboratory, maintenance and krani) with the type of audiometric examination. The April 2017 employee recording list shows the number of Mill workers 89 daily workers, 68 monthly workers and 16 contract workers. Based on the above, the company can not show that all Mill workers with high risk work have been conducted medical check up in accordance with the schedule set.

4.7.7:

Certificate holder had recorded of occupational accidents in Work Accident Monitoring Reports that inform date, name of victim, site of accident, number of accidents, loss of work days, and category of an accident and cause of the accident. Based Monitoring accident period July 2016-May 2017 note that in Estate and mill there are no accidents.

NCR No. 2017.12 with Minor category

Karya Mandiri Cooperative has not been able to show record of work accidents using Lost Time Accident (LTA).

4.7.2	Status: NCR No. 2017.08 with Major category	
4.7.4	Status: NCR No. 2017.09 with Major category	
4.7.5	Status: NCR No. 2017.10 with Minor category	
4.7.6	Status: NCR No. 2017.11 with Minor category	
4.7.7	Status: NCR No. 2017.11 with Minor category	

4.8

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

4.8.1:

The management unit PT BGR by HRM Sime Darby consistently prepare annual training program for all staff and workers at Plantation Minamas Training Calendar 2016/2017 in an effort to comply with regulations, as well as documenting and evaluating the training program has been developed and implemented. The training program includes OHS training (PPE, HIRAC, fire extinguisher and Hydrant, First Aid, Emergency Response, Mechanical Safety), the risk of exposure to pesticides (dose, the protection of female workers from the hazards of chemicals, the use of home Block Spraying System as a place to cleanse the body after working with chemicals, as well as storage and work tools spray PPE as an effort to minimize the impact of chemical hazards from the family home). In addition, the training associated with BMP in efforts to increase estate production.

In addition to training programs for the staff and workers, provided training programs for smallholders period 2016/2017, for Karya Mandiri smallholder, the types of training include harvesting, weed control, pest and disease control, fertilization, HCV Management, OHS, conservation, waste management, emergency response, etc.

4.8.2:

Ladang Panjang Estate has consistently documented the training records for all staff and workers on Estate. In the tape contained information: employee name, employee number, position, title of training, time, place, Instructor and a

certificate. For example:

- Training records pesticide operators on January 12, 2017 spray team Division III on training about PPE, SOP spraying, procedures for the use of doses of pesticides, HIRAC, MSDS, HCV and Gender.
- Training records harvester on February 14, 2017 harvester team Division III on training about SOP harvesting and PPE.

Based on interviews with harvester in Division III Block C027, pesticide operators and manuring workers in Division III Block C038 submitted that the workers have received training related to the field work and be briefed on the activities of the morning briefing to ensure workers can work in accordance with procedures established by the company.

The Company has also conducted training for contractors who partnered with PT BGR, such as training for replanting contractors on the importance of the use of PPE, OHS, and HIRAC on November 03, 2016.

NCR No. 2017.13 with Minor category

- a. Ladang Panjang Factory has compiled mill worker training schedule for the period July 2016 through June 2017. Based on a review of the training recording that has been demonstrated by the Ladang Panjang Factory management, there is insufficient evidence that the training has been carried out according to the schedule specified in the program for that period.
- b. KUD Karya Mandiri can show the Socialization and Training Program for Smallholders from July 2016 to June 2017. Based on the review of training record that has been shown by KUD Karya Mandiri, not enough evidence that the training has been done according to the schedule set in the program for that period.

4.8.2 Status: NCR No. 2017.13 with Minor category

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.

5.1.1:

PT BGR unchanged the total area, activities and mill capacity, so environmental document that use is the old one. The document was EIA on 2007 which cover own estate as 4,000 Ha, smallholder as 6,000 Ha and mill with capacity 45 ton FFB/hour. This document also explains about environmental of management and monitoring plan which must be done by the company.

5.1.2 & 5.1.3:

The company have conducted management and monitoring of environmental impact in accordance with EIA document and sent the implementation report to related institution. This implementation report is made every six months and reported to the Environment Bodies of Muaro Jambi Regency and the Environment Bodies of Jambi Province, such as implementation report of semester II of 2016 which sent to Environment Bodies of Muaro Jambi Regency on April 10, 2017. PIC who responsible to implementation of environmental management and monitoring is PSQM and head administration of mill.

Based on environmental monitoring known that management activities were taken have been effective to minimize environmental impact. Based on interviews with Environment Bodies of Muaro Jambi Regency known that the company always send the implementation report of Environmental Management Plan/Environmental Monitoring Plan every 6 months and there is no issue of environmental pollution.

Status: Comply

5.2

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced

5.2.1:

The Company has assessed HCV for the entire area of operations that conducted by the RSPO Approve Assessor on

2010 – 2011. HCV identifying process conducted by using HCV identification guides in Indonesia on June 2008. The identification results indicate that there are HCV 1.1, 1.2, 1.3, 2.3; 4.1 and 5 with an actual area of 5.3 hectares and potential area of 1,816 Ha. HCV identification results also explain that they didn't found Rare, Threatened or Endangered (RTE) species according IUCN-Redlist, but there are protected animal such as *Pecuk-ular asia (Anhinga melanogaster)*; *Sanca (Python curtus)* and *Macan akar (Felis bengalensis)*.

5.2.2 & 5.2.3:

Based on management evaluation to HCV Identification Document known that there area 22 Ha that was identified (actual and potential) at Division III, but the area that can be managed as HCV only 4.31 Ha and the remaining area is enclave. While, the HCV area that identified (actual and potential) in Division I and II is 1,799.7 Ha, but the area that can be managed as HCV only 3.8 Ha. The remaining area is not designated as HCV because it has been planted for oil palm tree and the area is still managed with water management. So the management of HCV area conducted by the company is currently only in the area of 8:11 Ha.

HCV management activities that taken by the management unit are maintain HCV attributes (HCV boundry, sign board), HCV socialization (community and worker), maintain HCV area, patrolling around HCV area, monitoring of flora and fauna, enrichment in riparian. Interviews with the sprayer of Block C038 Divisi 3 Ladang Panjang Estate known that the they have known the HCV area as a protected area and the they have also known a ban for chemical use in riparian. Workers also have to know about the protected species and a ban on hunting of protected species. Field visit at Terentang riparian Field C-025, Division III, Ladang Panjang Estate show that riparian is already planted with oil palm tree since year of 2000 and there are enrichment species by planting trees such as angšana, jelutung and bamboo. Based on interviews with workers in Division I, Division II and Division III, it is known that workers have known prohibition to damage HCV areas and prohibition to capture, harm, collect or kill the species in the company.

5.2.4:

The company has been monitoring the species and HCV areas regularly every month. Based on the interview known that monitoring of HCV has been made documented on a regular basis, to the management unit needs to document the results of these observations are routinely. As for the monitoring of species have been performed and documented regularly every month and recapitulate every 6 months. The monitoring results will be evaluated by HCV officers regularly to determine the effectiveness of management actions undertaken.

The threat identified towards HCV management plan was from surrounding communities. To overcome this situation, the company has conducting socialization on HCV management which already carried out in 22 February 2017.

5.2.5:

HCV identification results indicate that there are areas of community (enclave) containing HCV. The action taken by management unit to this area is socialization continuously to improve the public's understanding of the importance of biodiversity.

Status: Comply

5.3

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

5.3.1:

Consistently up with the activities of recertification, the management unit has identified waste in the Mill and the Estate including the type of waste (hazardous waste, domestic waste, industrial waste, infectious waste, and air waste), waste sources, and actions taken in efforts to reduce hazardous waste.

Based on field visit in housing, it was known that dosmetic waste and organic rubbish managed by sending it to landfill. Sewage from housing is manage in septictank.

5.3.2:

Hazardous waste generated from operational activities such as Mill and Estate likes used filters, used oil, cotton waste fabric scrap, battery scrap, pesticides used containers, used lamp, etc are stored in the Hazardous Waste Storage licensed in LPF and LPE. Permit form of Letter Head of Integrated Services One Stop Muaro Jambi

No. 09/Kep.Ka BPTSP/XII/2014 issued on December 22, 2014 with a validity period of 5 years and LPF form of Letter Head of Integrated Services One Stop Muaro Jambi No.02/ Kep.Ka BPTSP/VI/2014 issued on June 30, 2014 with a validity period of 5 years. For retention time allowed in the Hazardous Waste Temporary Storage LPE is 90 days and in the LPF is 365 days in accordance with Presidential Regulation no. 101 years 2014.

The results of the field observations at the Hazardous Waste Storage in LPF and LPE note that storage in accordance with the capacity and roofed to protect from rain, has an air circulation, has a lighting system, fire extinguisher, eyewash/shower, secondary containment, first aid boxes, alarm, SOP emergency response, log book, balance hazardous waste boards, labels and symbols hazardous waste.

Ex-packaging of pesticides and chemicals washed first in accordance with SOP of B3 Waste Treatment (7307/BGR-ESH/10 dated August 2, 2010) and then stored in TPS B3 waste.

Karyawan Mandiri smallholder has not been able to show evidence that the former pesticide packaging has been managed and documented in accordance with applicable waste management procedures and regulations. **NCR No.2017.14.**

5.3.3:

Domestic Waste

Domestic waste generated from housing, office, workshop and warehouse in the form of organic and inorganic garbage dumped into waste landfill is located away from employee housing and water resources. Based on field visit known that waste landfills form of dumping system (digging and stockpiling).

Mill Waste

Of processing activities at the Mill, the waste generated in the form of empty bunch, POME, fiber and shells. For each such waste forms of management include: bunch empty applied directly to the land (for example in Field C035 Division III), and liquid waste generated from the production process Ladang Panjang Factory managed at WWTP before it is applied to the land (for example in Field C028 Division III) in accordance with the Decree of the Regent Muaro Jambi No. 01/ Kep. Ka BTSP/ VII/ 2016 dated June 13 of 2016 on Permit for the Use of Wastewater mills In the Land of Oil Palm Plantations PT Bahari Gembira Ria. As for the waste in the form of fiber and shells are used to fuel the boilers as the company's efforts in the efficiency of fossil fuel use and optimizing use of renewable energy.

Infectious Waste

Infectious waste resulting from activities in clinics such as syringes, infusion bottles and hoses, cotton bandages and scars, and expired drugs. The waste is stored in the Hazardous Waste Storage and subsequently handed over to the carrier company hazardous waste as hazardous waste others management. Here's proof of transporting infectious waste form dated January 26, 2017 Hazardous Waste Manifest (No. APM 000224) with a weight of 0.001 tons of infectious waste.

Air Waste/Emissions

From processing operations in Mill also produce waste in the form of air emissions from the boiler chimney activity, and generators, as well as the noise emanating from the operational turbines, generators, polishing drum rotation, nut creeker. The shape management by measuring the air quality and noise on a regular basis, such testing on December 3, 2016. The results of the emission test parameter generator with NO₂, SO₂, CO, particulate, opacity, and flow rate in accordance with the quality standards established at Regulation Of Environmental Ministry No. 21 of 2008.

The results of boiler emissions test parameters, among others, SO₂, CO, NO₂, O₃, Cl₂, HCl, NH₃, H₂S, particulate, opacity, Pb, HF, Cd, As, Hg, Zn, and the flow rate in accordance with quality standards established in Regulation Of Environmental Ministry No. 7 of 2007. The results of measurements of noise intensity in the

Engine Room at 98.5 dBA, the boiler room amounted to 86.4 dBA, kernel of plant to 85.6 dBA, station clarification of 73.3 dBA and 62.6 dBA at workshop. From the measurement results in the engine room, boiler room and plant kernel known noise intensity exceeds the threshold limit specified in Regulation of Labour Ministry No. 13 of 2011. The actions taken by the company to provide PPE (earplug/earmuff) for workers who work in the area with high noise and operator audiometric checked periodically.

NCR No.2017.15 as of:

Based on the results of field visits it is known:

- a) In the field of Ladang Panjang Factory found light bulbs used, former fabrics, contaminated gloves and B3 packaging that are not placed in a licensed area.
- b) In Division II block B015 there is contaminated packaging placed in unauthorized places.
- c) (C) In the empty empty carriage station, there is a leach of leachate water coming from an empty empty pile, the leachate water flows into the ground pool, and is located adjacent to the drainage release stream of the factory rainwater.
- d) Below the empty bare conveyor found empty stacks empty.

Then Company shows:

- a. Evidence of improvement by submitting documentation in the form of photos of LB3 displacements found in unlicensed places to licensed LB3 TPS. However, the company has not been able to show that the LB3 has been recorded as LB3 in accordance with the SOP of LB3 handling no. 7307 / BGR-EHS / 10.
- b. Company conducts evacuation of leachate water by pumping leachate water into IPAL pond. But the company has not been able to show the mechanisms that regulate the flow of leachate water does not come to the environment. This is not yet in line with SOP for Solid Waste Handling (SOP / 027 / PT BGR / 2014), No. Revised RSPO / P & C / PLNB-3

5.3.2	Status: NCR No.2017.14 with major category	
5.3.3	Status: NCR No.2017.15 with minor category	

5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.

In accordance with SOP of waste management, Company has utilized shell and fiber as renewable energy for boiler. Based on the report of the use of fiber shell for the period July 2016 – March 2017 renewable energy efficiency reach 0,015 Kwh / Ton FFB and non-renewable energy reach 0, 001 Kwh / Ton FFB. The consumption of fossil fuels in the estate and mill has been well monitored, as shown by the form of monitoring of the diesel fuel consumption period November 2016 – April 2017. Based on the monitoring data, annual consumption of diesel fuel was around 167, 304 liters and was lower than budget.

Status: Comply

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.

5.5.1 & 5.5.2:

The Company has consistently documented policies in Head Plantation Upstream Indonesia Memorandum dated August 7, 2014 No.M-077/HPUI/VIII/2014 stating that the company does not do the burning of any kind, and must implement zero burning in all activities of the plantation. In addition to the policy expressed also in the form of "Procedures Reference Manual Oil Palm Planting Agronomy", or the Agricultural Reference Manual No. Policy 110/EST-ARM/13, signed by Head Plantation Upstream Indonesia dated 16 September 2013 regarding the land clearing process is done mechanically without burning.

Based on observation in replanting activity at Block A11 Division II and Block B015 Division II known company apply mechanization technique for replanting activity.

Status: Comply

5.6

Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.**5.6.1:**

The company was able to show several data related to pollutions which conducted by PT Global Quality Analytical (KAN Accredited LP-756-IDN), which presented in RKL/RPL Semester 2 2016, with summary as follows:

- The results of measurements of noise intensity in the Engine Room at 98.5 dBA, the boiler room amounted to 86.4 dBA, kernel of plant to 85.6 dBA, station clarification of 73.3 dBA and 62.6 dBA at workshop. From the measurement results in the engine room, boiler room and plant kernel known noise intensity exceeds the threshold limit specified in Regulation of Labour Ministry No. 13 of 2011. The actions taken by the company to provide PPE (earplug/earmuff) for workers who work in the area with high noise and operator audiometric checked periodically. Based on field visits in the Mill there has been a high noise warning and PPE signs on the boiler station, engine room station, and plant kernel. For engineering control, in the station area with high noise supplied silencer and a special soundproof room for the operator.
- Based on vibration monitoring measurement as required in Permenaker No. 13/2011, it could be concluded that vibration were considered as non destructive.
- Based on boiler emission measurement as required in PermenLH No. 7/2007, it could be concluded that vibration were below the threshold limit.
- Based on generator set emission measurement as required in PermenLH No. 21/2008, it could be concluded that genset emission were below the threshold limit.
- Based on ambient air quality measurement as required in PP No. 41/1999, it could be concluded that ambient air quality were below the threshold limit.
- Based on waste water quality measurement in WWTP outlet as required in KepmenLH No. 28 and 29/2003, it could be concluded that water quality on the outlet were below the threshold limit.
- Based on odor monitoring measurement as required in KepmenLH No. 50/1996, it could be concluded that odor quality on were below the threshold limit.
- Air Pollution and Emission in the form smoke and dust coming from the boiler chimney, generators, car transport, and roads. As for the control measures of the company include the use of masks, fiber grate boiler cleansing routine, regular cleaning dust collector, water lock routine inspection, ducting leaks routine inspection, checking periodically, maintenance of roads, speed restrictions and installation of smoke density.

Karya Mandiri Cooperative

KUD Karya Mandiri management Unit were not conducting emission measurements towards activities which produce pollutions. Hence, raised **NCR No. 2017.16 with Major category**.

5.6.2:

The company has identified emission sources and its management program, describes as follows:

- Emission sources from Ladang Panjang Factory were identified in Boiler, Generator Set and WWTP station. Type of emission are CO₂, particulate, NO₂, SO₂ and dust.
- Emission sources from Ladang Panjang Estate were identified on land clearing, manuring, fuel consumption, transportation, and application, industrial and domestic waste. Type of emission are CO₂, NO₂ and CH₄.

Mitigation program of PT BGR are zero burning for land clearing activities, reduction the used of chemical fertilizer and to apply by-products (EFB and POME) for nutrient supply, fuel efficiency, periodic machinaries and vehicles maintenance and periodic emission monitoring.

The company has waste water treatment plant (WWTP) for pollution reduction of palm oil mill effluent (POME) purposes before transferred to the flatbed on the selected field. Apart from chemical fertilizers, organic fertilizers which came from by-products (EFB and POME) has also applied for nutrient cycle purposes. By-products application was documented in monthly Estate Manager report chapter monthly work realization, realization of manuring report and by-product realization report. EFB dosage recommended were varies about 35-40 ton/ha/year (or about 250 kg/palm/year) which depends on field condition, while for land application was about 62.53 m³/ha /year. Based on field observation to Block C035 Divisi 3 for EFB application and Block C028 Divisi 3 for land application, it could be concluded that both by-products application were satisfactory and in accordance with procedures and permit (land application).

Administrative controls undertaken by company for the hazards and risks of noise by conducting annual medical check-up with types of audiometric examinations. For engineering control, the company has regular programme of machinery check up.

Karya Mandiri Cooperative

KUD Karya Mandiri Management Unit has not identified significant GHG emission and pollutant, as well as its mitigation planning. Hence raised **NCR No. 2017.17 with Major category**.

5.6.3:

Air Pollution and Emission in the form smoke and dust coming from the boiler chimney, generators, car transport, and roads. As for the control measures of the company include the use of masks, fiber grate boiler cleansing routine, regular cleaning dust collector, water lock routine inspection, ducting leaks routine inspection, checking periodically, maintenance of roads, speed restrictions and installation of smoke density.

Calculation of GHG emission and its monitoring has conducted by Department of Management System. GHG emission has calculated through the RSPO PalmGHG Calculator Version 3.0.0, with summaries are presented as follows:

Summary of Net GHG Emissions

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	8.43	OER	20.71	FFB Processed	113,152.131
PK	8.43	KER	4.51	CPO Produced	23.437.028

Land Use	ha
OP planted area	8,624.58
OP Planted on peat	4,365.3872
Conservation (forested)	5.30
Conservation (non-forested)	8624.58

Summary of Field Emissions and Sinks

Emissions	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Land conversion	20,125.53	7.12	-	-	-	-	20,125.53	7.12
*CO ₂ emissions from fertilizer	106,982.95	37.84	-	-	-	-	106,982.95	37.84
**N ₂ O emissions	14,540.96	5.14	-	-	-	-	14,540.96	5.14
Fuel consumption	589.29	0.21	-	-	-	-	589.29	0.21
Peat Oxidation	93,427.70	33.04	-	-	-	-	93,427.70	33.04
Sinks								
Crop sequestration	-26,470.49	-9.36	-	-	-	-	-26,470.49	-9.36
Conservation Sequestration	-13.76	0.00	-	-	-	-	-13.76	0.00
Total	209,182.18	73.98	-	-	-	-	209,182.18	73.98

Summary of Mill Emissions and Credits

Emissions	tCO ₂ e	tCO ₂ e/tFFB
POME	22,183.66	0.20
Fuel consumption	941.01	0.01
Grid Electricity Utilisation	0.00	0.00
Credits		
Export of Grid Electricity	0.00	0.00
Sales of PKS	0.00	0.00

Sales of EFB	0.00	0.00
Total	23,124.67	0.20

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0.00 %
Divert to anaerobic digestion	0.00 %

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	0.00 %
Divert to methane capture (flaring)	0.00 %
Divert to methane capture (electricity generation)	0.00 %

The company has reported the above calculation summaries to RSPO Secretariate via email (subject: GHG PT BGR Ladang Panjang Factory) on May 24th 2017. Email submitted by dani.ikhshan@simedarby.com, then response by devaladevi@rspo.org on May 29th 2017.

Karya Mandiri Cooperative

KUD Karya Mandiri Management Unit was not be able to shows measurement on GHG calculation through the RSPO PalmGHG Calculator Version 3.0.0 and its reporting to RSPO Secretariate. Hence raised **NCR No. 2017.18 with minor category.**

5.6.1	Status: NCR No. 2017.16 with Major category	
5.6.2	Status: NCR No. 2017.17 with Major category	
5.6.3	Status: NCR No. 2017.18 with Major category	

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

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.

6.1.1:

SIA PT BGR is equal to ASA-4 which is include in their ANDAL, RKL-RPL, and SIA document from Polito. Social impact assessments for the scope of smallholders (including Tri Mulya Jaya village, Karya Mandiri smallholder) were included in the report on the social impact assessment of palm oil plantation management of PT BGR 2010 in collaboration with Polito with five main social impact variables (section 5.5). The Company has also conducted a study of social and environmental impacts resulting from replanting activities to be conducted in the period 2015-2018, assessments made in October 2015. Report from AKSENTA. The opening meeting was attended by 9 participants from the official and representative office. For environmental impact analysis the company has an ANDAL (Environmental Impact Assessment) and RKL / RPL (Environmental Management / Monitoring Plan) which has been approved by the Governor of Jambi. 304 / KEP.GUB / BAPEDALDA / 2007 dated 2 August 2007, covering a core area of 4000 hectares, 6000 hectares of plasma area, and Palm Oil Mill (PKS) with a capacity of 45 tonnes of FFB / hr.

Karya Mandiri Cooperative

A social impact assessment for plasma plantation scope has been included in the report on the social impact assessment of palm oil plantation management of PT BGR 2010 in collaboration with Polito with five main social impact variables (section 5.5).

The Company has also conducted a study of social and environmental impacts resulting from replanting activities to be conducted in the period 2015-2018, assessments made in October 2015. Report from AKSENTA.

For environmental impact analysis the company has an ANDAL (Environmental Impact Assessment) and RKL / RPL (Environmental Management / Monitoring Plan) which has been approved by the Governor of Jambi. 304 / KEP.GUB / BAPEDALDA / 2007 dated 2 August 2007, covering a core area of 4000 hectares, 6000 hectares of plasma area, and Palm Oil Mill (PKS) with a capacity of 45 tonnes of FFB / hr.

6.1.2:

PT BGR is equal to S4. The assessment has included stakeholders around by holding a meeting on January 8, 2010 with 19 people (the company, Sungai Gelam Village Head, Bappeda, BPN, BPN, Dishutbun).

Based on information from the head of Gambut Jaya village, it was found that the company has involved the plasma member villages in the social impact assessment activities.

Karya Mandiri Cooperative

The assessment has included stakeholders around by holding a meeting on January 8, 2010 with 19 people (the company, Sungai Gelam Village Head, Bappeda, BPN, BPN, Dishutbun).

Based on information from the head of Gambut Jaya village, it was found that the company has involved the plasma member villages in the social impact assessment activities.

6.1.3:

The preparation of a social impact management plan is conducted by evaluating the impacts conducted by using questionnaires to find out the positive and negative impacts of the social impact reduction program of PT BGR. The questionnaire was last done on May 11, 2017 in Tri Mulya Jaya village on May 15, 2017 in Mingkung Jaya village, May 17, 2017 in Sumber Agung village, which also completed with information dissemination procedure, conflict handling, communication and consultation, handling employee complaints, community complaints handling, land claims settlement and integrity code and ethical conduct, along with the handover of copies of the documents. The socialization was attended by village heads, community leaders, farmers groups in Trimulya Jaya village as many as 15 people, Mingkung Jaya village 7 people, and Sumber Agung Village. .

The Company has appointed officers responsible for the reduction of social impacts by letter from Chairman SOU 21 on May 28, 2015, among others Mr. Ageng Syaifullah Hendro (Ast Div 1 Plasma); Bpk. Willy Nurwinarso (Ast Div 2 Plasma); Mr. Wiji (Mandor 1 Division 3 Plasma); Mr. Alfian (Asistant Division 1 LPE); Mr. Wiyatno (Asistan 3rd Plasma Division); Mr. Samsul Bahri (Supervisor of Division 1 Plasma); Mr. M. Taufik Nasution (Supervisor 1st Division 1 LPE); Mr. Dedi Irawan (Supervisor 1 division 1 Plasma); Mr. Habib Wahyudi (Supervisor of Division 2 Plasma); Mr. Hasri (Supervisor of Division 2 Plasma); Mr. Nursyam (Asistant Process LPF).

6.1.4:

The Company has reviewed the Social Impact. Evaluation was done by participation from surrounding community by distributing questionnaires to 8 villages (Trimulya Jaya, Petaling Jaya, Sido Mukti, Mingkung Jaya, Gambut Jaya, Sumber Agung, Gelam River, Ladang Panjang). The last evaluation was conducted in April 2016.

Evaluation carried out has included plasma farmers who scouted the company and also the surrounding stakeholders. There are recording of Social Impact Assessment Questionnaire for example questionnaire from Sumber Agung Plasma Farmer, plasma farmer from Gambut Jaya Village, entrepreneur from Petaling Jaya Village, teacher from Mingkung Jaya Village, Village Affairs Head Tri Mulya Jaya

Based on the April 2016 Social Impact Evaluation Result based on the questionnaire, it can be concluded that the main impact that still needs to be improved is the guidance in the agronomic field.

6.1.5:

The company has Trans PR relationship plasma pattern with KUD Karya Mandiri farmers.

The stages of social impact management conducted by the company each year are:

- Beginning with the preparation of PT BGR's questionnaire and impact evaluation plan for 8 affected villages (Trimulya Jaya village, Petaling Jaya, Sido Mukti, Mingkung Jaya, Gambut Jaya, Sumber Agung, Gelam River, Ladang Panjang) period of 2017 compiled per 20 April 2017.
- Dissemination of the PT BGR social impact assessment questionnaire in April 2017 in Trimulya Jaya village, Petaling Jaya, Sido Mukti, Mingkung Jaya, Ladang Panjang, and in May 2017 for Gambut Jaya village, Sumber Agung and Sungai Gelam in May 2017 with Each of 20 questionnaires per village. The distribution of questionnaires was conducted by 16 officers from the company.

- To recapitulate the results of the social impact questionnaire by observing the negative responses from the community. Based on the question it is known that there are 4 negative responses, namely: the provision of information, the management of the environment, the complaints of the public, and the health service.
- Preparation of PT BGR's social impact management program for 8 villages, covering 4 main programs: children's education facilities (school bus and tk) service to the community (outpatient program, provision of village head incentive), safeguarding the environment and nature conservation HCV, protected flora fauna), socialization of corporate activities (socialization of complaints handling, traditional legal rights, information and communication, social activities of the company / harvest, maintenance, road construction, socialization of employee complaints, socialization 8 corporate policies, socialization SOP compensation, Conflict resolution.
- Realization of SIA program number 4 concerning socialization company activity to the village as follows: Petaling Jaya dated May 10, 2017 with 12 participants, Tri Mulya Jaya village on May 11, 2017 with 15 participants, Sido Mukti village on May 12, 2017 with 8 participants, Mingkung Jaya on May 15, 2017 with 7 participants, Gambut Jaya on May 17, 2017 with 3 participants, and Sumber Agung village on May 17 with 4 participants. On the occasion submitted 10 company procedures.

Particular attention to plasma farmers is made by the company through the formation of assistant staff of plasma farmers or partners who provide field guidance of each harvest activity carried out in each farmer group. Based on field interviews with the chairman of KT TM1 and 2 it is known that the partner coach officer visits every 10 days.

Status: Comply

6.2

There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

6.2.1:

Company has been consistent documented SOP Communication and Consultation with the Community (Doc No. 006/BGR-KKM/III/I, February 10, 2013) which is a guide for communication and consultation with the community. In the procedure described on the mechanism of communication with community begins with providing a letter through the village head, analyzing the response letter from the public, if necessary, held a meeting with the public to communicate directly, if a response within the limits of authority manager unit will be immediately given a decision and, if so without the authority manager then the unit will be delivered to the head of department and unit managers will send a letter of response to the public.

Karya Mandiri Cooperative

The smallholder has been Information Request procedure (Document No. 008 / KUD-KM / VIII / 2016, August 02, 2016) describing the company's guidance in responding to requests for information from stakeholders.

This consultation and communication procedure was also socialized to the community for understanding to the community for example: January 2015 in Sumber Agung Village, also socialization at KUD Karya Mandiri of land issues including consultation and communication procedure at Sejahtera (KUD Karya Mandiri).

6.2.2:

Corporate officer responsible for executing the procedures of communication and consultation is the management of the operational unit Mill and Estate, Head Department and the relevant departments in accordance with SOP Communication and Consultation with the Community (Doc No. 006/BGR-KKM/III/I, February 10, 2013). Officers appointed by SOU PT BGR Manager and Manager of the Department of Agronomy. Based on interviews with the Head of Sungai Gelam Village submitted that the Village Head in communication or consultation with management through the Estate Manager. It ensures that stakeholders have been informed the officer in charge of communication and consulting PT BGR.

6.2.3:

Companies can consistently show a list of stakeholders compiled and updated in 2017 for example Regional Government - Head of Petaling Jaya Village, Head of Ladang Panjang Village, Head of Sumber Agung Village, Head of Mingkung Jaya Village, Head of Peat Jaya Village, Head of Sungai Parit Village, Head of Sungai Gelam Village, government officer, worker union, bank, hospital etc.)

Records of all communication and consultation is documented in the book list of incoming and outgoing mail, based on observations until May 2017 documents related to communication and consultation with the community in the form of correspondence regarding the request for funding to the Village or the lending activity of heavy equipment to repair roads.

Status: Comply

6.3

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

6.3.1:

The Company has consistently documented procedures for dealing with complaints submitted by all affected parties, among others:

- SOP Handling Community Complaints on 11 April 2013 the governing mechanism of public grievance to management and guide the management in handling public complaints as well as the recording of complaints in monitoring registry book handling complaints. In SOP also stated that any public complaints must be received and recorded for later resolved and the management must provide protection against the complainant or the complainant.
- SOP Handling Employee Complaints on 30 April 2013), which regulates the mechanism of grievance from employees to management and guide the management in handling employee complaints and record complaints handling in monitoring registry book complaint. In SOP also stated that any employee complaints must be received and recorded for later resolved and the management must provide protection against the complainant.

In the procedure stated that those responsible for receiving grievances and complaints from community by Head of Section were subsequently forwarded and responded to by Manager Estate/Mill. As for complaints of employees responsible for receiving complaints and grievances is supervision/assistant who subsequently forwarded and responded to by Manager Estate/Mill. The Company continues to facilitate complaints handling in accordance with its procedures, but until the implementation of recertification, it is known that there are no significant complaints to be brought to the RSPO.

6.3.2:

Based on interviews with LPE and LPF Warehouse clerk submitted that if there are a grievances or complaints, employees will communicate to immediate supervisor and will be followed by the manager. A complaints from the employee, for example concerning the damage to the housing facilities such as a leaky roof or the floor was broken, and the responses from the company to repair the damaged housing facilities.

Base on recertification activities, companies has recorded complaints and complaints of each worker in the log book for factories and estate. for example:

- August 12, 2017 Complaints from workers regarding BPJS (Health services) are perceived to be much poor compared the health services are provided company. However, the worker union understands this because BPJS Health is an obligation of compliance with applicable regulations.
- February 8, 2017 senior assistant division I and II, an explanation of the company's overtime implementation, and the company has followed up on it, enclosing evidence of complaint settlement.
- March 14, 2017, complaints / requests for assistance from emplacement, roof demand to replace roof employees housing of LPF, the company has followed up attached vouchers / bon roof submission for housing.

Status: Comply

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.

6.4.1:

The Company shows Procedure of Occupational Land Acquisition No. 343 / PSD-OKUP / 11 dated 23 Feb 2012 flow process land acquisition landokupaso or compensation.

1. Claim

2. The form of inventory team consists of the company, department PSD, agronomy, bag. Sub-district and related audiences including those with land.
3. Ensure the ownership of land ownership and ensure to the field (location)
4. Measurement.
5. Negotiation.

All of the above items are in the attachment of the above SOP - a statement letter, compensation plot, ID card, proof of compensation (accounting) photo documentation. Result of inventory - data collection of plant growth and land signed by many parties including the cultivators for the person entitled to get compensation, including the release letter of land right (last).

There is a mechanism and evaluation procedure for the effectiveness of loss of legal rights and land rights (RSPO / 6.4 / HLT) of PT BGR. Procedures describe: handling of traditional land claims and other rights if any.

Karya Mandiri Cooperative

Available SOP of The settlement of conflict Karya Mandiri smallholder number 08 / ky.km / x / 16 dated September 24, 2016 authorized by Karya Mandiri smallholder dated September 24, 2016, which inform about: handling problems of land that exist in the scope of smallholder, where secretary duty to Record and verify in the field, reported to the head of smallholder, establishment of land claims verification team and supporting data on legal basis and village involvement if the claim base is strong.

Based on the results of the focus group discussion with members of the Karya Mandiri Farmers' Working Group obtained information that there are no land disputes, either members of the KUD or with the company.

6.4.2:

There is Procedure of occupation land acquisition. 343 / PSD-OKUP / 11 dated 23 Feb 2012 and explained that the basis of calculation is based on annex of land, plant and other land acquisition in relation to land acquisition for PT BGR. Its located in village, sub district and so on. Then on the basis of this negotiation is done in the form of money or other forms with related parties. To be paid and with the purpose of dispositionl of land on the land rights.

For calculation and compensation mechanisms consider the land and culture conditions or local community data where all are involved in a multi-stakeholder team including those with land.

Karya Mandiri Cooperative

Karya Mandiri smallholder comes from the transmigration village for oil palm plantations. There is no addition of plasma plantation area of Karya Mandiri smallholder.

Based on the results of the focus group discussion with members of the Karya Mandiri Farmer's Working Group obtained information that there is no land dispute, either fellow members of the Karya Mandiri or with the company.

6.4.3:

The results of public consultations and field visits revealed that the company did not open a new land until the recertification activity. The Company already has a land acquisition procedure as described in the SOP of Land Acquisition Procedure No. 343 / PSD-OKUP / 11 dated 23 Feb 2012 (NCR 2015.14).

Karya Mandiri Cooperative

Based on the results of focus group discussions with members of Karya Mandiri farmer groups that there is no new land acquisition for plasma plantations Karya Mandiri smallholder. All plasma land comes from area 2 of the government's PIR program.

Status: Comply

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.

6.5.1:

Determination of minimum wage provisions of 2017 issued at the end of April 2017, hence wages received by workers in January to May 2017 still follow the provisions of wages in 2016. And based on the interview with the Head of

Administration presented that wages in 2017 will be available on June 2017 and the additional will be paid for the period of January to April 2017.

NCR No. 2017.19 with Major category

The result of the document review of Work Contract Agreement (Local) No. POM/LPF/SPK-LKL/KTK/V/2017/010 article 2 states that the excess of working hours/work outside working hours with the approval of the management of PT BGR - Ladang Panjang Factory is recognized as overtime with hourly payment of one (1) The working day is divided into seven (7), starting from the first hour of overtime until then multiplied by one (1) time wage.

Furthermore, based on review the recording wage on April 2017 for contract workers of Ladang Panjang Factory, the calculation of overtime pay refers to the provisions as described in the Work Contract Agreement (Local). So based on the above explanation, the provision of overtime wages set by the company for contract workers has not been in accordance with Kepmenaker No.102 of 2004 as described in Articles 8 and 11.

Karya Mandiri Cooperative

Based on an interview with KUD Karya Mandiri management board, KUD officers whose wages are paid based on the decision of the Annual Members Meeting with the value between IDR 900,000 until IDR 3,300,000. Based on interviews with smallholders group it is known that for harvest and maintenance work is done by smallholders or landowner themselves, but some are done by others who are not land owners. The wage provisions are paid based on agreement between the landowner and the worker.

6.5.2:

Collective Labour Agreement 2015-2017 between Sumatra Plantation Company Cooperation Agency with the Central Board of the Federation of Unions of Agricultural and Plantation Workers Union of Indonesia has been through a decree of the Director General of Industrial Relations and Social Security labor with No. 88/PHIJSK-PPKAD/PKB/VI/2015 on June 18, 2015. Agreement in a language understood by the workers and explain the recognition organization, recruitment, working hours, wages, contract labor, aid sick days, be absent work, payment of meal, overtime, provisions on premiums, feast day allowance, insurance social worker, equipment work and OHS, Provident Fund Benefit, special provisions for motor vehicle workers, workers brought in from outside the region, type of work, layoffs, severance pay, obligations of the company and the workers, a means of solving labor disputes and strikes. Overall agreement has been in accordance with the provisions of the applicable labor regulations

NCR No. 2017.20 with Major category

Work Contract Agreement (Local) No. POM/LPF/SPK-LKL/KTK/V/2017/010 article 4, stated that The Social Insurance Workers (Jamsostek) Pension Plan (JHT) 5.7% contribution is fully borne by workers. Based on the above, the employment agreement between the company and the worker is known not in accordance with the PP No. 46 of 2015 Chapter III of Article 16 stating that the Pension Plan (JHT) contribution of 2% shall be borne by the worker and 3.7% shall be borne by the company.

6.5.3:

Associated facilities and infrastructure and public facilities for the employees of PT BGR, is consistent with the activities of ASA-3. From the results of field observations in employee housing LPE and LPF is known that the company has endeavored to provide adequate facilities for employees, among others, housing, clean water facilities, lighting facilities, clinics, educational facilities (kindergarten), daycare, sports facilities, bus schools, and places of worship.

6.5.4:

The results of a public consultation with the Gender Committee on PT BGR submitted that the company has demonstrated efforts to improve workers' access to decent food and fairly by providing vehicles to transport workers to meet basic needs to the city at the time of receipt of salary. The company also has documented the locations that became a source of decent food and affordable prices that describe the distance from the location of the employee housing. Based on the Decree No. 91/BGR/SK/IV/2015 there are three locations that is at Petaling Village Monday market with a distance of 4 km, Tuesday market in Simpang Pramuka Village with a distance of 20 km and a Saturday market in the village of Ladang Panjang with a distance of 5 km.

6.5.1	Status: non-conformance no.2017.19 with major category	
6.5.2	Status: nonconformance no.2017.20 with minor category	

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.

6.6.1; 6.6.2:

PT BGR has been documenting and implementing the policies related to giving freedom to all workers to form and join unions workers desired. Policies are available in point 5 of the Code of Sustainable Plantation Management No. 724/TQEM-SPMS/09 dated April 1, 2010, signed by the CEO (Chief Executive Officer). In the ASA-4 votes are not there is a change management unions that are formed in PT BGR, still referring to the Decree No. 17/PC-K.SPSI F.SPPP/Ma.Jambi/III/2012 regarding Ratification/Confirmation Composition and Personnel Management Work unit Federation of Trade Unions of Agricultural and Plantation Workers Union of Indonesia PT Bahari Gembira Ria period of 2012 until 2017.

Public consultation through interviews with worker union officials submitted that:

- The Company has granted the freedom of association and no intimidation by the company against union officers.
- Meeting with management internally and done and the results of the meeting are documented in the form of news events.
- Communication between the union and the company have been good, if there is a complaint or a request for information from the union then the company has responded well and quickly.
- Determination of minimum wage provisions of 2017 issued at the end of April 2017, hence wages received by workers in January to May 2017 still follow the provisions of wages in 2016. And based on the interview with the Head of Administration presented that wages in 2017 will be available on June 2017 and the additional will be paid for the period of January to April 2017.
- All employees have enrolled in the program the social insurance provider body (BPJS) Workers and Health.
- One of the complaints from workers regarding health care still felt a lot better when the health service is made in full by the company. However, the unions understand this case because the social insurance provider body (BPJS) Workers and Health is an obligation of compliance with applicable regulations.

The result of the above interview was presented to the company at the time of audit activities. Things that need to be confirmed and verified concerning the above matters have been addressed by the company well.

Karya Mandiri Cooperative

Letter no. 22-KUD-KM-16 concerning Protection of Right to Organize dated September 18, 2016 which explains under KUD Karya Mandiri will protect the right to organize all employees in KUD Karya Mandiri in accordance with applicable legislation. Based on the results of interviews with smallholders presented that smallholders and smallholders groups have known about the circular on freedom of association.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1:

The company has consistently apply the conditions set out in the Memorandum of Head Plantation Operations Minamas Plantation Number POD-UM 121/VI/2010 dated June 7, 2010, concerning policies for the protection of children, including Point 6 states the prohibition to use the workforce under age in accordance with Labour Law is still valid. The results of document review and employee data in April 2017 is not found employees aged less than 18 years old at the time of recruitment, and field observations in harvesting activity Block C027 Division III it is known that workers understand the provisions of the minimum age requirements are allowed to work and are not allowed to bring children under age at the time of work in the field.

Karya Mandiri Cooperative

Letter No. 11/KUD.KM/05/2016 dated September 15, 2016 regarding Notice to the management of group and member smallholders prohibition of bring children under age at the time of work in the field according to Law no. 13 of 2013. Interview with group and member smallholders, it is known that workers understand the provisions of the minimum age requirements are allowed to work and are not allowed to bring children under age at the time of work in the field.

	Status: Comply	
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.		
<p>6.8.1: Certificate Holder has documented Social Policy in the Guidelines of Management of Plantation Sime Darby No. Policy 724/TQEM-SPMS/09 points 1, that all staff/employees should be treated properly and fairly in matters relating to matters the hiring, advancement, conditions and job description, regardless of the race, degrees, ethnicity, gender, skin color, imperfections (defects), sexual orientation, organizational membership, political views, religion and age. Available documents hike grade/class and document rotation and mutation of work not discriminate workers based on class, race, ethnicity, nationality, and religion.</p> <p>6.8.2: Interviews with worker union stated that no intimidation by the company against union officers. It also conducted interviews with Committee Gender of PT BGR, submitted that there was no reporting of discrimination, especially women workers conducted by the company. The Company has provided the opportunity and the chance to work without distinction of sex. Interviews with KUD Karya Mandiri management and smallholders were presented that smallholders were treated well by the company and there was no discrimination against smallholders or KUD Karya Mandiri management.</p> <p>6.8.3: In the process of selection and recruitment of workers of PT BGR refers Employee Recruitment Procedures (Document No. 431/HRM-RCT/07, May 24, 2007) signed by GM HRM. In the procedure described on the admission requirements of prospective employees and stages of the selection process to be admitted to the workers in accordance with the expertise, capacity, quality of workers and the needs of the company.</p> <p>For the performance appraisal process for career development or increase/promotion refers to the Memorandum of General HRM No. 331/HRM-i3/VII/2013 dated 09 July 2013. As in the evaluation criteria include the ability factor, responsibility, work performance, honesty, discipline, loyalty, hard work and a sense of ownership factor and other factors that need to be added in the evaluation. Results of interviews with worker union PT BGR delivered that performance appraisal was performed 1 year that will affect the grade / class salaries for Monthly Workers and or promotion of becoming Daily Permanent Worker to Monthly Worker has been carried out transparently.</p>		
	Status: Comply	
6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.		
<p>6.9.1; 6.9.2 and 6.9.3: Certificate Holder have policy to prevent all forms of abuse and sexual violence, as well as a policy to protect the reproductive rights of all workers. Additionally related to specific complaints mechanisms that protect the complainant has been provided in the document Guidelines for Implementation of Gender Policy Committee (No. Doc KP/02, dated March 2, 2013). Furthermore, to implement policies related to the above, the Committee Gender has been formed on PT BGR which is the organization responsible for ensuring the policy is applied across all operational units. The Committee consists of representatives of all fields of employment with regard to issues such as: training of women's rights; Counseling for women involved in cases of violence; Child care facilities provided by plantation and palm oil mills; Assurance that women can breastfeed up to 6 months before being assigned to use or spray chemicals; And providing special break times for women to be able to breastfeed effectively.</p> <p>To ensure that policies and procedures have been applied to the operational activities of the Mill and Estate then conducted public consultations through interviews with the Committee Gender of PT BGR. From the interview given to the following aspects:</p> <ol style="list-style-type: none"> 1. Socialization of sexual harassment policy, protection of women's rights, mechanisms for specific complaints such as sexual harassment and violence contained has been communicated to all workers as well as the guarantee of protection for complainants or victims and witnesses. 		

2. In the period 2016-2017 there are no reports of sexual abuse, violence against women and violations of workers' reproductive rights policy.
3. The company has consistently implemented a policy of protection of reproductive rights through the provision of H1 for female workers who experience pain on the first/second during menstruation and H2 for pregnant women workers who give birth (1.5 months prior to giving birth and 1.5 months after birth) or who had a miscarriage given time off for 1.5 months.

Socialization of gender committee on 23 May 2017 which was attended by KUD management and smallholders group and members. Besides that, socialization of prohibition of employing pregnant women who use chemicals such as fertilizer and spray weeds to smallholders groups and members and KUD Karya Mandiri management conducted on October 15, 2016. Interviews with KUD Karya Mandiri management and smallholders groups and members were informed that the smallholders had understood the provisions/restrictions.

The management unit has mechanisms for specific complaints such as sexual harassment and violence contained in the Gender Committee Policy Implementation Manual No. Document KP/02 dated March 2, 2013. In such mechanism it is stated that every employee complaint must be received and recorded for completion and management shall provide protection to the complainant.

Recordings of socialization dated October 15, 2016, were submitted that KUD Karya Mandiri management board and smallholders or community village who reported to be victims of violence or sexual harassment were protected by KUD and village government in accordance with applicable law.

Status: Comply

6.10

Growers and mills deal fairly and transparently with smallholders and other local businesses.

6.10.1; 6.10.2:

Interviews with Smallholders Group Margo Mulyo 2 KUD Karya Mandiri informed that PT BGR in pricing FFB has referred to the prices set by the Plantation Agency of Jambi Province. Pricing is conducted once every one week. FFB prices published in KUD office in the area and there is also the mill of PT BGR.

Team Meeting/Working Group Pricing FFB Jambi dated 24 May 2017 took place at the Plantation Agency of Jambi Province, attended by the Partner company, Planters and other related institutions. Meeting Pricing FFB Palm Oil for a period of 26 May until 01 June 2017, at which meeting participants.

1. The index 'K' that applies is the index "K" that had been established on 12 May 2017/Week for the second month running up to the second week of next month.
2. From the analysis and core CPO prices as follows:
 - a. The average CPO price of IDR 7,885.63
 - b. Average price of palm kernel IDR 5,248.39
 - c. Index "K" the results of the analysis of pricing FFB dated 12 May 2017 89.09%
3. The calculation of FFB
Age three year old plant set an average price of IDR 11,397.69 and up to age 25 years in the plant set an average price of IDR 1,648.34

6.10.3

The agreement concluded between the companies with the smallholders still valid. The agreement regarding the construction of plasma submitted by smallholders and in accordance with the provisions of Regulation of the PIR Transmigration. Both sides still agree (agreement) whereby the company will build up to produce palm oil and obtain certification of property rights; whereas for the smallholders is obliged to return the investment for the construction of estate and sends FFB to the company. The agreement is valid up to 25 years from planting in smallholders. That is the average age of the plant was started-year-old youngest years 1993/1994 and 1997/1998 were scattered on 6 KUD (KUD Manggar Jaya village of Sumber Agung, KUD Karya Maju village of Gambut Jaya, KUD Nargab Jaya village of Petaling Jaya, KUD Makarti village of Sidomukti, KUD Karya Mandiri village of Trimulya, KUD Mitra Inti Sumber Makmur village of Mingkung Jaya)

6.10.4:

Based on interviews with Smallholders Group Margo Mulyo 2 KUD Karya Mandiri informed that the payment results conducted every 1 month from the company through the KUD. The company indicated Cash Voucher No. 026/CV/05/2017 dated May 12, 2017 for the payment of FFB Smallholder period 01 to 30 April 2017. The result of interview with Margo Mulyo 2 Smallholders Group of KUD Karya Mandiri was submitted that there was never difference of production result with payment.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1:

The Company has participated in improving the welfare of the community surrounding the company through the development of community of the smallholders pattern, providing cooperation opportunities and conducting the construction to local contractors. The existence of the company opens new business opportunities for the surrounding community.

6.11.2:

The Company established a partnership department consisting of 1 manager, assistant staff and field extension officer who provided assistance to farmer groups.

The results of field interviews and focus group discussion with members of Karya Mandiri farmer groups that the partnership partners every 1 week conduct guidance to the farmers group land.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1:

The employment status of prevailing in PT BGR permanent workers (Monthly Workers and Daily Permanent Workers) and contract workers. For permanent employees the company shows Appointment Monthly Workers and Daily Permanent Workers, while for contract workers bound in the Letter of Employment Agreement between the companies with the workers, which the agreement has complied with labor laws. Interviews with the management explained that each year an evaluation for each employee whose results are used to determine the career path of the employee concerned, and a letter of agreement work is read in advance by the employee before it is signed so that the positions, duties and responsibilities have been understood and executed in accordance with the agreed conditions.

In addition to the management also conducted interviews with the unions. Part of the union said there was no compulsion for employees to do certain jobs and positions, employees understand their rights and obligations in the work in accordance with labor agreements are made.

6.12.2:

To prove that there are no substitutions of the company's contract shows the Local Employment Contract Agreement No. POM/LPF/SPK-LKL/KTK/V/2017/010 Mill office worker working Compound entry valid for 1 year. The employment agreement was made in a language that is easy to understand, based on interviews with Head of Administration submitted that each chapter was explained to the workers and the subsequent agreement signed by both parties, ie between the workers with the company, without any coercion whatsoever. The agreement has been load requirements according to the applicable provisions of the labor law.

Based on documents review and interviews with worker union and labor agency, there are no illegal or forced worker. Contract Worker and Permanent workers has been equipped with the Working Agreement that has been agreed together. Based on document review and field observation in Ladang Panjang Estate and Ladang Panjang Factory it can be seen that there is no indication of forced labor. The worker have the freedom for resign, there is no threat for family members and no financial penalties. Based on the observation of harvest activities in Block C027 Division 3, no harvest workers were found to bring their wives or children to help work in the field. The results of interviews with harvest workers were submitted that the company had prohibited workers from bringing their wife or children away while working in the field. If it violates the matter then the workers may be given sanction by the company

6.12.3:

The results of observations document a list of employees in April 2017 working on the operational activities of the Mill and Estate with the status of permanent workers (Monthly Workers and Daily Permanent Workers) and contract workers came from various regions in Indonesia for example, Sumatra, Java, Kalimantan, Nusa Tenggara, Bali , etc.

Interviews with district Labor Agency of District Muaro Jambi explained that PT BGR does not hire workers with AKAD system (Inter-City Inter-regional), but the workers themselves must come to apply for jobs at companies both local workers and migrant workers from outside the area.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1:

PT BGR consistently documented policies in respect for human rights contained in the Social Policy adopted by the Head Plantation Upstream Indonesia in December 2011. The policy also consistently disseminated to all employees, for example, on December 8, 2016 submitted to the Foreman and workers Division I, II and III LPE, and on April 27, 2017 submitted to the workers in the LPF. According to interviews with workers workshop LPF and workers LPE (harvester, pesticide operator and manuring workers) known that the worker has to know human rights-related policies owned by PT BGR.

Letter no. 24/KUD KM/IX/16 dated September 18, 2016 issued by KUD Karya Mandiri submitted to group smallholders and its members regarding respect for human rights through respect for the rights of the people to their land in the freedom of land use and the rights of customary land holders and users, and ensuring a conflict-free operational environment. Interviews with smallholders groups were submitted that members smallholders had understood the human rights policy.

Status: Comply

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.

7.1.1; 7.1.2; 7.1.3:

The results of document review, field visit and interviews show that the company does not perform new expansion since ASA-4 until Recertification entire for own estate or smallholder

Status: Comply

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.

7.2.1 and 7.2.2:

PT BGR and Karya Mandiri Cooperative

According to hectare statement 2017/2018 data and information from estate management unit, it could be concluded that there were no new planting and development areas from 2005 onwards in both PT BGR and KUD Karya Mandiri. Hence, information on land suitability for new planting is not applicable.

However, land suitability summary is presented in soil survey semi detail report which conducted in December 12th-16th 2011 by Minamas Reasearch Centre (MRC) team. Report mentioned that soil limitation in PT BGR were mainly due the presence of deep peat soil which mainly located on Divisi 1 and Divisi 2, sandy soil texture and low fertility. To overcome this situation several strategy has been implemented based on field observation such as water management on peat areas, installing filed drain in prone flood areas for smooth flushing purposes, adopting by-products application (EFB and POME) to enhance organic matters and additional nutrient supply (N and K) in sandy soil areas, as well as to follows manuring program as recommended by MRC.

Status: Comply

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.****7.3.1:**

The management unit shows the communication process via email dated May 12, 2017 with the RSPO secretariat regarding the progress of SDP LUCA Re-submission timeline.

Implementation of revised raw liability assessment for PT Bahari Gembira Ria LUCA and acceptance of RACP program by RSPO compensation panel (**Observation**).

Karya Mandiri smallholder has no plants with planting year since November 2005.

7.3.2:

The management unit shows the timeline in December 2016 for final discussion compensation panel and endorsement on compensation concept note for SDP.

Based on an email dated May 12, 2017 from SDP Malaysia (Mrs. Nurul Hayati Ibrahim) that raw liability data for PT Bahari Gembira Ria will be calculated by internal team in June 2017.

The management unit shows the e-mail communication process with the latest RSPO secretariat on May 12, 2017 regarding the progress of SDP LUCA Re-submission timeline.

RSPO will inform the CBs to proceed with the audits. As for the non-conformity related to 7.3.1, the RSPO will issue a formal response to the CBs involved, explaining SDP's situation. If there are no other identified non-conformity, the units can be continued to be certified." Approvals regarding the LUCA and / or compensation plan from RSPO Compensation Panel will be observed at the next surveillance.

Karya Mandiri smallholder has no plants with planting year since November 2005.

7.3.3:

The result of document review and field visit is known that since ASA-4 activity until recertification, company did not do new planting development. The oldest planting year in PT BGR was in 1997.

Karya Mandiri Cooperative

The result of document review and field visit is known that since ASA-4 activity until recertification, the smallholder did not do new plantation development. The oldest planting year in Karya Mandiri smallholder was in 1997.

7.3.4:

The result of document review and field visit is known that since ASA-4 activity until recertification, company did not do new plantation development. The oldest planting year in PT BGR was in 1997.

Karya Mandiri smallholder:

The result of document review and field visit is known that since ASA-4 activity until recertification, smallholder did not do new plantation development. The oldest planting year in Karya Mandiri smallholder was in 1997. There is no HCV area in Karya Mandiri plasma field.

7.3.5:

HCV assessment has been conducted for PT BGR plantation area, HCV assessment is done by Pollito consultant having address at Jakarta. The document review was carried out on the report of HCV-Specific Identification of HCVs and species protected by Government Regulation no. 7 of 1999, CITES, and / or IUCN. Based on document of HCV identification result in BGR area, there are HCVs that consist of:

- HCV 1.1: an important area for soil and water conservation (Overland River Buffer zone) as well as animal kantong in Block A001.
- HCV 1.3; 1.4; And 2.3: important areas for the protection of distinctive species, located in Block A001;
- HCV 4.1: important areas for water source control and flood control (Overlaid River);
- HCV 5: an important area for meeting basic community needs (Outlying River).

Protected species contained within the BGR work area, consisting of nine species of mammals, among others root tars (Felis bengalensis), gibbons (Hylobates syndoctylus), hedgehogs (Hystrix branchyura); 5 species of birds, including king of shrimp (Alcedo atthis), and black eagle (Ictinaetus malayensis).

The result of document review and field visit is known that since ASA-3 activity until ASA-4 company did not do new planting development. The oldest planting year in PT BGR was in 1997.

Karya Mandiri Cooperative

The result of document review and field visit is known that since ASA-4 activity until recertification, smallholder did not do new plantation development. The oldest planting year in Karya Mandiri smallholder was in 1997.

Status: Comply

7.4

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

7.4.1 and 7.4.2:

PT BGR and Karya Mandiri Cooperative

According to hectare statement 2017/2018 data and information from estate management unit, it could be concluded that there were no new planting and development areas from 2005 onwards in both PT BGR and KUD Karya Mandiri. Hence, information on land suitability for new planting is not applicable.

However, the presence of marginal and fragile soils is presented in soil survey report which conducted in December 12th-16th 2011 by MRC team. Presence of peat soil (*Typic Haplofibrist*) in Divisi 1 and Divisi 2 is consider as fragile soil in PT BGR operational area. To overcome this condition, estate management has conducting water management which aims to enhance soil pH, keep soil moisture, soil and water conservation purposes and maintain soft grasses through selective weeding.

Status: Comply

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.

7.5.1:

The result of document review and field visit is known that since ASA-4 activity until recertification, company did not do new planting development.

Karya Mandiri Cooperative

The result of document review and field visit is known that since ASA-4 activity until recertification, smallholder did not do new plantation development. Karya Mandiri smallholder came from the PIR Trans program in 1993.

Status: Comply

7.6

Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; 7.6.6:

The result of document review and field visit is known that since ASA-4 activity until recertification, company did not do new plantation development.

Karya Mandiri Cooperative

The result of document review and field visit is known that since ASA-4 activity until recertification, smallholder did not do new plantation development.

Status: Comply

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.	
7.7.1 & 7.7.2:	
The results of document review, field visit and interviews show that the company does not perform new expansion since ASA-4 until Recertification entire for own estate or smallholder.	
	Status: Comply
7.8	
New plantation developments are designed to minimise net greenhouse gas emissions.	
7.8.1 and 7.8.2:	
PT BGR and Karya Mandiri Cooperative	
According to hectare statement 2017/2018 data and information from estate management unit, it could be concluded that there were no new planting and development areas from 2005 onwards in both PT BGR and KUD Karya Mandiri. Hence, information on land suitability for new planting is not applicable.	
	Status: Comply
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.	
Internal Audit RSPO has been conducted on 01 May 2017 by PSQM Department with scope assessment own estate and smallholders.	
Based on field observation it could be concluded that In term of best management practices implementation, there were no new technology adoption yet for oil palm agronomy technique, agrochemicals application, for the environment and other aspects..	
	Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module E) CPO Mills - Mass Balance Requirements																																																				
E.1	Definition																																																				
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>In the period one of certification, the Ladang Panjang POM was supplied RSPO Certified FFB from Ladang Panjang Estate (own estate) and the Non Certified FFB was supplied from independent smallholders, consist of KUD Karya Mandiri, KUD Marga Jaya, KUD Mitra Inti Sumber Makmur, KUD Manggar Jaya and KUD Karya Maju.</p> <p>Based on field visit in Ladang Panjang POM shown that the Security in front gate of mill will check the all FFB Consignment Letter before enter to weight bridge area. It was aim to identified that the FFB loading process included the driver and the vehicle has been check first. In process of FFB received at the area of weight bridge, the person in charge will separated the code with used RSPO Certified Stamp in FFB consignment letter for FFB from the own plantation (Ladang Panjang Estate) and input separately in system namely Sime Weight System. All the FFB consignment letter from the outsider was code with RSPO Non Certified stamp. There has been observed FFB consignment letter from RSPO Certified and Non Certified and also the Weight Bridge Tickets on 29 May 2017.</p> <p>The volume of FFB accepted from 09 July 2016 to 29 May 2017 (Re-Certification) was described on table below :</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Certified FFB</th> <th>Non Certified FFB</th> <th>Amount</th> </tr> </thead> <tbody> <tr><td>July 2016</td><td>2,354</td><td>2,266</td><td>4,619</td></tr> <tr><td>August 2016</td><td>3,868</td><td>4,826</td><td>8,694</td></tr> <tr><td>September 2016</td><td>5,932</td><td>9,410</td><td>15,342</td></tr> <tr><td>October 2016</td><td>6,660</td><td>11,556</td><td>18,216</td></tr> <tr><td>November 2016</td><td>5,929</td><td>11,259</td><td>17,188</td></tr> <tr><td>December 2016</td><td>5,687</td><td>9,897</td><td>15,584</td></tr> <tr><td>January 2017</td><td>5,219</td><td>8,821</td><td>14,041</td></tr> <tr><td>February 2017</td><td>3,626</td><td>7,186</td><td>10,812</td></tr> <tr><td>March 2017</td><td>4,059</td><td>5,613</td><td>9,672</td></tr> <tr><td>April 2017</td><td>4,176</td><td>6,135</td><td>10,311</td></tr> <tr><td>May 2017</td><td>3,098</td><td>5,436</td><td>8,533</td></tr> <tr> <td>Total</td> <td>50,606</td> <td>82,406</td> <td>133,012</td> </tr> </tbody> </table> <p>The scope of supply bases of Ladang Panjang POM in this second period or Re Certification, will claim the RSPO Certified FFB from own estate Ladang Panjang and also from KUD Karya Mandiri Smallholder. There was also FFB supply from Non Certified sources (independent smallholders) consist of KUD Marga Jaya, KUD Mitra Inti Sumber Makmur, KUD Manggar Jaya and KUD Karya Maju.</p>	Month	Certified FFB	Non Certified FFB	Amount	July 2016	2,354	2,266	4,619	August 2016	3,868	4,826	8,694	September 2016	5,932	9,410	15,342	October 2016	6,660	11,556	18,216	November 2016	5,929	11,259	17,188	December 2016	5,687	9,897	15,584	January 2017	5,219	8,821	14,041	February 2017	3,626	7,186	10,812	March 2017	4,059	5,613	9,672	April 2017	4,176	6,135	10,311	May 2017	3,098	5,436	8,533	Total	50,606	82,406	133,012
Month	Certified FFB	Non Certified FFB	Amount																																																		
July 2016	2,354	2,266	4,619																																																		
August 2016	3,868	4,826	8,694																																																		
September 2016	5,932	9,410	15,342																																																		
October 2016	6,660	11,556	18,216																																																		
November 2016	5,929	11,259	17,188																																																		
December 2016	5,687	9,897	15,584																																																		
January 2017	5,219	8,821	14,041																																																		
February 2017	3,626	7,186	10,812																																																		
March 2017	4,059	5,613	9,672																																																		
April 2017	4,176	6,135	10,311																																																		
May 2017	3,098	5,436	8,533																																																		
Total	50,606	82,406	133,012																																																		
	Status: Comply																																																				
E.2	Explanation																																																				
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>The CPO and PK data produced by Ladang Panjang Factory in period of 09 July 2016 until the Re-Certification (29 May 2017) and estimated claims of Palm Products to be certified described in the table below :</p>																																																				

Products	Actual of Certified Product Period 09 July 2016 to 29 May 2017 (ton/year)	Estimate Certified Product Period July 2017 to July 2018 (ton/year)
CPO	10,590	15,500
PK	2,182	3,066

The twelve month projection of FFB, CPO and Palm Kernel also inform in the basic information of this summary report.

Status: Comply

E.2.2

The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).

The Ladangi Panjang POM - PT Bahari Gembira Ria (Minamas Plantation) has registered for RSPO-certified products which are CSPO and CSPK through RSPO IT Platform, member registration number **RSPO_PO1000000315**

Based on RSPO Certificate number MUTU-RSPO/ 019, valid from 09 July 2016 till 08 July 2017, the annual volume (ton) of CPO and PK can claimed as certified product was amount of **CPO (12,625 ton)** and **PK (2,418 ton)**.

From the RSPO eTrace data was known that during the period of 09 July 2016 until the Re-Certification (May 2017) there was any sold of RSPO Certified products for CPO and there was no for PK. The eTrace data was shown that remaining volume for CPO is **7,424.97** (any transaction **5,200.03** ton) and PK is **2,418** (there was no transaction). The data of certified product of CPO was transaction describe in table below.

Data of CPO sold out period of 9 July 2016 until May 2017

Date	Buyer	Volume (MT)
9 March 2017	PT Pacific Indopalm Industries	1,200
16 March 2017	PT Pacific Indopalm Industries	1,000.03
11 May 2017	Olmecca SA	3,000,000
Total		5,200.03

Status: Comply

E.3 Documented procedures

E.3.1

The site 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 site procedures for the implementation of this standard.**

The Certificate Holder has had the procedure of Supply Chain System of Product at POM (Policy number SOP-026/BGR16, Revision 1, dated 1 December 2016). The procedure has adjusted from the SCCS standard on November 2014. These procedure was explained that the person in charge related to SCCS implementation consist of the Factory Manager, Assistant of PSQM, Asistant/Senior Assistan/Manager of Bulking and Head Section of Administration.

There was also available Procedure of Product Tracebility dated of 1 December 2016. Theses procedure was explained that the FFB Consignment Letter contained information, i.e: name of company, name of estate, name/number of division, number of block, year of planting, date of harvested, date of FFB loading, name of truck driver and register number of truck and RSPO and Non RSPO Code.

Based on the observations and interviews during the field visit at Ladang Panjang Factory, it was found that the relevant officers, Security Officers in the Postal area will check the all the FFBs by entering a stamp on the FFB Consignment Letter during the FFB truck has entered the front area of the Palm Oil Mill before heading to the weighbridge area. Thus the next officer on FFB weigh bridge area will put the stamp according to the origin of FFB. If it comes from a certified own plantation (Ladang Panjang Estate) then it will be stamped **RSPO Certified**, and if FFB was from a third party non-certified FFB supplier will be stamped **Non RSPO Certified**.

The auditor has been observed the several samples of the FFB Consignment Letter (before weighing) and FFB Weight Bridge Ticket (after weighing) on May 29, 2017 from Ladang Panjang as Certified FFB and from Non Certified FFB from Smallholders. Each of these forms has been stamped as described above.

Based on the verification of daily report of CPO and interview with related officer during field visit at Talang Duku Bulking was known that the officers was understood the separation of documentation of volume when sending Certified Product of CPO and Non Certified Product from Ladang Panjang Factory. There was observed document of Dayli Report of CPO laoding from Ladang Panjang Factory to Talang Duku Bulking and Official Report of CPO Loading to Buyer from Talang Duku Bulking. The Palm Kernel (PK) was direct loading from storage in mill to the loading vehicle when any demand from the buyer.

There was also shown evidence of SCSS-Mass Balance Training (refresh) to the relevant staff at the Ladang Panjang Factory office on May 2017, the training was conducted by PSQM Assistant (Arfan). The documentation was consists of: Training materials, Attendance List (19 Participants) and Photographs. Based on the results of interviews with officers in the weight bridge area at Ladang Panjang Factory that known if they had been given an understanding of SCCS system.

Status: Comply

E.3.2

The site shall have documented procedures for receiving and processing certified and non-certified FFBs.

The Ladang Panjang Factory has documented procedures for the receipt and processing of certified and non-certified FFB (SOP-026/BGR16, Revision 1, dated 1 December 2016). The procedure has adjusted from the SCCS standard on November 2014. The person in charge of the Factory operation consist of Factory Manager, Assistant of PSQM, Asistan/Senior Assistan/Manager of Bulking and Head Section of Administration

Based on field visit in Ladang Panjang Factory was shown that the Security in front gate of mill will check the all of FFB consignment before enter to weight bridge area. It was aim to identified that the loading process included the driver and the vehicle has been check first. In process of FFB received at the area of weight bridge, the person in charge will separated the FFB code with used RSPO Certified Stamp in FFB consignment letter for FFB from the own plantation (Ladang Panjang Estate) and input separately in system namely Sime Weight System.

There was shown sample of FFB Consignment Letter (From Estate) and Weight Bridge Ticket (after Weight bridge) on 29 May 2017 both of own estate (Ladang Panjang Division II) and from outsider supplier (Smallholder Schema). Each of document was stamped, the document of FFB Consignment Letter and Weight Bridge Ticket from own estate has been stamp with **RSPO Certified** as a code that the FFB is supplied from Certified Estate. Through the FFB from outsider supplier was stamped with **Non RSPO Certified** code. These documents contained information of Supplier Name, Transporter, Loading Vheicle, Driver Name, Name of Estate, Harvest Date, Number og Bunches, Origin Weight from Estate(before check at weigh bridge) and Mill Weight (after checked at weigh bridge).

Status: Comply

E.4

Purchasing and goods in

E.4.1

The site shall verify and document the volumes of certified and non-certified FFBs received.

The Ladang Panjang Factory has done documenting the volume of certified and non-certified FFB. The mechanism is as follows:

- Every FFB received are equipped with FFB Consignment Letter detailing about the estate name, received date, Phase, Block Number, the amount of bunches, estimated tonnage, estate scales. The minutes of FFB sorting to know the quality of the FFB that comes.
- Weigh bridge ticket as a result of incoming FFB weight verification. Weigh bridge ticket contains information about the reference number; date: DO Number: Phase 1; Relation Code: Goods Code; Status: Purchases; Vehicle Number; Delivery Order Letter Number; Name of the driver; Information; admission hour and clocks out; Mill Gross; Tarra; Mill Netto; Dura; bunches amount; FFB Average rate; and fruit type.
- Daily reports of mill activities including incoming FFB recapitulation from each estate. the reports are containing the information of received FFB (FFB balance), the production of CPO and PK, Extraction rate, Quality, and dispatch (Sime Weight System)
- The monthly report of mill activities including a recapitulation of received and processed FFB, extraction rates, dispatch, quality, losses, and mills performance
- Mass Balance report made specifically for SCCS. The report contains the description of the recapitulations in every month

and every three months for certified and non-certified fruits.

The Certified and non-certified FFB received in period of 09 July 2016 to 28 May 2017 describe in table below

Month	FFB		
	RSPO Certified	Non Certified	Total
9 - 31 July 16	2,354	2,266	4,619
August 16	3,868	4,826	8,694
Sept 16	5,932	9,410	15,342
Oct 16	6,660	11,556	18,216
Nov 16	5,929	11,259	17,188
Dec 16	5,687	9,897	15,584
Jan 17	5,219	8,821	14,041
Feb 17	3,626	7,186	10,812
Mar 17	4,059	5,613	9,672
Apr 17	4,176	6,135	10,311
May 17	3,098	5,436	8,533
Total	50,606	82,406	133,012

Status: Comply

E.4.2

The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

The Ladang Panjang Factory has SOP of Supply Chain Products (SOP-026/BGR16, Revision 1, dated 1 December 2016), these procedure was describes the provision of information to CB if there is excess production of RSPO-certified products. The results of interviews with representatives of the management unit indicates that the management unit has been understood about the procedures for providing information if there is excess production of RSPO-certified products. Based on document verification shows the actual production of Ladang Panjang Factory from period of 09 July 2016 till May 2017 for CPO : **12,205** ton and PK: **2,359** ton. Based the certificates period from 3 July 2016 until 2 July 2017, the production of CPO and Kernel that are listed on the certificate (license and the E-Trace) are: **10,590** ton for CPO and **2,182** ton for Palm Kernel. Based on the data shown there is no overproduction from projected.

Status: Comply

E.5

Record keeping

E.5.1

- a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.**
- b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.**
- c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)**

The Ladang Panjang Factory has had a monthly report which described about the Acceptance of FFB, Production of CPO and PK, Delivery of CPO and PK. During the period of 09 July 2016 to May 2017 there is any shipment or transaction of RSPO Certified product only for CSPO and there was no for CSPK. The Mass Balance Stock for CPO and PK respectively period of 09 July 2016 to May 2017, containing information including: FFB received (RSPO, Non RSPO and Total), FFB processed (RSPO, Non RSPO and Total), OER and KER, Total Production. The table below description of Certified FFB, CPO and PK with a three-monthly basis in accordance with the applicable SOP of Mass Balance.

Period 2016 to 2017	FFB	Certified Product		Sold Product	
		CPO	PK	CPO	PK
Jul to Sept 2016	12,153	2,465	533	-	-
Oct to Dec 2016	18,275	3,783	783	-	-
Jan to Mar 2017	12,904	2,760	548	2,200.03	-
Apr to 29 May 2017	7,274	1,582	317	3,000	-

	Total	50,606	10,590	2,182	5,200.03	-
	Status: Comply					
E.5.2						
In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.						
Until Re-certification the Ladang Panjang Factory there was not cooperating with the independent outsource palm kernel crushers.						
	Status: Comply					

3.3. Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or √
RC	The Ladang Panjang Factory - PT Bahari Gembira Ria has had approval/permit the use of the certificate with the number MUTU-RSPO/019	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or √
RC	The PT Bahari Gembira Ria does not use the logo both in the on-product and off-product.	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or √
RC	The PT Bahari Gembira Ria does not use the logo both in the on-product and off-product.	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or √
RC	The PT Bahari Gembira Ria does not use the logo both in the on-product and off-product.	√
	Status: Comply	

3.4. Summary of RSPO Partial Certification.

Summary of Partial Certification

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

Sime Darby Plantation Sdn Bhd Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Sdn Bhd has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Sdn Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Sdn Bhd Indonesian representative on June 16th, 2016 by the Head of PSQM.

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation Sdn Bhd based on their Time Bound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are significant land conflicts in PT Mitra Austral Sejahtera, there is still an issue that remain unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process.
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
i.	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p> <p>Auditor Verification: Sime Darby Plantation Sdn Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd revision on 24 June</p>

		2016. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondency with RSPO Remediation and Compensation.
i.	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</p> <p>Auditor Verification:</p> <ul style="list-style-type: none"> • Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP. • RSPO NPP process has been completed in 2011 for a new mill in Liberia.
ii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company Group/Holding Statement: Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46 PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> • PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities • PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</p>

iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, ie:</p> <ul style="list-style-type: none"> • PT Sime Indo Agro 1,652 Ha • PT Aneka Inti Persada 421.31 Ha • PT Bina Sains Cemerlang 308.25 Ha • PT Bersama Sejahtera Sakti 765 Ha • PT Langgeng Muaramakmur 1,162 Ha • PT Paripurna Swakarsa 1,120 Ha • PT Swadaya Andika 63 Ha • PT Bahari Gembira Ria 1,639 Ha • PT Guthrie Pecconina Indonesia 4,133 Ha • PT Perkasa Subur Sakti 1,286 Ha
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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 ASA-4

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	
2016.1	2.1.1	<p>Regulatory Compliance The results of the review of documents and interviews with workers in mind that Ladang Panjang Estate handed over the main work (harvest) to third parties (contractors), it is not in accordance with the Ministerial Regulation No. 19 year of 2012 and SK GAPKI No. SK/002/PPG/II/2013.</p>	Estate	Major	28 June 2016	Companies must show proof that all the main work on the operational activities are not handed over to third parties (contractors)	<p>Root Cause Lack of... Perme... GAPK... PPG/I... Muar... comp... regula... (www... with a... appoi... Mr. P... Depart...</p> <p>Corrective Action Estate... on 30... 131/B... the te... contra... a.n T... No... regard... emplo... a.n Er... 2016.</p> <p>Prevention The C... laws... regard... month... mana... with t... HRM... of em... not vi... of la... comp... the R... still va...</p> <p>Audit 03 Ma... The c... 131/B...</p>

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	
							132/B April termin contra (Agree LPE/S Emerg 19/BG May 1 Based Nonco been
2016.2	4.3.5	<p>Assessment Drainability Level Under the plan replanting, it is known that the year 2016/2017 will be replanting in the area of peatland in Division 1 block A009, A010 and A011. But the company has not been able to show the drainability level before replanting in peatlands in order to determine the long-term viability of drainability levels required for planting oil palm.</p>	Estate	Minor	Re-Certification	Companies must be able to show the drainability level before replanting in peatlands in order to determine the long-term viability of drainability levels required for planting oil palm.	<p>Root Beacu know replan comp</p> <p>Corre Creati resear asses before comp MRC early result been June, peatla up to</p> <p>Preve The co the d replan team. demon asses blocks</p> <p>The C an as peat c the ye</p> <p>Audit 2016 The c from</p>

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	
							that evalua will b 2016/ has a study 4 Jun the st block (2016 still be achiev level v Based Nonco been
2016.3	5.6.3	Calculation and Reporting of GHG The certificate holder has not been able to show the results of calculation of GHG and reporting evidence.	Kebun dan pabrik	Minor	Re-Certification	The certificate holder has been able to show the results of calculation of GHG using PalmGHG Calculator RSPO Version 2.1.1 and reporting evidence to RSPO secretariat.	Root The c calcul the ca Dept the calcul Corre The c GHG calcul of de RSPO Preve The C calcul for ea alway PSQM Audit 2016 The c Summ the c Panja asses calcul versio report on M meliis

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	
2016.4	7.3.1	<p>New Plantings Since November 2005 Sime Darby Plantation as a group of PT BGR has sent information about the area opened without identification of HCV since November 2005 until December 2009. The letter was sent by the Department Head PSQM Sime Darby Plantation on the 15th of July 2015 explained that there are 105.06 ha area of PT BGR opened without analysis of HCV. However, based on a review of documents and interviews it is known that there is an area of 379.33 hectares which opened Since Nov 2005 without prior analysis of HCV.</p>	Estate and Mill	Major	28 June 2016	Companies must show proof that the areal extents opened since November 2005 to December 2009 without analysis of HCV has been preceded by field conditions and reported to the RSPO.	<p>Based on Nonconformity been</p> <p>Root Cause</p> <ul style="list-style-type: none"> • The opening of the area without analysis of HCV has been preceded by field conditions and reported to the RSPO. • Sime Darby Plantation on the 15th of July 2015 is at the Sime Darby plantation <p>Corrective Action</p> <ul style="list-style-type: none"> • The company must provide data on the area opened since November 2005 to December 2009 without analysis of HCV has been preceded by field conditions and reported to the RSPO. • The company must provide data on the area opened since November 2005 to December 2009 without analysis of HCV has been preceded by field conditions and reported to the RSPO.

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	
							<p>to 20</p> <ul style="list-style-type: none"> • St ap re on R Ju <p>Preve Syste conve Staff accur calcul data a repea</p> <p>Audit 2016 The C eviden the ex betwe Depart Darby and th Basec the a 105.0 B022 on th that planti A012, comp disclo opene Block</p> <p>28 Ju The c Sime 24, 20 raw da submi confir inform RSPC Planta using</p>

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	
2016.5	7.3.2	<p>Analysis of Vegetation Changes Sime Darby Plantation as a group of PT BGR has sent a report Land Use Change Analysis (LUCA) for the area opened without identification of HCV since November 2005 until December 2009. The letter was sent by the Department Head PSQM Sime Darby Plantation on the 15th of July 2015 explained that LUCA report for PT BGR will be reported in August 2015. However, until the company has not been able to show proof that the report LUCA's PT BGR has reported to the RSPO secretariat.</p>	Estate and Mill	Major	28 June 2016	Companies must show proof that the analysis of vegetation change/LUCA for area opened since November 2005 to December 2009 without identifying HCV activity, has been reported in the RSPO.	<p>LUCA Based Nonco been</p> <p>Root The eviden area Decem perfor which RSPC Jakart</p> <p>Corre PT B submi which receiv Septe has b the S June report LUC condit</p> <p>Preve The c image any a 2005 perfor which RSPC</p> <p>Audit 2016 The c that th been Septe compa Reme Liabili explai of 10 Block Basec mind</p>

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	
							plantin A012, compa show opene Block The c from S June that liabilit RSPO that in The R Planta using LUCA Based Nonco been
2016.6	RSPO Certification System 4.2.4.c	<p>Challenging Time Bound Plan Revised Plan Schedule of certification (Time Bound Plan) indicated by the management unit has not been sufficient, such as:</p> <ul style="list-style-type: none"> • Certification Plan smallholders PT BGR planned in 2020 (supposedly 2015). Justification given for this change is the new MoU, but management unit can not explain the MoU in question. • Time Bound Plan Karya Palma Estate (PT Sandika Natapalma) and PT Budidaya Agrolestari including Sungai Putih Estate (Full Manage Smallholders - Koperasi Perkebunan Sejahtera Palma Sejati & Mitra Usahatani Sejahtera) are planned in 2018 (supposedly 2017) <p>It is not in accordance with the RSPO Certification System 4.2.3 all FFB derived from a self-managed farm should produce to the certified standard. Factory (Certificate Holder) should develop and implement a plan to ensure that</p>	BGR (Sime Darby Plantation Sdn Bhd)	Major	28 June 2016	Sime Darby Plantation Sdn Bhd should be able to demonstrate changes Time Bound Plan as well as a sufficient justification in accordance with RSPO Certification System	<p>Root Sime through renew to per PSQM annual update</p> <p>Corre</p> <ul style="list-style-type: none"> • • <p>Preve Sime through</p>

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	
		100% of smallholders and plantation has been certified within 3 years (since Mill certified)					<p>notify change due to the op of new</p> <p>Audit 2016 The c docum setting Sandi Budid 2017. email (Sime 17, 20 the te</p> <p>Audit 2016 The docum chang smallh others</p> <ul style="list-style-type: none"> • • • <p>Based</p>

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	
							will be assessed

3.5.2 Identification of Findings, Corrective Actions and Observations at Re-Certification Assessment

NCR No.	: 2017.01	Issued by	: Rudi Ramdani
Date Issued	: 2 June 2017	Time Limit	: ASA 1.1
NC Grade	: Minor	Date of Closing	: 21 August 2017
Standard Ref. & Requirement	: 2.2.2 Legal boundaries are demonstrated clearly and maintained		
Non-Conformance Description & Evidence observed (filled by auditor): Field trips to the farmers' fields of Tri Mulyo II and III Karya Mandiri smallholder did not find any boundary markers as physical markers in the field between the lots of land owned by farmers.			
Root Cause Analysis (filled by organization audited): Boundary marker as a physical marker in the field between farmers are used initially is a stamp of wood so that the stakes are rotten and not maintained.			
Correction (filled by organization audited): The making of new stakes each of the lots in the Karya Mandiri Smallholders by using a concrete stamp and painted in red			
Corrective Action (filled by organization audited): Perform monitoring and maintenance of the stakes every month by farmer groups and management Karya Mandiri Smallholders.			
Assessor Evaluation and Conclusion (filled by auditor): 21 August 2017 The Company shows corrective actions in the form of: <ul style="list-style-type: none"> • Minutes of installing the boundary No.02/Div-Plasma/VIII/17 dated 14 August 2017 for KM12, KM14, MA2 by Bina Tani and Karya Mandiri Smallholders. • Data result of installation of boundary of Karya Mandiri Smallholders port with progress of 33.9% from 1,080 stakes, as follows: 			

DATA PATOK BATAS KAVLING KUD KARYA MANDIRI

NO	KELOMPOK	JUMLAH ANGGOTA	PROGRAM	REALISASI		SISA	KETERANGAN
				BUAH	%		
1	TRI MULYA 1	27	54	30	55.6	24	
2	TRI MULYA II	29	58	29	50.0	29	
3	TRI MULYA III	30	60	28	46.7	32	
4	TRI MULYA IV	25	50	50	100.0	0	
5	TRI MULYA V	23	46	26	56.5	20	
6	MAWAR ABADI I	24	48	48	100.0	0	
7	MAWAR ABADI II	27	54	37	68.5	17	
8	MAWAR ABADI III	24	48	48	100.0	0	
9	MAWAR ABADI IV	27	54	0	0.0	54	
10	MAWAR ABADI V	14	28	28	100.0	0	
11	MARGO MULYO I	27	54	0	0.0	54	
12	MARGO MULYO II	29	58	0	0.0	58	
13	MARGO MULYO III	34	68	0	0.0	68	
14	MARGO MULYO IV	26	52	0	0.0	52	
15	MARGO MULYO V	23	46	0	0.0	46	
16	MARGO MULYO VI	25	50	0	0.0	50	
17	MARGO MULYO VII	29	58	0	0.0	58	
18	SEJAHTERA I	22	44	42	95.5	2	
19	SEJAHTERA II	27	54	0	0.0	54	
20	SEJAHTERA III	31	62	0	0.0	62	
21	SEJAHTERA IV	17	34	0	0.0	34	
TOTAL			1,080	366	33.9	714	

19/5/17
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Based on explanation above, NCR No. 2017.01 has been closed with observation.

Verified by : Rudi Ramdani

NCR No.	: 2017.02	Issued by	: Mohamad Amarullah
		Diterbitkan oleh	
Date Issued	: 2 June 2017	Time Limit	: Before issue of certificate (max 01 June 2018)
NC Grade	: Major	Date of Closing	: 11 October 2017
Standard Ref. & Requirement	: 4.1.1. Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor):			
Karya Mandiri Smallholder Management Unit has not been able to show a copy of the procedure used as a reference in oil palm cultivation activities.			
Root Cause Analysis (filled by organization audited):			
During this procedure used by Karya Mandiri Smallholder in plantation palm oil activities refers to ARM PT Minamas Plantation, while ARM PT Minamas is confidential and is not allowed to be published freely.			
Correction (filled by organization audited):			
Karya Mandiri Smallholder to make SOP of own plantation palm oil.			
Corrective Action (filled by organization audited):			
SOP are kept in Unit Management of Karya Mandiri Smallholder			
Assessor Evaluation and Conclusion (filled by auditor):			
11 August 2017			
Company can show the procedure (SOP) used by KUD Karya Mandiri, which has been approved by the Chairman			

of KUD, Treasurer and Secretary of KUD dated 5 August 2017, among others as follows:

- SOP *Semprot Gawangan* (Doc.No. 21/SOP-SG/KM/VIII/2017). Procedures include, among others, spraying techniques, environmental aspects (prohibition of spraying in riparian areas and water sources), the use of complete PPE, the management of pesticide packaging and worker hygiene.
- SOP *Pemupukan* (Doc.No. 22/SOP-PP/KM/VIII/2017). Procedures include, among other things, technical manuring, environmental aspects (prohibition of manuring in riparian areas and water sources), the use of complete PPE and the management of waste sacks of fertilizers and workers' hygiene.
- SOP *Pengangkutan Pupuk* (Doc.No. 23/SOP-AP/KM/VIII/2017). Procedures include, among other things, technical transportation, use of PPE and worker hygiene.

Company can show the procedure of KUD Karya Mandiri, related to plantation palm oil activity. However, the company has not been able to demonstrate other relevant procedures such as harvesting, transporting FFB, pest control, etc. **NCR No. 2017.02 has not been fulfilled.**

11 October 2017

The Company shows the procedures related to the activities of plantation palm oil KUD Karya Mandiri which has been approved by the Chairman of KUD, Treasurer and Secretary of KUD, among others as follows:

- SOP *Penaburan Pupuk* (Doc.No. 22/SOP-PP/KM/VIII/2017) dated August 5, 2018. Procedures include, among other things, the coordination of plotters or KUD, the explanation of areas that should not be fostered, such as river borders, use of PPE, fertilizer sowing, fertilizer dosage, occupational health, fertilizer sack collection, cleaning work and administration monitoring of fertilizer implementation.
- SOP *Gawangan Manual* (Doc. 36 / SOP-GMM / KM / VIII / 2017) dated August 19, 2017. Procedures include, among others, coordination of landowners or KUDs, work tools, OSH, APD, target weeds, job rotation, use of mechanical tools and job administration.
- SOP *Muat TBS* (Doc.No. 32/SOP-MT/KM/VIII/2017) dated August 19, 2017. Procedures include amongst others FFB loaders, PPE, work tools, work hygiene, FFB preparation in trucks, workflow and job administration.
- SOP *Harvesting* (Doc.No. 28/SOP-PN/KM/VIII/2017) dated 1 August 2017. Procedures include co-ordination of farmers with KUD, harvesting schedule, work tool, PPE, criteria FFB, cutting distance, preparation loading of FFB and administration.
- SOP *Perawatan Piringan Manual dan Mekanis* (Doc.No. 23/SOP-PMM/KUD.KM/VIII/2017) dated August 24, 2017. Procedures include, among others, technical manual control, mechanical control techniques, work tools, OHS, and work administration.
- SOP of *Integrated Pest Control* (Doc No. 33/SOP-PHPT/KM/VIII/2017) dated August 19, 2017. Procedures include, among others, the technical control of caterpillars for leaf-eating of oil palms, rat, chemical control, biological control, OHS, census and work administration.
- SOP *Semprot Piringan* (Doc. No. 31/SOP-SP/KM/VIII/2017) dated 1 August 2017. Procedure includes the coordination of plotters and KUD, spray banning area, pesticide handling, OHS and environment, pesticide mixing, PPE, technical spray, work hygiene, waste management and job administration.
- SOP *Weighted FFB* (Doc.No. 29/SOP-TTB/KM/VIII/2017) dated August 1, 2017. Procedures include the appointment of weighing weights, coordination with farmer groups, PPE, work tools, weighing and administration activities.
- SOP *FFB Transportation* (Doc.No. 30/SOP-TBT/KM/VIII/2017) dated August 1, 2017. Procedures include, among other things, KUD transportation units, contract transport units, technical transportation, FFB loading and work administration.
- SOP *Tunas Pokok* (Doc.No. 35/SOP-TP/KM/VIII/2017) dated 16 August 2017. Procedures include among others the coordination of farmers, KUD and groups, work tools, OHS, technical work, and work administration,

Based on explanation the root cause and corrective action, as well as evidence of the improvements shown, NCR No. 2017.02 has been fulfilled.

Verified by : Mohamad Amarullah

NCR No.	: 2017.03	Issued by	: Mohamad Amarullah
		Diterbitkan oleh	
Date Issued	: 2 June 2017	Time Limit	: Before issue of certificate (max 01 June 2018)
NC Grade	: Major	Date of Closing	: 15 November 2017
Standard Ref. & Requirement	: 4.3.1. Maps of any fragile soils shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Management Unit of KUD Karya Mandiri has not been able to show a map of soil derived from the results of a study or soil survey informing the presence or absence of fragile land in the operational area of KUD.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Initial survey of land clearing has been done by PT BGR globally, but specifically the location of KUD Karya Mandiri has not been done.			
Correction <i>(filled by organization audited):</i>			
Coordinated with Research Department (MRC) through letter of request from SOU Chairman No: 119/BGR-AME/VI/2017 dated June 13, 2017 for survey fragile soils at KUD Karya Mandiri.			
Corrective Action <i>(filled by organization audited):</i>			
The document of the survey results of the fragile soils are kept at the Air Merah Estate Office and the attachment is kept in KUD Karya Mandiri.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
August 11, 2017			
Chairman of SOU 22 and Air Merah Plasma Manager coordinates with VPI and Head MRC to carry out soil survey activities in KUD Karya Mandiri area. The application is indicated by letter No. 119/BGR-AMP/VI/2017 dated June 13, 2017 regarding the request for the dissolution of MRC research team to KUD Karya Mandiri - PT BGR. However, the company has not been able to show any response from the MRC regarding the land suitability study and the soil survey activity in question, so that it will be observed in the next audit activity. Non-conformity No. 2017.03 has not been fulfilled.			
October 11, 2017			
The company showed the documentation of the fragile soils survey at KUD Karya Mandiri on 26 August 2017, in the form of drawing of soil samples based on depth level. Claim this, the Auditor judged that the evidence shown is not comprehensive. Based on the description, it can be concluded that Non-Conformity No. 2017.03 has not been fulfilled.			
October 16, 2017			
Company can show Letter from Senior Manger MRC Region No. RSS/12/X/2017.dds/awl dated October 13, 2017			

informing the results of the Air Merah Plasma soils analysis (including the KUD Karya Mandiri), in response to a letter sent by PT BGR in letter No. 119/BGR-AMP/VI/2017 dated June 13, 2017. Soil sample testing activities have been carried out by MRC dated 26 August 2017. However, the company has not been able to demonstrate the results of studies that inform whether or not there is vulnerable land in KUD operational areas (including maps if study results state the presence of fragile land). Thus, Non-Conformity No. 2017.03 has not been fulfilled.

November 15, 2017

The Company shows the soils survey report of PT BGR, Air Merah Plasma and KUD Karya Mandiri Muaro Jambi Regency on 31 October 2017, conducted by MRC in August 2017. The survey results inform among others as follows:

- Topographic conditions in KUD Karya Mandiri are dominated by flat (slope: 0-3%) area which covers 78.28% of the total area and the rest (21.72%) is undulating (slope: 3-8%). Thus, there is no region with steep category slopes (> 40%).
- Evaluate land suitability indicates that 93.9% of the area is classified into S3 (marginally suitable) and 6.10% of the class is classified into the currently unsuitable N1 class. Thus, it can be concluded that there is a fragile soils of 63.59 ha (6.10%) within the operational area of KUD Karya Mandiri located in the north, with the main limiting factors of very poor and flood-prone drainage class.
- Marginal limiting factors in soil management include potential dry months 2 to 3 months consecutively for a year, low nutrient availability, low pH soil, water deficit potential, flooded areas and soil texture dominated by heavy clay.

Based on a description of the root cause of the problem and correction action, and corrective action, NCR No. 2017.03 has been fulfilled.

Verified by : **Mohamad Amarullah**

NCR No.	: 2017.04	Issued by	: Mohamad Amarullah
Date Issued	: 21 June 2017	Time Limit	: Before issue of certificate (max 01 June 2018)
NC Grade	: Major	Date of Closing	: 15 November 2017
Standard Ref. & Requirement	: 4.6.1. Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.		
Non-Conformance Description & Evidence observed (filled by auditor):			
Based on data of the use of pesticides Karya Mandiri smallholder in 2017 found the use of 1 brand of pesticides that have not been shown evidence of marketing permit from the pesticide.			
Root Cause Analysis (filled by organization audited):			
Understanding the KUD Karya Mandiri before the RSPO socialization is still minimal, so that herbicide product found <i>Baranni</i> that has not been found the product marketing license and this herbicide is old stock in KUD Karya Mandiri			
Correction (filled by organization audited):			
The list of names of pesticides used in KUD Karya Mandiri in accordance with the provisions of pesticides registered and allowed for Agriculture and Forestry, then Pesticide <i>Baranni</i> after traced it turns out that Pesticide is defined as a limited pesticide made of <i>parakuat dichloride</i> with the Name of Registration Holder: PT Delta Giri Wacana, Permission Permit 12th of December 2020. No Registration RI.01030120155334.			

Corrective Action <i>(filled by organization audited):</i> KUD Karya Mandiri will not use pesticide <i>Baranni</i> and other similar active parakis dichloride and will use pesticide registered and allowed for agriculture and forestry in accordance with the memorandum of KUD Karya Mandiri.	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> October 11, 2017 The Company shows documents on the list of pesticides KUD Karya Mandiri which inform the brand name, active ingredient, pesticide type and name of registration holder. However, the company has not been able to show any documents that inform Baranni pesticide distribution license. NCR No. 2017.04 has not been fulfilled. November 15, 2017 The company shows the Decree of the Minister of Agriculture RI No. 745/Kpts/SR.330/12/2015 on Registration and Provision of Permanent Pesticide Permit for 202 (Two Hundred Two) Brands, set on December 31, 2015 with a validity period of 5 years. Appendix I No. 13 Baranni 276 SL with paraquat dichloride active ingredient. Based on the above explanation NCR No. 2017.04 has been fulfilled with observation.	
Verified by	: Mohamad Amarullah

NCR No.	: 2017.05	Issued by	: Mohamad Amarullah
Date Issued	: 2 June 2017	Time Limit	: Before issue of certificate (max 01 June 2018)
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	: 4.6.5. Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7)		

Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Karya Mandiri smallholder management unit has not been able to show the MSDS of pesticides used.	
Root Cause Analysis <i>(filled by organization audited):</i> There is no available MSDS pesticide used in KUD Karya Mandiri.	
Correction <i>(filled by organization audited):</i> MSDS board made in pesticide warehouse used in KUD Karya Mandiri	
Corrective Action <i>(filled by organization audited):</i> To update, maintain and care for MSDS according to the pesticide used in KUD Karya Mandiri.	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> October 11, 2017 Company may show Minutes of Installation of Mading for MSDS No. 03/Div-Plasma/VIII/17 dated 4 August 2017	

signed by the Assistant Divisions I and II, Chairman of KUD and AMP Manager. The company can also show MSDS for pesticides *Garlon, Ally, Glyphosate* and *Supremo*. However, for MSDS shown not to come from related pesticide producers, such as *Supremo* and *Glyphosate*. Based on data of pesticide use shown at the time of Audit, please indicate MSDS for some pesticides as follows:

- With active ingredients Methyl Metsulfuron: Heli 20 WP, Tron 20 WG and Barrani 20 WG
- With Isoprophyl Amine Glyphosate active ingredients: Ben Up 480 SL, Borneo Up 500 SL, Solo 490 SL, Kiss Up 490 SL, Rambo 480 SL, Blossat 480 SL and Winfos 525 SL.

November 10, 2017

The management unit shows MSDS in Bahasa Indonesia in accordance with the pesticides available at KUD Karya Mandiri, among others:

- Methyl Metsulfuron active ingredients with trademark *Helli 20 WP, Tron 20 WG* and *H-Barrani 276 SL*
- Isoprophyl Amine Glyphosate active ingredients with trademark *Ben Up 480 SL, Borneo Up 500 SL, Solo 490 SL, Kiss Up 490 SL, Rambo 480 SL, Blossat 480 SL* and *Winfos 525 SL*.

Based on evidence of improvements submitted then NCR No. 2017.05 otherwise fulfilled.

Verified by : **Mohamad Amarullah**

NCR No.	: 2017.06	Issued by	: Radytio Puspanjana
Date Issued	: 2 June 2017	Time Limit	: Before issue of certificate (max 01 June 2018)
NC Grade	: Major	Date of Closing	: 16 November 2017
Standard Ref. & Requirement	: 4.6.6. Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).		
Non-Conformance Description & Evidence observed (filled by auditor):			
<p>a. Based on the results of field visits at Karya Mandiri smallholder office, it is known that pesticides have not been stored in accordance with recognized best practices, for example: installation of symbol, MSDS, emergency wash, limited access, air circulation, etc.</p> <p>b. KUD Karya Mandiri has not been able to show evidence that the former packaging of pesticides has been managed and documented according to applicable waste management procedures and regulations.</p>			
Root Cause Analysis (filled by organization audited):			
<p>a. Understanding of KUD Karya Mandiri's management on pesticide storage is still minimal.</p> <p>b. KUD Karya Mandiri does not have a warehouse while hazardous waste is licensed.</p>			
Correction (filled by organization audited):			
<p>a. Implemented in pesticide storage place symbol, MSDS, emergency wash, limited access creation, air circulation, etc.</p> <p>b. Hazardous waste generated by KUD Karya Mandiri is stored in the Temporary Hazardous Waste Storage in Ladang Panjang Factory</p>			
Corrective Action (filled by organization audited):			
Appointed special officer to manage hazardous waste until delivered to Temporary Hazardous Waste Storage in Ladang Panjang Factory			

Assessor Evaluation and Conclusion (filled by auditor):**06 October 2017**

- a. The management unit shows the installation documentation of symbol, MSDS and unauthorized entry signs for unauthorized persons in KUD Karya Mandiri Pesticide Storage Warehouse. However, there is no documentary evidence for emergency wash installation, air circulation as per best recognized practice.
- b. The management unit shows the Appointment Letter of Hazardous Waste Management Officer of KUD Karya Mandiri on August 1, 2017 on behalf of Nur Yasin (KUD Secretary).
The management unit shows the Technical Consideration Letter for Addition of Type of Hazardous Waste Criteria (No. 173 / BGR-AME / X / 2017) dated 03 October 2017 submitted to the Head of Muaro Jambi District Environmental Office. The Letter as the basis for the approval process of the Temporary Hazardous Waste Storage Permit Application of PT BGR. 09 / Kep.Ka.BPTSP / VI / 2015 dated June 22, 2015 by *Badan Pelayanan Terpadu Satu Pintu* of Muaro Jambi District.
 - The management unit needs to submit documentary evidence of the PT BGR B3 waste temporary Storage License Revocation Application, and the delivery of progress regarding the handling of the license.
 - The management unit must demonstrate the mechanism / procedure for the management of chemical packaging containers in the KUD and the procedures for delivery of B3 waste to the core garden produced by the KUD

Based on the above explanation then the NCR No. 2017.06 is stated not fulfilled.

October 26, 2017**Point b**

The management of PT BGR explained that related to hazardous waste generated by KUD Karya Mandiri will be stored in Temporary Hazardous Waste Storage in Ladang Panjang Factory. Temporary Hazardous Waste Storage in Ladang Panjang Factory has a hazardous waste storage license issued by *Badan Pelayanan Terpadu Satu Pintu* of Muaro Jambi District (SK No. 02 / Kep.Ka.BPTSP / VI / 2014, 30 June 2014, valid for 5 years). It is explained in the permit that the permit to store hazardous waste of PT BGR with the scope of oil palm plantation is integrated with its processing into palm oil and palm kernel. Thus hazardous waste from KUD Karya Mandiri can also be stored in Temporary Hazardous Waste Storage of PT BGR, without having to revise the permit.

The management unit shows the SOP of Hazardous Waste Management (No. 49/PLB3/VIII/2017, 01 August 2017) explaining the identification of hazardous waste registration, standardization and processing resulting from activities, products and services in KUD Karya Mandiri. In relation to the procedures for waste management of KUD Karya Mandiri, it is submitted in the procedure that the producer hazardous waste of KUD Karya Mandiri directly transfers the hazardous waste produced to Temporary Hazardous Waste Storage of PT BGR, makes the Form Delivery of Used Goods at the time of delivery, and who is responsible for it Designated Chemical Warehouse Officer. There is a socialization record of hazardous waste management on 30 September 2017 submitted by PSQM Staff and attended by chairman, farmer group, and farmer of KUD Karya Mandiri. However, the management unit has not been able to show evidence that hazardous waste generated by KUD Karya Mandiri has been stored in Temporary Hazardous Waste Storage in Ladang Panjang Factory as a form of implementation of the procedures that have been made. (Unfulfilled)

November 10, 2017**Point b**

KUD Karya Mandiri management unit shows document of Delivery Memorandum of Goods (No. 01/L.B3/KM.XI/2017,

dated 06 November 2017) with details of pesticide container as much as 3.5 kg submitted to Temporary Hazardous Waste Storage in Ladang Panjang Factory. (Fulfilled)

November 16, 2017

KUD Karya Mandiri management unit shows the installation documentation of exhaust fan and emergency wash on November 15, 2017, with details of 4 installed exhausts in fertilizer warehouse and 2 in pesticide warehouse, while for Emergency Wash installed 1 unit in Pesticide Warehouse of KUD Karya Mandiri. Based on the above explanation, there is NCR No. 2017.06 point a is stated to be closed with observation.

Verified by : **Radytio Puspanjana**

NCR No.	: 2017.07	Issued by	: Naila Karima
Date Issued	: 02 June 2017	Time Limit	: Before issue of certificate (max 01 June 2018)
NC Grade	: Major	Date of Closing	: 05 October 2017
Standard Ref. & Requirement	<p>4.6.11. Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available.</p> <p>OFI No. 2 ASA-4 The company needs to ensure implementation of the pesticide operator's health check-up program planned for mid-2016 for 19 unregenerated health workers (Observation).</p>		

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

- a. The Company has conducted annual medical (Cholinestrase) of pesticide operators conducted in April 2017. However, based on review a document list of pesticide operators and annual medical records of PT BGR's, it is known that there are pesticide operators who have not conducted medical examination (foreman and two pesticide operators).
- b. No record of annual medical for pesticide operators for the scope of smallholders or workers on smallholders.

Root Cause Analysis (filled by organization audited):

- a. On the day of the medical examination of spray employees (2 operator pesticide and 1 foreman) unable to attend so that has not been examined health.
- b. The annual health examination of operators pesticide for the scope of farmers or groups farmers of KUD Karya Mandiri in 2016/2017 has not been done and will be conducted in July 2017.

Correction (filled by organization audited):

- a. Conducted medical checks on operator pesticide and spray foreman.
- b. Conducted medical checkup on operator pesticide of KUD Karya Mandiri

Corrective Action (filled by organization audited):

- a. Conducted a medical check on all operator pesticide and spray foreman on schedule
- b. Conducted a medical check on all operator pesticide of KUD Karya Mandiri on schedule

Assessor Evaluation and Conclusion (filled by auditor):

August 11, 2017

- a. The company showed recording of PT BGR employee examination result for 1 foreman and 2 sprayer of

Division 2 LPE conducted on July 15, 2017 with result of cholinesterase examination within normal limits.

- b. Available recap of examination result of KUD Karya Mandiri for 4 chemist workers and 4 fertilizer workers conducted on July 15, 2017, with the results of cholinesterase 2 chemist workers above normal limit so doctors recommendation was transferred for 2 months.

11 and 28 August 2017

The Company presented Document Schedule of Medical Check Up PT BGR for high risk employees planned in February and August 2017 by doctor Irwan Kertajaya as the appointed company doctor. In the schedule described the categories of workers who need to be examined health and types of examination such as workers who work with chemicals (fertilizer and spray) performed physical and laboratory examination of cholinesterase.

05 October 2017

In relation to the results of cholinesterase examination of chemist workers for KUD Karya Mandiri above normal limits and doctors' recommendation was transferred, the KUD pointed to Letter No. 48/SK/KUD.KM/IX/2017 dated 01 August 2017 regarding Mutation of Work on behalf of Mujsiami transferred to manual maintenance section and Letter No. 47/SK/KUD.KM/IX/2017 dated 01 August 2017 regarding Mutation of Work on behalf of Sumarni was transferred to manual maintenance section.

Based on corrective evidence and corrective action submitted, NCR No.2017.07 is stated fulfilled.

Verified by : **Naila Karima**

NCR No.	2017.08	Issued by	Naila Karima/Radytio Puspanjana
Date Issued Tanggal diterbitkan	02 June 2017	Time Limit	Before issue of certificate (max 01 June 2018)
NC Grade	Major	Date of Closing	05 October 2017
Standard Ref. & Requirement	4.7.2. A documented risk assessment shall be available and its implementation shall be recorded.		

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

- a. The Company may show Hazard Identification Risk Assessment and Control (HIRAC) documents of the Mill and plantation that is an analysis and identification of hazards and risks that can be generated by POM and Estate operations. Nevertheless, from the HIRAC document review of the period of 2017 it is known that the risk assessment has not been fully available for all operational work of the Estate, such as manual maintenance, weed and disease control, polyclinic, office, etc.
- b. Not yet available Hazard Identification Risk Assessment and Control (HIRAC) documents for operational activities at KUD, smallholders or groups smallholders.
- c. Based on field visits to Ladang Panjang Factory, there were found sterilizer leaks number 2, staircases and handrails in dirty and slippery conditions, leakage of steam pipes over digester stations, EFB under conveyors near machine stations. This condition is not in accordance with the control plan contained in the HIRAC document of the Mill process station.

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

- a. No update or review of existing HIRAC documents has been made, so the document has not yet fully loaded all the work in the estate operations.
- b. HIRAC in KUD Karya Mandiri already exists but has not been shown during document review

- c. No fixing of sterilizer leakage number 2, steam pipe leakage above the station digester by maintenance division then ladder and handrail in dirty condition and slippery empty elongation under conveyor belt near machine station is caused by still lack of responsibility of operator will cleanliness in every station especially press operators and loose-fruit picker.

Correction *(filled by organization audited):*

- a. Conducted HIRAC assessment on all operational activities of plantations and mill.
- b. Updating HIRAC on all operational activities in KUD Karya mandiri
- c. Repair sterilizer leak number 2, leakage of steam pipes above digester station and cleaning stairs and handrails dirty and slippery and collect and raise the empty bar to conveyor body to be applied to hopper empty bunch

Corrective Action *(filled by organization audited):*

- a. HIRAC is always updated based on work done in plantation operations and mill, HIRAC results are updated socialized to workers to be understood and documents kept in office.
- b. HIRAC at KUD Karya Mandiri is always updated and socialized to management and farmers
- c. Perform maintenance on schedule and deliver to all employees, contractor appeals / memorandum Manager on always keeping the workplace safe, comfortable and clean

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

11 and 28 August 2017

- a. The Company shows updated HIRAC recordings on June 10, 2017 with the person responsible for the preparation of HIRAC by LPE OHS Expert. HIRAC renewals include replanting, harvesting, and adding activities such as clinics, Dump Truck transportation, BSS houses, manual maintenance services, pest census, census and production, pest and disease control.
- b. Based on the review of the document shown and confirmation submitted by the management unit it is known that the HIRAC renewal is performed at least 1 (one) time in a year in accordance with the Policy of OHS Hazard Identification, Assessment and Risk Control (No. 7301/PSQM-ESH/11), with the person responsible for the preparation of HIRAC is the Unit Manager (or Manager level) and can be assisted by OHS Expert. HIRAC socialization for Mill and Estate workers was conducted on 08 August 2017 delivered by Senior Assistant of Estate, PSQM Staff, and Factory Manager. To ensure that HIRAC has been upgraded and has covered all operational activities in the Estate and Mill by detailing all types of hazardous work in estate and mill operations
- c. No evidence of HIRAC KUD document yet
- d. The management unit showed leak repair documentation on sterilizer number 2, a steam pipeline leak over a digester station and performed a dirty and slick staircase and handrail. Provided with proof of control that has been in accordance with HIRAC specified.
- e. In addition, the company shows the preventive maintenance schedule at the sterilizer station and the LPF press / digester station. The company also showed letter No. 001/Memorandum/VIII/2017 dated July 3, 2017 regarding the implementation of OHS and Cleanliness. The memorandum is submitted to all Mill employees and contractors who are partners with PT BGR

05 October 2017

HIRAC for smallholders activities refers to own estate with HIRAC renewal done at least 1 (one) time in a year in accordance with the Policy of OHS Hazard Identification, Assessment and Risk Control (No. 7301/PSQM-ESH/11), with the person responsible for the preparation of HIRAC is the Unit Manager (or Manager level) and can be assisted by OHS Expert. The management of HIRAC KUD Karya Mandiri for the period 2016 - 2017 made by OHS Expert (Mr. Arpan Yasir), is known by the Chairman of KUD and approved by Air Merah Estate Manager. HIRAC KUD is

available for harvesting, loading FFB, fertilizer, chemist, road maintenance, manual maintenance, pest and disease census, warehouse and office. HIRAC has been socialized to KUD Karya Mandiri farmers on September 11, 2017. HIRAC implementation will be further verified on subsequent surveillance activities.

Based on correction evidence and corrective action submitted then NCR No.2017.08 stated fulfilled by observation.

Verified by : **Naila Karima**

NCR No.	: 2017.09	Issued by	: Naila Karima
Date Issued	: 02 June 2017	Time Limit	: Before issue of certificate (max 01 June 2018)
NC Grade	: Major	Date of Closing	: 20 October 2017
Standard Ref. & Requirement	: 4.7.4 The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
<ul style="list-style-type: none"> a. Available Inter-Office Mail No. 105/BGR-AME/V/2017 dated May 30, 2017 regarding the Appointment Letter of OHS Responsible Person in KUD Karya Mandiri, however, there is insufficient evidence that the appointed personnel have qualifications and competencies in OHS aspect. b. KUD Karya Mandiri has not been able to show recording periodic meetings to discuss safety and health issues 			
Root Cause Analysis <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> a. OHS training has not been conducted to the person in charge of OHS in KUD Karya Mandiri b. Records of periodic meetings to discuss OHS issues are specifically held not yet, but in every management meeting, farmer groups and farmers members and in the field work socialization always delivered about OHS 			
Correction <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> a. Conducted OHS training on the board/responsible OHS in KUD Karya Mandiri b. Conducted regular OHS meetings at KUD Karya Mandiri every 3 months which discuss about OHS. 			
Corrective Action <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> a. OHS Officer of KUD Karya Mandiri responsible will be included in the OHS training activities in the Estate to add insight about OHS. b. Monitored by OHS management in KUD Karya Mandiri for the implementation of quarterly meeting at KUD Karya Mandiri 			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
August 11, 2017			
<ul style="list-style-type: none"> a. Have not shown the evidence of K3 training for those responsible for K3 in KUD b. No recorded documentation of the outcome of the meeting to discuss OSH issues, and meeting schedule. 			
05 October 2017			
The management unit shows the training of OHS officers who are appointed responsible in the OHS program at KUD Karya Mandiri. Training was conducted on 26 August 2017 with training materials on HIRAC, accident reporting and procedures, Lost Time Incident-Frequency Rate calculation.			

October 20, 2017

The management unit showed the minutes of OHS meeting which was held on 16 August 2017 and attended by KUD management and Farmer Group management with discussion on OHS problem eg:

- Access road conditions are hollow so less safe for FFB trucks and motorcycles that pass.
- Still found some harvests that do not protect *egrek* at the time of going to work.

The next OHS meeting is planned to be held in October and December 2017.

Based on the above explanation then NCR No, 2017.09 stated fulfilled

Verified by : **Naila Karima**

NCR No.	: 2017.10	Issued by	: Naila Karima
Date Issued	: 02 June 2017	Time Limit	: ASA 1.1
NC Grade	: Minor	Date of Closing	: 23 October 2017
Standard Ref. & Requirement	: 4.7.5 A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.		

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

- a. KUD Karya Mandiri has not been able to demonstrate emergency procedures, but is not limited to fire, chemical spills, and potential specific natural disasters, for example: Earthquakes, etc.
- b. Not enough evidence that smalholders have First Aid Training in the operational area.
- c. First aid kits are not yet available at work and / or during field operations, with regular monitoring in accordance with applicable legal requirements.
- d. Based on the results of field visits in Ladang Panjang Factory, it is known that the emergency evacuation route signs are not maintained.

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

- a. Emergency procedures are readily available but specific SOPs of natural disasters can not be demonstrated because they have not been updated.
- b. There has not been a first aid training in First Aider in the KUD because the newly appointed First Aider, because during this time the unit's management assumed the first aider from Ladang Panjang Estate.
- c. First Aid equipment has not been brought to the spaciousness due to the low understanding of the head of the farmer group to bring the first aid box
- d. No updating of paint for guidance on evacuation route and monitoring by OHS officer.

Correction *(filled by organization audited):*

- a. Emergency SOPs are prepared that cover specific natural disasters such as Earthquake SOP, Flood, and Riot Condition
- b. First Aid training is conducted on First Aid officers in each group of KUD Karya Mandiri by Firts Alder who have been trained.
- c. Socialization First Aid to workers of KUD Karya Mandiri on the importance of bringing first aid box to the field and monitoring to ensure first aid box is brought to the field by OHS officer in charge of KUD Karya Mandiri
- d. Paint signs of evacuation paths that have been blurred

Corrective Action (filled by organization audited):

- a. All procedures are socialized to farmers in KUD Karya Mandiri.
- b. The results of first aid training activities are documented and will be conducted on schedule.
- c. The results of the first aid box socialization and monitoring of the first aid box checks are documented.
- d. Performed paint once 6 months by OHS officer Ladang Panjang Factory

Assessor Evaluation and Conclusion (filled by auditor):**11 and 28 August 2017**

- a. SOPs have not been demonstrated Earthquake, Flood, and Riot Condition
- b. There is no evidence of First Aid training
- c. No evidence of First Aid has been available and regular monitoring
- d. The management unit shows the documentation of the improvement of evacuation route signs in Ladang Panjang Factory.

August 11, 2017

- a. No evidence of the procedure has been disseminated to KUD farmers
- b. Have not shown the schedule of OHS training related to First Aid
- c. No evidence of First Aid socialization has been demonstrated
- d. The monitoring of the first aid box has not been shown
- e. The company shows the photo documentation of the evacuation path signing on the outside of the factory building (near storage tank, loading ramp and rear area of WTP station)

05 October 2017

- a. KUD management unit shows the procedures related to emergency situation such as Evacuation SOP (No. Document 44/SOP/E/KUD.KM/VIII/17, 24 August 2017), Earthquake SOP (No. Document 40/SOP/GB/KUD.KM/VIII/2017, August 24, 2017), SOP Emergency Response Practice (No. Documents 37/SOP.TKD/KUD.KM/VIII/17, 24 August 2017), SOP Emergency Response Drill (No. Document 38/SOP.LTD/KUD.KM/VIII/17, August 23, 2017), SOP Flood Control (No. Document 41/SOP.PB/KUD.KM/VIII/17, August 24, 2017), SOP for Tackling Huru Hara (No. Document 42/SOP.PHH/KUD.KM/VIII/17, August 24, 2017), SOP for Fire Prevention and Response (No. Document 39/SOP.PPPK/KUD.KM/VIII/17, August 24, 2017) SOP of Prevention and Combating Explosion (No. Document 43/SOP.PPPL/KUD.KM/VIII/17, August 24, 2017).

Closed

- b. The management unit shows the documentation of the First Aid training activities dated September 30, 2017 attended by group farmers and farmers members of KUD Karya Mandiri. The management unit shows the Letter of Appointment of First Aider dated August 1, 2017 on behalf of Gimun (Farmer). Will be observed in the next assessment activity to know the implementation of personnel who have attended the first aid training. **Closed with Observation.**
- c. The management unit shows documentation of the provision of first aid kit located at KUD Office, Kelompk Tani Mawar Abadi 2, Tri Mulyo 1 Farmer Group, and Tri Mulyo 2 Farmer Group 2. However, there is no evidence of monitoring the first aid checks and periodic examination and PIC who did the checking. **Open.**
- d. No evidence of monitoring has been done to ensure the evacuation route is maintained. **Open**

October 23, 2017

- c. The KUD management unit shows the first aid kit monitoring records carried by the respective Farmer Groups for the periods of July, August and September 2017.

d. LPF management unit shows the results of the evacuation route indicator monitoring conducted on 02 July 2017 with monitored locations such as Front Office Road, Road to Grading, Front Mosque, Hazardous waste storage area, storage side road, water treatment station, machine and kernel, clarification station area and boiler station area & process office. In general, the condition of the evacuation route beam in the monitored location is in good condition. Monitoring is conducted by Safety Officer and scheduled to be monitored once a month based on the program set by the LPF management unit ..
Based on the above explanation then NCR No..2017.09 stated Closed with Observation

Verified by : **Naila Karima**

NCR No.	: 2017.11	Issued by	: Naila Karima
Date Issued	: 02 June 2017	Time Limit	: ASA 1.1
NC Grade	: Minor	Date of Closing	: 28 August 2017
Standard Ref. & Requirement	: 4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
A review of the results of medical check up in April 2017 revealed the number of workers examined by 34 workers (parts of process, laboratory, maintenance and kranji) with the type of audiometric examination. The April 2017 employee recording list shows the number of Mill workers 89 daily workers, 68 monthly workers and 16 contract workers. Based on the above, the company can not show that all Mill workers with high risk work have been conducted medical check up in accordance with the schedule set.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Medical checks were conducted in 2 stages, the first stage not all workers were examined, including high-risk workers and unemployed workers at the first stage were included in the second stage of health examination, such as Jubaedi and Ahmad Maryadi (Boiler Operators)			
Correction <i>(filled by organization audited):</i>			
A high-risk worker was undertaken and health checks were performed on the employee.			
Corrective Action <i>(filled by organization audited):</i>			
Conducted periodic medical checks for employees who are considered high risk according to the schedule that has been prepared			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
11 and 28 August 2017			
a. The basis for determining high risk worker categories is to consider:			
<ul style="list-style-type: none"> • System / equipment / workplace used • Type work • Additional factors 			
b. High-risk workers are workers in the section:			

<p>i. Station Boiler</p> <p>ii. Station Sterilizer (Danger of explosion)</p> <p>iii. Machine Room Station</p> <p>iv. Workshop</p> <p>c. Responsible for determining high-risk workers is the Manager Unit in accordance with the identification of hazard assessment conducted in conjunction with the Occupational Health and Safety Expert</p> <p>d. Health checks conducted to high-risk workers are examined in accordance with the potential / occupational risk and performed medical examinations by doctors hiperkes</p> <p>The Company showed the recording of the results of the audiometry and cholinesterase examination of PT BGR unit LPF on July 17, 2017 (stage 2) with the number of workers examined by 16 workers in each process, maintenance and waste section. The medical examination is performed by a company doctor who has been certified Hiperkes, and the results of the examination indicate the health of workers within normal limits.</p> <p>The Company shows the Document Schedule of Medical Check Up PT BGR for high risk employees planned in February and August 2017. In the schedule described the categories of workers who need to be examined for medical and the type of examination such as workers with noisy exposure (mill workers, workshops and genset operators) audiometric medical checks are performed, and workers working with chemicals are examined for cholinesterase.</p> <p>Based on the review of document of evidence of improvement submitted by the management unit, the NCR No. 2017.11 otherwise fulfilled.</p>
<p>Verified by : Naila Karima</p>

NCR No.	: 2017.12	Issued by	: Naila Karima
Date Issued	: 02 Juni 2017	Time Limit	: ASA 1.1
NC Grade	: Minor	Date of Closing	: 20 October 2017
Standard Ref. & Requirement	: 4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
KUD Karya Mandiri has not been able to show record of work accidents using Lost Time Accident (LTA).			
Root Cause Analysis <i>(filled by organization audited):</i>			
LTA calculations have not been done to record accidents due to work is due OHS Officer of KUD Karya Mandiri have not understood how LTA calculation.			
Correction <i>(filled by organization audited):</i>			
Calculate recording of work-related accidents using Lost Time Accident (LTA).			
Corrective Action <i>(filled by organization audited):</i>			
Reports on occupational accidents using Lost Time Accident (LTA) will be documented and updated			

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

October 20, 2017

- The management unit has appointed those responsible for the LTA calculation is the KUD OHS Officer and assisted by the KUD secretary. Available Inter-Office Mail No. 105/BGR-AME/V/2017 dated May 30, 2017 regarding Appointment of Responsible OHS in KUD Karya Mandiri.
- The appointed OHS officer responsible for the OHS program at KUD Karya Mandiri has been trained in accident procedures and reporting, calculating the Lost Time Incident-Ferquency Rate on August 26, 2017.
- The management unit shows documentation including:
 - List of employees of KUD Karya Mandiri up to September 2017 as many as 95 workers with 318,941 working hours.
 - Work accident data of KUD Karya Mandiri up to September 2017 based on Lost Time Injury (LTI), Frequency Rates (FR) and Severity Rates (SR) indicate that no accident cases occurred.
 - Work Accident Report of the 2017 period signed by the Chairman of KUD and Manager of Air Merah Estate as a form of monitoring that LTA calculations have been updated monthly.

Based on the above explanation, NCR No.2017.12 is stated fulfilled.

Verified by : **Naila Karima**

NCR No.	: 2017.13	Issued by	: Naila Karima
Date Issued	: 02 Juni 2017	Time Limit	: ASA 1.1
NC Grade	: Minor	Date of Closing	: 14 November 2017
Standard Ref. & Requirement	: 4.8.2 Rekaman pelatihan untuk tiap pekerja harus dipelihara.		

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

- a. Ladang Panjang Factory has compiled mill worker training schedule for the period July 2016 through June 2017. Based on a review of the training recording that has been demonstrated by the Ladang Panjang Factory management, there is insufficient evidence that the training has been carried out according to the schedule specified in the program for that period.
- b. KUD Karya Mandiri can show the Socialization and Training Program for Smallholders from July 2016 to June 2017. Based on the review of training record that has been shown by KUD Karya Mandiri, not enough evidence that the training has been done according to the schedule set in the program for that period..

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

- a. The realisation of factory worker training is not in accordance with the planned schedule, this is due to the high production of the month from August 2016 - January 2017 so that time is focused on production activities
- b. The socialization and training program is not on schedule because the location of farmers' settlements is scattered so it is difficult to collect the farmers simultaneously.

Correction *(filled by organization audited):*

- a. Updates of factory employee training on programs that have not been done
- b. Socialization and training were conducted at KUD Karya Mandiri on a training program that has not been done yet.

Corrective Action *(filled by organization audited):*

- a. The preparation of the Mill staff training schedule is based on the interests of the plant management unit and

will also take into account the condition of the production of the Estate, so that the training can be realized on schedule

- b. Socialization and training in KUD Karya Mandiri will be done on schedule by first sending invitation letter to farmer 1 week before socialization and training is done.

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

August 28, 2017

The company shows evidence of training recording conducted in accordance with the training program created for example:

- 21 August 2017 budget and cost evaluation training attended by Mill Manager, Head of Adm, Process Assistant and bookkeeping section.
- August 25, 2017 training SOP Operator Press which was attended by Process Assistant, Krani Process, Laboratory and Operator Press.
- May 13, 2017 Emergency Response simulation training in LPF.
- February 20, 2017 training SOP Shipping of CPO attended by Head of Section, bookkeeping, security, production krani, and operator of weight bridge.

05 October 2017

KUD management unit shows:

- Documentation of spot weeding training conducted on August 13, 2017 attended by smallholders members.
- Documentation of FFB quality training conducted on 05 September 2017 attended by Karya Tani Group Farmers
- Documentation of spot weeding training conducted on 31 August 2017 was attended by Karya Mandiri Group Farmers

November 13, 2017

- September 18, 2017 training of LOTO system with participant maintenance worker in Mill.
- October 20, 2017 training on Total Productive Maintenance (TPM) for Mill Engineers
- 11 November 2017 training for boiler station operators, clarification operators, nut & kernel operators, press operators, sterilizer operators, turbine operators & generators.
- 13 November 2017 First Aid training for Mill workers.

Based on evidence of improvement shown then NCR No. 2017.13 has been closed.

Verified by : **Naila Karima**

NCR No.	: 2017.14	Issued by	: Radytio Puspanjana
Date Issued	: 2 June 2017	Time Limit	: Before issue of certificate (max 01 June 2018)
NC Grade	: Major	Date of Closing	: 10 November 2017
Standard Ref. & Requirement	: 5.3.2. There shall be evidence that all chemicals and their empty containers are disposed of responsibly		

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

KUD Karya Mandiri has not been able to show evidence that the former pesticide packaging has been managed and documented in accordance with applicable waste management procedures and regulations.

Root Cause Analysis (filled by organization audited):

KUD Karya Mandiri does not have a warehouse while hazardous waste is licensed.

Correction (filled by organization audited):

Hazardous waste generated by KUD Karya Mandiri is stored in the Temporary Hazardous Waste Storage in Ladang Panjang Factory

Corrective Action (filled by organization audited):

Hazardous waste recording at KUD Karya Mandiri and in the logbook where storage hazardous waste in LPF PT. Bahari Gembira Ria.

Assessor Evaluation and Conclusion (filled by auditor):

06 October 2017

The management unit shows the Technical Consideration Letter for Addition of Type of Hazardous Waste Criteria (No. 173 / BGR-AME / X / 2017) dated 03 October 2017 submitted to the Head of Muaro Jambi District Environmental Office. The Letter as the basis for the approval process of the Temporary Hazardous Waste Storage Permit Application of PT BGR. 09 / Kep.Ka.BPTSP / VI / 2015 dated June 22, 2015 by *Badan Pelayanan Terpadu Satu Pintu* of Muaro Jambi District.

- The management unit needs to submit documentary evidence of the PT BGR B3 waste temporary Storage License Revocation Application, and the delivery of progress regarding the handling of the license.
- The management unit must demonstrate the mechanism / procedure for the management of chemical packaging containers in the KUD and the procedures for delivery of B3 waste to the core garden produced by the KUD

Based on the above explanation then the NCR No. 2017.06 is stated not fulfilled.

October 26, 2017

The management of PT BGR explained that related to hazardous waste generated by KUD Karya Mandiri will be stored in Temporary Hazardous Waste Storage in Ladang Panjang Factory. Temporary Hazardous Waste Storage in Ladang Panjang Factory has a hazardous waste storage license issued by *Badan Pelayanan Terpadu Satu Pintu* of Muaro Jambi District (SK No. 02 / Kep.Ka.BPTSP / VI / 2014, 30 June 2014, valid for 5 years). It is explained in the permit that the permit to store hazardous waste of PT BGR with the scope of oil palm plantation is integrated with its processing into palm oil and palm kernel. Thus hazardous waste from KUD Karya Mandiri can also be stored in Temporary Hazardous Waste Storage of PT BGR, without having to revise the permit.

The management unit shows the SOP of Hazardous Waste Management (No. 49/PLB3/VIII/2017, 01 August 2017) explaining the identification of hazardous waste registration, standardization and processing resulting from activities, products and services in KUD Karya Mandiri . In relation to the procedures for waste management of KUD Karya Mandiri, it is submitted in the procedure that the producer hazardous waste of KUD Karya Mandiri directly transfers the hazardous waste produced to Temporary Hazardous Waste Storage of PT BGR, makes the Form Delivery of Used Goods at the time of delivery, and who is responsible for it Designated Chemical Warehouse Officer. There is a socialization record of hazardous waste management on 30 September 2017 submitted by PSQM Staff and attended by chairman, farmer group, and farmer of KUD Karya Mandiri. However, the management unit has not been able to show evidence that hazardous waste generated by KUD Karya Mandiri has been stored in Temporary Hazardous Waste Storage in Ladang Panjang Factory as a form of implementation of the procedures that have been

made. (Unfulfilled)

November 10, 2017

KUD Karya Mandiri management unit shows document of Delivery Memorandum of Goods (No. 01/L.B3/KM.XI/2017, dated 06 November 2017) with details of pesticide container as much as 3.5 kg submitted to Temporary Hazardous Waste Storage in Ladang Panjang Factory. (Fulfilled)

Based on the above explanation then the NCR No. 2017.06 is stated fulfilled.

Verified by : **Radytio Puspanjana**

NCR No.	: 2017.15	Issued by	: Radytio Puspanjana
Date Issued	: 2 Juni 2017	Time Limit	: ASA 1.1
NC Grade	: Minor	Date of Closing	: 16 Agustus 2017
Standard Ref. & Requirement	: 5.3.3. A documented waste management plan to avoid or reduce pollution and its implementation shall be available		

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

Based on the results of field visits it is known:

- a. In the field of Ladang Panjang Factory found light bulbs used, former fabrics, contaminated gloves and B3 packaging that are not placed in a licensed area.
- b. In Division II block B015 there is contaminated packaging placed in unauthorized places.
- c. In the empty carriage station, there is a leach of leachate water coming from an empty empty pile, the leachate water flows into the ground pool, and is located adjacent to the drainage release stream of the factory rainwater.
- d. Below the empty bare conveyor found empty stacks empty.



Empty bunch under empty bunch conveyor



The pond of leachate water from the empty bunch stacking bin

Company shows:

- c. Evidence of improvement by submitting documentation in the form of photos of LB3 displacements found in unlicensed places to licensed LB3 TPS. However, the company has not been able to show that the LB3 has been recorded as LB3 in accordance with the SOP of LB3 handling no. 7307 / BGR-EHS / 10.
- d. Company conducts evacuation of leachate water by pumping leachate water into IPAL pond. But the company has not been able to show the mechanisms that regulate the flow of leachate water does not come to the environment. This is not yet in line with SOP for Solid Waste Handling (SOP / 027 / PT BGR / 2014), No. Revised RSPO / P & C / PLNB-3

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

- a. There is still a lack of understanding of mill employees about the management of hazardous waste so that hazardous waste is not stored to the existing hazardous waste storage
- b. There is still a lack of understanding of the plantation's employees about the management of hazardous waste so that hazardous waste is not stored to the existing hazardous waste storage
- c. Leachate from empty piles of blanks made temporary shelter pool and then pumped into waste pool which will be sent to Land Application.
- d. A blank stack under an empty bunch conveyor is caused by an empty bunch conveyor failure so that the empty bunch is dropped onto the floor.

Correction *(filled by organization audited):*

- a. Moved all hazardous waste contained in the factory station to be stored in the temporary storage place of hazardous waste and recorded into the logbook
- b. Moved packaging of hazardous contaminated to B015 block to temporary storage place of hazardous Ladang Panjang Estate and conducted recording into logbook
- c. Conducted leachate of leachate water in a temporary pond to the waste pool until the volume of the pool is safe from spilling into the environment
- d. Collecting and cleaning all empty blanks scattered on the cement floor under the coveyor is then raised back to the conveyor to be sent to the bare hopper station empty.

Corrective Action *(filled by organization audited):*

- a. A memorandum made from the mill manager on the management of hazardous waste is stored in the temporary storage site of hazardous wastes
- b. Be socialized to employees about hazardous waste management
- c. Develop leachate water management procedures and monitor and schedule leachate water pumps to sewerage pools flow to land application
- d. Cleaning up after each station process each shift and as the person in charge is the assistant of each shift.

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

August 16, 2017

- a. The company conducted a socialization of hazarodus waste management for Mill conducted on July 17, 2017 which was attended by Mill managers, Assistant SPO, PSQM, maintenance assistant, assistant process II. The company also conducted a socialization for hazarodus waste management related Estate on July 12, 2017 which was attended by senior assistant of division III, PSQM staff, foreman, clerk and POME operator. There is evidence of socialization activities to Mill and Estate workers in the form of official news, attendance list, documentation and socialization materials. The Company shows evidence of hazarodus waste management documentation such as:
 - Logbook hazarodus waste LPF dated June 29, 2017 with details of used oil 140 liters, 6.5 kg filter used, pesticide packaging 20, 7 kg, 35 kg woven cloth, 5 pcs used lights, 2 pcs second bateray.
 - Hazarodus waste Balance Sheet LPF made by officer on June 30, 2017 with details of oil used 140 liters, filter

used 6, 5 kg, pesticide packaging 20, 7 kg, 35 kg pcs, 5 pcs former lights, bateray used 2 pcs of hazarodus waste total saved 212 kg.

- Hazarodus waste Logbook of LPF of May 31, 2017 with details of 16.6 kg contaminated packaging, filter used 21 kg, 1 kg of medical waste and used oil 21 liters.
- Balance of LPE made by officer on 06 June 2017 with details of used 21 liters oil, filter 21 pcs former, contaminated packaging hazarodus waste 16, 60 kg and 1 kg of medical waste.

b. The Company demonstrated a temporary leachate treatment procedure in the form of Internal Memo from LPE Estate Manager / Chairman of SOU 22 No. 395/ BGR-INT/ VI/2017 dated June 1, 2017 to all PT BGR staff. The internal memo explains:

- Leachate that has been accommodated in the pond while pumped into the waste pool
- Leachate pumping is done by Land Application officers and managed by estate
- The pumping schedule is carried out in accordance with the full reservoir pool and is monitored by Land Application officers
- If there are obstacles in the management in the management of Leachate to be informed to Senior Assistant Division III and senior assistant LPF.
- The company shows monitoring of high volume condition of shelter pool while leachate containing monitoring of ponds 1, 2, 3, condition, pumping hours, and description of leachate level condition. Based on monitoring data taken every day by Land Application operator, it is known that monitoring result in June 2017 is good shelter pool and average 10 cm high water level.

Based on the explanatory evidence of improvement above the auditor concludes that NCR No. 2017.15 indicator 5.3.3 otherwise fulfilled.

Verified by : **Radytio Puspanjana**

NCR No.	: 2017.16	Issued by	: Mohamad Amarullah
Date Issued	: 2 Juni 2017	Time Limit	: Before issue of certificate (max 01 June 2018)
NC Grade	: Major	Date of Closing	: 02 November 2017
Standard Ref. & Requirement	: 5.6.1. Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available (see Criterion 4.4)		
Non-Conformance Description & Evidence observed (filled by auditor):			
KUD Karya Mandiri management Unit were not conducting emission measurements towards activities which produce polutions.			
Root Cause Analysis (filled by organization audited):			
The Company has not appointed a person in charge who will carry out an emission assessment of all polluting activities.			
Correction (filled by organization audited):			
Implement identification of the types of activities at KUD Karya Mandiri that produce pollution.			
Corrective Action (filled by organization audited):			

Make a list of emission-producing activities and carry out the assessment and calculation of emissions from the types of activities that have been identified, periodically.

Assessor Evaluation and Conclusion (filled by auditor):

11 August 2017

Company can show document of result of identification and management of GHG emission source signed by SOU Chairman and Coordinator of Best Practice, with the following description:

Source	Type of Emission	Management	Notes
Land Clearing	CO ₂	Zero burning	Shown through documents related to land clearing process.
Fertilization	CO ₂ and NO ₂	1. Reduced urea use. 2. Utilization of solid waste for fertilization (EFB application)	1. Document of organic fertilization. 2. Monitoring EFB applications. 3. Fertilization recommendation. 4. Leaf Sampling Unit.
Use of Fuel for Generator Set	CO ₂	Reduced fuel use	Monitoring fuel use
Transportation	CO ₂	Emission test periodically	Emission vehicle test periodically
FFB Process in Mill	CO ₂	1. Emission test periodically 2. Reduced fuel use	1. Emission test periodically 2. Monitoring shell and fiber for fuel
POME	CH ₃	Methane trap (biogas)	Not implemented yet.

The auditor considers that the results of the identification contained in the table above are the result of the identification and management of GHG emission sources in the own Estate. This will be re-verified to the management unit. Then, based on analysis of evidence of improvement shown, there is no evidence that the identification and management of GHG emission sources have been known and understood by the working side of KUD Karya Mandiri. NCR No. 2017.16 has not been fulfilled.

02 November 2017

The management unit stated that the evidence of improvements sent on August 11 2017 was the result of identification for the own Estate. The Company sending back the results of identification and management of sources of GHG emissions from KUD activities, among others as follows:

Source	Type of Emission	Management	Notes
Land Clearing	CO ₂	Zero burning	Shown through documents related to land clearing process.
Fertilization	CO ₂ and NO ₂	1. Reduced urea use. 2. Utilization of solid waste for fertilization (EFB application)	1. Document of organic fertilization. 2. Monitoring EFB applications. 3. Fertilization recommendation. 4. Leaf Sampling Unit.

The results of the above identification have been socialized and get approval from the Secretary of KUD, Chairman of KUD and Pjs. Plasma Manager. The management unit states that monitoring activities and recording of emissions-producing activities will be carried out by the KUD Secretary. Based on the root analysis of the problem and corrective action, as well as evidence of the improvements shown, NCR No. 2017.16 has been fulfilled and the consistency of its implementation will be carried out in future Audit activities.

Verified by : **Mohamad Amarullah**

NCR No. : **2017.17** **Issued by** : **Mohamad Amarullah**

Date Issued	: 2 June 2017	Time Limit	: Before issue of certificate (max 01 June 2018)
NC Grade	: Major	Date of Closing	: 02 November 2017
Standard Ref. & Requirement	: 5.6.2. Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented		

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

KUD Karya Mandiri Management Unit has not identified significant GHG emission and pollutant, as well as its mitigation planning.

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

Identification of significant GHG emissions and pollutants and their reduction plans have been made but not yet complete and can not be demonstrated when the audit activities are carried out

Correction *(filled by organization audited):*

A significant identification of GHG emissions and pollutants as well as a complete reduction plan in accordance with existing activities at KUD Karya Mandiri.

Corrective Action *(filled by organization audited):*

Significant emissions and pollutant identification and reduction plans are documented in KUD Karya Mandiri

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

11 August 2017

Company can show document of result of identification and management of GHG emission source signed by SOU Chairman and Coordinator of Best Practice, with the following description:

Source	Type of Emission	Management	Notes
Land Clearing	CO ₂	Zero burning	Shown through documents related to land clearing process.
Fertilization	CO ₂ and NO ₂	3. Reduced urea use. 4. Utilization of solid waste for fertilization (EFB application)	5. Document of organic fertilization. 6. Monitoring EFB applications. 7. Fertilization recommendation. 8. Leaf Sampling Unit.
Use of Fuel for Generator Set	CO ₂	Reduced fuel use	Monitoring fuel use
Tranportation	CO ₂	Emission test periodically	Emission vehicle test periodically
FFB Process in Mill	CO ₂	3. Emission test periodically 4. Reduced fuel use	3. Emission test periodically 4. Monitoring shell and fiber for fuel
POME	CH ₃	Methane trap (biogas)	Not implemented yet.

The auditor considers that the results of the identification contained in the table above are the result of the identification and management of GHG emission sources in the own Estate. This will be re-verified to the management unit. Then, based on analysis of evidence of improvement shown, there is no evidence that the identification and management of GHG emission sources have been known and understood by the working side of KUD Karya Mandiri. NCR No. 2017.16 has not been fulfilled.

02 November 2017

The management unit stated that the evidence of improvements sent on August 11 2017 was the result of identification

for the own Estate. The Company sending back the results of identification and management of sources of GHG emissions from KUD activities, among others as follows:

Source	Type of Emission	Management	Notes
Land Clearing	CO ₂	Zero burning	Shown through documents related to land clearing process.
Fertilization	CO ₂ and NO ₂	1. Reduced urea use. 2. Utilization of solid waste for fertilization (EFB application)	1. Document of organic fertilization. 2. Monitoring EFB applications. 3. Fertilization recommendation. 4. Leaf Sampling Unit.

The results of the above identification have been socialized and get approval from the Secretary of KUD, Chairman of KUD and Pjs. Plasma Manager. The management unit states that monitoring activities and recording of emissions-producing activities will be carried out by the KUD Secretary. Based on the root analysis of the problem and corrective action, as well as evidence of the improvements shown, NCR No. 2017.16 has been fulfilled and the consistency of its implementation will be carried out in future Audit activities.

Verified by : **Mohamad Amarullah**

NCR No.	: 2017.18	Issued by	: Mohamad Amarullah	
Date Issued	: 2 June 2017	Time Limit	: ASA 1.1	
NC Grade	: Minor	Date of Closing	: 02 November 2017	
Standard Ref. & Requirement Acuan Standar & Persyaratan	5.6.3. A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.			
Non-Conformance Description & Evidence observed (filled by auditor):				
KUD Karya Mandiri Management Unit was not be able to shows measurement on GHG calculation through the RSPO PalmGHG Calculator Version 3.0.0 and its reporting to RSPO Secretariate.				
Root Cause Analysis (filled by organization audited):				
The management unit has not considered KUD Karya Mandiri in implementing GHG emission calculation				
Correction (filled by organization audited):				
Carry out calculations using the PalmGHG Version 3.0 Calculator.				
Corrective Action (filled by organization audited):				
Emissions calculation for KUD Karya Mandiri is done continuously (once a year) simultaneously with the calculation of own estate.				
Assessor Evaluation and Conclusion (filled by auditor):				
The Company perform of GHG calculations for KUD units with the following recapitulation:				
KUD	Total Emission (tCO₂e)	tCO₂e/ha	tCO₂e/tFFB	Emission Allocated to Mill (tCO₂e)
Manggar Jaya	1,143.74	0	0.12	1,143.74268
Karya Maju	877.76	0	0.12	877.76438
Marga Jaya	2,739.72	0	0.12	2,739.71984

Karya Mandiri	2,351.74	0	0.12	2,351.73544
Mitra Inti Sumber Makmur	1,752.30	0	0.12	1,752.29942

Based on the presentation of the calculations shown, it is known that the data included in the emissions calculation calculator is only the amount of FFB produced. The company has not been able to calculate, for example, land conversion, fuel consumption, fertilizer use, etc. NCR No. 2017.18 has not been fulfilled.

02 November 2017

The Company has performed GHG calculations for KUD units, which are categorized as 3rd party. The data used in the calculation of PalmGHG Calculator V.3.0.1 is FFB data and uses the ISCC default value data emissions. Based on the root description of the problem and corrective action, as well as evidence of the improvements shown, NCR No. 2017.18 has been fulfilled and the consistency of its implementation will be carried out in future Audit activities.

Verified by : **Mohamad Amarullah**

NCR No.	: 2017.19	Issued by	: Naila Karima
Date Issued	: 02 June 2017	Time Limit	: Before issue of certificate (max 01 June 2018)
NC Grade	: Major	Date of Closing	: 30 August 2017
Standard Ref. & Requirement	: 6.5.1. Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.		

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

The result of the document review of Work Contract Agreement (Local) No. POM/LPF/SPK-LKL/KTK/V/2017/010 article 2 states that the excess of working hours/work outside working hours with the approval of the management of PT BGR - Ladang Panjang Factory is recognized as overtime with hourly payment of one (1) The working day is divided into seven (7), starting from the first hour of overtime until then multiplied by one (1) time wage. Furthermore, based on review the recording wage on April 2017 for contract workers of Ladang Panjang Factory, the calculation of overtime pay refers to the provisions as described in the Work Contract Agreement (Local). So based on the above explanation, the provision of overtime wages set by the company for contract workers has not been in accordance with Kepmenaker No.102 of 2004 as described in Articles 8 and 11.

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

Officer responsible for making work agreement and determination of overtime calculation that is Administration Staff and HRM in accordance with Procedure Issuing Letter of Agreement (Policy No. 321/LGL-PSP/07). However, the Administration and HRM staff have not understood the calculation of overtime specific to contract workers.

Correction *(filled by organization audited):*

- Adjusted overtime calculation in accordance with Kepmenaker. 102 of 2004 on wages in May 2017.
- Attach the actual details of working hours and excess work hours in May and June 2017

Corrective Action *(filled by organization audited):*

All contract workers' overtime wages adjusted to Kepmenaker No. 102 of 2004 from May 2017 to the next.

The findings audit of overtime pay of contract workers have been submitted to GCAD (Group Cooperate Assurance Departement / Audit) departments to be verified every 6 months to avoid recurrence

Assessor Evaluation and Conclusion (filled by auditor):

August 11, 2017

- The Company represents Contract of Work (Local) No. Contract POM/LPF/SPK-LKL/KTK/V/2017/014 dated 01 May 2017 on behalf of M. Bastomi (Compound) Article 2 point 5 stated that excess working hours / work outside working hours in accordance with point 1 with the approval of the leadership of PT Bahari Gembira Ria - LPF is recognized as overtime hours with hourly payment (Rp 2,063,948 / 173 = Rp 11,930) based on Kepmenaker No. 102 of 2004 Article X
- The company shows Payroll's list of May 2017 on behalf of M. Bastomi (Compound) 24 Working Day and overtime 134 hours with wages of IDR 3,580,012 and BPJS Health IDR 20,639 pieces of Jamsostek IDR 61,198 so that the wage received is IDR 3,497,455

Required responses to the questions below relate to evidence of corrective action being submitted.

- a. The results of a payroll study in May 2017 of contract workers indicate that there are workers with 27 working days, 28 working days and 30 working days, no overtime. As explained in the Work Contract Agreement that the working day is Monday until Saturday (7 hours a day / 40 hours a week) and holidays on the day of week / holiday. Based on the above, please clarify this matter, what is the wage provision for working 27, 28 and 30 working day? Does not apply the provision of overtime pay?
- b. Please submit actual details of working hours and excess hours of work eg on behalf of M. Bastomi to ensure the calculation is in conformity with Kepmenaker. 102 of 2004 Article 11

August 28, 2017

For the calculation of overtime according to Salary List starting from the name of Zhariyana (Office Girl) up to Azwar Anas (Compound) has been in accordance with Kepmenaker. 102 of 2004 and Contract of Work Agreement. Nevertheless in the name of Eva Susi, Syafrida, Nurwani, Musrifah, Eka Aprilia, Yuliana Albar, Ernawati contract status work 27, 28 and 30 working day. This means that there is work on Sundays but no overtime wages, so based on it is not in accordance with Kepmenaker. 102 of 2004 Article 11 point b and Contract of Work Agreement made by the company with renewal per month of May 2017.

August 30, 2017

Company shows:

- A list of salaries for June 2017 and a reward for payment of workers' wage in the name of Eva Susi, Syafrida, Nurwani, Musrifah, Eka Aprilia, Yuliana Albar, Ernawati. The result of salary review is known that the provision of overtime wages applied by the management unit has been in accordance with Kepmenaker. 102 of 2004 and Contract of Work Agreement.
- List of workday details (actual and working hours) of contract workers in May and June 2017

Based on the above explanation then the NCR No.2017.04 stated fulfilled.

Verified by : **Naila Karima**

NCR No.	: 2017.20	Issued by	: Naila Karima
Date Issued	: 02 June 2017	Time Limit	: Before issue of certificate (max 01 June 2018)
NC Grade	: Major	Date of Closing	: 28 August 2017

Standard Ref. & Requirement	: 6.5.2. Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.
Non-Conformance Description & Evidence observed (filled by auditor):	
<p>Work Contract Agreement (Local) No. POM/LPF/SPK-LKL/KTK/V/2017/010 article 4, stated that The Social Insurance Workers (<i>Jamsostek</i>) Pension Plan (<i>JHT</i>) 5.7% contribution is fully borne by workers. Based on the above, the employment agreement between the company and the worker is known not in accordance with the PP No. 46 of 2015 Chapter III of Article 16 stating that the Pension Plan (<i>JHT</i>) contribution of 2% shall be borne by the worker and 3.7% shall be borne by the company.</p>	
Root Cause Analysis (filled by organization audited):	
<p>Officers responsible for making employment agreement that is Administration Staff and HRM in accordance with Procedure Issuing Letter of Agreement (Policy No. 321/LGL-PSP/07). However, the Administration and HRM staff have not understood the regulations related to <i>Jamsostek</i> and <i>BPJS</i> Health for contract workers.</p>	
Correction (filled by organization audited):	
<p>Adjustment <i>Jamsostek</i> and <i>BPJS</i> Health to contract workers with PP no. 46 of 2015 on the Implementation of the <i>Jaminan Hari Tua</i> program on May 2017 wages.</p>	
Corrective Action (filled by organization audited):	
<p>Adjustment <i>Jamsostek</i> and <i>BPJS</i> Health to contract workers with PP no. 46 year 2015 on the Implementation of <i>Jaminan Hari Tua</i> program in May 2017 until next wage. If there is an addition of new contract employees, it will be ascertained that the completeness of the document is as a requirement of <i>BPJS</i> Health registration.</p>	
Assessor Evaluation and Conclusion (filled by auditor):	
<p>11 and 28 August 2017</p> <ul style="list-style-type: none"> • The Company represents Contract of Work (Local) No. Contract. POM/LPF/SPK-LKL/KTK/V/2017/014 dated 01 May 2017 on behalf of M. Bastomi (Compound). Article 4 states that: <ol style="list-style-type: none"> 1. <i>Jamsostek</i> contribution 2% <i>JHT</i> borne by the second party and borne by the first party 3.7% 2. <i>Jamsostek</i> contribution 0.89% <i>JKK</i> and 0.3% <i>JKM</i> borne by the first party of 1.19% 3. <i>Jamsostek</i> contribution <i>JP</i> 1% borne by the second party and borne by the first party of 2% 4. <i>BPJS</i> Health contribution underwritten second party 1% and borne by the first party by 4% • Company shows Payroll and Social Security Employee Contracts in May 2017 for example on behalf of M. Bastomi (Compound) there is information <i>BPJS</i> Health borne by employees of Rp. 20,639 (1%), <i>BPJS</i> Health is borne by the company of IDR 82,558 (4%), <i>Jamsostek</i> covered by employees amounting to IDR 61,918 (3%) and <i>Jamsostek</i> covered by the company of IDR 142,206 (6.89%) <p>Based on the review of document of evidence of improvement submitted by the management unit, the NCR No. 2017.05 otherwise fulfilled.</p>	
Verified by	: Naila Karima

3.5.2 Opportunity for Improvement

No	Ref Std	Descriptions
1	4.6.6	Ventilation of pesticide storage warehouse.
2	4.7.5	Monitoring of First Aid Equipment and Fire Extinguisher inspection equipment is conducted in accordance with the specified schedule (OBSERVATION).
3	6.8.3	Record of employee list is completed by number and percentage based on gender, tribal, religious and age distribution until the oldest at the earliest date of entering work.
4	Major 7.3.1	Implementation of revised raw liability assessment for PT Bahari Gembira Ria LUCA and acceptance of RACP program by RSPO compensation panel (Observation).

3.5.3 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	The company gets the Blue Proper rating for 2016.
2	-	The company has built a smallholders with a PIR pattern.
3	-	The company has obtained ISPO certificate

3.6 Summary of Arising Issues from Public, Management and Auditor Response

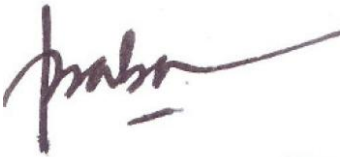

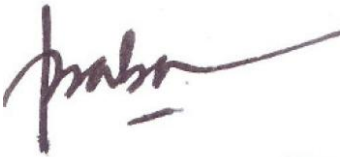

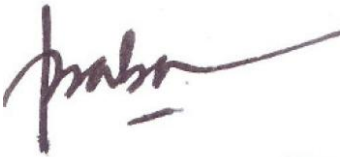

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Ladang Panjang Village (Informal Leader/Community Representation)</p> <ul style="list-style-type: none"> • The village is formed on year of 1980, before the plantation was operation • Impact of plantation and mill operation to community surround: <ul style="list-style-type: none"> - Road access from village to plantation area and also access among village surround - Open access of work opportunity for the community surround. There was several people from village was be a security staff in Ladang Panjang POM • Some assistance was given by the company through is CSR program, among others: <ul style="list-style-type: none"> - Aid for Elementary School in village - Aid for sacrificial animals during Eid Adha • There were no significant issues of the conflict between the company and related parties (especially the surrounding community) • There are no issues of objections the parties about the impact of plantation and mill operation <p><u>Aspiration:</u> The community expectation if any aid propose from them, the company ought to respond the community propose (information respond)</p>	<p>The company could show their record of communication and CSR program which is given to the surrounding village, as explained in indicator 6.11.1.</p>
<p>Gambut Jaya Village. (Village Head)</p> <ul style="list-style-type: none"> • The village comes from PIR program in 1980. So there is no local land or traditional right of land. The boundary between vilage and the company is clearly demarcated. • Generally, communication between village and company is running weel, through phone or via Asistant or manager. • Request of information or help is answered in maximum 1 month, depend on the object. There is no request for information yet. • There are villager who work in the estate, but most of them are member of smallholder. • In 2017, there is a plan to make economic activity for villager which is assisted by the company, but the village has not determine the program yet. It might be in fisheries or others. • Oil palm in Gambut Jaya smallholder is not in replanting age. • In 2016 till this 2017, there is no land fire. • The charity that has been received from the company are road maintenance, scholarship for student, material for building mosque. • The company has socialized their policy, like HCV, minimum age worker, etc. 	<p>The company could show their record of communication and CSR program which is given to the surrounding village, as explained in indicator 6.11.1.</p>
<p>Karya Mandiri smallholder cooperation (Administrator & member)</p> <ul style="list-style-type: none"> • The price of FFB is stipulated by the Jambi Provincial Plantation Office, with a one-week period. Latest TBS price announced at KUD office. • KUD members' wages are determined based on the decision of the Annual Members Meeting (RAT) • For harvest and maintenance work is done by the farmers themselves, but some are done by others who are not land owners. The wage provisions are paid based on agreement between the landowner and the worker. 	<p>The company has participated in improving the welfare of the community surrounding the operational area through the development of a community plasma patterns</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> • Training related to plantation management has been submitted by the company. • Socialization related to policies such as prohibition of employing children under the age of 18, freedom of association, anti-discrimination, prevention of sexual harassment and protection of women workers, respect for human rights, code of conduct, K3, prohibition of opening and cultivating land by burning, animal and area protection Conservation, and complaint grievance mechanisms have been submitted to farmers. 	
Local Partners (Replanting) PT Mitra Karya Jaya Perdana <ul style="list-style-type: none"> • Preparation of contract has been agreed by both parties. • The contractor already has a copy of the work contract. • The calculation of payments is made in a transparent manner and has been mutually agreed upon, with payments made on time. • PPE of the worker is provided by the contractor, in case of work accident is borne by the contractor. • The company has socialized about safety and health. • Be aware of the grievance mechanism 	<p>The Company has cooperated with local contractors to support the improvement of the local economy. See Indicator 6.3.1</p>
Board of F.SPPP-SPSI PT BGR <ul style="list-style-type: none"> • The company has granted freedom of association and there is no intimidation by the company against trade union officials. • Internal meetings or with management are conducted and the results of the meetings are documented in the form of an official report. • Communication between the union and the company is well established, if there are any complaints or requests for information from the union then the company has responded well and quickly. • Determination of the 2017 minimum wage provisions issued at the end of April 2017, hence the wages earned by workers in January to May 2017 still follow the 2016 wage provisions. The wage provisions will apply for June 2017 and January to April 2017. • All workers have been enrolled in the BPJS Employment and BPJS Health program. • A one-year performance appraisal will affect the grade / class of salary for SKU-B and / or promotion from SKU-H to SKU-B. • One complaint from workers regarding the health service BPJS that is felt is still much better when the health service is done in full by the company. However, the union understands this because BPJS Health is an obligation of compliance with applicable regulations. 	<p>The Company has implemented a policy of freedom of association as described in indicators 5.4.1 to 5.4.3</p>
Chairman and Management of Gender Committee of PT BGR <ul style="list-style-type: none"> • Socialization of prevention policies of sexual harassment and protection of women's rights has been submitted to all workers and guarantee of protection for the complainant or victim and witness. • In the period 2016/2017 there are no reports of sexual harassment, violence against women workers or violations of reproductive rights policies. • The Company has consistently implemented a policy of reproduction rights protection through the provision of H1 for women workers who experienced 	<p>The Company has implemented prevention policies on sexual harassment and protection of women workers as described in indicator 5.3.1</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>pain on the first day / second at the time of menstruation, and H2 for pregnant women workers who will give birth (1.5 months before delivery and 1, 5 months after delivery) or who suffered a miscarriage given the rest for 1.5 months.</p> <ul style="list-style-type: none"> • There is no reporting of discrimination especially on women workers conducted by the company. The company has provided opportunities and opportunities to work without discriminating gender. • The Company has demonstrated an effort to improve workers' access to adequate and adequate food by providing vehicles to deliver workers to meet basic needs to the city at the time of receiving salary / wages. 	
<p>Department of Manpower and Transmigration Muaro Jambi District Monday, May 29, 2017 Interviewees: 1. Dumyati (Secretary of Service). 2. M. Amin (Head of Industrial Relations)</p> <ul style="list-style-type: none"> • The company already has a P2K3 board authorized by the Dinas. • The company is considered administrative and cooperative in terms of submission of mandatory periodic reports, such as P2K3 Reports, WLTks, reports of work accidents, etc. • Agency not yet know whether the company has registered all its employees in the BPJS Employment and BPJS Health program. • There are no issues relating to unauthorized use of foreign workers, child labor, employment disputes, discriminatory treatment of SARA and other negative issues. • The Company has paid wages in accordance with Jambi Province Minimum Wage Decree in 2017. • The company has a Ladang Panjang Self-Employment Union (SPM). Changes to the latest trade union officials have not been informed to the District Manpower Office. Muaro jambi. • The company has licensing on boiler permits, generators, electrical installations and processing machinery. • The company has involved Disnakertrans in terms of OHS and Employment training. Last implemented in 2016. • Companies are considered cooperative in terms of providing information requests. <p>Disnakertrans Kab. Muaro Jambi hopes that employment-related reporting will continue to be reported to the District Manpower Office, although its authority has been transferred to the Provincial Manpower Office, since the passing of Law no. 23 of 2016 on the transition of the organization structure of the labor inspector.</p>	<p>The Company has endeavored in compliance with labor regulations related to OHS, submission of compulsory reports, equal treatment for workers, the existence of CLA, the appropriateness of wage payments, unions and equipment licenses. As explained in indicators 5.1.1 to 5.1.3</p>
<p>Environment Agency (DLH) Muaro Jambi District Monday, May 29, 2017 Interviewees: 1. Yonizar (Head of Section for Environmental Damage) 2. Dadang Armanjaya (Head of Management LB3 and Liquid Waste)</p>	<p>The company has permit of land application and temporary hazardous storage.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> • The company is considered orderly and cooperative in terms of delivery of compulsory reports, such as the report of Liquid Waste, RKL / RPL, B3 Waste, Air Emission Testing, Noise, Wisdom, Vibration, • In 2018, the above reporting will be conducted online, directly to the Ministry of Environment and Forestry (LHK). Companies need to register in advance to gain access to online reporting. • Hazardous waste storage permits and Liquid Waste Application Permits are still valid. Indicated there is no change and / or addition of the permits. • The company is considered proactive in carrying out communication and coordination with Environment Agency and other related institutions. For example, the company coordinates with the Agency and Pertamina related to the leakage of oil pipelines in the company's operational area causing the contamination of the Terentang River from March to April 2016. This issue has been resolved well. • Regarding the management of Medical Waste, the company is advised to carry out direct shipments to Jakarta, in the absence of a Hospital in Jambi that has a licensed Incinerator for the destruction of medical waste. • The company is deemed necessary to implement an AMDAL revision if the average TBS processing is over 30 tons of FFB / hour (minimum annual average) 	
<p>Department of Plantation and Livestock Muaro Jambi District Monday, May 29, 2017 Interviewees: 1. Darmanto (Head of Plantation) 2. Hendri Agustian Amid (Head of Processing and Marketing of Plantation Products).</p> <ul style="list-style-type: none"> • The Company has Class II based on the assessment of 2016. The lowest assessment aspect in the environmental field, related to the lack of initiative and proactive action of the company to overcome the fire incident of land surrounding the company's operational area. The fire monitor is considered inadequate (1 tower per 1,000 ha of land), including in the Plasma plantation area. • The company is considered cooperative and administrative in terms of submission of compulsory reports, such as LKUP. • There is no addition and change of Location Permit, land title and plantation business permit. • The company has a Plasma program. • The company is considered to have involved the community in the preparation of the annual CSR program. The Agency hopes that improving the Village road becomes a priority in the next CSR activities. • It is stated that there are still indigenous people in Arang-arang Village, Parit Village, Sungai Gelam Village and Ladang Panjang Village, with the main tribe of Jambi Malay. But the current conditions are already assimilated with other tribes originating from outside Jambi. • There is no overlap with forest areas and no customary forests. • It is stated that there has been no conflict of land dispute with the surrounding community since 2008/2009. 	<p>The company has shown their legality of plant, nor their plantation permit, as explained in indicator 2.1.1.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> The purchase price of TBS from the Plasma plantation is in accordance with the decree Dibun. Jambi Province. 	
<p>National Land Agency (BPN) Muaro Jambi District Monday, May 29, 2017 Interviewees: 1. Aep Saepudin (Kasubsi, Kadastral Measurement and Mapping) 2. Angga Kesuma (Head of Subdivision of Land Rights)</p> <p>Location permission The company does not have a new Location Permit. Location Permission Description is as follows:</p> <ul style="list-style-type: none"> 1986: An area of 20,000 ha for sugarcane plantations and sugar mills to oil palm plantations. 1990: Area of 6,800 ha for oil palm plantations with PIR pattern. 2014: Area of 1,806 ha for oil palm plantations. <p>Plantation Business License (IUP) The Company does not have a new IUP. The description of IUP is as follows:</p> <ul style="list-style-type: none"> 2014 area of 3,382.04 ha. Kadastral land measurement has been conducted by BPN Jambi Province Regional Office in three areas with total area of 1,796.19 ha, consisting of 1,399.66 ha in Parit Village and Arang-Arang Village; 292,40 ha in Desa Gambut Jaya and 107,13 ha in Sumber Agung Village. There is a remaining land area of 383.81 ha located in Division 2, excluded from cadastral measurement by reason of the landowner's village is not yet known, whether it belongs to Parit Village or Arang-arang Village. It is also reported that the current condition of the land is covered by shrubs. The process of obtaining HGU for the above three areas is still in the Regional Office of Jambi Province. <p>Land Use Tittle (HGU)</p> <ul style="list-style-type: none"> No new HGU has been added yet. The HGU process is currently located in the Regional Office of Jambi Province. Reports on land use of HGU are reported to Land Rights and Land Registration (HTPT). There are no land dispute reports with residents or with other companies. Location of HGU does not overlap with forest area and mining business. 	<p>The company has fulfilled their obligation on land use right. There is improvement process for the area of 1.796.19 Ha that is still on process of land use right, as explained on indicator 2.2.1.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY						
4.1	Formal Sign-off of Assessment Findings						
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table data-bbox="363 846 1348 1198"><tr><td data-bbox="363 846 718 922">Company Name Management Representative</td><td data-bbox="1086 846 1348 922">Mutuagung Lestari Lead Auditor</td></tr><tr><td data-bbox="363 952 718 1108"></td><td data-bbox="1086 952 1348 1108"></td></tr><tr><td data-bbox="363 1120 718 1198"><u>Mohammad Pirabaharan</u> Thursday, 16 November 2017</td><td data-bbox="1086 1120 1348 1198"><u>Rudi Ramdani</u> Thursday, 16 November 2017</td></tr></table>	Company Name Management Representative	Mutuagung Lestari Lead Auditor			<u>Mohammad Pirabaharan</u> Thursday, 16 November 2017	<u>Rudi Ramdani</u> Thursday, 16 November 2017
Company Name Management Representative	Mutuagung Lestari Lead Auditor						
							
<u>Mohammad Pirabaharan</u> Thursday, 16 November 2017	<u>Rudi Ramdani</u> Thursday, 16 November 2017						

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

No	Institution/NGO/Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Ladang Panjang Village	Ladang Panjang Village	-	Interview	May 30 2017	√	
2	Gambut Jaya Village	Gambut Jaya Village	-	Interview	May 30 2017	√	
3	21 farmer head of Karya Mandiri Smallholder Cooperation	Muaro Jambi	-	Interview	May 30 2017	√	
4	Replanting contractor PT Mitra Karya Jaya Perdana		-	Interview	May 30 2017	√	
5	Worker Union PT Bahari Gembira Ria	PT Bahari Gembira Ria	-	Interview	May 30 2017	√	
6	Gender Committee PT Bahari Gembira Ria	PT Bahari Gembira Ria	-	Interview	May 30 2017	√	
7	Bullking officer of PT BGR	PT Bahari Gembira Ria	-	Interview	May 31 2017	√	
8	Estate: <ul style="list-style-type: none"> • 1 land application operator, 1 HCV officer, 1 field assistant, 1 worker wife at housing complex, 1 workshop operator, 1 chemical warehouse operator, 1 bss warehous operator, 1 hazardous waste storage operator. • 4 sprayer, 4 harvester, 1 EFB aplicator, 6 fertilizer worker, 1 nursery worker. 	PT Bahari Gembira Ria	-	Interview	May 30 2017	√	
9	Mill: <ul style="list-style-type: none"> • 2 security operator, 1 weightbridge operator, 4 grading operator, 1 sterilizer operator, 1 digester operator, 1 machine operator, 1 boiler operator, 1 efb operator. • 1 WTP operator, 2 mechanic, 1 POME operator, 1 hazardous waste storage operator, 1 chemical warehouse operator, fire-fighting team, 1 worker wife at housing complex. 	PT Bahari Gembira Ria	-	Interview	May 29 2017	√	
10	Department of Manpower and Transmigration (Head of Employment Section, Head of	Muaro Jambi	-	Interview	May 29 2017	√	

	Industrial Relations Section)						
11	BLHD (Head of Enviroment Damage Section and Head of Subdivision Hazardous Waste Management)	Muaro Jambi	-	Interview	May 29 2017	√	
12	Plantation Agency (Head of Post Crop Development and Head of UTP Division)	Muaro Jambi	-	Interview	May 29 2017	√	
13	National Land Agency (NLA/BPN (Head of Land, Planning, Setting Section)	Muaro Jambi	-	Interview	May 29 2017	√	
14	WALHI	WALHI	-	Email	May 23 2017		√
15	SAWITWATCH	SAWITWATCH	-	Email	May 23 2017		√
16	WWF	WWF	-	Email	May 23 2017		√

Appendix 2. Assessment Program

DATE	29 May to 02 June 2017	
	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 29 May 2017		
05.45 - 07.00	Traveling from Jakarta to Jambi. Travelling from Jambi Airport to Muaro Jambi District (Public consultation to Government Agency).	RRI/ORN/NKA/RPJ MAH
08.00 - 09.00	Traveling from Airport to PT Bahari Gembira Ria.	RRI/ORN/NKA/RPJ
09.30 -10.00	Opening Meeting: <ul style="list-style-type: none"> • Auditee Speech (Introduction of PIC, Profile of Mill and Estates Management Unit). • Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Determine of Field Visit Audit, Transparency and Confidentiality Clarification). 	RRI/ORN/NKA/RPJ & MR of PT BGR
10.00- 12.00	<ul style="list-style-type: none"> • Review of Previous Visit Non-conformance (ASA 04). • Document Verification: <ul style="list-style-type: none"> - Basic Information - Legal Demarcation Aspect (Inspection of Legal Boundary Stones, Community Buffer Area/Enclave) - SCCS - Agronomy (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Occupational Health & Safety Aspect (PPE Used in Harvest, Manure & Pesticide Application) and Worker Welfare. - Worker's Facilities Aspect (Housing, Daycare, Sports Facilities, Employees Meeting Hall, Sanitary Facilities) & Fire Control Facilities, Waste Management) - Environmental/Conservation Aspect (Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir, Forest Area, Peat Area (Water management, etc), Chemical Storage, Fertilizer Storage, Hazardous Waste Storage. 	RRI/ORN/NKA/RPJ RRI RRI/ORN ORN NKA RPJ
12.00 – 14.00	Break	
14.00 – 16.00	Field Observation to Ladang Panjang Factory <ul style="list-style-type: none"> • Production/Processing and Health & Safety. • Worker Rights (Status, Payment Condition, Gender Aspect, etc). • Hazardous Waste Storage, POME + Land Application. • Management of Environment (Environment monitoring station & GHG, etc). • Worker Facilities (Housing, health clinic, clean water, etc). • Emergency Equipment Check & Emergency Team Interview. 	RRI/ORN RPJ NKA Auditor Team
Clarification of Field Observation & Completing of Check List		
Tuesday, 30 May 2017		
08.00 – 12.00	Field Observation at Division 2 & 3 Ladang Panjang Estate: <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect. • Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV Area), Environmental/Conservation Aspect 	MAH RPJ

DATE	29 May to 02 June 2017	
	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	(Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir, Forest Area, Peat Area (Water management, etc), (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage). <ul style="list-style-type: none"> • Implementation of Legal Aspect (Land Ownership, Legal Boundaries), Stakeholder Consultation to Community Surround. • Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance). • Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). • Local Contractor Interview. • Internal Stakeholder Consultation (Labour Union & Gender Committee. 	RRI/ORN RRI/ORN NKA
12.00 – 14.00	Break	
14.00 – 17.00	Clarification of Field Observation & Completing of Check List.	Auditor Team
Wednesday, 31 May 2017		
08.00 - 12.00	Field Observation to KUD Karya Mandiri: <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect. • Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities). • Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). • Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV Area and Stakeholder Consultation to Community Surround. • Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance). Field visit to bulking station.	MAH, RPJ NKA RRI ORN
12.00 -14.00	Break.	
14.00 -17.00	Clarification of Field Observation & Completing of Check List.	Auditor Team
Thursday, 01 June 2017		
08.00-17.00	OFF DAY (Document verification).	Auditor Team
Friday, 02 2017		
08.00 – 10.00	Team Auditor Meeting (Preparation for Audit Conclusion).	Auditor Team
10.00 – 12.00	Closing Meeting.	Auditor Team & MR of PT BGR
14.00-15.00	Travel from PT BGR to Airport.	Auditor Team
17.45-18.45	Travel from Jambi to Jakarta.	Auditor Team