

**Roundtable on Sustainable Palm Oil Certification  
RSPO**

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management Organisation : **Sungai Rungau Mill, PT BINASAWIT ABADIPRATAMA subsidiary of GOLDEN AGRI RESOURCES Ltd.**

Plantation Name : Sungai Rungau Estate, Terawan Estate, Sungai Seruyan Estate, Tangar Estate and Bukit Tiga Estate

Location : Rungau Raya Village, Danau Seluluk Sub District, Seruyan District, Kalimantan Tengah Province, Indonesia

Certificate Code : **MUTU-RSPO/029**

Date of Certificate Issue : **August 26<sup>th</sup>, 2013**      Date of License Issue : **August 26<sup>th</sup>, 2017**

Date of Certificate Expiry : **August 25<sup>th</sup>, 2018**      Date of License Expiry : **August 25<sup>th</sup>, 2018**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	12 – 16 June 2017	Trismadi Nurbayuto (Lead Auditor), Andi Pratama Pasaribu, Yohanes Hardian, Sahat Simarmata Witnessed by Accreditation Services International	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	14 July 2017

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FIGURE

Figure 1. Location Map of PT Binasawit Abadipratama

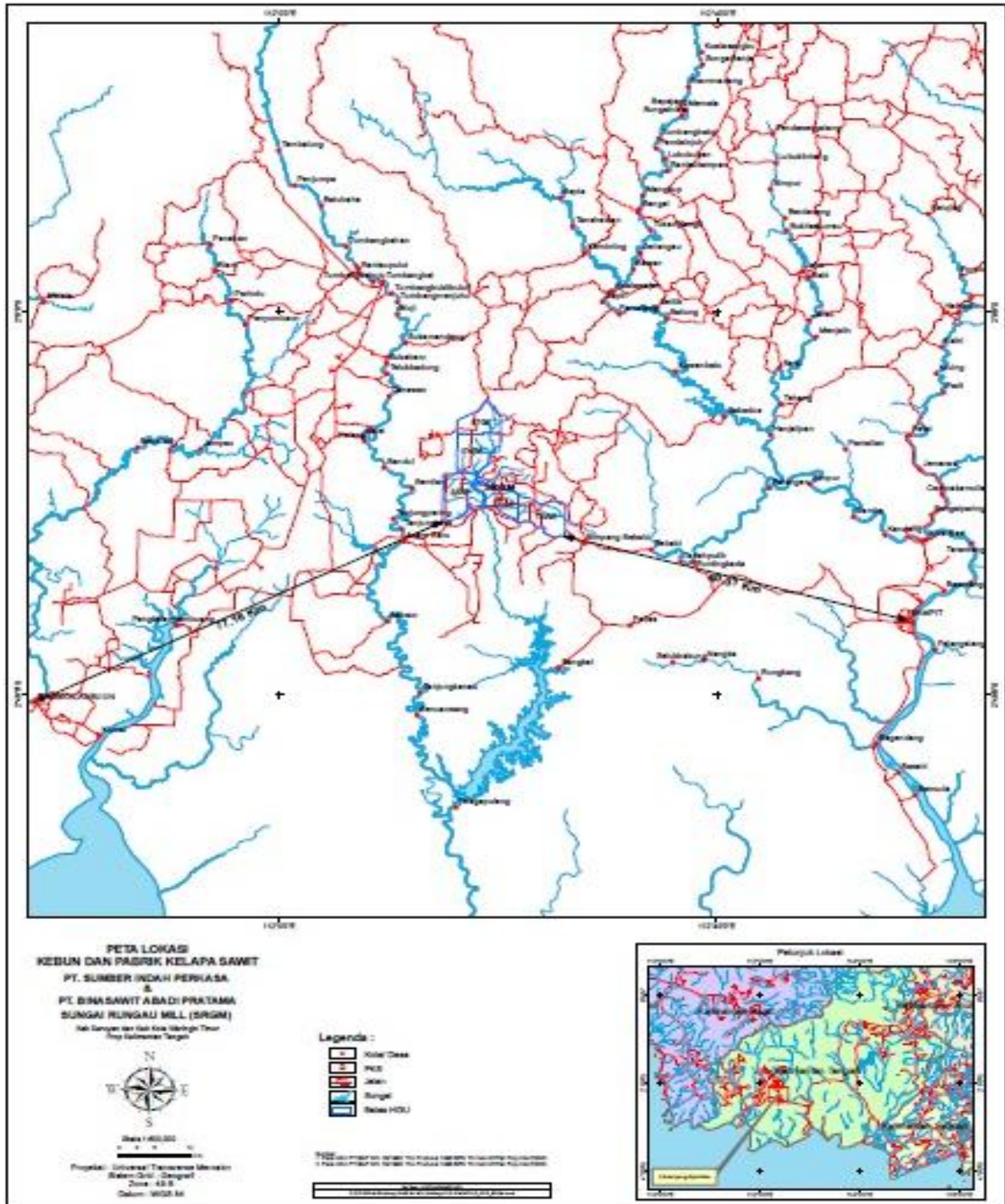
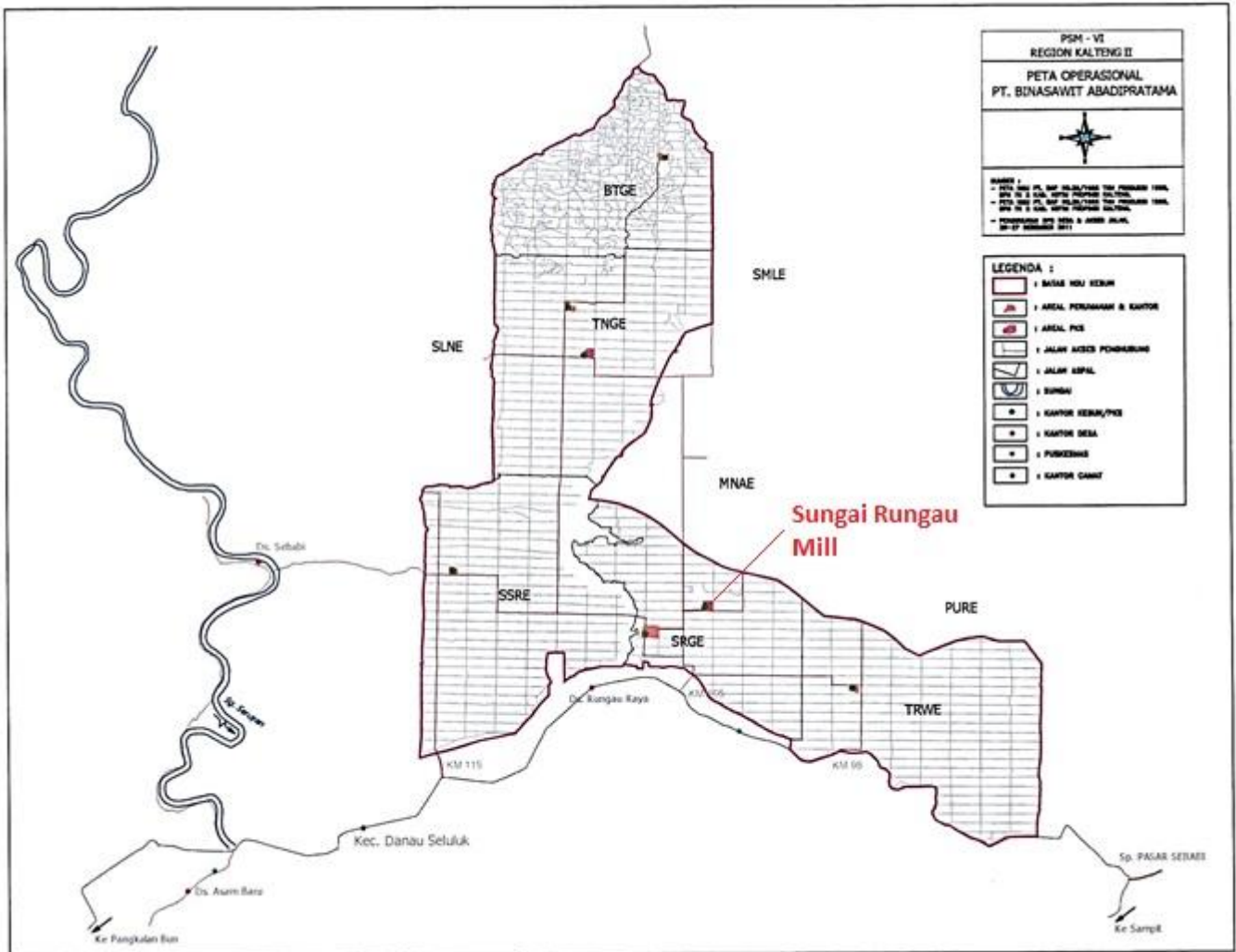


Figure 2. Operational Map of PT Binasawit Abadipratama



**Glossary**

ANDAL (EIA)	:	<i>Analisis Dampak Lingkungan</i> (Environmental Impact Assessment)
BOD	:	Biological Oxygen Demand
BPN	:	Badan Pertanahan Nasional ( <i>National Land Agency</i> )
BTGE	:	Bukit Tiga Estate
CH	:	Certificate Holder
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior and Informed Consent
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRAC	:	Hazard Identification and Risk Assessment Control.
IK	:	<i>Intruksi kerja</i> (Work Instruction)
ISCC	;	International Sustainable Carbon Certification
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Operation Licence)
IPM	:	Integrated Pest Management
KER	:	Kernel Extraction Rate
LA	:	Land Application
LSC	:	Land and Soil Capability
LC	:	Land Clearing
MCAR	:	Management Committee Agronomy and Research
MCMD	:	Management Committee for Mill Development
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OIA	:	Operation Internal Audit
LSU	:	Leaf Sampling Unit
SOP	:	Standard Operational Procedure.
SSU	:	Soil Sampling Unit
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (Guiding Committee of Occupational Safety & Health)
PK	:	Palm Kernel
PMNP	:	Plantation Monitoring and Planning
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent

PPE	:	Personal Protective Equipment
PSM	:	<i>Perkebunan Sinarmas</i> (Sinarmas Plantation)
PT BAP	:	PT Binasawit Abadipratama
RC	:	Regional Controller
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened and Endangered
SIA	:	Social Impact Assessment
SIP	:	Sumber Indah Perkasa
SMARTRI	:	SMART Research Institute
SOP	:	Standard Operating Procedure
SRGE	:	Sungai Rungau Estate
SSRE	:	Sungai Seruyan Estate
TRWE	:	Terawan Estate
TNGE	:	Tangar Estate
WWTP	:	Wastewater Treatment Plant
VPA	:	Vice President Agronomy

<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>			
<ul style="list-style-type: none"> <li>• <i>RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013.</i></li> <li>• <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></li> </ul>			
<b>1.2 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	PT Binasawit Abadipratama subsidiary of Golden Agri Resources, Ltd	
1.2.2	Contact person	Richard Kan	
1.2.3	Organisation address and site address	<p>Head Office :</p> <p>108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535</p> <p>Indonesia Liaison Office :</p> <p>Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia Phone: +62-21-5033 8899. Fax: +62-21-5038 9999</p> <p>Site Address: Rungau Raya Village, Danau Seluluk Sub District, Seruyan District, Kalimantan Tengah Province</p>	
1.2.4	Telephone	(+62-21) 318 1388	
1.2.5	Fax	(+62-21) 318 1389	
1.2.6	E-mail	ismu-zulfikar@smart-tbk.com	
1.2.7	Web page address	<a href="http://www.goldenagri.com.sg">www.goldenagri.com.sg</a>	
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Department)	
1.2.9	Registered as RSPO member	31 March 2004 (1-0096-11-000-00)	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	Sungai Rungau Mill and its supply bases (Sungai Rungau Estate, Terawan Estate, Sungai Seruyan Estate, Tangar Estate and Bukit Tiga Estate).	
1.3.2	Type of certificate	Single	
<b>1.4 Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Sungai Rungau	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Kalimantan Tengah Province	S 2 <sup>o</sup> 19' 14,16"      E 112 <sup>o</sup> 20' 2,97"

1.4.2	Location of Certification Scope of Supply Base						
	Name of Supply Base	Location	Coordinate				
			Latitude	Longitude			
	Sungai Rungau Estate	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, KalimantanTengah Province	S 2° 19' 43"	E 112° 18' 58"			
	Sungai Seruyan Estate	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, KalimantanTengahProvince	S 2° 18' 32"	E 112° 15' 28"			
	Terawan Estate	Selunuk Village, Seruyan Raya, Seruyan Sub district, KalimantanTengahProvince	S 2° 20' 43"	E 112° 22' 43"			
	Tangar Estate	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Kalimantan Tengah Province	S 2° 13' 45"	E 112° 17' 34"			
	Bukit Tiga Estate	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Kalimantan Tengah Province	S 2° 11' 1"	E 112° 19' 20"			
<b>1.5 Description of Area Statement</b>							
1.5.1	Tenure						
	• State	HGU : 20,152.79 Ha HGB : 19.75 Ha					
	• Community	Ha					
	HGU Certificate no 17/2008; HGB Certificate No : 5/2003 (reservoir area); No: 6/2003 (mill and POME pond) and No. 7/2003 (*mill emplishment)						
1.5.2	<b>Area Statement</b>						
	• Total area	20,172.54 Ha					
	• Mature area	18,062.09 Ha					
	• Immature area	- Ha					
	• Tangar Mill	9.69 Ha					
	• Sungai Rungau Mill and Mill Emplishment	19.75 Ha					
	• Infrastructure & Air Strip	688.17 Ha					
	• Emplishment & Building	170.31 Ha					
	• Conservation Area (Planted)*	882.38 Ha					
	• HCV Area	620.62 Ha					
	• Others area (unplantable)	601.91 Ha					
*HCV area comprises of secondary forest and natural vegetation.							
*All conservation area is calculated as planted area							
*Discrepancy of area 19.75 Ha from previous assessment is due to size of Building Use Right / Tittle (HGB) Sungai Rungau Miil are not included in scope of certificate							
<b>1.6 Planting Year and Cycles</b>							
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Sungai Rungau Estate	Sungai Seruyan Estate	Terawan Estate	Tangar Estate	Bukit Tiga Estate	Total
	1996	-	249.51	852.98	-	-	1,102.49
	1997	490.48	1,667.79	883.41	333.02	-	3,374.70



	1998	621.20	1,061.53	1,283.60	1,411.72	444.54	4,822.59	
	1999	582.05	1,230.82	360.73	764.61	575.77	3,513.98	
	2000	933.21	-	934.81	1,046.99	84.72	2,999.73	
	2001	183.31	-	-	85.34	311.26	579.91	
	2004	-	-	-	148.34	415.32	563.66	
	2005	71.03	-	-	178.61	796.80	1,046.44	
	2006	-	-	12.38	-	-	12.38	
	2007	-	-	-	46.21	-	46.21	
	<b>TOTAL</b>	<b>2,881.28</b>	<b>4,209.65</b>	<b>4,327.91</b>	<b>4,014.84</b>	<b>2,628.41</b>	<b>18,062.09</b>	
1.6.2	New Planting area after January 2010		-				Ha	
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle					
<b>1.7 Description of Mill and Supply Base</b>								
1.7.1	Description of Mill							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)	
	Sungai Rungau	80	453,967.36	100,145.20	22.06	24,968.20	5.50	
	*Production data month of June 2016 to May 2017							
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/year)	Supplied to Mill		
						FFB (tonnes/year)	%	
	Sungai Rungau	3,092.90	2,881.28	80,407.54	24.91	80,407.54	100	
	Sungai Seruyan	4,870.84	4,209.65	89,321.24	20.64	89,321.24	100	
	Terawan	4,481.87	4,327.91	115,752.18	27.50	115,752.18	100	
	Tangar	4,445.15	4,014.84	102,972.78	25.65	102,972.78	100	
	Bukit Tiga	3,281.78	2,628.41	65,513.62	24.93	65,513.62	100	
	<b>TOTAL</b>	<b>20,172.54</b>	<b>18,062.09</b>	<b>453,967.36</b>	<b>25.13</b>	<b>453,967.36</b>	<b>100</b>	
	*Production data month of June 2016 to May 2017							
	**Discrepancy of total area between table 1.7.2 and table 1.5 above is due to size of Building Use Right / Tittle (HGB) Sungai Rungau Mill is excluded from HGU area.							
1.7.3	FFB description from other source							
	Name of sources	Organisation	Location	Supplied to Mill				
				FFB (tonnes/year)				
	-	-	-	-				
	<b>TOTAL</b>			-				
	* Production data month of June 2016 to May 2017							
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 26 August 2016 to 25 August 2017 (tonnes/year)	Actual certified product 26 August 2016 to 10 June 2017 (tonnes/year)
	• FFB Production	521,450	382,220
	• CPO Production	121,239	118,235.41
	• Palm Kernel (PK) Production	31,268	10,338.79

**1.8.2 Estimate of Certified FFB Claim**

Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
Sungai Rungau Estate	3,092.90	2,881.28	84,428	29.30
Sungai Seruyan Estate	4,870.84	4,209.65	93,787	21.67
Terawan Estate	4,481.87	4,327.91	121,540	28.87
Tangar Estate	4,445.15	4,014.84	108,121	26.93
Bukit Tiga Estate	3,281.78	2,628.41	68,789	26.17
<b>TOTAL</b>	<b>20,172.54</b>	<b>18,062.09</b>	<b>476,666</b>	<b>26.39</b>

*\*Projected FFB production for 26 August 2017 -25 August 2018*

**1.8.3 Estimate of Certified Palm Product Claim**

Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
			Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
Sungai Rungau	80	476,666	107,726	22.60	26,217	5.50

*\*Projected CSPO and CSPK production for 26 August 2017 -25 August 2018*

**1.9 Other Certifications**

OHSAS 18001:2007	Certificate OHSAS 18001:2007 valid from 2014 upto 2017
ISCC	ISCC ( <i>International Sustainability Carbon Certification</i> ) Registration No. EU-ISCC-Cert-DE104-07781531 valid from October, 20 <sup>th</sup> 2016 to October, 20 <sup>th</sup> 2017
Proper	"Proper Biru" Certificate 2016
ISPO	MUTU-ISPO/063, issued by PT Mutuagung Lestari valid from 19 July 2016 to 18 Juli 2021

**1.10 Time Bound Plan**
**1.10.1 Time Bound Plan for Other Management Units**

Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
Mill	Time Bound Plan				
Pangkalan Panji	2013	PT Sawit Mas Sejahtera – Sawit Mas Estate	2013	Sumatera Selatan	Certified Sept 2015
Bumi Sawit	2013	PT Bumi Sawit Permai - Bumi sawit estate	2013	Sumatera Selatan	Certified Oct 2015
Muara Kandis	2013	PT Djuanda Sawit Lestari - Muara	2013	Sumatera Selatan	Certified

		Kandis estate and Muara Tawas estate			May 2015
Sungai rungau	2013	PT Binasawit Abadi Pratama – Sungai Rungau estate, Seruyan estate, Tangar estate, Terawan estate, Bukit tiga estate	2013	Kalimantan tengah	Certified August 2013
Bukit Perak	2013	PT Bumi Permai Lestari - Bukit Perak estate, Bukit Permata estate	2013	Bangka Belitung	Certified September 2015
Tanjung Kembiri	2013	PT Forestalestari Dwikarya - Tanjung Kembiri estate, Tanjung Rusa state	2013	Kab. Belitung	Certified April 2014
Sungai Buaya	2014	PT Sumber Indah Perkasa - Sungai Buaya estate	2014	Lampung	Certified May 2014
		Smallholder (KKPA Gedung Aji Lama)	2014	Lampung	Certified May 2014
		Smallholder (KKPA Mesuji)	2014	Lampung	Certified May 2014
Sungai Merah	2014	PT Sumber Indah Perkasa - Sungai Merah estate	2014	Lampung	Certified May 2014
		Smallholder (KKPA Gedung Aji Baru)	2014	Lampung	Certified May 2014
Kasuari	2018	PT Sinar Kencana Inti Perkasa (Cendrawasih, Nuri, Rajawali estate)	2018	Papua	Audit stage 1
		PT Sumber Indah Perkasa (Mambruk Estate)	2018	Papua	Audit stage 1
Pekawai	2018	PT Agrolestari Mandiri (Pekawai, Sungai Kelik, Nanga Tayap, Kayung estate)	2018	Kalimantan Barat	Audit stage 1
Kenanga	2015	PT Kencana Graha Permai (Kenanga, Cempaka estate)	2015	Kalimantan Barat	Certified October 2015
		PT Cahaya Nusa Gemilang	2015	West Kalimantan	Certified October 2015
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2018	West Kalimantan	-
		Delima Estate (PT Kencana Graha Permai)	2018	West Kalimantan	-
		Gaharu Estate (PT Bangun Nusa Mandiri)	2019	West Kalimantan	-
		Smallholder (Kencana Plasma)	2019	West Kalimantan	-
		Smallholder (Kenanga Plasma)	2019	West Kalimantan	-

Perdana	2020	PT Binasawit Abadi Pratama (Perdana, Semandau, Lenggana, Muara Dua estate)	2020	Kalimantan tengah	Audit stage 1
Kuayan	2020	PT Agrokarya Prima Lestari (Kuayan, Mentaya, Bukit Santuhai, Sapiri, Seranau, Tajur Beras, Katayang, Nahyang, Sungai Ayawan, Sungai Nusa estate)	2020	Kalimantan tengah	Audit stage 1
		PT Buana Adhitama	2020	Kalimantan tengah	Audit stage 1
Belian	2018	PT Paramitra Internusa Pratama (Belian, Tengkawang estate)	2018	Kalimantan Barat	Audit stage 1
		PT Kartika Prima Cipta (Muara Tawang estate)	2018	Kalimantan Barat	Audit stage 1
		PT Persada Graha Mandiri (Kapuas Hulu estate)	2018	Kalimantan Barat	Audit stage 1
Sungai Kupang	2016	PT Sinar Kencana Inti Perkasa Sungai Kupang Estate Sungai Kupang KKPA	2016	Kalimantan Selatan	Audited
Tangar	2020	PT Agrolestari Sentosa (Manuhing, Kajui Estate)	2020	Kalimantan tengah	-
		PT Mitra Karya Agroindo (Sulin Estate, Nahiyang Estate, Katayang Estate, Sungai Nusa Estate)	2020	Kalimantan Tengah	-
		PT Aditunggal Mahajaya (PT Sungai Ayawan Estate)	2020	Kalimantan Tengah	-
Sungai Magalau	2019	PT Sinar Kencana Inti Perkasa	2019	Kalimantan Selatan	
Jalemo Mill*	2020	PT Agro Lestari Sentosa (Balasang Estate & Jalemo Estate)	2020	Kalimantan Tengah	-
Sako Mill*	2020	PT Adi Tunggal Mahajaya	2020	Kalimantan Tengah	-
		Sulin Plasma	2020	Kalimantan Tengah	-
		Sapiri Plasma	2020	Kalimantan Tengah	-
		Sako Plasma	2020	Kalimantan	-
<p>*)under construction</p> <p>Golden Agri Resources Ltd runs eight teen (18) mills and fifty four (54) estates in Indonesia and has achieved RSPO certified for nine (9) mills and supply base in Indonesia. Golden Agri Resources Ltd has informed the Time Bound Plan progress, MUTUAGUNG has considered that Golden Agri Resources Ltd is comply with the RSPO requirement for Time Bound Plan.</p>					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	Sungai Rungau Mill – PT Binasawit Abadi Pratama has no smallholders scheme also not received FFB from smallholders or outgrowers. All FFB process supplied from PT Binasawit Abadi Pratama.				

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>ASA-4</b>	<p>1. <b>Trismadi Nurbayuto (Lead Auditor)</b>. Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001; 14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; RSPO Next and OHSAS 18001. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. During this audit, he assigned to verify Occupational Health and Safety, Time Bound Plan &amp; Partial Certification</p> <p>2. <b>Andi Pratama Pasaribu (Auditor)</b>. Indonesian Citizen. Bachelor of the social economy Agriculture Faculty of Jember University. He had followed the training of lead auditor Indonesian Sustainable Palm Oil (ISPO) and training of lead auditor Roundtable on Sustainable Palm Oil (RSPO). He has attending several training such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, Awareness ISO 22000 etc. Former, He has experience of work for five years as an operational staff in several plantation companies in Indonesia private oil palm plantation. Currently working on certification body as independent auditors. During this audit, he verified land legality and best management practices aspect.</p> <p>3. <b>Yohanes Hardian (Auditor)</b>. Indonesian Citizen. Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitation project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA bu Remakr Asia 2016, Training Lead Auditor RSPO by Proforest-Daemeter 2016. Experience audit RPO And ISPO Since 2014. During this audit, he verified environment, SIA, transparencies and GHG Aspect</p> <p>4. <b>Sahat Simarmata (Auditor)</b>. Indonesian Citizen. Hold a bachelor degree on Agriculture Protection, from Agriculture Faculty of University of North Sumatera Medan and Master of Science (Environmental Biology) School of Environmental Science and Management, University of the Philippines Los Banos, Filipina. He had been worked in Ministry of Agriculture at Directorate of Plantation Ministry for 32 years and has followed the trial/ pra-pilot of RSPO P&amp;C, drafting and experimenting ISPO P&amp;C as well as socializing ISPO. During the assessment the auditor assessing the best agricultural practices, integrated pest management.</p> <p><b>Accreditation Service International (ASI) Assessor Team:</b> Selvanathan Grapragasem (Lead Assessor), Haye Semail (Co-Assessor), Garry Macinnes (LA Supervised), Daniel Teng (Translator).</p>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-4</b>	<p>Number of auditors : 4 auditors          Number of days for <b>ASA-04</b> at site : 4 days          Number of working days for <b>ASA-04</b> at site 16 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-4</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Binasawit Abadipratama against Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30<sup>th</sup> September 2016.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or</p>

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 **ASA-4** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**Re-Certification**).

Improvement of findings from main assesment findings were observed by auditors at this **ASA-4** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-4**.

The assessment program please find Appendix 2

2.2.3	<b>Location of Assessment</b>
ASA-4	<p>Number of units in this certification activity is two (2) estates, which supply the raw material (FFB) to one (1) palm oil mill. In conducting the assessment, the team of auditors used the <math>0.8\sqrt{y}</math> formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one (1) palm oil mill (<b>Sungai Rungau Mill</b>) and two (2) estates (<b>Sungai Seruyan Estate and Terawan Estate</b>).</p> <p><b>Sungai Rungau Mill</b></p> <ol style="list-style-type: none"> <li><b>Water Treatment Plant.</b> Observation related water treatment for FFB processing and flow meter to FFB processing.</li> <li><b>Schedule Waste.</b> According to interview with PIC, the latest transports was conducted on the last month.</li> <li><b>Sedimentation Pond.</b> There are licid water pond, before it pump to the WWTP.</li> <li><b>Workshop.</b> Observation and interview with welder related OHS, waging system, worker union and medical check up.</li> <li><b>Lubricant warehouse.</b> Observation related to implementation of OHS aspect, environment and labor aspect.</li> <li><b>Chemical warehouse.</b> Observation related to implementation of OHS aspect and environment</li> <li><b>Kernel Station.</b> There are remaining kernel leaching using <math>CaCO_3</math> was spill to the rain drainage.</li> <li><b>Fire Fighting Simulation.</b> Auditor was observe fire fighting simulation near boiler station, all of hose drill on good condition. And also the water pressure on good condition, it can reach to the highest point.</li> <li><b>Engine room.</b> Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect.</li> <li><b>Processing office.</b> There are first aid kit with 21 items.</li> <li><b>Grading station.</b> Observation and interview with welder related OHS, waging system, worker union and medical check up.</li> <li><b>Security Post.</b> Observation and interview with welder related OHS, waging system, overtime system, worker union, medical check up and Supply Chain aspect.</li> <li><b>Weight bridge station.</b> Observation and interview with welder related OHS, waging system, worker union, supply chain and medical check up.</li> <li><b>WWTP.</b> Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect.</li> <li><b>Biogas Plant.</b> Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect.</li> <li><b>Mill Workers Housing Complex.</b> Observation related workers facilities.</li> </ol> <p><b>Sungai Rungau Estate</b></p> <ol style="list-style-type: none"> <li><b>Land Application area in Block J21 and J25, Division 3, SRGE.</b> There are 10 flat bad with area 21.66 Ha, and also observation related to environment aspect.</li> <li><b>Control well in Blok J25, Division3. SRGE.</b> Control well in good condition and met specification. No indication no ground water contamination from land application.</li> <li><b>Control well in housing complex no 2 SRGE.</b> Control well in good condition and met specification. No indication no ground water contamination from land application.</li> </ol> <p><b>Sungai Seruyan Estate</b></p>

1. **Muster Morning Activity.** Auditor was observe muster morning activity at 5.30 am. All of mandore and assistant was explaining about job description, safety working, and PPE's usage monitoring.
2. **Land Fill in Block R30, Division 5.** Auditor was observe one landfill, this landfill was used for all housing complex in SSRE.
3. **Chemical warehouse.** There are 4 type of chemical as: roll up 480 SL, Rolifos 150 SL, Erkafuron 20WG and Erkatril. All of MSDS was available in this warehouse. There are also first aid kit with 21 items on contain, and there are also fire extinguisher in the wall.
4. **Sparepart warehouse.** There are PPE's stocks for pesticide applicators, harvesters and workshop workers.
5. **Fertilizer warehouse.** There are 10 type of fertilizer as: Kieserite Powder, MOP, Rock Phosphate, TSP, Urea, Super Dolomite, Cu SO<sub>4</sub>, Fe SO<sub>4</sub>, HGFB, and Kieserite Granular. All of MSDS was available on each fertilizer, this warehouse has good air circulation and good lighting. The fire extinguisher on good pressure.
6. **Diesel Tank.** There are MSDS, four fire extinguisher with good pressure, diesel bund and secondary containment when any emergency responses.
7. **Workshop.** There are fire extinguisher with good pressure, auditor also interview welder and he has welder certificate. He was known about safety working, all of PPE's was provided by the company.
8. **Generator room.** Auditor was interview a genset operator, he has worked since 1998. There are routinely medical checkup (MCU), the latest MCU was conducted on March 2017. The MCU result was socialized by the company and he was health condition and covered by health and accident insurances.
9. **Schedule Waste.** According to interview with PIC, the latest transports was conducted on the last month. The latest stock is oil: 16 litres, oil filter: 8 pcs, majun: 15 Kg, ex-chemical containers: 66 pcs, erkafuron containers: 152 pcs and accu: 3 pcs.
10. **Fire fighting simulation.** There are fire fighting tools as: water pump, water tank, hose and nozzle. However the water press was low condition.
11. **Policlinic.** Auditor was interviewing paramedic, she has hyperkes certificate. Since last year, there are no fatality accident.
12. **HGU pole No BAP 48 in Block P39, Division 4.** HGU pole on good condition and demarcated, it was boundary with PT Buana Artha Sejahtera (Sinarmas Group).
13. **HGU pole No BAP 126 in Block O21, Division 6.** HGU pole on good condition and demarcated, it was boundary with Rungau Raya Village.
14. **HCV 4, Rungau River in Block S24, Division 6.** There are HCV signboard, and enrichment as: *Pterocarpus indicus* and *Terminalia catappa*. Buffer zone sign by red paint and pole with distance 50 m from river.
15. **Housing Complex No 1 (Division 1 & 2 workers).** Observation related workers facilities.
16. **Day Care.** Observation related day care facilities and interview with babysitter, they were work since 2000 and 2008. Knowadays is permanent workers, and they were understand about gender committee and complaint mechanism.
17. **HGU pole No BAP 154 in Block U29.** HGU pole on good condition and demarcated, it was boundary with Rungau Raya Village.
18. **HGU pole No BAP 155 in Block U30.** HGU pole on good condition and demarcated, it was boundary with PT Mitra Karya Agroindo (Sinarmas Group).
19. **HGU pole No BAP 156 in Block U33.** HGU pole on good condition and demarcated, it was boundary with PT Mitra Karya Agroindo (Sinarmas Group).
20. **Agrochemical and mixing area.** Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect, there are also body and emergency shower.
21. **Chemical Weed Control in Block Q30.** Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect.
22. **EFB application in Block Q29.** The application is a recommendation from Agronomist SMARTRI, given as a supplement (20 ton / ha / year).
23. **Road Maintenance in Block Q25.** Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect.
24. **IPM (*Tyto alba*) monitoring in Block R24.** Based on the monitoring sheet on the Barn Owl Box (BOB) pole, it can be seen that the last monitoring was conducted on June 10, 2017 and the BOB was declared active (there were owl excrement and bone of former predation).

25. **Benefecial Plants in Block R20.** If the nettles census results, eg *Setora nitens* reaches an average of > 5 larvae per frond, then chemically controlled (insecticide application). If <5% and the natural enemy population is quite large, then chemical control is not carried out.
26. **Harvesting in Block P22.** Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect.
27. **FFB Transport in Block P22.** The driver and the loader admitted that they have not been included as a member of BPJS, but if sick, the owner of the truck bore all the costs of treatment. On February 20, 2017 there was a health check for drivers by health workers.
28. **Erosion stake in Block T12.** Based on the observation result there are 3 pieces of stakes, namely at the top (Up), middle (Middle) and down (Down) of the sloping area. The officer explained that the observed stake for the measurement of the erosion level is the middle stakes, while the upper and lower stakes are the controls.
29. **Hot spot monitoring.** Fire patrol performed by 2 officers per Division depending on field conditions (dry or rainy season);

#### Terawan Estate

1. **HGU pole No BAP 74 in Block E22, Division 5.** HGU pole on good condition and demarcated, it was boundary with PT Buana Artha Sejahtera (Sinarmas Group).
2. **HGU pole No BAP 75 in Block D22, Division 5.** HGU pole on good condition and demarcated, it was boundary with PT Buana Artha Sejahtera (Sinarmas Group).
3. **HGU pole No BAP 76 in Block D23, Division 5.** HGU pole on good condition and demarcated, it was boundary with PT Buana Artha Sejahtera (Sinarmas Group).
4. **HGU pole No BAP 82 in Block A21, Division 3.** HGU pole on good condition and demarcated, it was boundary with Sebabi Village.
5. **HGU pole No BAP 83 in Block A19, Division 3.** HGU pole on good condition and demarcated, it was boundary with Sebabi Village.
6. **Housing Complex No 2 (Division 3 & 4 workers).** Observation related workers facilities.
7. **Waste Bank.** It was contionous improvement from certification unit, this is for manage inorganic waste as: paper and plastic. This domestic waste will sold to other parties, this mechanism is for prevent environment pollution.
8. **Generator room.** Observation and interview related to implementation of OHS aspect and environment aspect.
9. **Water pond.** Observation related water pond for bath and wash by workers.
10. **Agrochemical and mixing area.** Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect.
11. **Land Fill in Block E14, Division 5.** Auditor was observe one landfill, this landfill was used for all housing complex in SSRE.
12. **Workshop.** There are fire extinguisher with good pressure, auditor also interview welder and he has welder certificate. He was known about safety working, all of PPE's was provided by the company.
13. **Fire fighting simulation.** There are fire fighting as: water pump, water tank, hose and nozzle. All of fire fighting on good condition, included high presessure from water pump.
14. **Fertilizer warehouse.** There are two type of fertilizer as: Urea and Borate. All of MSDS was available on each fertilizer, this warehouse has good air circulation and good lighting. The fire extinguisher on good pressure. However there are hazardous waste (accu).
15. **Chemical warehouse.** There are 4 type of chemical as: roll up 480 SL, Rolifos 150 SL, Erkafuron 20WG and Erkatril. All of MSDS was available in this warehouse. There are also first aid kit with 21 items on contain, and there are also fire extinguisher in the wall.
16. **Sparepart warehouse.** There are PPE's stocks for pesticide applicators, harvesters and workshop workers
17. **Policlinic.** Auditor was interviewing paramedic, she has hyperkes certificate. Since last year, there are no fatality accident.
18. **Schedule Waste.** According to interview with PIC, the latest transports was conducted on the last month. The latest stock is oil: 540 litres and grease: 18 Kg.
19. **Agrochemical and mixing area.** Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect, there are also body and emergency shower.



20. **Chemical Weed Control in Block E18.** Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect.
21. **Road Maintenance in Block C16.** Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect.
22. **IPM (Tyto alba) monitoring in Block C17.** Based on the monitoring sheet used by the officer it can be seen that the last monitoring was done on June 5, 2017 and the BOB was declared active (there were 4 owl eggs);
23. **Benefecial Plants in Block D16.** If the nettles census results, eg *Setora nitens* reaches an average of > 5 larvae per frond, then chemically controlled (insecticide application). If <5% and the natural enemy population is quite large, then chemical control is not carried out.
24. **Harvesting in Block P22.** Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect.
25. **FFB Transport in Block D22.** The driver and the loader admitted that they have not been included as a member of BPJS, but if sick, the owner of the truck bore all the costs of treatment. On February 20, 2017 there was a health check for drivers by health workers.
26. **Erosion stake in Block G3.** Based on the observation result there are 3 pieces of stakes, namely at the top (Up), middle (Middle) and down (Down) of the sloping area. The officer explained that the observed stake for the measurement of the erosion level is the middle stakes, while the upper and lower stakes are the controls.

**Bukit Tiga Estate**

Blok O74 Bukit Tiga Estate: Conservation forest in good condition, HCV signboards areal available, no indication of significant destruction.

**Stakeholders:**

1. Enviromental Agencies of Seruyan District
2. Manpower Agencies of Seruyan District
3. Pantap Village, Sub District of Mantaya Hulu
4. Asam Baru Village, Sub-District of Danau Selunuk
5. Rungau Raya Village, Sub-District Danau Selunuk
6. Indonesian Workers Union of Sungai Seruyan Estate and Terawan Estate
7. FFB Local Contractor for Sungai Seruyan Estate and Terawan Estate
8. Gender Committees of Sungai Seruyan Estate

<b>2.3 Stakeholder Consultation and Stakeholders Contacted</b>	
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-4</b>	<p>Consultation of stakeholders for PT Binasawit Abadi Pratama was held by:</p> <ol style="list-style-type: none"> <li>(1) Public notification at website MUTU (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) on May 10<sup>th</sup> 2017.</li> <li>(2) Public consultation meeting with stakeholder (National Land Agency, Plantation Agency, Forestry Agency, Labor Agency, Seruyan District) on June, 13 2017.</li> <li>(3) Public consultation meeting with Villages Nearby Company Area on June, 13 2017.</li> <li>(4) Public consultation meeting with internal stakeholder on June, 14 2017.</li> <li>(5) Public consultation meeting with eksternal stakeholder on June, 14 2017.</li> <li>(6) Public consultation email to NGO has been sent on June, 7 2017.</li> </ol> <p>Numbers of input from stakeholders were clarified by PT Binasawit Abadi Pratama as apart of this report</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4 Determining Next Assessment</b>	
	The next visit <b>Re-certification</b> will be determined one year after this <b>ASA-4 (May 2018)</b>

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Sungai Rungau Mill, PT Binasawit Abadipratama subsidiary of Golden Agri Resources Ltd. operation consisting of one (1) mill and five (5) oil palm estates.

During the assessment, were assigned, three (3) nonconformities against Minor Compliance Indicators and nine (9) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Sungai Rungau Mill, PT Binasawit Abadipratama – PT SMART Tbk complied with the requirements of **Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30<sup>th</sup> September 2016.**

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **Continued.**

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1</b>	<b>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.</b>
<b>1.1.1 and 1.1.2</b>	<p>Management has list of stakeholders that consist of government agency, village, worker organization, etc. There are type of information that can be given to the stakeholders include certificate of Land use title, HCV report, social impact assessment report, human rights policy etc.</p> <p>In order to provide adequate information to relevant stakeholder, the Certificate Holder has established procedure as per reflected in the “SOP Komunikasi dan Konsultasi No. SOP/SMART/UMUM/SADVI/004”, dated 1 July 2014. The document specifies the objectives of the document that is to manage, mechanism, communicate, (internal and external), participation, health and safety, and environment (SMK3) so that it can be understood by stakeholders effectively.</p> <p>Also, an updated list of stakeholder 2017 are available in place. SPO officer is a person who is responsible for regularly update the stakeholder list. During interview with villagers at Asam Baru Village, Rungau Raya Village and representatives of local contractors, it confirmed that the company is open and transparent for any kind of communication from other parties. The responses given is in timely manner.</p> <p>Records of requests from stakeholders are available and recorded individually at estates and mill levels in “Buku Komunikasi dan Konsultasi” that includes proposal and donation requests. For example, information request letter from head of worker union (Serikat Pekerja Mandiri/SPM) on November 31<sup>st</sup> 2016 that replied on the same day.</p> <p>The company also appointed whole estate/mill manager as a personnel in charge to reply all information requested. For example, Regional Controller of Kalteng 2 was appointed Estate Manager of Terawan Estate according to appointment letter No. 03/RC-KALTENG-2/01/2017 dated on January 4<sup>th</sup> 2017.</p>
	<b>Status: Comply</b>
<b>1.2</b>	<b>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.</b>
<b>1.2.1</b>	The Company has a list of public documents described in the document of information list for stakeholders. In the document stated a list of information that can be accessed by the public, such as: rificate of Land use title, HCV report, social impact assessment report, human rights policy etc.

<p>As described in the SOP of Communication and consultation stated that if the requested information is not contained in the list of the information in the document of information list to the stakeholders, then it is necessary to advance the consideration from top management first. In addition, the company has conducted socialization regarding to the SOP of Communication and consultation for stakeholder.</p>	
	<p><b>Status: Comply</b></p>
<p><b>1.3 Growers and millers commit to ethical conduct in all business operations and transactions.</b></p>	
<p><b>1.3.1</b> Written policy committing to a code of ethical conduct and integrity in all operations and transactions described in Policy "Principles of Business Ethics" signed by Vice President of Agriculture (VPA), 1 August 2014. The policy explained that Certificate Holder is committed to continue practicing responsible business ethics referring to the shared values of Companies namely integrity, positive attitude, commitment, continuous improvement, innovation and loyalty as well as in accordance with the rules, SPO principles and criteria. Auditor has verified the implementation of briefing or socialization of company's policy to the workers during muster morning at Division 5&amp;6 Sungai Seruyan Estate.</p>	
	<p><b>Status: Comply</b></p>
<p><b>PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</b></p>	
<p><b>2.1 There is compliance with all applicable local, national and ratified international laws and regulations.</b></p>	
<p><b>2.1.1</b> Certificate holder proves its compliance toward the applicable regulations, such as: having plantation permit, having a license for schedule waste, land application license and having environment impact analysis and the provision of social insurance for manpower. The entire copy of the rules is stored in the office of each unit. Based on interviews with relevant institutions (Plantation Agency, Labor Agency, and Environment Bodies), it is noted that the management unit has complied with the regulations related to the estate, employment and the environment.</p>	
<p><b>2.1.2; 2.1.3</b> Certificate holder has a mechanism to identify, implement and evaluate the compliance with the law described in SOP of Rules and Other Requirements. This procedure has explained the PIC who is responsible for identifying the regulation and the PIC which is responsible for evaluating the rules. Based on this mechanism, the company identifies the type of legislation that must be met and classify them in a group of HCV, Labor, Environment, Licensing and OHS. All regulations is noted in the list of rules are always evaluated on a regular basis at least once a year or if there are regulatory / latest requirements referenced. The latest evaluation was conducted in November 2016 about Kalimantan Tengah Governor Regulation No. 23 of 2016 dated 1 November 2016 about Kalimantan Tengah Province Minimum Wages and Sector Minimum Wages.</p>	
<p><b>2.1.4</b> Certificate holder has adjusted the regulation changes such as minimum wage standard changes referring the Kalimantan Tengah Governor Regulation about sectoral minimum wage standard in Seruyan District and provided accident insurance for personnel based on the applicable regulation</p>	
	<p><b>Status: Comply</b></p>
<p><b>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.</b></p>	
<p><b>2.2.1</b> Consistent with the results of previous audits, CH can demonstrate land tenure documents and chronology are:</p> <ul style="list-style-type: none"> <li>• Location Permit from the Government of East Kotawaringin dated July 20, 1994 covering 25,000 ha</li> <li>• Forest area conversion letter dated January 29, 1996 covering an area of 17 780.</li> <li>• Plantation Business Permit dated February 23, 2000 for plantation with an area of 20.180 hectares and mills with</li> </ul>	

with capacity of 60 Tons FFB / Hour

- Land title (HGU) of PT. BAP, which is divided into two certificates: Certificates number 4 dated June 8, 1998 covering an area of 20,180 hectares, 17 HGU Certificate dated March 18, 2008 covering an area of 20,152.79 hectares.
- Land title (HGB) of PT SIP for an area of 27.21 hectares, which is valid until the year 203 for the location of Residential Buildings Staff, Employee Housing Buildings, Reservoirs, mills, and Employee Housing Buildings.

In year 2014, PT. SIP sold the mill including its WWTP and reservoirs to PT. BAP with a total area of 19.75 hectares, as shown by the agreement numbers 02, 03 and 04 dated January 20, 2015. Changes of ownership has been formally noted in the land title (HGB) document No. 5, No. 6 and No. 7 by the District Land Administration Office of Kotawaringin Timur.

In Tangar Estate PT. BAP lease some of land to PT. MKA for establishment of mill, as shown by document of:

- Permits location for Palm Oil Mill of PT. MKA with an area 21 hectares from local authority of Kotawaringin Timur District
- Building Permit number 979.3/174/KPPT/II/2013 from local authority
- Lease agreement between PT. BAP and PT. MKA dated October 10, 2011 for the HGU concession area of 21 hectares in PT. BAP.

### 2.2.2

Observed that CH has been maintained Land Title boundary markers, as indicated by:

- List of boundary marker location (including geographic coordinates) in accordance with the land title boundary from BPN
- Map of HGU markers location that refer to land title certificate issued in 1998 and revised in 2008.
- Record of marker maintenance report by Division Officer. Total number of HGU marker in whole HGU area is 186 stakes. All stakes are in good condition.

Field checks has been carried out by using GPS devices in Sungai Seruyan Estate Division 4 until Division 6, on the HGU markers number 48, 126, 154 – 156 and at Terawan Estate Division 4, Division 5 and Division 9 on markers number 74, 75, 76, 82, and 83. All boundary markers are found in good condition. Physical separator are made in the form of trenches with a width of 4 meters and a height of 4 meters along the outer border of the estate.

SOP for maintenance of concession boundaries available in SOP document with code SOP/SMART/CERs-EHSD / SADV//004 regarding Maintenance of HGU / HGB boundary marker.



HGU markers are in good condition, sample for marker number 48 in Sungai Seruyan Estate and number 76 in Terawan Estate

### 2.2.3

Observed in area statement year 2017 and statement of estate managers of each estate that the entire HGU can be utilized effectively by CH. There is no indication of land dispute as has also been confirmed through consultation with and local villager from Rungau Raya Village, Asam Baru Village and Pantap Sub Village.

According to report of Land Title Verification Committee (Committee B) of Central Kalimantan Province number 01 / PPTB / 1996 dated July 10, 1996, it is clearly stated that the entire land comes from Conversion of State Forest Area and on the land to be awarded as HGU no private as well as objection from any parties so that the committee recommended HGU certificate to be awarded.

### 2.2.4

For land conflict resolution, SOP available within document number SOP/SPO /SMART/LH-04, dated July 1, 2010 and approved by the Division Head of Environment Department and the Sustainability. The procedure explained structural

conflict settlement mechanism, which is aimed at securing relationships and communication between the community living around the plantation with the company in particular regarding the land ownership and land conflict resolution in accordance with applicable laws and regulations.

The SOP has been socialized and communicated to relevant stakeholder on March 7, 2012 at the River Rungau Training Center, which was attended by 27 people from the community representatives (Desa Asam Baru, Rambu Raya, Sebabi, and Sungai Rungau).

**2.2.5 & 2.2.6**

Public consultation during surveillance ASA-4 audit also showed that there was no indication the use of violence for any purpose within all plantation operations. Confirmation of this has been obtained through public consultation interviews with estate managers, representatives of villages of Rungau Raya, Asam Baru and Pantap Sub Village, as well as local government of Seruyan District.

**Status: Comply**

**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.**

**2.3.1; 2.3.2; 2.3.3; 2.3.4**

Documentation verification shows that the entire HGU area are originated from conversion of state forest area. During land clearing process, there are no private land ownership identified, as well as communal traditional / customary rights (confirmed with report of Land Title Verification Committee (Committee B) of Central Kalimantan Provinc dated July 10, 1996 and State Forest Area Conversion dated January 29, 1996).

In the other hands, Certificate holder has had a FPIC procedure No. SOP/SMART/SENS-CSR/SADV/II/003, describes that identification of participatory map related to legal ownership of communities are considering gender, community leader, local or transmigrant communities, ethnic groups or communal land ownership, etc.

Report of HCV and SIA (Social Impact Assessment) outlines that there are no traditional rights / customary rights or indigenous people residing around the company. This has been confirmed with the result of interviews with village heads of Rungau Raya, Asam Baru Village and Pantap Sub Village.

**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**

PT BAP can show documents of corporate work plan for the long-term period of 2017 – 2027 which includes estimates of production, cost of production (plantation and mills), mills production projections (OER and KER), and other financial parameters such as profitability and revenue .

**3.1.2**

Replanting has not been planned up to 5 (five) years because the age of the oldest plants reached 21 years (planting year 1996). The company owns oil palm cultivation Technical Guidelines No. SMA/MCAR/01/05-07, stating that replanting will be carried out if the the plant is above the age of 25 years, the trees are above 13 meters high, production per year below 14 tons/ha and the number of stand is under 100 staples/ha. There also work instruction (IK/SMART/MCAR/II/TA-RPL/01) about Replanting Program which considering to health and safety implementation and also zero burning.

Based on the SOP/SMART/MCAR/II/TA-PRP year 2012 the replanting criteria, are as follows:

- Plant age >25 years
- Average hight of oilpalm trees >13 meter
- Productivity <14 tons/ha/year
- Number of oilpalm tree <100 trees per

According to interview with Managers of Sungai Seruyan Estate and Terawan Estate regarding replanting program, they explained that CH has not had replanting program yet, since the consideration to conduct replanting is not single criteria (plant age), but also other criteria. Although some of oilpalm trees will have been >25 years by 2022, the CH does not plan to replant due to the following reasons:

- In general oilpalm trees are still growing well (vigorous);
- The average productivity in 2016 was still high (23 tons/ha/year); and
- Number of oilpalm trees is still >130 trees per ha.

The auditor has been visually witnessed during field visit the oilpalm condition that oilpalm are growing well, for example in Sungai Seruyan Estate (Division 5 Block Q30 and Division 6 Block P22) and Terawan Estate (Division 5 Block E18 and Division 4 Block D22).

**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**

Certificate Holder has documents of SOP Technical of Oil Palm Cultivation starting from land clearing up to harvesting, approved by SMD Ops and entered into force on 12 June 2012. The SOP documents among others about planning of new area planting, replanting plans, nurseries, land clearing, planting, replanting, pest and disease control, weed control, fertilization, maintenance of immature plant, preparation ahead of harvest, harvesting, loading and transportation of ffb and measurement of rainfall by ombrometer. The company also has a complete SOP associated with the processing of palm oil into CPO and PK in the palm oil mill contained in the SOP No. 04-09 / MCMD-SOP / 438 revisions number 4. SOP approved by Edwin Ng (Chairman MCMD) and entered into force on 1 September 2010. The SOP includes standard operating procedures in POM include: FFB reception station, sterilization activities, slamming station (threshing), press station, clarification station (purification), clarification station; Oil recovery tank sub station, nut and kernel station, boiler and engine room, water treatment, final effluent, storage tank washing. That's SOP is available on audit site (Estate office) and written in a language that is easily understandable for workers (written in Bahasa).

Based on a field visit of spraying activity in (SSRE Block Q30 and TRWE Block E18) and harvesting activity in (SSRE Block P22 and TRWE Block D22), and FFB processing in Sungai Rungau Mill, the activities has complied with the procedures issued by certificate holder. For example, the harvester can explain well on correct harvesting procedures that particularly relevant to the criteria for ripeness. Harvesters and pickers also explained about payment mechanism and obligation to use personal protective equipment (PPE) according to the HIRAC. Beside that, all workers has attended socialization of company policies, list of animal protected by the laws, conservation area and SCCS aspect.

**4.1.2**

Ensuring consistency of procedures implementation, the companies routinely conduct internal audit activities both agronomic and processing. It is held by the Department of Operational Internal Audit (OIA) every semester. The records of internal audit first and second semester of 2016 has been documented. Non-compliance records of internal audit has been corrected and verified by top management such as Manager, RC, PC and VPA or VPM. For example: OIA report in SRUM: there are corrective action about kernel losses in Claybath station. There is no revision of SOP at the ASA 4 assessment. In each SOP, there is page of document control that record the revision if any.

**4.1.3**

Whole activity in estate or mill documented every day in daily report. For example, harvesting report in estate contains data of harvesting blocks, hectar of area, harvesting bunches, delivered bunches, undelivered bunches, amount of loosen fruit, amount of harvester, amount of picker, total tonnage and average of bunch weight. In daily mill report also documented processing activity of received FFB, unprocessed FFB, total FFB processed, CPO and PK production, extraction rate (OER and KER) and throughput. FFB production until May 2017 is SSRE: 43,137.84 MT and TRWE: 31,664.61 MT; while CPO production on June 2017 is 396.12 MT and PK is 121.28 MT.

**4.1.4**

Sungai Rungau Mill – PT Binasawit Abadi Pratama has no smallholders scheme also not received FFB from smallholders or outgrowers. All FFB process supplied from PT Binasawit Abadi Pratama.

**Status: Comply**

**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**

Certificate holder has SOP of Manuring (SOP/SMART/MCAR/IX/TA-PPK) to maintain soil fertility. The SOP approved by SMD Ops on 12 June 2012. Certificate Holders has conducted soil sampling units and leaf sampling units (SSU/LSU), manuring activities, POME applications, and ground cover maintenance in accordance to maintain soil fertility. Manuring activities emphasizes on principles of timely, targeted, precise dosage and proper application.

**4.2.2**

Certificate holder has documented manuring activity first semester of 2017. Manuring activities have been completed in accordance with the fertilizer dosage recommendation. There are manuring record in SSRE and TRWE as: from January – June in SSRE has been realized : Urea, TSP, RP, MOP, Kieserite Granule, Kieserite Powder, Super Dolomite, HGFB, and CuSO<sub>4</sub> with total 973.10 ton. While from January – June in TRWE has been realized: Urea, RP, TSP, MOP, Kieserite Granule, Super Dolomite, HGFB, CuSO<sub>4</sub>, and Kieserite Powder with total 2,880.77 ton. There also EFB application record in each sample estate: TRWE: 5,981 ton and SSRE: 7,977.20 MT.

**4.2.3**

SSU and LSU is conducted by SMARTRI regularly to ensure the needed elements by plants in order to have an optimum yield. SSU is conducted every 5 year for trees with age of 3, 8, 18 and 23, while LSU is conducted every year. The latest SSU and LSU result was issued on 5 May 2017 in SSRE and TRWE dated 5 May 2017. There also manuring recommendation for each estate in accordance to SSU and LSU result. For example on semester 1/2017 in SSRE& TRWE: Urea (1.25 Kg/plant), RP (1.5 KG/plant).

**4.2.4**

Further, there were EFB and POME application to enrich soil fertility. EFB application with dosage of 40 tonnes/Ha year for the marginal soil (supplement) and 60 tonnes/Ha year for non – chemical area (substitution) such as riparian belt. The example EFB application:

- Sungai Seruyan Estate: in years 2017 (January-May) total area application 315.28 Ha (8,607 ton)
- Terawan Estate: tahun 2017 (Januari s/d Mei) total area application 505.95 Ha (11,559 ton)

POME only application in Tangar Estate covers 689 ha area. Application record month of January to May 2017, Tangar Estate applied 76.908 m<sup>3</sup> of POME dose 125 m<sup>3</sup>/ha

**Status: Comply**

**4.3**

**Practices minimize and control erosion and degradation of soils.**

**4.3.1**

Certificate holder has had a map of semi detail soil survey that is documented by PMNP Department. Some soil survey maps with scale of 1:50,000 for each estate. Tangar Estate area indicated the existence of mineral soil and peat for 39.24 ha (0.88%). Soil series in SSRE: typic Hapludults, typic Dystrudepts inklusi Haplorthods, typic Quartzipsamments, dan typic Endoquepts. Therefore soil series in TRWE: ypic Hapludults, typic Dystrudepts inklusi Haplorthods, typic Udipsamments, dan typic Endoquepts. The topography tends to be flat, wavy and undulating.

**4.3.4**

Based on the review over semi detail soil survey above, land with peat category is located in Tangar Estate (soil type *typic haplosaprist*) for 39.24 Ha or 0.88% from total area of Tangar Estate. Regarding that classification, certificate holder has conducted peat land management based on SOP of Peat land Management. Some peat land management has been conducted such as building weirs, water level meter, piezometer and pole subsidence. Based on field observation in Block S55, the water table is approximately 50 cm below the soil surface. Based on measurement record, there is no peat subsidence since the instalation of subsidence pole on January 2016.

**4.3.5**

Certificate holder will not undertake replanting on peat area in the near future.

**4.3.2**

Based on soil analysis, the slope of PT BAP area is categorized as flat to undulating (0 – 24%). The soil analysis in SSRE&TRWE showed the slope is flat to undulating (0 – 16%). Certificate holder has owned procedure of planting management in specific slope. One of certificate holder strategy to manage area with specific slope is regarding to SOP No. SMA/ MCAR/ 05/05-07 on land clearing and planting. Several applied management strategy are constructing terrace, contour, conservation terrace, individual terrace with silt pit and conservation plant planting.

The land management action for particular slope especially the one that is indicated having more than 15% slope is by maintaining terrace construction and frond stacking surrounding plant circle, weeding surrounding plant circle and interrow and by letting wild plant growing to prevent erosion such as *Nephrolepis bisserata* and an measuring the erosion. According to field observation and interview with SMARTRI staff in SSRE (Block T22) and TRWE (Block G3), there are three point of erosion poles on each block. The erosion rate in SSRE and TRWE on April 2017 was zero.

**4.3.3**

In general, from document analysis known that the road maintenance in SSRE & TRWE has been conducting well. Heaping roads with laterite soil has done in 2015. Current road maintenance activity is carried out by road grader. Based on field observations in SSRE (Block T22) & TRWE (Block G3), main roads and collection roads were in good conditions and the drainage system is well organized to ensure passable in all weather conditions.

**4.3.6**

Certificate holder has determined the other marginal land classification in category of sandy soil and riparian area. There are some company’s strategies in managing those marginal land, such as applied EFB with dosage of 40 ton/ha/year as a supplement beside anorganic fertilizer, planting of erosion preventing plant type such as Guatemala Grass and woody plant, no agro chemical application in riparian area. There also EFB application record in each sample estate: TRWE: 5,981 ton and SSRE: 7,977.20 MT.

**Status: Comply**

**4.4**

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

**4.4.1**

Sighted Water Management Plan for mill and estate in the following record:

1. Environmental Management Plan (RKL) and Environmental Monitoring Plan (RKL) for PT. BAP, prepared in 1997. The documents are part of EIA, which contain identification of surface water (river) within plantation area, environmental management plan and environmental monitoring plan .
2. HCV management plan as part of HCV assessment document in PT. BAP prepared in year 2012 which identify rivers and wetlands within PT. SIP and PT. BAP such as: Sungai Rungau, Sungai Merah, Semandau, Serindu, and peat land in Tangar covering an area of 39.24 hectares.

The management plan document has included the renewability and impacts of plantation and mill operations on community water use. In general, rivers in the area of plantation are not consumed by comunity unless there is a long drought that causes reservoirs and community wells to experience drought.

There are opportunity for improvement: consideration to evaluate clean water provided for all workers.

**4.4.2**

As part of protection of surface water and wet lands, CH has identified rivers and wetlands inside plantation area. Documentation available in the EIA report and analysis of HCV containing distribution maps of the river in the area of PT. BAP. All identified buffer zone has been designated as HCV and protected areas.

Prosedure of riparian and wetlands protection available in:

- SOP Protection of river bank with document number: SOP / SPO / SMART / LH-06, dated July 1, 2010.
- SOP management area of river bank with document number SOP / SPO / SMART / LH-07, which was passed on July 1, 2010



Field observations in block O74 (a tributary of Rungau River) and Block S 24 seruyan river showed evidence of surface water flow protection measures and including riparian wetlands, namely:

- Determination of river buffer zone with a distance of 50 meters left-right of small river and 100 meters for large rivers. Demarcation of the border is done with the installation of boundary markers river border.
- Periodic water quality testing every three months with the parameters of environmental quality standards as stipulated in Government Regulation No. 82 in 2001.
- No chemicals application (fertilizers and herbicides) in the buffer zone area,
- Signboard of river bufferzone protection. There are 76 pieces signboard scattered throughout the area of PT. BAP
- Prohibiting the use of chemicals in the river buffer zone.
- Planting riverbank with tree species to prevent landslide and erosion. planting enrichment plant with vertiver grass and bamboo

**4.4.3**

Sighted that POME has been managed properly as described belows:

- Effluent from mill is processed in an 9 pond of WWTP and instalation Metan Capture before applied for nutrient recycling in estate.
- Daily monitoring on discharged waste water and pH of waste sent to land application. Done through Log Book recording based on flowmeter measurement and pH testing.
- Land Application Tangar Mill: Regent permission Seruyan No 188.45/38/2015 dated January 15, 2015 , and area has permit to application POME are 1213,7 ha.

The quality of wastewater land application has also been monitored regularly, carried out by external environment laboratories body. Based on the results of January-April test of 2017, BOD analysis results between 897- 2560 mg / l. From the data it is known that the quality of waste land application is still in accordance with the quality standard set by the government. Base on observation at Land Application area in Block J21 and J25, Division 3, SRGE. There are 10 flat bad with area 21.66 Ha, has good condition and maintanance well.

Groundwater quality check carried out through monitoring ground water in control wells. There are three monitoring wells for water quality monitoring in land applicaiton (J25, Division 3, SRGE), water quality monitoring in settlements 2 SRGE cottage and control in the area of non-land application (block K19).

There are opportunity improvement: consideration to build well control in housing complex according to environment board recommendation and management program.

**4.4.4**

Observed in Palm oil mill records of use of water for FFB processing and domesticuse (housing). Records comes from daily flowmeter reading in Water Treatment Plant station.SOP for water use monitoring available in work instruction for water treatment plant. Records of daily water use were then collected and compared with the per tonne of FFB processed to check efficiency of water use in mill.

Field observation showed that all instrument for measuring water usage (7 units of flow meter) in good condition and functioning. The average water usage in 2017 is 1.24 m3 / ton FFB of 1.16 m3 / ton FFB budget. Sungai Rungau Mill has shown an evaluation of water consumption up to May in 2017. The high use of water is caused by the trial of the Centrifuge sludge engine that requires water for flushing.

4.4.1	Status: OFI	
4.4.3	Status : OFI	

**4.5**

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

**4.5.1**

The company has a program of integrated pest management (IPM) which is planned according to the SOP guidance and specific policy in the field. The programs, among others:

- Census on rat attacks conducted every month. In general, in the year of 2016 to 2017, there are records of attacks below the economic thresholds (< 5%) in SSRE: 1.03% and TRWE: 2.55%.

- BOB monitoring program every month. Based on the document, there is 145 unit in SSRE with occupancies: 83.45%; while BOB in TRWE is 99 unit with occupancies: 100%. Each BOB covered area less than 10 Ha.
- Early detection of Oil Palm Leaf Eaters Caterpillar conducted every two months. Based on the recapitulation data of Oil Palm Leaf Eaters Caterpillar detection in January – May 2017, there were no attacks at all in the estate of SSRE&TRWE above the economic threshold.
- Maintenance of host plants that are natural enemies for the palm oil leaf-eating caterpillars every month. The activities carried out in the form of weeding, replanting the dead plants and repairing the pole which is a place to grow *Turnera subulata*, *Cassia tora* and *Antigonon leptosus*. According to interview with pest officer in Block R20 SSRE, there are nettles predator on beneficial plant as: *Cycanus sp.* and *Eucanthecona sp.*

Based on field observation in Block R22 SSRE and Block C17 TRWE, there are no indication of outbreak. The occupation of BOB was very good. Auditor was observe six owl eggs in Block C17 BOB. Identification of potential pest and economic threshold according to SOP No. SOP/SMART/MCAR/VII/TA-TNM regarding to integrated pest management which is approved since 12 June 2012. Consideration to conducted evaluation of pest census on IPM system implementation (OFI).

**4.5.2**

There is a record of integrated pest management training that is held by SMARTRI on March 2<sup>nd</sup>, 2017 in Sungai Rungau Estate. The event was attended by 22 TRWE workers and 18 SSRE workers. Based on interviews with the pest officer in block R20 SSRE, the employee concerned have known rat and caterpillar census method, as described in training materials.

**Status: OFI**

**4.6**

**Pesticides are used in ways that do not endanger health or the environment**

**4.6.1**

Certificate holder has SOP and work instruction (LAMP/VIII/TA-PGM/03-PUKBP) on weeds management, that guidance covering about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case. Based on documents verifications and observation to chemical storage in SSRE & TRWE has shown evidence that the used pesticides have received permission from the government. To ensure pesticide used are in accordance with the target the company conducted identification the type of weed found in operational area. Based on document verification and field observation in Block Q30 SSRE and Block E18 TRWE, it's known that that the herbicide being used is appropriate for the target or type of weed. There also President Director Memorandum No. 032/PD/VIII/2015 dated 13 August 2015 that there are no Paraquat using for weed control on 2016.

**4.6.2**

The Company has documented records of pesticide toxicity in the document of Monthly Pesticide Toxicity Data. The document is recorded product name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, FFB production and pesticide unit/kg. This document is constantly recorded and updated by the sustainability officer of estate each month. There are chemical usage record on each estate at May 2017, for example: SSRE: Ammonium glufosinat: 111.5 Ltr, i.a: 0.000000246 Ltr /MT FFB. TRWE: Isopropilamina glifosat: 1,094.23 Ltr, i.a: 0.00000002080 LTr/MT FFB.

**4.6.3**

Certificate holder has implemented integrated pest management in order to reduce pesticide usage. Based on document review and field observation, several IPM program with biological approach that has been implemented such as rat control by *Tyto alba*, and leaf eater caterpillar by planting beneficial plant such as *Turnera subulata*, *Casia tora*, *Antigonon leptosus* and *Euphorbia heterophylla*. The use of pesticides declining since the certificate holder implemented IPM.

**4.6.4**

On the August 2015, President Director of Smart, Tbk issued a memorandum not to use paraquat in 2016. Regarding to Pesticides that are categorized as WHO Class 1A or 1B, there is Social and Environment Policy that stated minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances. Based on document review and field observation to chemical warehouse in SSRE and TRWE, there is no paraquat or WHO Cass 1A or 1B application.

**4.6.5**

The company has set several procedures related to handle, usage and application of pesticides. The procedures as follows:

- Pesticides handling procedures (SOP/SMART/LEMS-EHSD/SADV/II/002) that contain procedures of collecting, documenting, storage, returned to vendor and rinse water usage.
- Work instruction (IK/SPO/SMART/LH-08/01) contain procedure for manage former herbicides jerry.

Based on the document review and field observation, pesticide applicator using carbon-layer mask that appropriate with MSDS. Pesticide mixing carried out only in chemical storage. Pesticide refill into the knapsack using secondary container to avoid pesticide spilled to the ground.

There are pesticide handling training record in each estate, for example: SSRE has been conducted on 11 February 2017 to 10 pesticide applicators, TRWE on 1 March 2017 to 28 pesticide applicators. Consideration to evaluate effectiveness of socialization of chemical mixing to all of chemical applicator. **(OFI)**

**4.6.7**

The Spraying Foreman interviewed in Block Q30, Division 5 of Sungai Seruyan Estate and Block E18, Division 5 of Terawan Estate claimed that herbicide mixing was conducted in a special room in pesticide store to minimize impact to the environment. Meanwhile, the Spraying Workers interviewed also claimed that after spraying they will be washing up and drying up the PPE and spraying tools (sprayer tank, jerry, etc), and taking shower/changing clothes in special place near pesticide store of the Division Office. Therefore based on field observation to mixing area in TRWE and SSRE, that known there are storage for keeping all PPE's and spraying tools after use.

**4.6.8**

Based on the results of the document review, field observation, and interviews with Assistant, spray foreman, and spray employees at Sungai Seruyan Estate (Division 5 Block Q30) and Terawan Estate (Division 5, Block E18) it can be seen that up to ASA-4 There is no record or application of pesticides from the air conducted by the company.

**4.6.9**

The results of field observation and interviews in warehouse and spraying activity (In SSRE 5 applicator and 1 supervisor (mandor), TRWE 5 applicator and 1 supervisor.), it is known that the employees have been given regular training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures including how use and handling the risks in accordance with material safety sheets. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse. The sprayer also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as mask, gloves, safety shoes, apron and googles. In addition, employees are also informed about the steps of secure work in each roll call in the morning before work.

**4.6.6 & 4.6.10**

Ex pesticide containers is washed for 3 times (refer to MSDS) and the water used to wash it shall be used for spraying. According to SOP of Waste Management (SOP/SMART/LEMS-EHSD/SADV/II/002) on July 2nd 2014 on point 6.3.b, the washed pesticide containers could be used for the same operations or could be returned to the supplier.

According to the field observation, the ex pesticide containers and fertilizer sack washing has been referring to the work instruction with document number IK/SPO/SMART/LH-09/01 which was legalized on July 1st 2010. For example, washing is conducted on washing station, pesticide containers should be washed 3 times and fertilizer sack should only be washed once), the water used for washing should not overflow and contaminate the environment, the washed ex-pesticide containers should be checked and stored separately with the fertilizer sack which is stored at warehouse. Based on the field visit to the hazardous waste storage known that the company has appointed PT. Maju Asri Jaya Utama as their collector/transporter of hazardous waste.

According to the field observation and interview, the manager and clerk storage can demonstrate the waste management system. clerk storage has explained the process hazardous waste among other, the used pesticide containers are washed first, after that kept to hazardous waste storage, and then recorded on hazardous waste logbook. For the

packaging of pesticides returned to chemical producers PT Rolimex Kimia Nusa as producer of pesticides Roll Up, Rolifos, Erkafuron, and has been transported on 24 february 2017

**4.6.11**

The company has been carrying out periodic health examinations for all employees once a year and specific medical examinations for employees who are at high risk twice a year such as workers who work with chemicals. The latest test that held on February 2017 showed that all employees who work with chemicals are in healthy condition. Interview with workers known that they are never get experience of occupational injury which caused by chemical such as irritation.

**4.6.12**

The company through Vice President Agronomy (VPA) PSM-6 has been released the policy No. Memo 01/VPA-RSPO/03/2010 dated on 3 March 2010 that disallowed of breast feeding and pregnancy workers on chemical handling operation. This policy has socialized to all workers and it have understood by pesticide operators. The company has system to identification of pregnancy all of spraying women workers. Based on pregnancy test result in SSRE and TRWE document verification, there are no pregnancy workers during last year. Therefore, according to interview with one women spraying worker in SSRE and TRWE, she was known about prohibition of breastfeed and pregnancy personnel to conduct chemical spraying.

**Status: Comply**

**4.7**

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

**4.7.1**

Company has consistently documented the implementation of occupational health and safety policy, occupational health and safety procedures, and occupational health and safety plan that cover the entire operational activities that stated in guiding committee of occupational health and safety work plan. The available occupational health and safety is presented in a easy to understand language, has been approved by Top Management (Director in 01 November 2013), which was part of company's commitment to provide and maintain safety and healthy work environment. This policy has been communicated to personnel through morning briefing activities before the work start. OHS plan which includes all activities have been documented and implemented well in the OHS document of estate and mill, for example, Hazard Source Identification, Assessment and Risk Management; risk management, risk identification results; identification of areas prone to fire; OHS policy socialization; PPE provision for all workers; periodic health examinations; etc.

**4.7.2**

The company has performed the latest document (9 January 2017) of identification and assessment of risks to each operational activities described in "form of Source Hazard Identification, Assessment and Risk Control ". The document informs about the type of activity, type of work (routine, non-routine and emergency), source/event, impact, existing controls, the level of probability, severity and risk level. The results of risk assessment have been informed to the employees in accordance with the job. Based on interviews with estate and mill workers obtained information that the employee has known the potential of dangers that arise on the job. The results of the field visit at the mill, it is known that in each station has been installed document of the risk analysis. This document has been evaluated by OHS Committee every last year.

**4.7.3**

The entire personnel that involve in company's operation have been trained on safe work procedure and based on field observation chemical weeding activity at Block Q30 Division 5 SSRE, pesticide operators have been able to practice how to work safely. Meanwhile has presented the proper mechanism to pour poison into knap sack, the procedure to spray the end of the nozzle that should not be exceeding the height of adult wrist, the used-packages should be put back into the warehouse of hazardous material, spraying should not against the direction of wind blow, and before star to work personnel must wear PPE (safety goggles, mask, rubber gloves, apron, and rubber boot). Therefore based on field observation to processing station on Mill that known all operators were use PPE's as safety helmet, ear plug and safety boot/safety shoes. The company also has record of minute of PPE gift to all workers in each unit, for example gift of safety shoes, ear plug and safety helmet to processing workers in SRUM. PPE's inspection has been conducted by Division assistant every morning call to ensure that all workers was used PPE's, auditor was observe on the morning call activity in Division 5&6 SSRE.

**4.7.4**

Guiding committee of occupational health and safety (OHS Committee) is a committee in charge to ensure the implementation of occupational health and safety within mill and estate operational activities. The company has this structure in each unit estates and mill which responsible to make work program and evaluates the implementation of OHS Program in the field. All secretary of OHS Committee has certified as Safety expert by Man Power Minister, such as: SSRE (560/89/KEP/DISNAKERTRANSPAR/XII/2016), TRWE (560/88/KEP/DISNAKERTRANSPAR/XII/2016) and SRUM (560/094/KEP/DISNAKERTRANSPAR/XII/2016). OHS Committee meeting has conducted every month. According to interview with Man Power, Transmigration and Tourism District of Bangka Barat, that known all of OHS Committee Secretary has been certified as OHS expert from Man Power Minister. And also the company has been reporting OHS quarter report.

**4.7.5**

Certificate Holder has a procedure for emergency response, for example Procedure of First Aid, Procedure of Handling Accidents and Work Diseases and Procedure of Emergency Preparedness. Based on field visit, company has pointed the evacuation path and concentration point in order to smooth the evacuation process in emergency situation. The evacuation path is available in office and mill and has been completed with map and other *signboards*. At the time of the field visits it is known that in the mill, warehouse, workshop and division offices have supplied First Aid box which monitored regularly. As for the operational activities in the field, supervisors was carrying first aid kits during his work in the field, and mill was also equipped with first aid kits. However not all procedure for emergency and work accident was implemented **it was raised as Non Conformity No. 2017.1.**

1. Based on field observation to FFB loading in Block Q21, SSRE that known the first aids kit not clean condition, such as: bandages and cottons.
2. Observation and interview with harvesting foreman in Block D22, TRWE. He hasn't understand about first aid kit usage. Such as: eye wash and glasses usage.
3. Firefighting simulation in SSRE, that known water pressure from water pump is just can reach distance 5 meter, it was no adequate for land fire conditions.

**4.7.6**

The management unit provided accident insurance for personnel based on the applicable regulation. The insurance such as manpower insurance is paid monthly to national social insurance for manpower/ BPJS. Meanwhile, for medical insurance, PT BAP has registered its entire personnel in manpower medical insurance/ BPJS. Based on interview with some personnel in mill and estates, it is known that the entire personnel have been registered in manpower medical insurance/ BPJS. However Not all workers has provided with medical care, and covered by accident insurance, **it was raised as nonconformity No. 2017.2.**

According to interview with contractor workers as: driver, FFB loaders in SSRE and CPO transport driver in SRUM, that known they were not registered on health and work accident insurance. And also according to several work agreement verifications as: FFB transport and CPO transport worker agreement, there are clause related to obligation of contractor to register all of workers on health and work accident insurance in accordance to national regulations.

**4.7.7**

Certificate Holder is consistently conducting monitoring over work accident, which reports the complete information about accident, such as the month of the accident, number of case, the accident's location, type of accidents, the impact, working hour losses, the accident cause, follow up action and result. Monitoring of work accidents performed every month and reported to the relevant agencies in conjunction with regular reports of Guiding Committee of Occupational Safety & Health.

<b>4.7.5</b>	<b>Status: Non conformity No. 2017.1 with minor category</b>	
<b>4.7.6</b>	<b>Status: Non conformity No. 2017.2 with minor category</b>	

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

**4.8.1**

The company has had a training program for workers included All staff, Workers and contract workers for period of 2017 which consists of understanding the RSPO, such as hazardous waste management, welder training, first aid training, emergency response training, OHS management system, risk management, HCV, pest and disease control and SIA. The training program was developed based on training needs analysis which drafted by SPO Officer.

**4.8.2**

The company has had a worker training records for each unit stored in personal files. Based on interviews with workers, it is known that workers have been trained in accordance with the work being performed. Contractors has been involved in several training such as OHS and emergency responses on May 19<sup>th</sup> 2017.

**Status: Comply**

**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**

Sighted that PT. BAP and PT SIP has adequate environmental document, as described belows:

- Environmental impact assessment (EIA) in 2004 for Sungai Rungau Mill with a capacity of 80 tons FFB / hour, area of 27.21 Ha. The EIA document as met requirement and was approved by authority on July 8, 2004.
- Environmental Impact Assessment (EIA) prepared in year 1997 for Estate of PT. BAP with estate area of 17,780 ha and mill with capacity of 60 Tons FFB / Hour. EIA has been approved by the Minister of Agriculture of the Republic of Indonesia on August 7, 1997.
- CH has presented Seruyan Regent's Decree number 188.45 / 314/2015 on environmental permit for changes of ownership of business and / or activity and development of Methane Capture Plant by PT Binasawit Abadipratama and signed on 4 August 2015 by Regent Seruyan.

Structure and content of those EIA documents have met the requirement and regulations and have been approved by the authorities. Those EIA documents provided evidence of public consultation processes with the interested parties to identify impacts and formulatige necessary mitigation measures.

**5.1.2**

Based on the EIA documents, CH has developed an Environmental Management Plan (RKL) as outlined in the matrix of impact management plan:

1. Management plan of environmental impacts in Sungai Rungai Mill:
  - a. Management of water quality through WWTP installation
  - b. Natural forest vegetation, wildlife protection, and river buffer zone protection
  - c. The creation of employment opportunities managed by upgrading the skills and incentives
2. Management plan of Environment Impact (RKL) in Estate of PT. SIP including:
  - a. Micro climate change from FFB processing and and waste processing, mitigated through planting trees around the mill and installation of dust collector
  - b. Decrease in air quality, mitigated through planting trees, dust collector, masks for workers, and control on vehicle speed.
  - c. Increased noise, mitigated through y planting trees perdedam, ear protector, setting machine
  - d. Changes in soil physical and chemical properties, mitigated through setting the time of application and improvement of fertilization techniques with empty fruit bunch or slow release fertilizer
  - e. Changes in the physical-chemical quality of surface water, mitigated through waste water quality monitoring
  - f. Increased damage to road infrastructure, managed by road maintenance
  - g. Decrease of Plankton, Benthos, Necton due to waste contamination, managed by effluent management and waste water quality monitoring prior to land application.
  - h. Increased employment and business opportunities of local people, mitigated through prioritizing local employees, the training for the community, the establishment of cooperative institutions
  - i. Increased economic (income levels) because of local manpower absorption, facilitating economic institutions, and capital aid
  - j. Increased of social unrest and potential conflicts, managed by socialization of plantation activities
  - k. Increased transmission and spread of diseases, mitigated through sanitation, supply of medicines and access to healthcare for employees and community.
  - l. Increasing of potential of traffic accidents, mitigated through installation of traffic signs and vehicles test

- b. Increasing in work accident, mitigated through the implementation of healthy and safety standard (SMK3) and periodic medical check up.

The Environmental Management plan matrix (RKL-RPL) also provides information regarding management methods, location, period, responsible unit, and agencies involved in environmental management. The document has been reported to the local authorities on a regular basis

**5.1.3**

CH has had Environmental Monitoring Plan (RPL) documents that are part of the EIA document mill. Components of RPL is line with the environmental impact management plan in the RKL

1. Monitoring plan of environmental impacts in Sungai Rungai Mill:
  - a. Rungao River water quality, monitored in accordance with the standards of river water quality testing
  - b. Natural forest vegetation and wildlife, monitored parameters are density, composition, type and stand structure
  - c. The creation of employment opportunities, monitoring parameter is the number of local labor, employment outside the region, education and income levels.
2. Monitoring plan of Environment Impact (RKL) in Estate of PT. SIP including:
  - a. Micro climate change, monitored parameters are temperature and humidity
  - b. The decline in air quality, monitored parameters are standard emission and ambient air quality.
  - c. Increased of noise, monitored parameter are the value of the noise at a certain point
  - d. Changes in physical and chemical properties of the soil, monitored parameters are standars of soil quality
  - e. Changes in the physical-chemical quality of surface water, monitored parameter are the quality of river water and control wells
  - f. Increased of road damage / infrastructure, monitored parameter are length of damaged roads
  - g. Decrease of Plankton, Benthos, Nekton MCC due to contamination of waste, monitored parameters are the abundance and diversity of aquatic biota
  - h. Increased of employment and business opportunities, monitored parameter are the number of employees involved and the amount of effort involved
  - i. Increased of economic (income levels) monitored parameter are the income level of employees and business activities of local people in the formal and non-formal sector
  - j. Increased of social unrest and conflict potential, monitored parameters are the case of a claim, demonstrations and public protests.
  - k. Increased of transmission and spread of diseases, monitored parameter are the frequency and intensity of diseases of employees and surrounding communities.
  - l. Increasing of the potential of traffic accidents, monitored parameters are traffic accidents
  - m. The increase in work accidents, monitored parameters are cases of work accidents

The Matrix of environmental monitoring plan provides information on monitoring methods, site, period, responsible parties, and formal institutions involved.

Based on the results of the management and monitoring environment document review (RKL and RPL) semester 2 of 2016 it is known that the company has completed the health data of rural communities around the company. Documentation of social monitoring is done partisipation of community in the report 2nd semester of 2016. This document has been reported to the Seruyan Regency Environmental Office on June 3, 2017. Monitored parameters are in accordance with Matrix of environmental monitoring plan

**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**

CH has identified HCV area and protected animals within HGU area, carried out by competent internal assessor of PT. SMART Tbk (registered in RSPO) in 2011. Adequate methodology was applied refers to the HCV Toolkit RSPO. Available evidence of social data collection and consultation with stakeholders. Identification of HCV report has been reviewed by experts HCV / Independent Consultant.

The identification results showed the presence of HCV area covering 1,503 hectares consisting of HCV 1.1, 1.3, 1.4, 2.3, 4.1, 4.2, and HCV 6, and the presence of protected species, endangered, and vulnerable, as follows:

1. 52 tree species identified from which 4 are categorized as protected species: (Keruing/Dipterocarpus grandiflorus, Asam Putar/Mangifera pajang, Ulin/Eusideroxylon zwagerii, Kayu arang/Diospyros sp.)
2. Identified wildlifes are: 12 bird species, 7 mammals species, 4 reptil species. Those categorized as endangered species are:
  - Honey bird (Endangered), Cekakak Belukar (Endangered), Rat Eagle (Endangered/App II), Kangkareng hitam (Endangered/App II), Pijantung kecil (Endangered), Raja Udang (Endangered), Rangkong (Endangered/App II), Tiong emas (App II), Elang hitam (Endangered/App II), Pekaka emas (Endangered)
  - Mammals: Sun bear (Endangered/App II) , long tail macaca, orang utan, Owa, Deer
  - Reptile: Monitor Lizard, Cobra, Python, Senyulong Crocodile.

### 5.2.2

Based on HCV identification, CH has developed HCV Management and Monitoring Plan, as seen in two documents:

1. Master Plan of HCV Management and Monitoring Plan for five years period (2014-2019), which contains information: the type of activity, description of the activities, objectives, location, time plan execution, indicators, and PIC.
2. Translation of the five-year management plan into Annual HCV Management and Monitoring Plan. E.g: the most recent example is the annual HCV management plan 2017. The document describes various HCV actions plan such as (categorized into): river buffer zone protection, protection of endangered and protected species, water resources protection, traditional graveyard, periodic HCV monitoring.

Field verification in Bukit Tiga Estate Block O74 and blok S 24 Seruyan Estate, which shows the implementation of HCV protection as follows:

- HCV area boundary marker
- Installation of HCV signboard, hunting prohibition, and wildlife protection
- Nursery of enrichment trees
- Track for primary wildlife observation for monitoring HCV
- Protection of river buffer zone as described in the previous 4.4.1 indicator

### 5.2.3

Policies and rules of RTE protection and management of HCV is available in:

1. Senior Managing Director Operation Mamorandum dated January 6, 2009 regarding the Watershed Protection.
2. Circular of the Vice President Agronomy PSM 6 dated March 4, 2010 Subject on Management of Watershed
3. SOP on Management and Monitoring of HCV: SOP/SMART/BCOS-EHSD SADV/II/002 dated July 1, 2014
4. River Bufferzone Protection in document: SOP/SPO/SMART/ LH-07
5. River Bufferzone Management in document: SOP SPO/SMART/LH-06
6. Internal Office Memo from MD Services & Project No. 1231 / M-Int /MDSP-VIC/XI/11 dated November 25, 2011 on Zero Tolerance Policy against Endangered Animal Poaching.
7. Circular of SMD Operations No. 002 / SE-SMD OPS / IX / 2010 dated 20 September 2010 concerning protected wildlife.

In the HCV program in 2017 there has been an employee training program that is held every 4 months. Socialization related to HCV and RTE species is carried out periodically. Examples of activities that have been done to educate employees about HCV have been socialized in Seruyan Estate on 17 April 2017 followed by 30 employees.

The auditor team has been observed in the field through visual observation at block, housing complex Seruyan Estate and Terawan Estate, workers interview in harvesting and spraying activities. It was clearly found that no capture, harm, collecting nor kill the RTE species. In housing complex has signboard of RTE species

### 5.2.4

Derived from abovementioned HCV management plan, there is a HCV monitoring plan in PT. BAP as follows:

- Regular Monitoring on RTE speseis and HCV area condition, carried out by HCV officer of each estate.
- Annual evaluation on achievement of HCV management and RTE protection. Recent evaluation report available for year 2016.



Based on the latest evaluation for 2016 second semester, it is known that there is no significant disturbance and reduction in the HCV area. Based on the monitoring results, it is known that the existence of protected and endangered wildlife both during primary monitoring and secondary monitoring. For the type of flora that is still in encounter and including protected species is the type of meranti and ulin, for the type of fauna found is the type of eagle, stork, king fisher, long-tailed monkeys, gray monkeys, lizard.

**5.2.5**

HCV area located entirely inside concession of PT BAP. There is no indication of overlap with the traditional rights.

**Status: Comply**

**5.3**

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

**5.3.1.**

CH already has had a list of waste from mill and plantation activities, as seen in:

- EIA document the mill containing the identification of the types of waste resulting from processing and estate activities. Type of waste produced mainly liquid waste, solid, and gas from processing activities
- List of Environmental Aspects in Estate and Mills which describes the types of activities and Potential impact and waste generation. E.g.: Spraying activities, environmental aspects is Droplets / spillage of herbicide and pesticide packaging, Potential impacts on water and soil pollution.

**5.3.2**

Procedure for chemical container handling available in the following:

- Work instructions on washing and cleaning of packaging of pesticides and fertilizers. Used pesticide containers were washed 3 times (according to the MSDS) and reuse the used washing for spraying. Washing of fertilizer sack done with soaked for 30 minutes and use the water used to watering oil palm trees.
- SOP for Waste Management available in SOP Number SOP/SPO/SMART/LH-09 on July 1, 2010 which explained that chemical container should be returned to the Supplier.

Field observation at mill has proper chemical storage and container as follows:

- Chemical storage at mill for chemical used in water treatment plant
- Chemical storage at the Estate for herbicides and Pesticides and its container
- The temporary hazardous waste (LB3) storage at each Estate and Mill which have been approved by local authorities in 2016: Sungai Rungau Estate, Terawan Estate, Bukit Tiga Estate, Tangar Estate, Seruyan Estate And Sungai Rungau Mill

Implementation of chemicals containers handling:

- Logbook of Hazardous waste in the Hazardous Waste Storage of Estate and Mill. Hazardous waste type: used oil, filters used, used batteries, contaminated fabric
- Reporting of Hazardous waste balance to the relevant agencies .
- On 24 february 2017 sent to the PT. Chemical Rolimex Nusamas: Roll Up, Rolifos, Erkaforon

**5.3.3**

CH already has waste management and disposal plan to avoid or reduce pollution. Waste management plans and procedures are available in:

1. Waste Management SOP No. Documents SOP / SPO / SMART / LH-09 on July 1, 2010 which describes the various types of waste management measures in mill and estate categorized as liquid waste, solid, domestic, and LB3.
  - Domestic (household) waste collected and dumped into the landfill
  - Solid waste such as fiber and shell utilized as boiler fuel.
  - POME managed for land applications.
  - Hazardous waste disposed by the licensed and chemical waste is returned to the supplier
  - Infectious waste / medical companies disposed to licensed third party
2. Work Instructions on Washing and cleaning of pesticides and fertilizers packaging.
3. List of Environmental Aspects in gardens and factories that explains the types of activities cause pollution, environmental aspects (pollutants and waste), Potential impact, and management directives.

Sighted in field visit to mills that construction and specification of Hazardous waste storage has met with requirement such as: protected from rain water, adequate ventilation, hazardous material symbol, watertight floor, spillage trap. Available safety equipment such as fire extinguisher dry powder type, PPE (gloves and masks), flowchart on emergency response and emergency bell.

CH has contract with Asri PT Maju Jaya Utama dated May 21, 2017 to the transport and disposal of Hazardous waste . The selected company has obtained permission from the Ministry of Environment in 2015 and permits for transporting Hazardous waste Manifest of Hazardous waste transportation by PT. Asri Jaya Maju Utama.. Latest Transportation conducted on June 7, 2017.

Observation in Seruyan and Terawan Estate employees' housing shows that domestic waste has been well managed, buried in location away from the housing and clean water sources. Observation in the knapsack wash facility of Bukit Tiga Estate and Tangar Estate showed the pesticide containers has been well handled according to SOP. However consideration to ensure that all hazardous waste from housing complex was managed in accordance to procedure.

In the framework of waste recycling companies have mechanisms of utilization of anorganic waste in housing. anorganic waste that can be utilized is collected at the existing garbage bank in every housing. Once collected in the sale to the garbage collector and the results are utilized for the benefit of each housing.

Not all waste management plans are implemented to avoid and reduce pollution, among others:

- Based on the results of field observations in SRUM, there has been leachate water management system through pipes to trap ponds, and 3 sedimentation pool units to be pumped into IPAL pond. However, during observation at the nut & kernel station (clay bath), there is a process of washing the kernel shell before it is used to fuel the boiler, the washing done to remove CaCO<sub>3</sub> in order not to cause crust in the kitchen boiler. The remaining wash water enters the trap pool and sedimentation, while the kernel shell in wet conditions is accommodated on the moving floor. However, because there is damage to the barrier between the moving floor and the rain trench, the remaining water in the kernel shell flows into the rain trench.
- Based on the observations to the Terawan Estate fertilizer warehouse (TRWE) it is known that there are used batteries that are not stored in Hazardous Waste Storage.
- Based on the observation to the water reservoir pond in Hosuing Complex 1, Seruyan Estate (SSRE), it is known that there is a process of repairing a water pump house which causes the water pump to be placed outside the room without oil trap, and potentially spills of diesel fuel and oil on the environment.

**This becomes Nonconformity NCR No 2017.3**

5.3.3.	<b>Status: Non conformity with minor category No. 2017.3</b>
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**5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.**

**5.4.1**

Company has conducted efficiency efforts to reduce the utilization of diesel fuel, such as by utilizing shell and fiber as boiler fuel. With the utilization of renewable energy, Based on the results of examination documents the company has conducted efficiency analysis of the use of shells and fiber for example in January - May 2017, among others:

- Renewable energy use = 0.18 tons of shell fiber / ton FFB
- Use of fossil fuels = 4.2 liters of diesel / ton FFB
- Power requirement per ton CPO = 70 KW

Company has monitored the utilization of diesel fuel in Estate and diesel fuel utilization by contractor. Document review revealed that diesel fuel utilization was under company's projected budget. The company has built a Methane Capture installation as the utilization of methane gas for power generation

	<b>Status: Comply</b>
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**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 a policy of zero burning which is regulated in company circular letter no. 071/SMD OPS/IX/2007 dated 4 September 2007. The company regulation prohibits land clearing using fire or burning. Moreover, there is no new planting neither replanting during surveillance 3 to surveillance 4 assessment.

The company has a land preparation procedure in document No. SOP/SMART/MCAR/II/TA-PPA and replanting procedure SOP/SMART/MCAR/VI/TA-HPT that stated zero burning activity in land preparation and replanting. They also socialized it company's policy through morning raw call and signboard in some areas.

**Status: Comply**

**5.6**

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

**5.6.1**

Identification of pollution and emission sources at Mill and Estates activities was evident. The source of pollution, type of pollution and its control was documented in list of environmental aspect and impact evaluation:

- Boiler stack emission including particulate and soot.
- diesel electric generator emission
- POME methane emission
- Use of fertilizer
- vehicle and heave equipment emission

**5.6.2**

Greenhouse Gases Emission Mitigation Program 2017. CH does not enrich plant species to minimize GHGs, but maintains HCV and conservation areas that have natural vegetation. One way to implement GHG reductions, CH monitors through PalmGHG Calculator and ISCC certification implementation. GHG mitigation mitigation activities have been actualized for several types of activities, such as Fertilization, Pesticides, Fossil Fuel Usage, Methane Capture Installation, Electricity Use and HCV Area Maintenance and Conservation.

**5.6.3**

Based on document verification that known the CH was using GHG calculator ver 3.0.1 and it has been reported to the RSPO dated 12 June 2017, the summary report of emission are:

Summary of Net GHG Emissions

Emission per product	tCO2e/t product
CPO	2,34
PK	1.14

Land Use	Value
Total Planted area	17906,89
Total planted area on peat	0
Conservation Area	1503
OER	21,98
KER	5,58

Summary mill emission and credit

Emission source	tCO2	tCO2e/t FFB
POME	89210	0,2
Fuel consumption	1124,99	0
Grid eleticity	0	
Credit		
Export exess electricity to housing & grid	0	0

Sale of PKS	0	0
Sale of EFB	0	0
Total		

Plantation/ field emission and sinks

Description	tCO2e	tCO2e/ha	tCO2e/ t FFB
Emission Source			
Land conversion	432698.06	9.87	0.382
CO2 Emission from fertilizer	12563.08	0.696	0.09
N2O emission	7586.41	0.566	0.022
Fuel consumption	1644.75	0.092	0.01
Peat oxidation	0	0	0
Sink			
Crop Sequestration	-89512.46	-9.36	-0.088
sequestration in Conservation Area	-11358.75	-0.606	-0.012
Total	28041.46	1.304	0.048

Status: Comply

**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; 6.1.2**

The certificate holder has conducted a survey and Social Impact Assessment (SIA) on period March 2012 and recorded in Report SIA - "Laporan Studi Identifikasi Dampak Social Perkebunan Kelapa Sawit", by Sustainability Department. After the identification in 2012, then provides annual supervision and evaluation of social impact, and then be reviewed by management once in 2 years. During the Social Impact Assessment (2012), it appears that the assessment also includes stakeholders, community leaders figure, and related government agencies etc. through a public consultation which visible on participant attendance at SIA report.

CH has renew the document SIA at January 2017 by Sustainability Department, it appears that the assessment also includes stakeholders, community leaders figure, and related government agencies etc. through a public consultation which visible on participant attendance at SIA report. The community is located administratively in Pantap Village has been involved in the assessment SIA.

**6.1.3 and 6.1.4**

Based on the SIA document recommendation, the company prepares management plans based on the impacts identified in the SIA documents of 2017, among others:

Positive aspects

- Employment
- Empowerment of local contractors
- Increased public accessibility due to the opening of roads by the company
- The development of mysarakat economic business
- Social assistance such as rehabilitation civic education places, places of worship, medical social work, road maintenance, as well as religious celebrations
- Health assistance and attention for employees and the community
- Increasing employee welfare through commercial sector
- Provision of ATMs and facilitate the opening of savings accounts for easy access to wages

Negative Aspects

- The large number of migrant workers makes local employment opportunities less
- Lack of social assistance from PT BAP to the villagers of Asam Baru
- fear is public safety due to the depth of nparit pringgau located around 02 PDR Rural settlement RT Pantap
- - fear is the location boundary at Rural settlement RT 02 Pantap village into the trash can lead to a decrease in the quality of public health from the community's own behavior

Monitoring and evaluation the social impact performed two yearly and also reviewed by management

There are opportunity for improvement: Consideration to improve campaign about danger of narcotic's.

6.1.5

There is no scheme smallholders in PT. Binasawit Abadi Pratama.

6.1.3

Status: OFI

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

Documented procedure for communication and consultation with public was established namely "SOP Komunikasi dan Konsultasi No. SOP/SMART/UMUM/SADVI/004, dated 1 July 2014". Communication and consultation has considered differential access to information for male/ female, workers, villagers representative both old and new villagers including ethnics.

6.2.2

The procedure designed in collaboration with local communities and other affected or interested parties, and also designed with consideration to the use of appropriate existing local mechanisms and languages. The procedure was in Bahasa Indonesia that is understood by all surrounding communities. Responsible person for receiving and repending any communication and inquiries is Unit Head / Estate Manager.

6.2.3

Stakeholder list was made and mentioned the interested party. There are 59 interested stakeholders is available in the list. Stakeholder list covers District Head, Forestry and Plantation Department, Environmental Agency, Labour, Transmigration and Social Department, National Land Agencies, Head of Sub District, Village Heads surrounding the estate and mill, Police Department, Worker Union, gender committee, NGO, local contractors, etc. Based on interview with Official of Rungau Raya village and Asam Baru Village know Information that can be accessed from CH, such as CSR, recruitment of workers. The mechanism for submission of CSR is done in writing (letter) and delivered through Public Relation or Assistant / Assistant Head / Manager.

There are opportunity improvement: consideration to evaluate effectiveness of socialization of communication and consultation procedure.

6.2.3.

Status: OFI

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 the SOP Handling Complaints and Dis-satisfaction no. SOP/SMART/SIGS-CSR/SADVI/003 that explain the process of delivering and handling complaints and grievances internally and externally. In the SOP also mentioned that the company guarantees the anonymity of the reporting and the revealer of the case (whistleblower). Head of Administration is responsible for hearing and record all complaints and grievances that exist both orally and in writing from the external. Responses to the complaint and dissatisfaction is given as soon as possible and no later than one month after the issue received. SOP Handling Complaints and Dissatisfaction only up to the enterprise level. Based on interviews with management, if there is no solution in the complaint mechanism, can be brought to the RSPO Complaint System.

**6.3.2**

The whole recording and handling of related complaints recorded in the Monitoring Form Handling Complaints and dissatisfaction document number: F/SMART/SIGSCSRD/SADV/003/001. According to interviews with workers and communities there are no complaints or dis-satisfaction.

**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; 6.4.2**

The procedure of “SOP Ganti Rugi Tanah/Lahan (SOP/NP/SMART/VII/D&L002, dated 1 Juli 2010)” described the mechanism for identifying legal, customary or user rights and also for identifying people entitled to compensation and determining calculation method to provide fair compensation. Evidence of Procedure Awareness was documented. It was communicated to related parties such as community leaders, and religious figures and youth leaders.

While, within the FPIC Procedure No. SOP/SMART/SENS-CSR/SADV/II/003, part 2.4 describes that identification of participatory map related to legal ownership of communities are considering gender, community leader, local or transmigrant communities, ethnic groups or communal land ownership, etc.

**6.4.3**

All the documents of land compensation is kept by legal department and if there is any inquiry from affected parties or relevant parties, the document can be accessed through officer/management permission.

**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**

The company has paid their worker regarding to the local minimum wages according to Central Kalimantan Governor Decree No. 24/2016 dated on November 21<sup>st</sup> 2016. Based on interview with the labor union representatives and some worker known that it minimum wages regulation has been implemented by the company. During the audit, auditor has been interviewed some operator in mill regarding to overtime payments. Based on document verification and interview with sterilizer operator and security, overtime payment has comply with the regulation. In case any error in overtime calculation, it can be clarification with mill clerk.

**6.5.2**

The company has been showed the collective labor agreement (PKB) period 2016 – 2018 that approved by Manpower and Transmigration Agency in Seruyan Regency on September 8<sup>th</sup> 2017. It document consist several case such as working agreements, work days and work time, payment of meal allowance, health insurances, OHS, social insurances, complain and grievances; etc.

Worker agreement between company and workers defined in 2 types:

- a) Daily Labor Contract.
- b) Permanent Workers.

There are opportunity for improvement: application of security working hours in estate and mill with off system (Observation).

**6.5.3**

The company has been provides facility and infrastructure such as housing, polyclinic, clean water, sport yard, education facilities, worship venue, electricity and access to food and potable water. Field visit at housing in SSRE and TRWE shows that the facilities and infrastructures are in good condition. Based on the interview with employees and labor union representatives known that whole infrastructures provided by company has been adequate and well deserved.

<p><b>6.5.4</b></p> <p>The management unit has been able to demonstrate an effort to improve workers' access to food was decent, fairly and at affordable prices through the provision of cooperative activities in the provision of basic needs for employees. In addition to the time payday there are incidentally market. And also base on interview with women workers in estate and mill, they were explain that traditional market are near from housing complex in Sebabi Village.</p>	<p><b>Status: Observation</b></p>	
<p><b>6.6</b>  <b>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.</b></p>		
<p><b>6.6.1</b></p> <p>The company has allowed their employee for union is regulated as announced in circular letter no. 020/HR PSM6/01/11 dated on 3 January 2011. The circular letter states that the company gives a freedom for its employee to associate and gather. Based on interview with Head of Labor Union and, it is known that company has facilitated the establishment of worker union and personnel understand the function of worker union.</p> <p><b>6.6.2</b></p> <p>The company has been documented whole meeting with the labor union. For example, there was a minutes of meeting on May 23<sup>rd</sup> 2017 between TRWE management and SPM TRWE that attended by 19 person. The result of the meeting has been implemented.</p>	<p><b>Status: Comply</b></p>	
<p><b>6.7</b>  <b>Children are not employed or exploited.</b></p>		
<p><b>6.7.1</b></p> <p>There are Social and Environment Policy signed by Head of Upstream, CEO-Downstream &amp; Commercial, Executive Director &amp; CFO, Managing Director of Sustainability &amp; Strategic Stakeholder Engagement November 2015. That was explain about Prohibits the employment of children and make a prevention the use of child labor in our operations. Take a corrective action, if founded the child labor and ensuring that the appropriate follow up and provide safety to them. According to interviews with worker union and Man Power Agency District of Seruyan and field observations in each estate and mill, it's known there are no issues related to child labor. Therefore according to field observation result on each estates there are no identified harvesters who work assisted by his son.</p>	<p><b>Status: Comply</b></p>	
<p><b>6.8</b>  <b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b></p>		
<p><b>6.8.1 &amp; 6.8.2</b></p> <p>There are Social and Environment Policy signed by Head of Upstream, CEO-Downstream &amp; Commercial, Executive Director &amp; CFO, Managing Director of Sustainability &amp; Strategic Stakeholder Engagement November 2015. That was explain about the company will give equal opportunities to all workers and embrace diversity, regardless of ethnicity, religion, disability, gender, political affiliation, sexual orientation and or worker union. Based on interview with some workers on estates and mill that known, there are no issues related to discrimination by company or other workers.</p> <p><b>6.8.3.</b></p> <p>Document verification and interview with management employees recruitment is based on company requirement without considering ethnic, religion, race and other backgrounds. All prospective employees have rights for employment opportunity according with their educational background and company requirement. Moreover, result of interview with employees also reveals that there is no indication of discrimination against employees. The company is able to demonstrate evaluation of work performance assessment form of contract employee in which the assessed aspects include Discipline, Work Quantity, Work Quality, cooperation, work attitude and responsibility Assessment activity is performed once a year by each supervisor/manager.</p>		

	<b>Status: Comply</b>	
<p><b>6.9</b> <b>There is no harassment or abuse in the work place, and reproductive rights are protected.</b></p>		
<p><b>6.9.1; 6.9.2 ; 6.9.3</b> The policy related to special complaint in the company does not experience any change from previous assessment. The company has established a gender committee in each unit as an organization to manage the complaints of women workers in the event of sexual harassment and violations of reproductive rights. The interview result with the Gender Committee of SSRE and TRWE informs that there is no case of sexual harassment reported to Gender Committee. The routine gender committee activity is socialization on sexual harassment and submission mechanism if there is a sexual harassment. The interview result with women worker in SSRE&amp;TRWE shows that the worker has understood the existence of gender committee and the policy regarding women right protection. The administrator of gender committee also stated that the company guarantees the anonymity of the reporting and the revealer of the case.</p>		
	<b>Status: Comply</b>	
<p><b>6.10</b> <b>Growers and mills deal fairly and transparently with smallholders and other local businesses.</b></p>		
<p><b>6.10.1; 6.10.2</b> The Certificate holder did not receive and process the FFB from other sources (external FFB). The entire FFB processed in the mill comes from company own estates. Also, there is no smallholder developed by the certificate holder.</p> <p><b>6.10.3</b> Meanwhile, the certificate holder has an agreement with other local business such as FFB transportation to support the plantation activities. Sample of contractual agreement is No: 004/TRWE/LKL/01/17-ATBS, dated 2 January 2017. Validity period: 1 January – 31 March 2017 and it will be renewed periodically in three monthly bases.</p> <p><b>6.10.4</b> According to interview with local contractor, all the transaction is documented in computerized system namely SAP, including the payment system. The contractor confirmed that the certificate holder paid in timely manner on the beginning of month.</p>		
	<b>Status: Comply</b>	
<p><b>6.11</b> <b>Growers and millers contribute to local sustainable development wherever appropriate.</b></p>		
<p><b>6.11.1</b> Records of certificate holder contribution to regional development were evident, among either: agreement contract, and social assistance list. CSR program was provided by the organization and deployed in to CSR program. Activity of CSR was identified by the estate/mills (Rekapitulasi Laporan Kegiatan CSR), including: repairing the village road, low-cost market, mosques renovation in surrounding villages, checks and medical for free, etc. Implemented document was recorded within photo and minutes of aid delivery.</p> <p>Another local business was supported for growers and mills, main supports were pertinent to procurement spare parts and vehicle maintenance. The local business is assigned and controlled by central purchasing in Head Office.</p> <p>Based on interview with Official of Rungau Raya village and Asam Baru Village, CSR activity done by CH, such as power installation (lighting). CH also organized partnered with local contractor (FFB Transportation). Almost 95% CH used local contractors. CSR program was done from CH is making boreholes (well), cataract surgery for old age, Integrated Services Post, etc. In 2017 there has been CSR like cataract operation and or social Activities (free treatment).</p> <p>There is agenda of Community Culture, that is called “Bunga Tahun” performed once a year in certain month, depends of the phenomenon happened among society community, for instance epidemic of a disease and CH also participated in that celebration of Village Anniversary.</p>		



6.11.2

There is no smallholders scheme in PT. Binasawit Abadi Pratama.

Status: Comply

6.12

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

6.12.1, 6.12.2 & 6.12.3

Based on document review and interview with workers known that there were no migrant labor, trafficking practices and forced labor. Employment data showed that each worker has had a working agreement which describes the tasks and responsibilities. According to interviews with workers showed that they are working on assigned section in accordance with labor agreements. During field visit, auditor found that each harvester accompanied by picker. Based on interview with harvesting supervisor known that each picker has signed contract agreement with the company. All harvester are disallowed to bring their family in order to help harvesting activity. Therefore based on interview with labor union, there were no indication of force labour such as unfair payments, freedom to resign for contract workers, financial penalties etc.

Status: Comply

6.13

**Growers and millers respect human rights**

6.13.1

The Company has a Social and Community Engagement Policy set out on 10 November 2011 approved by the President Director, point 6 stated that the company respect for Human Rights. Therefore there are GAR Social and Environment Policy signed by President Director on November 2015, point 3 was stated 'we are respects the human rights of all workers. This GAR Social and Community Engagement Policy has been socialized to all worker during January 2017.

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.**

There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441 hectares.

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.**

There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441 hectares.

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.**

There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441 hectares.

Based on communication between RSPO (Dillon Sarim) and CB's on June, 21<sup>st</sup> 2017 known that The PT BAP was disclosed as a zero non-compliant land clearance unit.

No opening or HCV areas of primary forest in the area of PT. BAP.	
	<b>Status: Comply</b>
<b>7.4</b> <b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>	
There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441 hectares.	
	<b>Status: Comply</b>
<b>7.5</b> <b>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.</b>	
There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441 hectares.	
	<b>Status: Comply</b>
<b>7.6</b> <b>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.</b>	
There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441 hectares.	
	<b>Status: Comply</b>
<b>7.7</b> <b>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.</b>	
There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441 hectares.	
	<b>Status: Comply</b>
<b>7.8</b> <b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
<b>7.8.1; 7.8.2</b> No land bank remains in the concession area. Plantation in PT. Binasawit Abadi Pratama was performed in 1996 up to 2007. All area has been covered in existing HGU and AMDAL.  GHG calculation is not applicable for the plantation company that was established, please refer to Criteria 5.6	
	<b>Status: Comply</b>
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1</b> <b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
The unit management of PT BAP monitor and evaluate their activities routinely and developing and implementing action plan that give a chance for continuous actual improvement on main operation, for example: <ul style="list-style-type: none"> <li>• <b>Best Management Practices:</b> The company has been develop the new innovation named camera-stick to monitored owl occupancy in each barn owl box to reducing work accident during the barn owl box monitoring.</li> <li>• <b>Environment:</b> In the framework of waste recycling companies have mechanisms of utilization of anorganic waste in housing. anorganic waste that can be utilized is collected at the existing garbage bank in every housing complex.</li> </ul>	

Once collected in the sale to the garbage collector and the results of sale garbage are utilized for the benefit of each housing complex.

- **Production aspect:** The unit management has conducted internal audit routinely in term of operational activity evaluation to evaluate the consistency of procedure implementation.
- **Social Aspect:** The unit management gave continuous social assistance in form of community development and CSR program for village surrounding the company.
- **Agronomy Aspect :** From January 2016 PT BAP no longer use paraquat.

Status: Comply
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3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements
D1	<p><b>Definition</b></p> <p><b>D.1.1</b>  <b>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</b></p> <p><i>There is no change of the IP procedure.</i></p> <p>SOP SCCS PT BAP-SRUM/SOP/28 dated 1 June 2015 among others explains:</p> <ul style="list-style-type: none"> <li>- Definition of supply chain, IP, dispatch, SPN, SPP, Weighbridge computerized, certified product, TBS, supply chain management certification, product and raw material.</li> <li>- IP is a supply chain model that physically separated and produce product based on certified product only.</li> </ul> <p>During field observation, verification on their system and interview with sample employees at Sungai Rungau Mill, it is confirmed that Sungai Rungau Mill applied the IP system where the all FFB processed sources from own certified estates within the certificate scope.</p>
	<b>Status: Comply</b>
D.2	<p><b>Explanation</b></p> <p><b>D.2.1</b>  <b>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&amp;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.</b></p> <p>According to the ASA-3 certificate (MUTU-RSPO/029 period 26 August 2016 – 25 August 2017), Sungai Rungau Mill has been approved to certified on FFB (521,450 tonnes), CPO (121,239 tonnes) and PK (31,268 tonnes).</p>
	<b>Status: Comply</b>
	<p><b>D.2.2</b>  <b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b></p> <p><i>There is no changes of IT registration number for Sungai Rungau Mill on eTrace.</i></p> <p>The unit management has registered on the IT platform the information on:</p> <ul style="list-style-type: none"> <li>• Member Name: PT. Binasawit Abadipratama - Sungai Rungau Palm Oil Mill</li> <li>• Account ID: RSPO_AC1000001184;</li> <li>• Member ID: RSPO_PO1000001155;</li> </ul> <p>Sungai Rungau Mill sell their certified product to the certified bulking and kernel crushing plant (KCP) as follows:</p> <ul style="list-style-type: none"> <li>• Bumi Harjo Bulking/PT. Tapan Nadenggan (Certificate No. SQUAL40065 issued by PT. SAI Global Indonesia)</li> <li>• Perdana KCP (Certificate No. SQUAL40120 issued by PT. SAI Global Indonesia)</li> <li>• Hanau KCP (Certificate No. SQUAL40064 issued by PT. SAI Global Indonesia)</li> </ul>
	<b>Status: Comply</b>

<b>D.3</b>	<b>Documented procedures</b>					
<b>D.3.1</b>	<p><b>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:</b></p> <p><b>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></p> <p><b>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.</b></p>					
	<p><i>There is no change of the IP procedure.</i></p> <p>SOP on RSPO SCCS Model Identity Preserved (PT BAP-SRUM/SOP/28) dated 1 June 2015 composed by document controller, checked by Mill Manager and approved by Production Controller. The procedure covers RSPO SCCS referred to RSPO SCCS 21 November 2014 and RSPO SCC Standard Module D CPO Mills: Identity Preserved, 21 November 2014 and SOP of Palm Oil Mill Processing, PT SMART 2013.</p> <p>The personnel involved are mentioned in part 3 of the procedure who are security, weighbridge clerk, Mill/Estate/KCP Assistants, Administration Head, Production Controller and Support Department.</p> <p>During the field visit, the traceability personnel, Head of Administration, Security and weighbridge officer can explain the received certified FFB according to the scope of SCCS model.</p>					
	<b>Status: Comply</b>					
<b>D.3.2</b>	<p><b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</b></p>					
	<p>It is explained in point 6.1 on raw materials and point 6.4 on the raw materials processing SOP SCCS PT BAP SRUM/SOP/28 dated 1 June 2015. Stated that the declaration of Sungai Rungau Mill Management Representatives on 1 May 2014 that the model SCCS is effectively applied since 1 May 2014. The company is able to show that the received FFB is in accordance with the certified FFB supplier list and processed into CPO and PK. The daily production report and processed FFB balance sheet shows that CPO Mill has mechanism and documented in SCCS Module IP.</p>					
	<b>Status: Comply</b>					
<b>D.4</b>	<b>Purchasing and goods in</b>					
<b>D.4.1</b>	<p><b>The site shall verify and document the volumes of certified and non-certified FFBs received.</b></p>					
	<p>Sungai Rungau Mill applied the Identity Preserved supply chain model. The mill only receives and processed the FFB from own certified units/estates within the RSPO certificate scope. However, the Mill have a record of monthly summary of sustainable FFB, CPO and Kernel in three monthly bases, based on certificate anniversary period.</p>					
	<p><b>Monthly summary of sustainable FFB, CPO &amp; Kernel</b> (Period 26 August 2016 – 10 June 2017)</p>					
	Period	FFB Received (Tonnes)			CPO (Tonnes)	PK (Tonnes)
		FFB certified	FFB Non Certified	Total	Certified	Certified
	26 – 31 August 2016	8,456.00	0	8,456.00	1,974	427
	September 2016	51,267.73	0	51,267.73	11,094	2,982
	October 2016	53,980.37	0	53,980.37	11,494	2,982
	November 2016	45,970.79	0	45,970.79	9,955	2,689
	December 2016	36,598.89	0	36,598.89	8,077	1,935
	January 2017	32,768.45	0	32,768.45	7,389	1,690
	February 2017	29,682.00	0	29,682.00	6,728	1,609
	March 2017	30,522.66	0	30,522.66	6,743	1,607
	April 2017	34,700.73	0	34,700.73	7,635	1,961
	May 2017	44,148.47	0	44,148.47	9,447	2,420
	1 – 10 June 2017	14,124	0	14,124	3,184	908

Total	382,220	0	382,220	83,721	21,079
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Status: Comply

**D.4.2**

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

Until the audit (10 June 2017), it was clearly confirmed that Sungai Rungau Mill does not have any overproduction of certified tonnage.

Products	ASA-3 certificate (tonnes)	Actual Production until 10 June 2017 (tonnes)
FFB	521,450	382,220
CPO	121,239	83,721
PK	31,288	21,079

Based on the data above, it can be summed that Sungai Rungau Mill has no overproduction.

Status: Comply

**D.5 Record keeping**

**D.5.1**

**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.**

Sungai Rungau Mill applied the Identity Preserved supply chain model. The mill only receives and processed the FFB from own certified units/estates within the RSPO certificate scope. However, the Mill have a record of monthly summary of sustainable FFB, CPO and Kernel in three monthly bases, based on certificate anniversary period.

**Monthly summary of sustainable FFB, CPO & Kernel**  
(Period 26 August 2016 – 10 June 2017)

Period	FFB Received (Tonnes)			CPO (Tonnes)	PK (Tonnes)
	FFB certified	FFB Non Certified	Total	Certified	Certified
26 – 31 August 2016	8,456.00	0	8,456.00	1,974	427
September 2016	51,267.73	0	51,267.73	11,094	2,982
October 2016	53,980.37	0	53,980.37	11,494	2,982
November 2016	45,970.79	0	45,970.79	9,955	2,689
December 2016	36,598.89	0	36,598.89	8,077	1,935
January 2017	32,768.45	0	32,768.45	7,389	1,690
February 2017	29,682.00	0	29,682.00	6,728	1,609
March 2017	30,522.66	0	30,522.66	6,743	1,607
April 2017	34,700.73	0	34,700.73	7,635	1,961
May 2017	44,148.47	0	44,148.47	9,447	2,420
1 – 10 June 2017	14,124	0	14,124	3,184	908
<b>Total</b>	<b>382,220</b>	<b>0</b>	<b>382,220</b>	<b>83,721</b>	<b>21,079</b>

**CPO Sales Information**

Month	Volume (Ton)	Buyer Name	Claim RSPO/Non RSPO
Agustus 2016	1,869.78	Bumiharjo Bulking (BMHB)	Non RSPO
September 2016	10,414.76	Bumiharjo Bulking (BMHB)	Non RSPO
October 2016	12,204.22	Bumiharjo Bulking (BMHB)	Non RSPO
November 2016	10,430.29	Bumiharjo Bulking (BMHB)	Non RSPO
December 2016	7,775.63	Bumiharjo Bulking (BMHB)	Non RSPO
January 2017	7,680.89	Bumiharjo Bulking (BMHB)	RSPO (3.003,5 ton), Non RSPO (4.677,3 ton)
February 2017	6,713.84	Bumiharjo Bulking (BMHB)	Non RSPO

March 2017	6,738.75	Bumiharjo Bulking (BMHB)	Non RSPO
April 2017	7,345.73	Bumiharjo Bulking (BMHB)	Non RSPO
May 2017	9,708.64	Bumiharjo Bulking (BMHB)	Non RSPO
1-10 June 2017	3,212.10	Bumiharjo Bulking (BMHB)	Non RSPO
<b>Total</b>	<b>84,094.63</b>		Claim RSPO = 3.003,5 Ton

**Kernel Sales Information**

Month	Volume (Ton)	Buyer Name	Claim RSPO/Non RSPO
Agustus 2016	797.56	Perdana KCP	RSPO
September 2016	1,959.34	Perdana KCP, Hanau KCP, Sampit	RSPO (1.456,96 Ton), Non RSPO (502,38 ton)
October 2016	3,197.38	Perdana KCP, Hanau KCP, Sampit	RSPO
November 2016	3,862.83	Perdana KCP, Hanau KCP, Sampit	RSPO
December 2016	1,144.61	Perdana KCP, Hanau KCP, Sampit	RSPO
January 2017	1,096.75	Perdana KCP, Sampit	RSPO
February 2017	1,570.28	Perdana KCP	RSPO
March 2017	2,820.70	Perdana KCP	RSPO
April 2017	2,362.14	Perdana KCP	RSPO
May 2017	2,303.12	Perdana KCP	RSPO
1-10 June 2017	338.91	Perdana KCP	RSPO
<b>Total</b>	<b>21,453.62</b>		Claim RSPO = 20.951,24 Ton

**Status: Comply**

**D.6 Processing**

**D.6.1**

**The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage**

During field observation at Sungai Rungau Mill, auditor have seen that all the FFB receives and processed from 100% certified material, there is no contamination from non-certified sources, includes the FFB transport and CPO & PK storage.

**Status: Comply**

**D.6.2**

**The objective is for 100 % segregated material to be reached**

Sungai Rungau Mill has applied of 100% certified FFB to be processed and 100% produced of certified products (CSPO and CSPK).

**Status: Comply**

**3.3 Conformity Checklist of Certificate and Logo Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or √</b>
<b>ASA-4</b>	The company has logo and certificate approval/permitnumberMUTU-RSPO/029	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or √</b>
<b>ASA-4</b>	The Company does not use the logo both on-product and off-product within the scope of PT Binasawit Abadipratama.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or √</b>
<b>ASA-4</b>	The Company does not use the logo both on-product and off-product within the scope of PT Binasawit Abadipratama.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or √</b>
<b>ASA-4</b>	The Company does not use the logo both on-product and off-product within the scope of PT Binasawit Abadipratama.	√
	<b>Status: Comply</b>	



3.4 Summary of RSPO Partial Certification

Compliance of the uncertified management units of Golden Agri Resources, Ltd 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

Golden Agri Resources, Ltd Time Bound Plan (TBP) is explained in table 1.10. Golden Agri Resources run eighteen (18) mills and fifty four (54) estates in Indonesia and has been RSPO certified for nine (9) mills and supply base in Indonesia. Golden Agri Resources, Ltd has informed the TBP progress, MUTU has considered that Golden Agri Resources, Ltd is comply with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by Golden Agri Resources, Ltd on January 31, 2016 approved by President Director and MO Sustainability Strategic & Stakeholders Engagement.

MUTU has verified partial certification for un-certified unit's subsidiary of Golden Agri Resources, Ltd based on their Time Bound Plan. There are eleven (11) uncertified management unit of GAR. 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 is no significant land conflicts which have not been declared above
- 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><b>Company Group/Holding Statement:</b> Companies are already doing internal audits. There are internal audit reports for each company.</p> <p><b>Auditor Verification:</b> Internal Audit report available for uncertified management unit:</p> <ul style="list-style-type: none"> <li>- PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base), 24 – 28 October 2016</li> <li>- PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), 24 – 28 October 2016</li> <li>- PT Agrolestari Mandiri (Pekawai Mill and supply base), 21 – 25 November 2016</li> <li>- PT Binasawit Abadi Pratama (Perdana Mill and supply base), 19 – 23 Desember 2016</li> <li>- PT Agrokarya Prima Lestari (Kuayan Mill and supply base), monitoring via SPO Scorecard online.</li> <li>- PT Mitra Karya Agroindo (Tangar Mill and supply base), monitoring via SPO Scorecard online.</li> <li>- PT Paramitra Internusa Pratama (Belian Mill and supply base), 28 Maret – 01 April 2016</li> </ul>

		<ul style="list-style-type: none"> <li>- PT Sawit Mas Sejahtera (Sungai Kikim and supply base), monitoring via SPO Scorecard online.</li> <li>- PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) 28 Maret – 01 April 2016</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base), monitoring via SPO Scorecard online</li> <li>- PT Adi Tunggal Mahajaya (Sako Mill) (under construction)</li> </ul>
i.	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>Company Group/Holding Statement:</b> GAR and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 29, 2014 and the company has been sent data evidence of LUCA to RSPO by email dated April 11, 2016. Progress result of review LUCA at follow-up via email RSPO dated October 24, 2016 to answer RSPO is still in the review process.</p> <p><b>Auditor Verification:</b> RaCP Process for:</p> <ul style="list-style-type: none"> <li>- PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> <li>- PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base)</li> <li>- PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base)</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base)</li> </ul>
ii.	<p>Any new plantings since January 1<sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.</p>	<p><b>Company Group/Holding Statement:</b> There is no new planting.</p> <p><b>Auditor Verification:</b> Based on auditor verification there are some new planting conducted by company, but NPP has been applied to these units.</p> <ul style="list-style-type: none"> <li>- PT Binasawit Abadi Pratama (Perdana Mill and supply base)</li> <li>- PT Agrokarya Prima Lestari (Kuayan Mill and supply base)</li> <li>- PT Mitra Karya Agroindo (Tangar Mill and supply base)</li> <li>- PT Paramitra Internusa Pratama (Belian Mill and supply base)</li> <li>- PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> </ul>
iii.	<p>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>	<p><b>Company Group/Holding Statement:</b> There is no land conflict. The Company has a land conflict resolution mechanism in accordance with the RSPO criteria 6.4; 7.5; and 7.6. This</p>

		<p>procedure is outlined in the SOP Social Conflict Management (SOP/SMART/SENS-CSR/SADV/II/02). This procedure regulates social conflict settlement agreed. Conflict resolution can be done in a participatory manner and can also be done by a third party (mediator). The company also has procedures to deal with complaints before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/II/003. The company handles complaints appropriately and quickly. GAR has been initiated to become a member of RSPO DSF as a category "out growers".</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There is no land conflict for</p> <ul style="list-style-type: none"> <li>- PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base)</li> <li>- PT Mitra Karya Agroindo (Tangar Mill and supply base)</li> </ul> <p>There is any land conflict but was in the process of completion for</p> <ul style="list-style-type: none"> <li>- PT Agrolestari Mandiri (Pekawai Mill and supply base)</li> <li>- PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base)</li> <li>- PT Sawit Mas Sejahtera (Sungai Kikim and supply base)</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base)</li> </ul>
iv.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>Company Group/Holding Statement:</b> There is no issue of labour disputes in uncertified unit. The company also has procedures to deal with worker's complaint before it become conflict. The procedure is SOP/SMART/SIGS-CSR/SADV/II/003.</p> <p>Procedures related employee issues is arranged in the form of internal grooves for employees included in the category of internal stakeholders. Media that is used to deliver complaint is a formal letter submitted by unions or incorporated into a suggestion box which is provided in a convenient location.</p> <p><b>Auditor Verification:</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>

<p>v.</p>	<p>Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p><b>Company Group/Holding Statement:</b>          Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 and 2.2 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/II/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p><b>Auditor Verification:</b>          Land legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> <li>- PT Paramitra Internusa Pratama (Belian Mill and supply base), still in the process of Committee B and the company has got plantation business permit (IUP)</li> <li>- PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance.</li> <li>- PT Agro Lestari Sentosa (Jalemo Mill and supply base) and PT Adi Tunggal Mahajaya (Sako Mill) doesn't have Land Use Title (HGU).</li> </ul>
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3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

3.5.1 Identification of Findings, Corrective Actions and Observations at Surveillance-3 Assessment

<b>NCR No.</b>	: 2016.1	<b>Issued by</b>	: Bukti Bagja
<b>Date Issued</b>	: 3 June 2016	<b>Time Limit</b>	: ASA-4
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 15 June 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.1.3 Environment monitoring plant document, its implementation report, and the corrective plan (if non-conformance arise from the monitoring result) shall be available. This plan is reviewed on two- yearly basis.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Implementation of environmental impact monitoring for mill and estates have not comply with SEIA/AMDAL document, particularly: <ul style="list-style-type: none"> <li>Monitoring on community health has not included to all villagers, limited to the workers only that part of the communities.</li> <li>There is no evidence that social impact monitoring have conducted in participatory way.</li> </ul>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"> <li>Environmental monitoring reports (RKL-RPL) are readily available but monitoring of village public health data recorded at nearby health clinics has not been covered. Health data from community health clinics (puskesmas) can represent health information of rural communities around the company.</li> <li>Participatory social impact documentation has been carried out and included in the report but has not completed supporting photo documentation in the Environmental Monitoring Report (RKL-RPL)</li> </ul>			
<b>Correction</b> <i>(filled by organization audited):</i> Staf EHSD SRGE has collected <ul style="list-style-type: none"> <li>Collect village public health data around the company from the local village</li> <li>Adding public health data around the company obtained from the local health center into RKL and RPL reports semester 1 and 2 year 2016 so that it is in accordance with the SEIA document</li> <li>Adding social monitoring documentation done partially in Environmental Monitoring Report (RKL-RPL) semester 1 and 2 year 2016</li> </ul>			
<b>Corrective Action</b> <i>(filled by organization audited):</i> The HO Environment Performance and Monitoring Team (EPM) will ensure the Environmental Monitoring Report (RKL-RPL) in accordance with the matrix contained in SEIA documents using reporting monitoring forms, including impact types, activity details and activity schedules, and personnel in charge.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  Based on the results of the RKL and RPL document review semester 2 of 2016 it is known that the company has completed the village community health data around the company from the local village social monitoring documentation done partially in the RKL and RPL report 2nd semester of 2016.  This document has been reported to the Seruyan District Environmental Office on June 3, 2017. It has also shown adequate documentation of preventive measures, such as the RKL-RPL implementation monitoring form in			

accordance with the requested parameters.

**Based on the results of problem root analysis, correction and corrective action above. Then this Nonconformity has been comply**

**Verified by** : Yohanes H

<b>NCR No.</b>	: 2016.2	<b>Issued by</b>	: Bukti Bagja
<b>Date Issued</b>	: 3 June 2016	<b>Time Limit</b>	: ASA-4
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 15 June 2017
<b>Standard Ref. &amp; Requirement</b>	<b>6.1.4</b> The document plan for management and monitoring of social impact, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.		
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i></p> <p>The Company has had a Social Impact Assessment report and management plan review in the biennial period ( period 2012-2014 and 2015-2016). The object of the location of the plan management has identified the issue in all units among others SRUM, BTGE, SSRE, SRGE, TNGE and TRWE</p> <p>Base observasion at 31 may 2016 at HGU pole number 14 in Bukit Tiga Esatate, Indicated by a new community living near the border which is a part affected by the existence of plantation operations. Based on the Social Impact Assessment report reviewed in the biennial period, there is no evidence that the review has involved the community as a part affected by the existence of plantation operations.</p>			
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <p>The community of RT 2 (Desa Pantap) is administratively located in the village of Pantap which is a built-in village and has been incorporated into the scope of the management and monitoring of PT Tapian Nadenggan (Region Kalteng 3), So PT Binasawit Abadripratama (PT BAP Region Kalteng 2) did not monitor that area.</p>			
<p><b>Correction</b> <i>(filled by organization audited):</i></p> <p>The SLBD team re-identifies participatory social impacts on 30 January - 10 February 2017 in PT BAP's social impact report in 2017 by involving all affected parties including the RT 2 community (Pantap Village) into the study area coverage.</p>			
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <p>PT BAP's operational team informs the Social Base Line Department team (SBLD) if there is a change in the coverage of the social impact study area as described in the Social Impact Assessment SOP No. SOP/SMART/SIGS-CSRDSADV/II/001.</p> <p>Any development of information will be submitted using the form "Identification of Study Areas"</p>			
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i></p> <p>The Company has participated in a participatory social impact assessment document on 30 January - 10 February 2017 in PT BAP's 2017 social impact report by involving all affected parties including RT 2 communities into the study</p>			

area. In the SIA document of 2017 RT 2 (PDR) community in Desa Pantap has been included in key stakeholders in the 2017 Social Impact Assessment.

In addition, based on interviews with the Chairman of RT 02 Pantap Village during this ASA-4 activity. It is known that RT 2 people have been involved in the social impact assessment activities.

**Based on the results of problem root analysis, correction and corrective action above. Then this Nonconformity has been comply**

**Verified by** : **Yohanes Hardian**

### 3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	<b>4.7.3 MAJOR</b>	Disciplinary Monitoring and evaluation of the use of personal protective equipment for employees of the Contractor. <b>(OBSERVATION)</b>
2	<b>5.1.2 Minor</b>	The quality reports on the implementation of the environment impact needs to be improved in accordance with the applicable standards. <b>(OBSERVATION)</b>
3	<b>5.2.3 Minor</b>	Certificate Holder needs to improve the quality of the HCV monitoring and evaluation to ensure the improvements of the HCV management area..
4	<b>6.1.3 MAJOR</b>	Certificate Holder needs to ensure the involvement of all affected parties in the monitoring of social impact management plan. <b>(OBSERVATION)</b>
5	<b>8.1.1 MAJOR</b>	Certificate Holder needs to anticipate potential systematic failures in the implementation of standards for their recurrence of Non-Conformities in each audit stages, particularly: environmental aspects (implementation and management of environmental monitoring) and social aspects (social impact management plan). <b>(OBSERVATION)</b>

### 3.5.4 Noteworthy Positive Components

No	Descriptions
1	Certificate Holder have a commitment to implement the sustainability of oil palm plantation management.
2	Achieve the SMK3 certificate for period 2014 – 2017 from Ministry of Transmigration and Manpower.
3	ISCC Certificate Number : EU- ISCC-Cert-DE104-07781531 period 20 October 2015 – 19 October 2016 by GutCert
4	PROPER Award with BLUE category in period 2014-2015 from Ministry of Environmental and Forestry.

3.5.5 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

<b>NCR No.</b>	: 2017.1	<b>Issued by</b>	: Trismadi N
<b>Date Issued</b>	: 16 June 2017	<b>Time Limit</b>	: Before Re-certification
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 20 July 2017
<b>Standard Ref. &amp; Requirement</b>	: 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.		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> Not all procedure for emergency and work accident was implemented. 1. Based on field observation to FFB loading in Block Q21, SSRE that known the first aids kit not clean condition, such as: bandages and cottons. 2. Observation and interview with harvesting foreman in Block D22, TRWE. He hasn't understand about first aid kit usage. Such as: eye wash and glasses usage. 3. Firefighting simulation in SSRE, that known water pressure from water pump is just can reach distance 5 meter, it was no adequate for land fire conditions.			
<b>Root Cause Analysis (filled by organization audited):</b> 1. The results of the investigation by the safety officer with Estate Manager on June 15, 2017 on 36 units of the first-aid box for the foreman and clerk, the contents of first aid box is not clean only found in the contents of first aid box 1 person clerk of transport. This is due to the work environment of dusty area transport officers, so there is the potential of first aid box exposed by dust, especially during the dry season. 2. First Aid training has been conducted, but the harvesting foreman concerned has not understood the material presented. 3. Simulation of fires and earthquakes was conducted on May 26, 2017 according to the Advisory Committee for Occupational Safety and Health (P2K3) program matrix of 2017, and the condition of the fire pump is still pressurized and the hose works properly. When a fire simulation was conducted on June 14, 2017 witnessed by the RSPO auditor team inadequate condition. This is caused by the head packing on the water pump machine is damaged, resulting in less compression and reduced water pressure.			
<b>Correction (filled by organization audited):</b> <b>15 June 2017:</b> Certification unit was show several correction, such as: 1. First aids monitoring form, it was inform amount contain. However there are no information of contain cleanliness. 2. First aids usage socialization record to all of harvesting foreman in TRWE. 3. Documentation of firefighting machines repairs in SSRE dated 15 June 2017 and also documentation of firefighting simulation in SSRE, the water pressure can be reach as high as ± 8 meter.			
<b>11 July 2017</b> Implementing the socialization of the use of first aid contents to the 4th Division Division TRWE on June 16, 2017 and the first aid training to all the first-aid persons on July 11, 2017.			
<b>Corrective Action (filled by organization audited):</b>			



3.5.5 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

1. Re-socialize the function of each First Aid Box to the person in charge of First Aid Box, giving plastic seal bag to the contents of First Aid Box to prevent exposure to dust, and also to check the monitoring of contents of First Aid Box also added hygiene information of the contents of First Aid Box.
2. Conducting First Aid training to all First Aid personnel and providing refresh of first aid to the first aid box in the morning circle or in the field.
3. Periodic testing every month is equipped with a list of test results and placed on the Fire Equipment unit. It also provided a backup water pump machine.

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

**16 June 2017.**

There are no root cause analysis and corrective action to ensure that this non conformity was no found in other unit which no observed by auditor team.

**Field verification during ISPO audit activities on 18-20 July 2017**

1. Based on field observations and interviews with foremen in some activities such as: harvest in blocks Q 23-24, manual maintenance in block R21, road maintenance in block R / Q22 (SSRE); Process stations, workshops, TPS LB3 SRUM; As well as harvesting activities in block D16, spraying on block E17, road maintenance on block D19 / 20 (TRWE) is known that the entire contents of first aid box has been monitored cleanliness. In addition, all items of first-aid box have been put into plastic seal bag to prevent exposure to dust.
2. Forms of change and the making of documents relating to the First Aid SOP on Accidents - SOP / SMART / HESS-EHSD / SADV / I / 011 on points 2.2.9 explanation of First Aid equipment: First aid officer (monitoring) Reporting the results of monitoring to the assistant division. Adding to the first aid box (F / SMART / HESS-EHSD / SADV / 011/004) check box is the column on the condition of first aid box and expire date information; This revision has been approved by Div Head Sustainability on July 6, 2017.
3. News of the socialization of the use of First Aid contents dated June 16, 2017 to MandW Division 4 TRWE, as well as the recording of first aid training to 52 persons in charge of first aid box in TRWE such as foreman, crane security guard, genset operator, etc. dated July 11, 2017 by company doctors. There is also a recapitulation of training outcome evaluation with an average score of > 80%.
4. When simulated fire extinguishers in SSRE and TRWE, the water pump can pump water with a height of ± 10 meters. In addition, the hose is in good condition and does not leak, there are also results of the form of inspection results of fire-fighting equipment placed in the water tank and in the warehouse fire.

**Auditor's Conclusion:**

Based on the root analysis of the problem, correction and corrective action has been demonstrated. In addition, based on the results of field observations conducted on July 19 to 20 in SRUM, SSRE and TRWE. Then this Non Nonformmity has been closed. The effectiveness of the improvements made by the certification unit will be re-verified on the next assessment (resertification).

**Verified by** : **Trismadi N**

<b>NCR No.</b>	<b>: 2017.2</b>	<b>Issued by</b>	<b>: Andi Pratama Pasaribu</b>
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<b>Date Issued</b>	: 16 Juni 2017	<b>Time Limit</b>	: Before Re-certification
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 20 July 2017
<b>Standard Ref. &amp; Requirement</b>	<b>4.7.6.</b> <b>All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> Not all workers has provided with medical care, and covered by accident insurance. According to interview with contractor workers as: driver, FFB loaders in SSRE and CPO transport driver in SRUM, that known they were not registered on health and work accident insurance. And also according to several work agreement verifications as: FFB transport and CPO transport worker agreement, there are clause related to obligation of contractor to register all of workers on health and work accident insurance in accordance to national regulations.			
<b>Root Cause Analysis (filled by organization audited):</b> The FFB transport contractor is an adjacent rural community that cooperates with the Company in CSR programs, there is no awareness and responsibility of the contractor for the participation of the BPJS program for its members, it is one of the problems that is still in the process of coaching by the Company. In addition, because the contractor load does not work consistently continuously which causes frequent switching of FFB / temporary workers; As well as the average contractor workers do not have E-ID card making it difficult to register BPJS.			
<b>Correction (filled by organization audited):</b> Make a statement containing the obligation of participation of FFB loading worker BPJS signed by the FFB transport contractor on June 22, 2017, then determining the time line upon the deadline until 31 August 2017.			
<b>Corrective Action (filled by organization audited):</b> Monitor the participation of all FFB transport contractors in the BPJS program and promptly alert the contractor if new workers are not registered with the BPJS; Conducted by Head of Administration (KTU) and Safety Officer every month.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Verification 20 July 2017</b> <b>TRWE</b> <ol style="list-style-type: none"> <li>1. The result of monitoring the list of contractor workers in Terawan Estate consists of 32 people who have not registered in BPJS employment.</li> <li>2. Statement signed by 4 contractor FFB (TRWE) a.n. Sriwati Syamsul, Prono, Bugis Ongo and Akhmad Revendy dated June 22, 2017, stated that they are willing to register all employees in BPJS Employment program, to complete adequate PPE, and will comply with all applicable regulations set forth in Work Agreement (SPK).</li> <li>3. The Evidence of payment of BPJS employment dated July 17, 2017 with each: contractor Prono: 8 people, contractor akhmad revendy: 14 people, and Bugis Ongo: 4 people. Payment for Work Accident Insurance, Old Age Guarantee, and Death Insurance.</li> </ol> <b>SSRE</b> <ol style="list-style-type: none"> <li>1. The result of monitoring the list of contractor workers in Terawan Estate consists of 25 people who have not registered in BPJS employment.</li> </ol>			

2. Statement signed by 6 contractors FFB (SSRE) a.n. Hartani, Umiyanto, Sukran Ma'mun, Rajudin, Jeky Supiani, Jamhuri dated June 22, 2017, declared willing to register all employees in the Employment BPJS program, will complete adequate PPE, and will comply with all applicable regulations specified in Work Agreement (SPK).
3. The Evidence of payment of BPJS employment dated July 10, 2017 with each: contractor Sukran Ma'mun: 3 persons and contractor Jeky Supiani: 2 persons. Payment for Work Accident Insurance, Old Age Guarantee, and Death Insurance.

**SRUM**

1. The result of monitoring the list of contractor workers in SRUM (CV Bina Perkasa) consists of 12 people who have not registered in BPJS employment.

**SRGE**

1. The result of monitoring the list of contractor workers in Sungai Rungau Estate consists of 16 people who have not registered in BPJS employment.
2. Statement signed by 6 contractors of FFB (SRGE) a.n. Khrisna D, Hasan Basri, Rodi Hartono, Nasrun Junan, M.Juhri, Sehan dated June 20, 2017, declared willing to register the entire workforce in the BPJS Employment program, will complete adequate PPE, and will comply with all applicable regulations specified in Work Agreement (SPK).
3. The Evidence of payment BPJS employment dated July 18, 2017 with each: contractor Khrisna D: 5 people and contractor Hasan Basri: 7 people. Payment for Work Accident Insurance, Old Age Guarantee, and Death Insurance.

**TNGE**

1. Result of monitoring of list of contractor workers at Tangar Estate consists of 22 people who have not registered in BPJS employment.
2. Statement signed by 6 contractors of FFB (TNGE) a.n. Ahmad Sinaga, Sudarto, Yasir Arafat, Aladin, Arbalin, Aries Siahaan dated July 19, 2017, stated that they are willing to register all employees in the BPJS Employment program, to complete adequate PPE, and will comply with all applicable regulations set forth in Work Agreement (SPK).
3. The Evidence of payment BPJS employment dated July 10, 2017 with each: contractor Ahmad Sinaga: 3 people, Yasir Arafat: 1 person and Aladdin: 1 person. Payment for Work Accident Insurance, Old Age Guarantee, and Death Insurance.

Proof of payment BPJS employment for CPO transport contractor PT Satrindo Jaya Agropalma dated June 19, 2017 as many as 134 employees.

**Auditor's Conclusion:**

Based on the root analysis of the problem, correction and corrective action has been demonstrated. In addition, based on the results of field observations conducted on July 19 to 20 in SRUM, SSRE and TRWE. Then this discrepancy has been met with observation (Closed with Observation). The effective level of improvements made by the certification unit will be re-verified in the next assessment (recertification).

<b>Verified by</b>	:	<b>Trismadi N</b>
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<b>NCR No.</b>	: 2017.3	<b>Issued by</b>	: Yohanes H
<b>Date Issued</b>	: 16 Juni 2017	<b>Time Limit</b>	: 15 Agustus 2017
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 20 July 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.3.3 <b>A documented waste management plan to avoid or reduce pollution and its implementation shall be available</b>		
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i></p> <p>At the time of the process of separation of the shell from the kernel in claybath using a solution of calcium carbonate. After the separation activity is finished waste calcium carbonate solution will be streamed into the sedimentation basin. Because the shell at that time is still used as a fuel boiler then the resulting shell was washed because previously put into a solution of Calcium Carbonate so as not to cause crust in the Boiler. Shell wash water goes into the sediment basin. After the shell is washed it will be collected to the shell container location. The condition of the shell is in wet condition, and the remaining water that is still attached to the shell is flowing into the rain trench because there is no dike that limits the location of the shell container with the rain trench.</p> <p>The main activity using calcium carbonate solution is well controlled where the wash solution has entered the sedimentation basin. If found at the time of the audit there is seepage of shell waste in the rain trench due to the remaining potassium carbonate solution which is still potentially attached to the shell therefore needs to be made the management plan.</p>			
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <p>At the time of the process of separation of the shell from the kernel in claybath using a solution of calcium carbonate. After the separation activity is finished waste calcium carbonate solution will be streamed into the sedimentation basin. Because the shell at that time is still used as a fuel boiler then the resulting shell was washed because previously put into a solution of Calcium Carbonate so as not to cause crust in the Boiler. Shell wash water goes into the sediment basin. After the shell is washed it will be collected to the shell container location. The condition of the shell is in wet condition, and the remaining water that is still attached to the shell is flowing into the rain trench because there is no dike that limits the location of the shell container with the rain trench.</p> <p>The main activity using calcium carbonate solution is well controlled where the wash solution has entered the sedimentation basin. If found at the time of the audit there is seepage of shell waste in the rain trench due to the remaining potassium carbonate solution which is still potentially attached to the shell therefore needs to be made the management plan.</p>			
<p><b>Correction</b> <i>(filled by organization audited):</i></p> <p><b>15 June 2017.</b>            At the time of the audit the certification unit demonstrated some corrective actions to complete the standard request, as follows::</p> <ol style="list-style-type: none"> <li>1. News Events Control of water seepage wash of claybath shell on June 15, 2017, among others:               <ul style="list-style-type: none"> <li>• Do not use water for washing the shell in conveyor</li> <li>• When seen there is a shell of shell ingredients on the shell ex-claybath. Claybath will stop operation.</li> <li>• Ensure claybath pump discharge as needed <math>\pm 30 \text{ m}^3 / \text{hr}</math> to avoid following <math>\text{CaCO}_3</math> solution water in ex claybath shell</li> </ul> </li> </ol>			

- If visible water on the moving floor then the operator will ensure the water flow towards the trench sedimentation.
- 2. Instruction No. 005 / SRUM-PC / 06/2017 dated June 15, 2017 from Production Controller to Mill Manager concerning the manufacture of concrete embankment on the left side of the shell tub maximum 15 July 2017.
- 3. Minutes of transfer of used batteries from the fertilizer warehouse to Hazardous waste storage at TRWE dated June 15, 2017.

Shown a photo of oil trap making around a water pump in a water reservoir pond in cottage 1 dated June 15, 2017.

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

**The Certification Unit shows corrective action after closing meeting activities**

1. Circular Letter no. 015/06/2017 / SRUM-MGR dated June 17, 2017 to the nut & kernel operator regarding the prohibition of using ex-claybath shell water. Explained that: for the prevention of potential environmental pollution, nut & kernel operators are prohibited from using water to wash claybath shells. As well as if there is a visible water together with the shell, the operation of the calybath must be stopped and immediately report the incident to the supervisor to investigate the cause of the water that is enclosed along with the shell and reported to the Manager of the process assistant.
2. News of socialization of Circular Letter no. 015/06/2017 / SRUM-MGR concerning the prohibition of using ex-claybath shell water to 3 Nut & Kernel operators and 1 foreman on 19 June 2017.

Letter of delivery of water samples from Manager SRUM No. 005 / EKS-LAB / MILL / 06/2017 dated June 17, 2016 from water raw water tanks and water from the rain trench front workshop addressed to FC Research PSM 6.

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

Of the several documents indicated for the improvements that appear are still not acceptable due to

- Related to the findings of used batteries and oil traps around water pumps, can not be shown the root cause analysis of the problem, as well as the evaluation of preventive measures not to occur in places and other units not visited by the auditor team.
- While related to the findings in the station nut & kernel (claybath), there is no evidence that a waste management plan has been implemented to avoid and reduce contamination.

**Based on the results of problem root analysis, correction and corrective action above. Then this Nonconformity still open**

**Field verification during ISPO audit activities on 18-20 July 2017**

- a. News of the embankment creation in the former claybath shell containment area on 21 June 2017. In addition, field verification conducted on July 19, 2017 is known that the border embankment has been completed. No kernel washing was done in accordance with SE Manager No. 015/06/2017 / SRUM-MGR In addition, along the rainwater ditch no longer identified the seepage from Claybath.
- b. The results of field observations to warehouses and cottage housing employee cottage 1 SSRE; As well as field observation to the warehouses and housing of 2 TRWE cottage employees have not found LB3 outside TPS LB3.
- c. The result of field observation to the water pump near the storage pond, the water pump house has been completed its construction. The condition of the water pump has not been moved from the temporary (semi-permanent) place; But there is no identification of the spill of diesel fuel or oil that concerns the environmental body.

**Auditor's Conclusion:**

Based on the root analysis of the problem, correction and corrective action has been demonstrated. In addition, based on the results of field observations conducted on July 19 to 20 in SRUM, SSRE and TRWE. Then this discrepancy has been met. The effectiveness of the improvements made by the certification unit will be re-verified

on the next assessment (resertification).

**Verified by** : **Trismadi N**

**3.5.6 Opportunity For Improvement**

No	Ref. Std.	Description
1	4.4.1	Consideration to evaluate clean water provided for all workers.
2	4.4.3	Consideration to build well control in housing complex according to environment board recommendation and management program.
3	4.5.1	Evaluation of pest census on IPM system implementation.
4	4.6.5	Consideration to evaluate effectiveness of socialization of chemical mixing to all of chemical applicator.
5	5.3.3	Consideration to ensure that all hazardous waste from housing complex was manage in accordance to procedure.
6	6.1.3	Consideration to improve campaign about danger of narcotic's.
7	6.2.3	Consideration to evaluate effectiveness of socialization of communication and consultation procedure.
8	6.5.2.	Application of security working hours in estate and mill with off system (Observation).
9		RSPO logo usage according to RSPO Rules on Market Communication and Claim, June 2015.

**3.5.6 Noteworthy Positive Components**

No	Description
1	Certificate Holder have a commitment to implement the sustainability of oil palm plantation management.
2	Personal competency on each aspect.
3	ISCC Certificate Number : EU-ISCC-Cert-DE104-07781531 period 20 October 2016 – 19 October 2017 by Gut Cert
4	PROPER Award with BLUE category in period 2014-2016 from Ministry of Environmental and Forestry and Achieve the SMK3 certificate for period 2014 – 2017 from Ministry of Transmigration and Manpower.

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>Environmental Agency of Seruyan District</b></p> <ul style="list-style-type: none"> <li>The company has been fulfilled whole regulation regarding to environmental.</li> <li>There was no environmental issues (pollution) due to operational activity of the company that reported by villager/NGO's.</li> <li>The company suggested to build the new monitoring wells to ensure no pollution due to POME application.</li> <li></li> </ul>	<p>It has been verified in accordance with Criteria 1.1, 2.1, 4.4, 5.1, 5.3 and 5.6.</p>
<p><b>Manpower Agency of Seruyan District</b></p> <ul style="list-style-type: none"> <li>The company has been implemented of minimum wage 2017 according Central Kalimantan Governor Decree No. 24/2016 dated on November 21<sup>st</sup> 2016.</li> <li>There was no issues regarding to the employment dispute.</li> <li>Overall, the company has been fulfilled regulation regarding to the manpower, OHS and worker welfare.</li> </ul>	<p>The company has been fulfilled the regulation regarding to manpower, OHS and worker welfare as written in criterion 2.1 and principal 6.</p>
<p><b>Head of Village Rungau Raya , Sub-District Danau Selunuk</b> Meeting and interview with Village Head was done in office of Rungau Raya Village. Result of interview are as follows:</p> <ul style="list-style-type: none"> <li>Information that can be accessed from CH, such as CSR, recruitment of workers. Previously, it miscommunication happened, but recently CH has been transparency and always attend village meetings.</li> <li>Information of worker recruitment is directly given by CH. Most of the village residents work in CH as foreman, security, daily employees, employee in mill, and few of administration employees. All of them are living in housing of employees of CH.</li> <li>CH has conducted Social Impact Assessment (SIA). In general, the presence of CH has been giving significant impact to village. For example, CSR from CH are making boreholes (well), cataract surgery for old age, Integrated Services Post, etc. In 2017 there has been CSR like cataract operation and or bhakti social (free treatment).</li> <li>There is HCV like grave site at the edge of river in the village. Ecosystem (trees and animals) is properly looked after. CH conducts socialization on the protected animal, such as orangutan, mouse deer, with on the HCV area.</li> <li>During the last 3 years there was not land dispute. For hot spot emergency there is Village Team that ready to cooperate with CH and Sub-District Team. Extinguisher facilities has been available they are the powered water pump, and hose. The Village Team has training wit trainer from fire agency attended training under cooperation with CH. After led Mubarak 2017 the joined training will be conducted.</li> <li>There is agenda of Community Culture, that is called “<b>Bunga Tahun</b>” performed once a year in certain month, depends of the phenomenon happened among society community, for instance epidemic of a disease. The activity is funded by community themselves and donation of CH by proposal. CH always responds on time. If cost is rather big, the proposal has to be submitted long</li> </ul>	<p>CSR program and SIA has Comply with criterion 6.1. and 6.11. Transparancy infomation Comply with criterion 1.1. and 6.2 Conservation Comply with criterion 4.4 and 5.2</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>before. CH also participated in that celebration of Village Anniversary.</p>	
<p><b>Asam Baru Village, Sub-District of Danau Selunuk</b></p> <ul style="list-style-type: none"> <li>- CH has done CSR activity in village, such as cataract operation and cleft lip surgery.</li> <li>- Information of CSR activities can be accessed through direct communication with Public Relation or Management of CH. This has been socialised when CH conducted briefing related to CSR. CH explained that letter should not be signed by individual but has to be signed by some residents and be known by Head of Village. For example, information of road mainenance. In 2013 CH helped construction construction of village road 6 km length. On April 2017, village borrowed heavy equipment for levelling of vllage office ground to avoid flood.</li> <li>- There is Culture Community called “<b>Sangga Lewo</b>” headed by Dukun (5 men). The activity of Culture Community is called <b>Papas Lewo</b> – an agenda to slaughter goat, and then be washed away in Sungai Rungau. The ritual is conducted once a year on Mei for 3 days. At that time village residents who work at PT. BAP will also be in holiday. If the ritual is done, mass trance will happen most of the time. To conduct the ritual, village submit proposal to CH to get fund/donation and CH responds it.</li> <li>- Socialisation of HCV has been given to Village Head and Village apparatus, then they socialised to community. CH also conducts socialization of the protected animals with animal pictures, including Bekantan monkey.</li> <li>- During the last 4 years there was not land dispute. So far, CH has never performed land burning. Border area of CH with adjacent land/area is clear enough since there are stakes and dividing ditch.</li> </ul>	<p>CSR program and SIA has Comply with criterion 6.1. and 6.11.            Transparancy infomation Comply with criterion 1.1. and 6.2            Conservation Comply with criterion 4.4 and 5.2</p>
<p><b>Pantap Village, Sub District of Mantaya Hulu</b></p> <p>Interview and field visit were conducted to clarify the implementation of CSR programs from CH. The results of interview and field visit are as follows:</p> <ul style="list-style-type: none"> <li>- Issues: Previously CSR programs have not been based on community needs, such as the needs of mosques in the fasting month. Now community already knew, that is by submitting to CH. For example, making 5 pieces of permanent waste bins from concrete and washing trench along ± 100 m.</li> <li>- The mechanism for submission of CSR is done in writing (letter) and delivered through Public Relation or Assistant / Assistant Head / Manager of Bukit Tiga Estate. The community can also access health information.</li> <li>- No indigenou peoples. At the time of oil palm plantation development there was no compensation of land to the community RT02 / RW01 because all citizens are 100% newcomers.</li> <li>- The community has involved during preparing SIA document</li> </ul>	<p>CSR program and SIA has Comply with criterion 6.1. and 6.11.            Transparancy infomation Comply with criterion 1.1. and 6.2</p>



Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>FFB Local Contractor for Sungai Seruyan Estate and Terawan Estate</b></p> <ul style="list-style-type: none"> <li>• The contractor has 6 units of trucks and has been 15 years of cooperation with PT. BAP.</li> <li>• Contract agreement is valid for 3 months and renewed. Payments are always on time once a month by check at the beginning of the month.</li> <li>• The worker insurance is being on process in registration, constraints on the identity card from outside the area.</li> <li>• Working equipments and personal protective equipment provided by the contractor.</li> </ul>	<p>It has been verified in accordance Criterion 4.7, 6.2, 6:10 and 6:11.</p>

**4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

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

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT. Binasawit Abadi Pratama  
Head Of Enviromental Department

Mutuagung Lestari  
Lead Auditor



**Ismu Zulfikar**  
June, 21<sup>st</sup> 2017



**Trismadi Nurbayuto**  
June, 21<sup>st</sup> 2017

APPENDICES

Appendix 1. List of Stakeholder Contacted in the RSP0 Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	National Land Agency of Seruyan District	Seruyan District	-	Interview by phone	13 June 2017	-	√
2	Environmental Agencies of Seruyan District	Seruyan District	-	Interview by phone	13 June 2017	√	-
3	Manpower Agencies of Seruyan District	Seruyan District	-	Interview by phone	13 June 2017	√	-
4	Plantation Agency of Seruyan District	Seruyan District	-	Interview	13 June 2017	-	√
5	Village of Rungau Raya	Village of Rungau Raya	-	Interview	13 June 2017	√	-
6	Village of Selunuk	Village of Selunuk	-	Interview	13 June 2017	√	-
7	Sub Village of Pantap	Village of Pantap	-	Interview	13 June 2017	√	-
8	Indonesian Workers Union of Sungai Seruyan Estate and Sungai Rungau Mill	PT BAP	-	Interview	14 June 2017	√	-
9	FFB Local Contractor for Sungai Rungau Mill	PT BAP	-	Interview	13 June 2017	√	-
10	Gender Committees	PT BAP	-	Interview	14 June 2017	√	-
11	Sawit Watch	Bogor- West java	info@sawitwatch.or.id	Communication a Via Email	7 June 2017	-	√
12	Save Our Borneo	Palangkaraya – Central Kalimantan	info@saveourborneo.org	Communication a Via Email	7 June 2017	-	√
13	Internal stakeholders: <ul style="list-style-type: none"> <li>• Terawan Estate: 5 harvesters, 4 woman + 1 man (pesticide applicators)</li> <li>• Sungai Seruyan: 2 harvesters, 4 woman (pesticide applicators)</li> <li>• Sungai Rungau Mill: 5 operators, 2 contractor workers (CPO transporter) and 3 maintenance workers</li> </ul>	PT BAP	-	Interview	13-15 June 2017	√	-

Appendix 2. Assessment Program			
DATE		12-16 June 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Senin / Monday, 12 June 2017</b>			
09.25 - 11.00 11.00 - 14.30	09.25 - 11.00 11.00 - 14.30	<b>JAKARTA → PANGKALANBUN PANGKALANBUN → PT BINASAWIT ABADIPRATAMA</b>	<ul style="list-style-type: none"> <li>• TNB / AND / YHS / SSM</li> <li>• TNB / AND / YHS / SSM</li> </ul>
15.00 – 15.30  15.30 – 17.30	15.00 – 15.30  15.30 – 17.30	<b>Opening Meeting</b> (Brief Introduction, Audit scope confirmation, Standards Use, Audit Objectives and Audit Agenda Explanation)  <b>Document Review:</b> <ul style="list-style-type: none"> <li>• Review of Previous Visit Non-conformance (ASA-3)</li> <li>• Collect Basic Information (Mill and Estates)</li> <li>• Clarification of Time Bound Plan</li> <li>• Review of Partial Certification</li> </ul>	<ul style="list-style-type: none"> <li>• TNB / AND / YHS / SSM</li> <li>• TNB / AND / YHS / SSM</li> </ul>
<b>Selasa / Tuesday, 13 June 2017</b>			
08.00 - 12.00	08.00 - 12.00	<b>Stakeholders Meeting and Consultation:</b> <ul style="list-style-type: none"> <li>• Seruyan District Government and local NGO</li> <li>• Nearest village and community leader (Villages of Rungau Raya, Selunuk, and Sub Village Pantap)</li> </ul>	<ul style="list-style-type: none"> <li>• SSM / YHS</li> <li>• SSM / YHS</li> </ul>
08.00 - 12.00	08.00 - 12.00	<b>Field Observation Sungai Rungau POM</b> <ul style="list-style-type: none"> <li>• WWTP (IPAL), Land Application (LA), Hazardous Waste Material (B3) management, Water Treatment Plant (WTP)</li> <li>• Supply Chain, K3 (OHS)</li> </ul>	<ul style="list-style-type: none"> <li>• TNB / AND</li> <li>• TNB / AND</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>LUNCH BREAK</b>	
14.00 – 17.00	14.00 – 17.00	<b>Document review:</b> <ul style="list-style-type: none"> <li>• Review of Previous Visit Non-conformance (ASA-3)</li> <li>• Follow-up and Clarification of Public Consultation</li> </ul>	• TNB / AND / YHS / SSM
<b>Rabu / Wednesday, 14 June 2017</b>			
08.00 - 12.00	08.00 - 12.00	Field Observation to <b>Seruyan Estate</b> (TEAM – A) <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, Best Agricultural Practices, Integrated Pest Management</li> <li>• Worker Welfare (payments, complaint mechanism)</li> </ul> (TEAM – B) <ul style="list-style-type: none"> <li>• Legal operational boundary and Conservation (HCV) Area</li> <li>• Worker facilities (housing, health clinic, clean water, etc)</li> <li>• Land Fire facilities, Chemical Storage, ect..</li> <li>• Schedule Waste management</li> </ul>	<ul style="list-style-type: none"> <li>• AND / SSM</li> <li>• YHS / TNB</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	
14.00 – 15.00	14.00 – 15.00	<b>Continue Field Observation and outstanding issue</b>	• TNB / AND / YHS / SSM

DATE		12-16 June 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
15.00 – 17.00	15.00 – 17.00	<b>Stakeholders Meeting and Consultation:</b> <ul style="list-style-type: none"> <li>Contractors, Labor Union, Gender Committee</li> </ul>	<ul style="list-style-type: none"> <li>TNB / AND / YHS / SSM</li> </ul>
<b>Kamis / Thursday, 15 June 2017</b>			
08.00 – 12.00	08.00 – 12.00	Field Observation to <b>Terawan Estate</b> (TEAM – A) <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, Best Agricultural Practices, Integrated Pest Management</li> <li>Worker Welfare (payments, complaint mechanism)</li> </ul> (TEAM – B) <ul style="list-style-type: none"> <li>Legal operational boundary and Conservation (HCV) Area</li> <li>Worker facilities (housing, health clinic, clean water, etc)</li> <li>Land Fire facilities, Chemical Storage, ect..</li> <li>Schedule Waste management</li> </ul>	<ul style="list-style-type: none"> <li>AND / SSM</li> <li>YHS / TNB</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>LUNCH BREAK</b>	
14.00 – 17.00	14.00 – 17.00	<b>Document review:</b> <ul style="list-style-type: none"> <li>Completion of checklist and clarification/ follow-up on outstanding audit issues</li> </ul>	<ul style="list-style-type: none"> <li>TNB / AND / YHS / SSM</li> </ul>
<b>Jumat / Friday, 16 June 2017</b>			
07.30 - 09.30	07.30 - 09.30	<b>Closing Meeting</b>	<ul style="list-style-type: none"> <li>TNB / AND / YHS / SSM</li> </ul>
09.30 - 12.00	09.30 - 12.00	<b>PT BAP → SAMPIT</b>	<ul style="list-style-type: none"> <li>TNB / AND / YHS / SSM</li> </ul>
13.45 – 15.00	13.45 – 15.00	<b>SAMPIT → JAKARTA</b>	<ul style="list-style-type: none"> <li>TNB / AND / YHS / SSM</li> </ul>
16.00 – .....	16.00 – .....	<b>ASI Closing Meeting with MUTUAGUNG LESTARI auditor team.</b>	<ul style="list-style-type: none"> <li>TNB / AND / YHS / SSM</li> </ul>