



OIL PALM PLANTATION MANAGEMENT VERIFICATION REPORT

Report Nr:	PT Buluh Cawang Plantations – Main Assessment Report (MY02594)	
Client:	Wilmar International Limited	
RSPO membership #:	2-0017-05-000-00	
Web Page:	http://www.wilmar-international.com/	
Plantation Unit	PT Buluh Cawang Plantations	
Total Plantation Area	8,496.95 hectares	
Company Contact Person:	Mr. Simon Siburat	
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Evaluation dates:		
Main Assessment	3th-5th July 2012	
Surveillance 1		
Surveillance 2		
Surveillance 3		
Surveillance 4		

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LIST OF ABBREVIATION

Short Form	Meanings
a.i.	Active ingredient
AMDAL	<i>Analisis Mengenai Dampak Lingkungan</i>
BCP	Buluh Cawang Plantations
BOD	Biochemical Oxygen Demand
CAR	Corrective Action Request
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
ERP	Emergency Response Procedure
ERT	Endangered, Rare and Threatened species
FFB	Fresh Fruit Bunch
g	Gram
Ha	Hectare
HCV	High Conservation Value
HGU	<i>Hak Guna Usaha</i>
ILO	International Labour Organization
INA_NIWG	Indonesia National Interpretation Working Group
IPM	Integrated Pest Management
IDR	Indonesian Rupiah
JAMSOSTEK	<i>Jaminan Sosial Tenaga Kerja</i>
Kg	Kilogram
L	Litre
M	Meter
mg	Milligram
MR	Management Representative
MSDS	Material Safety Data Sheet
Mt	Metric ton
NGO	Non-Governmental Organization
OER	Oil Extraction Rate
OSH	Occupational Safety & Health
P & C	Principles and Criteria
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PK	Palm Kernel
RKL	<i>Rencana Kelola Lingkungan</i>
RPL	<i>Rencana Pemantauan Lingkungan</i>
RSPO	Roundtable on Sustainable Palm Oil
SCC	Safety Checklist Contractor
SIPA	<i>Sumur Izin Pemanfaatan</i>
SGS	Societe Generale de Surveillance
SIA	Social Impact Assessment
SKB	<i>Surat Kesepakatan Bersama</i>
SOP	Standard Operating Procedures
UKL	Usaha Kelola Lingkungan
UPL	<i>Usaha Pemantauan Lingkungan</i>
WHO	World Health Organisation
yr	Year

1. INTRODUCTION

Wilmar International Limited is the existing member of the Roundtable on Sustainable Palm Oil (RSPO) and is committed to the sustainable practices of oil palm cultivation. The Group has also committed to the certification system of RSPO and as a part of the commitment, the Group invited SGS (Malaysia) Sdn Bhd (SGS) to certify PKS Buloh Cawang Plantations and its Fresh Fruit Bunch (FFB) supplying bases at Sumatera Selatan, Indonesia. The auditing process is conducted according to the requirements of the QUALIPALM Programme, a SGS verification programme, for compliance to RSPO principles and criteria interpreted nationally in Indonesia [Indonesia National Interpretation Working Group (INA_NIWG)] dated May 2008.

CERTIFICATION BODY

SGS Group is the world's largest auditing, inspection, testing and verification organisation founded in 1878. SGS Group is able to provide its international clientele with a comprehensive range of services in more than 145 countries from a unique international global network of more than 1180 offices, 321 laboratories and 50,000 full time staff. SGS has no manufacturing, trading or financial interests which could compromise its independence and biasness in the audit process. It guarantees independence, its reputation for professionalism, integrity and impartiality.

QUALIPALM programme of SGS Group's Oil Palm certification programme has been accredited by RSPO to provide certification services both against the RSPO P&C and the RSPO supply chain. To date, SGS has conducted various RSPO related audits in Malaysia, Indonesia, Colombia and Thailand and has issued at least 6 RSPO certificates to four different companies.

2. SCOPE OF VERIFICATION FOR CERTIFICATION

An assessment of PKS Buloh Cawang Plantations Plantation Management Unit (PTBCP-PMU) was conducted by SGS Malaysia during 3rd - 5th July, 2012. The primary objective of the exercise was to evaluate existing documentation and field practices in sustainable oil palm management of the plantation unit against the Roundtable on Sustainable Palm Oil Principles & Criteria Indonesian National Interpretation Working Group 2008 (RSPO P&C – INA-NIWG).

2.1 Mill and Supply Base

The Buloh Cawang Palm Oil Mill (PKS Buloh Cawang) has a processing capacity of 60 tonne per hour with an annual CPO output (2012) of approximately 48,000 metric tonnes. The mill receives fresh fruit bunches from its own supply base estates as well as outside crop. A summary of the own supply base estates planted hectareage is presented in Table 1 below:

Table 1: Mill capacity and sources of FFB

MILL: PKS BULOH CAWANG (2012)							
Mill location	Capacity	FFB input (mt)		CPO output (mt)		PK output (mt)	
PKS Buloh Cawang GPS: X : 104° 57' 26.532" E Y : 3° 56' 55.068" S	60mt/hr	Own supply base	Outside crop	Own supply base	Outside crop	Own supply base	Outside crop
		131,208.91	111,981.14	26,372.99	22,508.21	6,534.20	5,576.66
No.	Estate	Planted Area					
		Total	Planted (Mature)	Planted (Immature)			
1.	Bumi Arjo	682.6	643.89	38.71			
2.	Debuk Rejo	2,469.70	2,352.43	117.27			
3.	Suka Mulya	1,812.50	1,812.50	0			
4.	Bambu Kuning	2,302.69	2,302.69	0			
TOTAL		7,267.49	7,111.51	155.98			

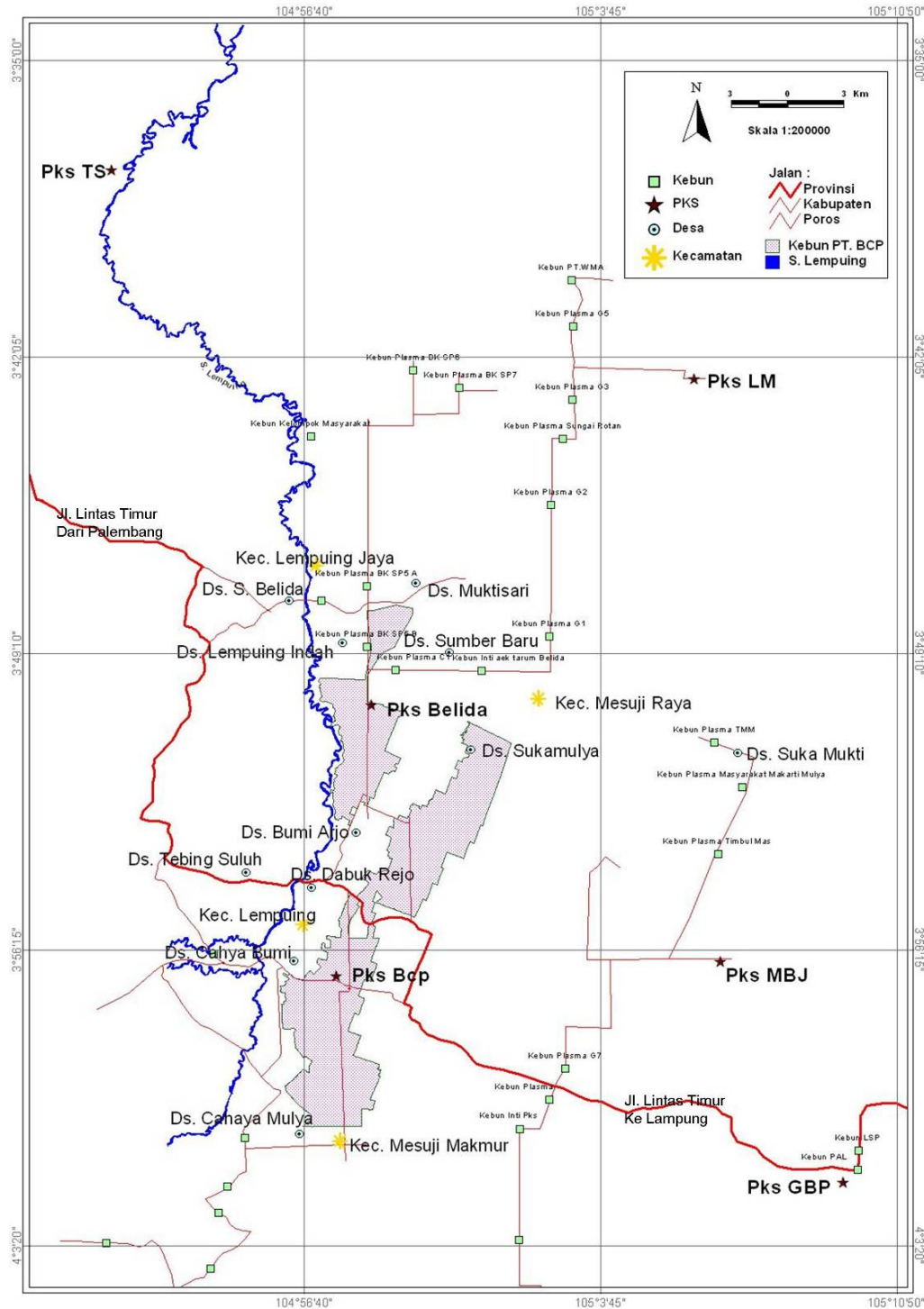
2.2 Location and hectare statement

The PTBCP comprises of four directly managed estates namely Debuk Rejo, Bumi Arjo, Suka Mulya and Bambu Kuning and a 60 tonne mill identified as PKS Buloh Cawang. The estates supplying the mill are spread out within the Kabupaten Ogan Komering Ilir, Sumatera Selatan Province. The location map of the estates is presented in **Map 1**.

The hectare statement for all estates is presented in **Table 1** above. The total planted area for the four directly managed estates is 7,267.49 ha. The individual estate summary is presented in **Table 2**.

Table 2: Summary of Oil Palm Plantations in PT Buloh Cawang Plantations

Names of Estate	Debuk Rejo	Bumi Arjo	Suka Mulya	Bambu Kuning
16-25 y-o (1987-1996)	1,931.53	0	1776.1	2,288.24
6-15 y-o (1995-2006)	420.9	96.18	36.4	14.45
<6 y-o (>2006)	0	547.72	0	0
Total Production Area (ha)	2,352.43	643.894	1,812.50	2,302.69
Immature (< 31 months)	117.27	38.71	0	0
Total Planted Area (ha)	2,469.70	682.6	1,812.50	2,302.69
Rubber Area	0	649.297	0	0
Conservation/HCV Area	117.27	58.06	61.27	0
Roads, Housing Area , Office , Mill, etc	115.4	51.69	88.52	87.96
TOTAL PLANTATION AREA (ha)	2,702.37	1,441.65	1,962	2,390.65
	8496.95			



Map 1: Location and Accessibility of PT Buloh Cawang Plantations

2.3 Climate

The mean rainfall information for estates in the unit for January 2011 to May 2012 is presented in **Table 3**. The mean annual rainfall is recorded as ranging between 2,409 mm to 3,060 mm. The 2011-2012 mean total annual rainfall for the different sites that shows the readings that above 2,000 mm indicates that oil palm can be successfully cultivated without any debilitating water stress impact. Suka Mulya Estate recorded the lowest mean annual rainfall while Bumi Arjo Estate the highest. In general, all four estates recorded less mean rainfall for August and September.

Table 3: Rainfall data for individual estate [2011 to 2012 (until May)]

Month \ Estate		Bumi Arjo	Debuk Rejo	Suka Mulya	Bambu Kuning
2011	January	178	268	170	207
	February	291	124	175	196
	March	537	573	479	586
	April	351	415	324	376
	May	273	263	137	184
	June	199	111	80	163
	July	116	65	120	21
	August	11	4	-	-
	September	6	6	9	-
	October	231	286	236	272
	November	319	410	195	445
	December	548	414	484	464
2012	January	398	236	315	310
	February	423	333	421	331
	March	245	336	317	401
	April	469	346	328	261
	May	136	129	128	63
Total for 2011		3,060	2,939	2,409	2,914
Grand Total		4,731	4,319	3,918	4,280

2.4 Description of supply base

The PKS Buloh Cawang receives FFB from estates within the region namely Bumi Arjo, Debuk Rejo, Suka Mulya and Bambu Kuning. See **Table 4** below for FFB production for their own supply base estates as well as outside crop purchased from ex-plasma plantations of PT Tania Selatan. Total Crude Palm Oil (CPO) and Palm Kernal (PK) production are shown in **Table 5** respectively.

Table 4: FFB Production Record [2008-2012]

Estate	FFB production (Metric Tonne)					
	2008	2009	2010	2011	2012	2012 (until MAY)
Bumi Arjo	708.486	1,880.012	2,417.581	2,507.449	2,793.044	665.757
Debuk Rejo	44,465.121	49,297.135	56,302.920	58,126.146	56,175.735	16,486.535
Suka Mulya	39,248.636	34,696.976	46,799.784	50,350.791	37,175.902	11,378.203
Bambu Kuning	44,584.667	31,200.280	45,824.167	49,398.485	35,064.238	13,059.079
Supply base total	129,006.910	117,074.403	151,344.452	160,382.871	131,208.919	41,589.574
Outside crop	105,543.700	95,881.766	88,012.407	116,194.018	111,981.147	36,381.385
TOTAL	234,550.610	212,956.169	239,356.859	276,576.889	243,190.066	77,970.959

Table 5: CPO and PK Production Record[2008-2012]

Year	FFB Processed		CPO		PK		% OER	% KER
	Supply Base	Outside crop	Supply Base	Outside crop	Supply Base	Outside crop		
2008	129,006.91	105,543.70	28,807.24	23,567.91	6,501.95	5,319.40	22.33	5.04
2009	117,074.40	95,881.77	25,557.34	20,930.99	5,806.89	4,755.74	21.83	4.96
2010	151,344.45	88,012.41	31,994.22	18,605.82	7,703.43	4,479.83	21.14	5.09
2011	160,382.87	116,194.02	34,033.25	24,656.37	8,035.18	5,821.32	21.22	5.01
2012 (until May)	41,589.57	36,381.39	8,679.74	7,592.80	1,987.98	1,739.03	20.87	4.78
2012 (until DEC)	131,208.92	111,981.15	26,372.99	22,508.21	6,534.20	5,576.66	20.10	4.98

2.5 Planting Profile

The planted oil palm can be classified into 4 age classes, the classes being; immature (<31 months), age six years and below (<6), age six to fifteen years (6-15) and age sixteen to twenty five years (16-25). The field is replanted when the oil palm reaches 25 years of age within the estates (for more details, see **Table 2**).

2.6 Organisational information/contact person

Name	Simon Siburat
Designation	Group Sustainability Controller Wilmar International Limited, 56 Neil Road, 08883 Singapore, SINGAPORE
Contacts	Tel: + 6565070513 Fax:
Email	simonsiburat@wilmar.com.my

3. 30 DAYS STAKEHOLDER NOTIFICATION

The 30 days stakeholder notification was published in the RSPO website on 1st June 2012. Until the end of audit and at the time of writing this report there were no feedbacks received from the stakeholders consulted.

4. TIME BOUND PLAN

WILMAR INTERNATIONAL LTD as one of the main player in the oil palm industry in Malaysia has made commitment to bring all of its holding to RSPO certification latest by 2015. The certification schedule for Wilmar's plantation management unit is provided in **Table 6**. The plan developed by Wilmar is very challenging but the company has made good progress where at least one certification unit has been certified and several more are at various stages of certification process.

Table 6: Timebound Plan for Wilmar's Plantation Management Unit

Plantations Companies	Location	Year of Audit
Sapi (1+2)	Sandakan, Sabah	2008
Sabahmas	Lahad Datu, Sabah	2008
Reka Halus	Sandakan, Sabah	2008
Saremas (1+2)	Miri, Sarawak,	2008
Kaminsky	Miri, Sarawak.	2008
Suai	Miri, Sarawak,	2008
Segarmas	Miri, Sarawak.	2008
PT Milano (SDE, BSE & MBE)	North Sumatra	2009
PT Mustika Sembuluh	Central Kalimantan	2009
Terusan (1 + 2)	Sandakan, Sabah.	2009

Kiabau	Sandakan, Sabah.	2009
Ribubonus	Sandakan, Sabah.	2009
PT Kencana Sawit Indonesia	West Sumatra.	2010
PT Kerry Sawit Indonesia	Central Kalimantan	2010
PT Tania Selatan (BT & BB)	South Sumatra	2010
Hibumas	Sandakan, Sabah.	2010
Sri Kamusan	Sandakan, Sabah.	2010
Sekar Imej	Sandakan, Sabah.	2010
Aktif Kukuh & Koperasi	Sandakan, Sabah.	2010
PT AMP Plantation	West Sumatra	2011
PT Primatama Muliajaya	West Sumatra	2011
PT ANI (Sambas)	West Kalimantan	2012
PT Buluh Canang Plantations	South Sumatra	2012
PT Tania (Bamboo Kuning)	South Sumatra	2012
PT Bumi Sawit Kencana	Central Kalimantan	2012
PT Gersindo Minang Plantations	West Sumatra	2012
PT Permata Hijau Pasaman	West Sumatra	2012
PT Sarana Titian Permata	Central Kalimantan	2012
PT Agro Palindo Sakti	South Sumatra	2013
PT Citra Riau Sarana	Riau	2013
PT Daya Labuhan Indah	North Sumatra	2013
PT Milano (CDE)	North Sumatra	2013
PT Mentaya Sawit Mas	Central Kalimantan	2013
PT Asiatic Persada	Jambi	2013
PT ANI (Landak)	West Kalimantan	2013
PT Pratama Prosentindo	West Kalimantan	2013
PT Putra Indotropical	West Kalimantan	2013
PT Agro Palindo Sakti	West Kalimantan	2014
PT Daya Landak Plantation	West Kalimantan	2014
PT Indoresins Putra Mandiri	West Kalimantan	2014
PT Murini Sam Sam	Riau	2014
PT Sinarsiak Dianpermai	Riau.	2014
PT Karunia Kencana Permaisejati	Central Kalimantan	2014
PT Rimba Harapan Sakti	Central Kalimantan	2015
PT Buluh Cawang Plantations	West Kalimantan	2015
BBPOP (Benso Plantations)	Ghana	2015
PT Musi Banyuasin Indah	South Sumatra	2015

5. PREPARATION FOR THE EVALUATION

5.1 Schedule

The evaluation was preceded by a discussion on the logistic planning with Wilmar’s personnel. This is important to ensure that sufficient time is allocated to allow coordination among team members.

5.2 Team

The team that conducted the Main Assessment are presented in Table below. The qualification and experience of the auditors are also briefly described

Evaluation Team	The Auditors
Lead Auditor	Abdul Haye Semail, a degree holder in B.Sc. is a forester by profession and has 15 years experience in forest harvesting and plywood industry. As a trained assessor, he has been involved in forest management, palm oil and chain of custody certification for the last 4 years. Trained by RSPO for auditing against RSPO P&C and involved in a number of plantation assessments and inspection of palm oil mill. In addition he also has undergone the necessary ISO 14000 lead auditor course as well as SA8000 course.
Auditor	James S H Ong, a B.Agric Sc. holder and agronomist in SGS (M) Sdn Bhd. He has many years experience in agriculture sector in Malaysia having worked in estates as well in the agrochemical and fertiliser industry. He is well versed with agrochemical and fertiliser applications. Has undergone ISO and RSPO Lead Auditor training and involved in a number audits on oil palm plantations.
Auditor	Zaenal Abidin, is a degree holder in forestry from Indonesia. He has a 17 years experience in operating 17 years national experience in forestry. He has specialization in forest management certification and forest plantation management certification. Has undergone the necessary an RSPO Endorsed Lead Auditor Course and ISO 14001 Lead Auditor course and has gathered substantial auditing experience pertaining to forest certification as well as RSPO certification.
Auditor	Mohd Faisal Jaafar, is a degree holder in forestry from Universiti Putra Malaysia. Faisal has a 7 years experience in operating Malaysian Timber Certification Scheme with specialization in forest management certification and forest plantation management certification. Has undergone the necessary an RSPO Endorsed Lead Auditor Course and ISO 9000 Lead Auditor course and has gathered substantial auditing experience pertaining to forest certification as well as RSPO certification.

6. THE EVALUATION

6.1 Opening meeting

An opening meeting was held at PKS Buloh Cawang on 4th July 2012. The scope of the evaluation was explained and schedules and estates to be visited were determined. Attendance record for all persons that attended this meeting is kept.

6.2 Document review

A review of the main plantation management documentation was conducted to evaluate the adequacy of coverage of the QUALIPALM Programme requirements. This involved examination of policies, management plans, systems, procedures, instructions and controls.

6.3 Sampling and Evaluation Approach

Schedule for field visits were determined during the opening meeting after the briefing given by the Wilmar's management. Focus of the visit was to understand and analyse the implementation of management practices and procedures within RSPO INA-NIWG requirements.

6.4 Field Assessment

The aim of the field assessments was to determine how closely the activities in the field complied with documented management systems and QUALIPALM Programme requirements. Interviews with the staffs, operators and contractors were conducted to determine their understanding in the implementation of policies, procedures and practices that are relevant to the RSPO INA-NIWG requirements. Carefully selected sample of sites were visited to evaluate whether practices met the required performance levels.

As part of the effort to cover more areas, the verification team was divided and each member worked independently. The areas visited on a daily basis were tabulated in the schedule given below:

Date	Details of the Audit
3 July 2012 (Tuesday) 8.00 am	<ul style="list-style-type: none"> • Introduction to the audit by SGS • Briefing by the BCP Estates and Mill on the operations and activities • Formulation of audit schedule • Field Visit @ Suka Mulya: <ul style="list-style-type: none"> ✓ Spraying ✓ Manuring ✓ Harvesting ✓ HCV Area ✓ Boundary stone
2.00 pm	<ul style="list-style-type: none"> • Documentation Review – Suka Mulya & Dabok Rejo • Interview stakeholders Union Leaders, Gender Committee , workers, crèche care taker • Field Visit: <ul style="list-style-type: none"> ✓ Storage ✓ Line site
4 July 2012 (Wednesday) 8.00 am	<ul style="list-style-type: none"> • Field Visit @ Bumi Arjo & Bambu Kuning: <ul style="list-style-type: none"> ✓ Rubber processing waste water treatment ✓ Rubber harvesting ✓ Spraying ✓ Manuring ✓ HCV Area ✓ Riparian & Bufferzone ✓ Landfill ✓ Harvesting ✓ Line site
2.00 pm	<ul style="list-style-type: none"> • Documentation Review – Bumi Arjo & Buluh Kuning

	<ul style="list-style-type: none"> Field Visit <ul style="list-style-type: none"> ✓ Storage Interview with local communities (Cipta Sari, Sumbu Sari, Mukti Sari and Bapak Matedin).
5 July 2012 (Thursday) 8.00 am	<ul style="list-style-type: none"> Buluh Cawang Plantation Palm Oil Mill <ul style="list-style-type: none"> ✓ Mill records on production RE usage , water usage ✓ Site & facilities visit ✓ Supply Chain audit <ul style="list-style-type: none"> ➢ SOP ➢ Record Keeping ➢ Training
2.00 pm	<ul style="list-style-type: none"> Preparation of Audit Findings
4.00 pm	<ul style="list-style-type: none"> Closing Meeting

6.5 Summing up and closing meeting

At the conclusion of the field evaluation, preliminary findings were presented to the company management at closing meeting held on 5th July 2012. Observations made highlighted compliance, partial compliance or non-conformance to the RSPO requirements.

7. EVALUATION RESULTS

Results of the evaluation are tabulated below. The findings made under each criteria are discussed where non compliances raised are raised against individual indicator of the INA-NIWG 2008.

The detailed findings that described the compliance and non-compliances (raised as NC) under each criterion are as follows:

Principle 1: COMMITMENT TO TRANSPARENCY		
Criterion 1.1	Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate language & forms to allow for effective participation in decision making.	
1.1.1	Records of requests and responses must be maintained.	<i>Compliance</i>
		<i>Major</i>
MA	<p><u>Findings:</u> Records or request and responses are inadequately maintained.</p> <p>Objective evidence: Commitment of transparency is addressed through a letter of commitment [Ref:981.02/TS.HRR/EXT/VII/2009] dated 10 July 2009. The letter stated Wilmar's commitment to be transparent in their operation and management. As of now, all records of response and request are recorded in the logbook on communication with external stakeholders.</p> <p>However, the auditing team note that the list of the relevant stakeholders for the PT. Tania Selatan is not made available to the auditing team during the stakeholder consultation prior to the audit date.</p>	

		<i>The company is in compliance to this requirement:</i> Observation 01	
1.1.2	Records of responses to information requests.		Compliance
			Major
1.1.3	MA	<p><u>Findings:</u></p> <p>Records of responses to information request are maintained.</p> <p>Objective evidence:</p> <p>Similar to the above, currently all records of response and request covering both complaints and information request are recorded in the logbook on communication with external stakeholders.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
	The records mentioned in 1 and 2 must be maintained for a period of time determined by the company, taking into account their relative importance.		Compliance
			Major
1.1.3	MA	<p><u>Findings:</u></p> <p>The records mentioned above are maintained, taking into account their relative importance.</p> <p>Objective evidence:</p> <p>The auditing team note that all of the above mentioned records are maintained and periodically reviewed to incorporated the latest development and correspondence channelled by the relevant stakeholders.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
1.2.1	Land titles / user rights (C 2.2)		Compliance
	<p>1. Information and responses must include any relevant or required documentation, in accordance with applicable national laws, such as:</p> <ul style="list-style-type: none"> • Legal: Land titles/user rights (Site Permit (<i>Izin Lokasi</i>), Plantation Operation Permit (<i>Izin Usaha Perkebunan</i>), Land Use Title (<i>Hak Guna Usaha</i>) or other documentation relating to application for Land Use Title in accordance with relevant procedures) • Environmental: Environmental and Social Impact Assessment (<i>AMDAL / UKL-UPL</i>) and environmental management and monitoring reports (Laporan RKL-RPL) • Social: Documentation of social activities and community programs. • Health and Safety Plan • <i>Continuous improvement plan</i> 		Major

	MA	<p><u>Findings:</u></p> <p>Information and responses includes legal and environmental documentation, in accordance with applicable laws.</p> <p>Objective evidence:</p> <p>The company has issued a letter in term of information transparency for public assigned by top management (Mr. Low Kim Seng) # 012/SK-BCP/IV/2012 dated on 01 April 2012. According to this letter, stakeholders can access to the company's legal, environmental and social documentations as follows::</p> <ul style="list-style-type: none"> - AMDAL - Company policy - Annual report - Land use title and other related documents - Production monthly report (mill and estates) - Area of estates and mill accompanied with map - CSR program report - Operation procedures (estates and mill) - Organisation chart - HCV management plan and report - Social management plan and report. <p>This letter has been communicated to stakeholders identified (local community, local government and NGOs). List of Attendance of stakeholders communication is available. According to procedure for communication, consultation, coordination with stakeholder (PRO-BNM-001), Bina Mitra staff has been identified as the responsible personnel to provide this information at upon request.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
1.2.2	<p>The records must be maintained for a period of time determined by the company, taking into account their relative importance.</p> <p>MA</p> <p><u>Findings:</u></p> <p>The records are maintained for a period of time determined by the company, taking into account their relative importance.</p> <p>Objective evidence:</p> <p>All records regarding information transparency is maintained by document controller and retention time of at least ten (10) years has been specified for all relevant documents and records.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	<p><i>Compliance</i></p> <p><i>Major</i></p>	

Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATION		
Criterion 2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	
2.1.1	Evidence of compliance with legal requirements.	<p><i>Compliance</i></p> <p><i>Major</i></p>

	<p>MA</p>	<p><u>Findings:</u></p> <p>Compliance with legal requirements is not adequately practiced.</p> <p>Objective evidence:</p> <p>The company has some permits and documents to comply with all applicable legal requirements, for examples:</p> <ul style="list-style-type: none"> - Environmental Impact Assessment (AMDAL), approved by Head of Bapedalda # 570/KPTS/Bapedalda/2004 dated on 28 October 2004 - Site Permit, approved by Governor of South Sumatera Province # 66/KPTS/HK PND/1989 dated on 8 August 1989. - Land Use Title (<i>Hak Guna Usaha</i>), approved by National Land Bureau # 06/HGU/1990 dated on 15 March 1990. - Recommendation of land conversion from Oil Palm Research Centre # 011/Pel.Jar/III/93 dated on 29 March 1993 regarding rubber conversion to oil palm total 3000 ha at Bumi Arjo and Suka Mulya Estate. - Plantation Operation Permit, approved by Ministry of Forestry and Plantation # 931/Menhutbun-VII/2000 dated on 8 August 2000. - Renewal of Land Use Title (<i>Hak Guna Usaha</i>), approved by National Land Bureau # 20/HGU/BPN/2005 dated on 10 March 2005 regarding renewal of Land Use Title (<i>Hak Guna Usaha</i>) valid 31 December 2020. - Site Permit for Change of Commodity, approved by Head of Ogan Komerling Ilir Regency # 169/KEP/D.PERKE/2012 dated on 29 February 2012. - Deep well utilization permit (SIPA) # 540/29/Kep/DPE/2011 valid 15 November 2013. - Land application permit # 238/Kep/B.L.H/2012 dated on 21 March 2012. - Permit of temporary hazardous waste storage # 540/30/KEP/DPE/2011 valid November 2016. <p>However visit to the field evidenced that Farm tractor operator did not have proper valid transportation license i.e. "<i>lisensi K3 operator pesawat angkat dan angkut</i>" that is required under the Indonesian Law.</p> <p><i>The company is in compliance to this requirement: Observation 02</i></p>				
<p>2.1.2</p>		<table border="1"> <tr> <td data-bbox="446 1289 1307 1369"> <p>Evidence of efforts made to comply with changes in the regulations.</p> </td> <td data-bbox="1307 1289 1472 1369"> <p>Compliance</p> </td> </tr> <tr> <td colspan="2" data-bbox="446 1369 1472 1747"> <p><u>Findings:</u></p> <p>Efforts made to comply with changes in the regulations are adequately evidenced.</p> <p>Objective evidence:</p> <p>The company has documented system to comply with changes in the applicable regulations and other requirements related to plantation and mill issues, land use issue, environmental issues, labour issues and health and safety issues. During the audit, the auditing team note that the company has established procedure for identification and evaluation of applicable regulations and legislations (PRO-BNM-008) to comply the applicable regulations and other requirements and its changes.</p> <p><i>The company is in compliance to this requirement: Y</i></p> </td> </tr> </table>	<p>Evidence of efforts made to comply with changes in the regulations.</p>	<p>Compliance</p>	<p><u>Findings:</u></p> <p>Efforts made to comply with changes in the regulations are adequately evidenced.</p> <p>Objective evidence:</p> <p>The company has documented system to comply with changes in the applicable regulations and other requirements related to plantation and mill issues, land use issue, environmental issues, labour issues and health and safety issues. During the audit, the auditing team note that the company has established procedure for identification and evaluation of applicable regulations and legislations (PRO-BNM-008) to comply the applicable regulations and other requirements and its changes.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
<p>Evidence of efforts made to comply with changes in the regulations.</p>	<p>Compliance</p>					
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<p>2.1.1 Minor</p>		<table border="1"> <tr> <td data-bbox="446 1747 1307 1822"> <p>A documented system, which includes written information on legal requirements that the palm oil company should comply with.</p> </td> <td data-bbox="1307 1747 1472 1822"> <p>Compliance</p> </td> </tr> <tr> <td colspan="2" data-bbox="446 1822 1472 1873"> <p><u>Findings:</u></p> </td> </tr> </table>	<p>A documented system, which includes written information on legal requirements that the palm oil company should comply with.</p>	<p>Compliance</p>	<p><u>Findings:</u></p>	
<p>A documented system, which includes written information on legal requirements that the palm oil company should comply with.</p>	<p>Compliance</p>					
<p><u>Findings:</u></p>						

		<p>Inadequate evidence of a documented system, which includes written information on legal requirements that the palm oil company should comply with.</p> <p>Objective evidence:</p> <p>The company has registered all applicable regulations and other requirements into Law Register (FRM-GEN-026) last update on 01 May 2012 and other requirements register (permits and licenses). However law register did not cover the following new regulations:</p> <ul style="list-style-type: none"> - Ministry Regulation of Manpower and Transmigration # Per.13/Men/X/2011 regarding the limit threshold value of physical and chemical factor in the workplace. - Regulation Government # 50/2012 regarding implementation of health and safety management system. - Ministry Regulation of Agricultural # 07/Permentan/SR.140/2/2007 regarding requirement and procedure of pesticide registration. - ILO Code of Practice: safety and health in forestry work. <p>Register of law and other requirements includes plantation and mill issues, land use issue, environmental issues, labour issues and health and safety issues.</p> <p><i>The company is in compliance to this requirement: N (Minor CAR 01)</i></p>	
2.1.2 Minor		<p>A mechanism for ensuring that compliance with relevant legal requirements is implemented.</p> <p>Findings:</p> <p>Evidence of a mechanism for ensuring that compliance with relevant legal requirements is implemented.</p> <p>Objective evidence:</p> <p>According to procedure for identification and evaluation of applicable regulations and legislations (PRO-BNM-008), the applicable regulations and other requirement are annually evaluated for its compliance (last update on 01 May 2012). The result of evaluation is recorded into Law Register (FRM-GEN-026).</p> <p><i>The company is in compliance to this requirement: Y</i></p>	<p><i>Compliance</i></p> <p>Minor</p>
Criterion 2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.		
2.2.1		<p>Documents showing ownership or lease of the land in accordance with relevant laws</p> <p>Findings:</p> <p>Availability of documents showing ownership or lease of the land in accordance with relevant laws.</p> <p>Objective evidence:</p> <p>The company has Renewal of Land Use Title (<i>Hak Guna Usaha</i>), approved by National Land Bureau # 20/HGU/BPN/2005 dated on 10 March 2005 regarding renewal of Land Use Title (<i>Hak Guna Usaha</i>) total 8,496.95 ha valid 31 December 2020.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	<p><i>Compliance</i></p> <p>Major</p>
	MA		
2.2.2		<p>Evidence that legal boundaries are clearly demarcated and visibly maintained.</p> <p>Findings:</p> <p>Legal boundaries are clearly demarcated and visibly maintained.</p> <p>Objective evidence:</p> <p>During the field visit, the auditing team observed that all plantation areas have been clearly demarcated and maintained through clearance along the boundary line and also maintenance of boundary poles. Poles were made by the National Land Bureau using</p>	<p><i>Compliance</i></p> <p>Major</p>
	MA		

		concrete material. Plantation map is also verified and found to be legible. <i>The company is in compliance to this requirement: Y</i>	
2.2.3		Where there are, or have been, disputes, proof of resolution or progress towards resolution by conflict resolution processes acceptable to all parties are implemented. CF 2.3.3, 6.4.1 and 6.4.2.	<i>Compliance</i> <i>Major</i>
	MA	<u>Findings:</u> Progress towards resolution by conflict resolution processes acceptable to all parties are implemented. Objective evidence: The company is dealing with land dispute with several people from Belida Village in Block 12-13 total 2 ha. Dispute resolution process is conducted by consensus agreement between two parties by way of compensation of this land. Records of resolution process are kept by Bina Mitra Department. <i>The company is in compliance to this requirement: Y</i>	
2.2.1 Minor		Evidence of land acquisition resolution with free prior and informed consent.	<i>Compliance</i> <i>Minor</i>
	MA	<u>Findings:</u> Land acquisition resolution is implemented with free prior and informed consent. Objective evidence: Land dispute has occurred before PT BCP was taken over by Wilmar Group. Based on document of land dispute resolution (including map), the company has given compensation to communities who have the land in the plantation area. Evidences of official reports of handover compensation are verified. <i>The company is in compliance to this requirement: Y</i>	
2.2.2 Minor	MA	A mechanism to resolve conflict which is accepted by all parties.	<i>Compliance</i> <i>Minor</i>
		<u>Findings:</u> Availability of a mechanism to resolve conflict which is accepted by all parties. Objective evidence: The company has established procedure for external dispute resolution. When there is dispute resolution, the company inform this procedure to interested parties for dispute resolution mechanism. If there is input from interested parties regarding this procedure, the company will revise accordingly. According to this procedure, stages of dispute resolution are identification of dispute, clarification, compromise, decision. The law action is a final settlement will be pursued by the company, if the dispute cannot be completed. <i>The company is in compliance to this requirement: Y</i>	

Criterion 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		Records of any negotiated agreements between traditional owners of land and plantation companies (if any), supplemented with maps in appropriate scale	<i>Compliance</i> <i>Major</i>
	MA	<u>Findings:</u> Not applicable as there is no traditional owners of land in the company's plantation. Objective evidence:	

		No traditional owners of land in the company's plantation. According to record of dispute resolution, all disputes are related to land claim by some communities. <i>The company is in compliance to this requirement: Y</i>	
2.3.2		Maps of an appropriate scale showing extent of recognized customary rights.	Compliance <i>Major</i>
	MA	<u>Findings:</u> Not applicable as there is no traditional owners of land in the company's plantation. Objective evidence: No traditional owners of land in the company's plantation. According to record of dispute resolution, all disputes are related to land claim by some communities. <i>The company is in compliance to this requirement: Y</i>	
2.3.3		Copies of negotiated agreements detailing process of consent. (C2.2, 7.5 and 7.6).	Compliance <i>Major</i>
	MA	<u>Findings:</u> Not applicable as there is no traditional owners of land in the company's plantation. Objective evidence: No traditional owners of land in the company's plantation. According to record of dispute resolution, all disputes are related to land claim by some communities. <i>The company is in compliance to this requirement: Y</i>	

Principle 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY			
Criterion 3.1	There is an implemented management plan that aims to achieve long-term economic and financial viability.		
3.1.1		A documented working plan of the company for a minimum of 3 years period.	Compliance <i>Major</i>
	MA	<u>Findings:</u> A documented working plan of the company for a minimum of 3 years period is available. Objective evidence: Annual budget involving 5 years cost comparison available. These budgets indicate 3 years advance budgeting of direct cost. The budgets also include work to support sustainability. <i>The company is in compliance to this requirement: Y</i>	
3.1.2		Annual replanting programme, where applicable projected for a minimum of 5 years with yearly review.	Compliance <i>Minor</i>
	MA	<u>Findings:</u> Annual replanting programme projected for a minimum of 5 years with yearly review is available. Objective evidence: Replanting programmes are available for all individual estates. A 5 year replanting programme is available for all estates that is supported with the budgeting figure as a replanting cost. <i>The company is in compliance to this requirement: Y</i>	

Principle 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS:		
Criterion 4.1	Operating procedures are appropriately documented and consistently implemented and monitored.	
4.1.1	1. Standard Operating Procedures (SOPs) for estates, from land clearing to harvesting.	
		<i>Compliance</i> <i>Major</i>
	MA	<p><u>Findings:</u></p> <p>Standard Operating Procedures (SOPs) for estates, from land clearing to harvesting is available.</p> <p>Objective evidence:</p> <p>The Standards Operating Procedures for estates is available. The auditing team observed that all procedures relating to the procedures to operate the estates are available in local language and found within the General SOP (PT.PCB DC.03). Para relating to the procedures for land clearing is made available within the SOP-Est -002 (2011) while for harvesting is highlighted within the SOP-Est-016. The auditing team also observed that the above SOP also is made available in English language entitled Agriculture manual & SOP for Oil Palm.</p> <p><i>The company is in compliance to this requirement: Y</i></p>
4.1.2	Standard Operating Procedures (SOPs) for mills, from reception of FFB to dispatch of Crude Palm Oil and Palm Kernel Oil.	
		<i>Compliance</i> <i>Major</i>
	MA	<p><u>Findings:</u></p> <p>Standard Operating Procedures (SOPs) for mills, from reception of FFB to dispatch of Crude Palm Oil and Palm Kernel Oil is available.</p> <p>Objective evidence:</p> <p>PKS Buloh Cawang Plantations has established a series of SOPs to operate the mills covering all processes from reception of FFB to the dispatch of the Crude Palm Oil and Palm Kernel Oil. Example of SOPs observed during the main assessment are as follows:</p> <ul style="list-style-type: none"> a) SOP-MIL-001 – Receiving of Fresh Fruit Bunch b) SOP-MIL-014 - Kernel Station c) SOP-MIL-030 – Reception and Dispatch of the Crude Palm Oil d) SOP-MIL-049 – Operation of Drilling Machine e) SOP-MIL-046 (ver:00) dated 01 July 2012 – Traceability and Supply Chain Certification System f) SOP-MIL-045 – Fresh Fruit Bunch, Crude Palm Oil, and Palm Kernel Weighing g) SOP-MIL-047 – Mass Balance h) SOP-MIL-039 – Despatch of Crude Palm Oil and Palm Kernel i) SOP-MIL-048 – Information on the Increment of Production <p><i>The company is in compliance to this requirement: Y</i></p>
4.1.1 Minor	Records of checking or monitoring of operations. Minimum requirement: once a year.	
		<i>Compliance</i> <i>Minor</i>
	MA	<p><u>Findings:</u></p> <p>Inadequate checking or monitoring of operations of at least once a year.</p> <p>Objective evidence:</p> <p>The Standard Operating Procedures for plantations for estates are verified. The auditor team note that the first version of the SOP is dated back in January 2011. Verification at</p>

		Bumi Arjo Estate evidenced that the estate's SOP is up-to-date based on the latest date i.e. 30 June 2012. However, the similar update is not done for the SOP for Dabuk Rejo Estate that is still using the first version. <i>The company is in compliance to this requirement: Observation 03</i>	
4.1.2 Minor		Records of operational results.	<i>Compliance</i>
		<i>Minor</i>	
		<u>Findings:</u> Records of operational results are observed. Objective evidence: The operational record of the SOPs for all estates is evident. However, similar to the above findings, the record for Dabuk Rejo is still using the first version. <i>The company is in compliance to this requirement: refer to Observation 02</i>	
Criterion 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		Records of regular soil, leaf, and visual analysis.	<i>Compliance</i>
		<i>Minor</i>	
	MA	<u>Findings:</u> Availability of records of regular soil, leaf, and visual analysis. Objective evidence: The Foliar Analysis Results for the visiting estates are evident. In total, 263 samples was taken and record. The analysis results are recorded in document Ref no: 21/daun/VII/2011/PT TS. In addition, the Fertiliser Recommendation is found in the PT-BCP-Kebun Dabuk Rejo – Rencana & Real Pupuk 2012. In Suka Mulya, the application of 2.5 kg of Kieserite fertiliser based on recommendation is observed during the audit in Block 019. Similarly in Bumi Arjo, application of Kieserite at 2.5 kg was observed in Block 101. <i>The company is in compliance to this requirement: Y</i>	
4.2.2		Records of efforts to maintain and increase soil fertility (e.g. the use of fertilizer, legume cover crops, compost, and land applications of POME or EFB) based on the results of analysis carried out as in Point 1 above.	<i>Compliance</i>
		<i>Minor</i>	
	MA	<u>Findings:</u> Availability of records of efforts to maintain and increase soil fertility based on the results of analysis carried out. Objective evidence: Empty Fruit Bunch (EFB) and Palm Oil Mill Effluent (POME) application are applied depending Schedule of Records of POME Application on the distance of the applied area from the mill. Records of POME are kept within the document entitled Schedule of Records of POME Application (FRM-Est-138). On the other hand, records of EFB application are recorded in the Schedule of Records of EFB Application (FRM-Est -115). <i>The company is in compliance to this requirement: Y</i>	
Criterion 4.3	Practices minimise and control erosion and degradation of soils.		
4.3.1		Maps of fragile soils must be available.	<i>Compliance</i>
			<i>Minor</i>

	MA	<p><u>Findings:</u></p> <p>Maps of fragile soil are available.</p> <p>Objective evidence:</p> <p>The Unit has conducted a semi-detail soil survey in March 1995 by the appointed consultant i.e. Param Agricultural Soil Survey (M) Sdn Bhd for Dabuk Rejo, Kebun Suka Mulya and Bumi Arjo Estates. Based on records, there are no fragile or peat soils were identified.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
4.3.2	A management strategy should exist for plantings on slopes above a certain limit (needs to be soil and climate specific).		<p><i>Compliance</i></p> <p><i>Minor</i></p>
	MA	<p><u>Findings:</u></p> <p>Availability of a management strategy should exist for plantings on slopes above a certain limit.</p> <p>Objective evidence:</p> <p>The management strategy for planting on slopes above a certain limit is captured within Chapter 5: Part 2 of the Standard Operating Procedures (SOP) Oil Palm Planting Density. The said chapter describes the pattern, density, procedures for planting on terraces.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
4.3.3	Presence of road maintenance programme.		<p><i>Compliance</i></p> <p><i>Minor</i></p>
	MA	<p><u>Findings:</u></p> <p>Evidence of road maintenance programme.</p> <p>Objective evidence:</p> <p>The road maintenance programme is found captured within the document Road maintenance (Perawatan Jalan) (FRM-Est-066).</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
4.3.4	Subsidence of peat soils should be minimised through an effective and documented water management programme.		<p><i>Compliance</i></p> <p><i>Minor</i></p>
	MA	<p><u>Findings:</u></p> <p>Not applicable as there is no peat soils within the estates of this company.</p> <p>Objective evidence:</p> <p>There is no peat soil within the estates of this company.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
4.3.5	A management strategy should be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils)		<p><i>Compliance</i></p> <p><i>Minor</i></p>
	MA	<p><u>Findings:</u></p> <p>Not applicable as there is no fragile soils within the estates of this company.</p> <p>Objective evidence:</p> <p>There is no fragile soil within the estates of this company.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion	Practices maintain the quality and availability of surface and ground water.		

4.4									
4.4.1	Protection of watercourses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting.		<i>Compliance</i> Major						
MA	<p><u>Findings:</u></p> <p>Inadequate protection of watercourses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting.</p> <p>Objective evidence:</p> <p>During the Main Assessment, the auditing team note that there are evidences of spraying was done along one of the identified bufferzone in Bumi Arjo Estate. In addition, observation within the same area also evidenced the planting along the bufferzone at the watercourse although the SOP for Land Clearing (SOP PRO-Est-002) dated 1 January 2011 stated no planting is allowed along the watercourse. Furthermore the auditing team also note that the rubber processing wastewater is not being well treated before being discharged into the watercourse.</p> <p>The auditing team note that such occurrence only observed in one block and one estate i.e. Bumi Arjo Estate out of a number of estates and areas visited during the audit. As such, the auditing team was of the view a Minor CAR is relevant here instead of Major.</p> <p><i>The company is in compliance to this requirement: N (Major CAR 02)</i></p>								
4.4.1 Minor	An implemented water management plan.		<i>Compliance</i> Minor						
MA	<p><u>Findings:</u></p> <p>Evidence of implemented water management plan.</p> <p>Objective evidence:</p> <p>The water management plan is captured and implemented through the document entitled Substiansi Water Management dated 10th Jan 2012. The document records the objective, water source, maintenance of water source and quality.</p> <p>In addition, water treatment is conducted using three documents as follows:</p> <ul style="list-style-type: none"> • Water Resource Routine Treatment Schedule (FRM-Est-147); • Water Quality Conservation Schedule (FRM-Est -146); and • Water Monitoring Schedule (FRM-EST-178) <p><i>The company is in compliance to this requirement: Y</i></p>								
4.4.2 Minor	Monitoring of effluent BOD.		<i>Compliance</i> Minor						
MA	<p><u>Findings:</u></p> <p>Monitoring of effluent BOD is adequately implemented.</p> <p>Objective evidence:</p> <p>Monitoring of effluent BOD is conducted on a monthly basis. An example of Certificate of analysis (<i>Sertifikat Hasil Uji No. 660/1769/SHU-LAB/VI/2012</i>) for the sampling of wastewater dated 18 July 2012 is available to the auditing team during the main assessment. In summary, the following readings derived from the analysis:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">Pond 4 (sample 441)</td> <td style="text-align: center;">Pond 7 (sample 442)</td> </tr> <tr> <td style="text-align: center;">BOD (mg/l)</td> <td style="text-align: center;">3,271</td> <td style="text-align: center;">726</td> </tr> </table> <p>The BOD was within the maximum permit : <i>Kadar Maksimal Permen LH no.28-29 Th.2003 of <5000 mg/l</i></p>			Pond 4 (sample 441)	Pond 7 (sample 442)	BOD (mg/l)	3,271	726	
	Pond 4 (sample 441)	Pond 7 (sample 442)							
BOD (mg/l)	3,271	726							

		<i>The company is in compliance to this requirement: Y</i>																	
4.4.3 Minor	Monitoring of mill water use per tonne of FFB.		Compliance																
			Minor																
	MA	<p><u>Findings:</u> Evidence of monitoring of mill water use per tonne of FFB.</p> <p>Objective evidence: Monitoring of mill water use per tonne FFB is conducted and is recorded on a monthly usage for every metric tonne FFB processed. Sample of mill water usage monitored are as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>FFB processed (MT)</th> <th>Water Usage(MT)</th> <th>Water MT/ FFB MT</th> </tr> </thead> <tbody> <tr> <td>Apr'12</td> <td>17,029</td> <td>19,072</td> <td>1.180</td> </tr> <tr> <td>May '12</td> <td>21,114</td> <td>23,214</td> <td>1.099</td> </tr> <tr> <td>Jun'12</td> <td>20,988</td> <td>22,857</td> <td>1.089</td> </tr> </tbody> </table> <p><i>The company is in compliance to this requirement: Y</i></p>		Month	FFB processed (MT)	Water Usage(MT)	Water MT/ FFB MT	Apr'12	17,029	19,072	1.180	May '12	21,114	23,214	1.099	Jun'12	20,988	22,857	1.089
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Apr'12	17,029	19,072	1.180																
May '12	21,114	23,214	1.099																
Jun'12	20,988	22,857	1.089																
Criterion 4.5	Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.																		
4.5.1	An IPM plan is documented and current		Compliance																
			Major																
	MA	<p><u>Findings:</u> Availability of documented Integrated Pest Management (IPM)</p> <p>Objective evidence: SOP for IPM found captured in the Agriculture Manual SOP Chapter 8: Plant protection – Pest and disease management.</p> <p><i>The company is in compliance to this requirement: Y</i></p>																	
4.5.1 Minor	Monitoring extent of IPM implementation including training.		Compliance																
			Minor																
	MA	<p><u>Findings:</u> Evidence of monitoring extent of IPM implementation including training.</p> <p>Objective evidence: Monitoring and census are done through:</p> <ul style="list-style-type: none"> a) Barn owl nest occupancy FRM- Est -117 b) Leaf eating caterpillar FRM-est -109 c) Rat damage FRM-Est-110 <p>As stated in the SOP, should there is visual evidence of occurrence of pests on the individual palm within one particular plantation block, the inspection and monitoring team is summoned to study and monitor the level of pest occurrence. In general, 15-20 palm trees are sampled to represent the infected area and this is taken for every 40 ha. For every palm trees sampled, the growing stages of the pests (for bagworm) and number of damaged fruit (for rats) is recorded and studied by the designated personnel to gauge the level of outbreak either below, or beyond the threshold limit that subsequently warrants an intervention via usage of chemical. However, there is no occurrence of pest outbreak recorded within the estates.</p>																	

		<i>The company is in compliance to this requirement: Y</i>	
4.5.2 Minor	Monitoring of pesticide toxicity units (a.i. /LD 50 per tonne of FFB or per hectare).		Compliance
			Minor
	MA	<p><u>Findings:</u></p> <p>Evidence of monitoring of pesticide toxicity units.</p> <p>Objective evidence:</p> <p>Monitoring of pesticide toxicity is captured within the document entitled Chemical Usage Trend (<i>Trend penggunaan Bahan Kimia</i>) (FRM-Est-153). Currently, there are 3 herbicide that are monitored monthly i.e. <i>Glyphosate, Metsulfuron and 2,4,D Amine.</i></p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 4.6	Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.		
4.6.1	Evidence of use of only approved and registered agrochemicals permitted by the relevant authorities.		Compliance
			Major
	MA	<p><u>Findings:</u></p> <p>Only approved and registered agrochemicals permitted by the relevant authorities are used.</p> <p>Objective evidence:</p> <p>The auditing team observed that all chemicals found within the company's premises are registered by the Dept Agriculture Indonesia such as Glisat, Winson, Rhodiamine, and Starmin</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
4.6.2	Records of pesticide use (including active ingredients used, area treated, amount applied per ha and number of applications).		Compliance
			Major
	MA	<p><u>Findings:</u></p> <p>Availability of records of pesticide use.</p> <p>Objective evidence:</p> <p>All records pertaining to active ingredients used, area treated, amount applied per ha and number of applications are captured within the document Chemical Usage Trend (FRM-Est-153).</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
4.6.3	Documentary evidence that usage of agrochemicals is appropriate for the target species, given at correct dosage and applied by trained personnel in accordance with the product label and storage instructions.		Compliance
			Major
	MA	<p><u>Findings:</u></p> <p>Inadequate evidence that usage of agrochemicals is appropriate for the target species, given at correct dosage and applied by trained personnel in accordance with the product label and storage instructions.</p> <p>Objective evidence:</p> <p>The usage of the pesticides is not following the correct usage, dosage and storage instructions. The following observations are evidenced:</p>	

		<ul style="list-style-type: none"> • calibration records are not accessible to show correct usage of chemicals; • blue and red nozzles are used for the same spray programme; • evidence that some of the Material Safety Data Sheet (MSDS) missing in chemical storage; • Store do not have good ventilation i.e. do not have ventilation fan installed; and • Evidence of no measurement equipment for measuring chemical in the field <p><i>The company is in compliance to this requirement: N (Major CAR 03)</i></p> <p><u>Close out evidence as of 02 May 2013:</u></p> <p>Following to the audit, the company has taken immediate action to resolve the above issues by submitting the close-out evidence in the form of training record and pictorial evidence showing action that has been taken to address the Major CAR issued. The evidence was submitted on 02 May 2013 stating the following evidences:</p> <ul style="list-style-type: none"> • Training (in the form of training records and pictorial evidence) that has been conducted to all mandore, sprayer workers and workers responsible for mixing of pesticides. The training records also stated the specific section on the following: <ul style="list-style-type: none"> ○ Safety and health of chemical handling in storage and in the field; ○ Training on the correct usage of the measuring equipment; and ○ correct usage of the spraying nozzles for particular spraying programme. • Pictorial evidence of the MSDS is found to be posted on the wall in the chemical storage; and • Pictorial evidence of newly renovated chemical storage showing new ventilation fan installed. <p>With the above observations, the Major CAR 03 issued is now closed.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
4.6.4	MA	<p>Waste material from agrochemicals including pesticides containers is properly disposed in accordance with laws and regulations.</p> <p><u>Findings:</u></p> <p>Waste material from agrochemicals including pesticides containers is found to be properly disposed in accordance with laws and regulations.</p> <p>Objective evidence:</p> <p>Currently all waste material from agrochemicals including pesticides containers is washed and kept at pesticides scheduled waste store. All pesticides containers is subjected to be bought by the licensed pesticides wastes collector.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	<p><i>Compliance</i></p> <p><i>Major</i></p>
4.6.1 Minor	MA	<p>Documentary evidence that use of chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, and paraquat, is reduced and/or eliminated.</p> <p><u>Findings:</u></p> <p>Availability of documentary evidence that use of chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, and paraquat, is reduced and/or eliminated.</p> <p>Objective evidence:</p>	<p><i>Compliance</i></p> <p><i>Minor</i></p>

		Based on record, the company has stopped using the paraquat in their plantation operation since a year ago. In addition, other chemical such as Klerat (consisting of a.i. broadifacoum 0.005% w/w) has not been used since November 2009. <i>The company is in compliance to this requirement: Y</i>	
4.6.2 Minor	Records of the results of health check-up for those who apply agrochemicals.		Compliance <i>Minor</i>
	MA	Findings: Records of the results of health check-up for those who apply agrochemicals is available. Objective evidence: Records of the results of health check-up for those who apply agrochemicals is found within the Workers Medical Surveillance Report (<i>Laporan Hasil Pemeriksaan Kesehatan Tenaga kerja</i>) dated 15 June 2012. <i>The company is in compliance to this requirement: Y</i>	
4.6.3 Minor	Records showing that no work with pesticides for pregnant and breastfeeding women.		Compliance <i>Minor</i>
	MA	Findings: No work with pesticides for pregnant and breastfeeding women. Objective evidence: Register Medical Surveillance for Sprayer Workers (Daftar hasil Pemeriksaan Karyawan Penyemprot) (FRM-KLK-013) provides the list of record of whether the sprayers are pregnant. Based on the above record, the auditing team note that there is no evidence of breastfeeding or pregnant women handling or work with pesticides. <i>The company is in compliance to this requirement: Y</i>	
Criterion 4.7	An occupational health and safety plan is documented, effectively communicated and implemented.		
4.7.1	Evidence of documented Occupational Safety & Health (OSH) policy and its implementation.		Compliance <i>Major</i>
	MA	Findings: Evidence of implementation of occupational safety and health (OSH) policy. Objective evidence: Safety and Health Policy is available. The document dated September 2010 is made available to the auditor during the audit. The policy is found to be posted on company's notice board at each of the visited estates. Nevertheless, in practice, there is inconsistency in implementing the OSH policy. The following non-conformances are evident: Nevertheless, verification during interview with a spraying mandore in Suka Mulya Estate evidenced that the Emergency procedure (contact person if emergency occur) is not made available to him. In addition, verification with a team of manuring workers in Bumi Arjo evidenced that the workers is using the unsuitable cotton glove for manuring works. Furthermore, inspection at workshop in Bumi Arjo observed an evidence of misuse of spillage kit or in summary : <ul style="list-style-type: none"> • Emergency procedure (contact person if emergency occur) not available at some work site; • Usage of unsuitable cotton glove for manuring workers; and • Evidence of misuse of spillage kit. 	

		<i>The company is in compliance to this requirement: N (Major CAR 04)</i>	
4.7.2	Responsible person for health and safety programmes are to be identified and records of regular meetings to discuss health, safety and welfare issues must be kept.	Compliance <i>Major</i>	
	MA	<p><u>Findings:</u></p> <p>Responsible person for health and safety programmes are identified and records of regular meetings to discuss health, safety and welfare issues are kept.</p> <p>Objective evidence:</p> <p>Safety and Health Officer has been identified and appointed. The certificate of appointment by the Ministry of Human Resource (<i>Dinas Tenaga Kerja dan Transmigrasi</i>) dated 23 Desember 2010 is made available to the auditor.</p> <p>There are 2 (two) management representative (MR) of health and safety in PT BCP for mill and plantation. They were assigned by top management (Mr. Low Kim Seng). MR of health and safety for plantation is Mr. Uus Sudarmadi and MR for mill is Mr. Sumatri. They have responsibility for control and monitor of health and safety program in PT BCP.</p> <p>The yearly programme for the safety and health meeting is available. The company conducts regular meeting (monthly) to discuss health, safety and welfare issues. This meeting is recorded into "Rapat P2K3L (FRM-HRD-003). The last meeting was conducted on 25 June 2012 at Mill and Plantation.</p> <p>Agenda of regular meeting of health and safety is health and safety training, emergency drill or simulation, analysis and evaluation of accident, preventive and corrective actions that have been done and schedule of internal audit.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
4.7.1 Minor	Provision for accident insurance for workers	Compliance <i>Minor</i>	
	MA	<p><u>Findings:</u></p> <p>Availability of provision for accident insurance for workers.</p> <p>Objective evidence:</p> <p>All workers within the company is covered within the insurance scheme i.e. Workers Compensation Scheme [<i>Jaminan Sosial Tenaga Kerja (Jamsostek)</i>]. Both Contract and permanent workers are covered with pool insurance i.e. group insurance for workers. Observed during the audit the policy for both workers available i.e. GG000536 (Permanent Workers) and GG003430 (Contract Workers).</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
4.7.2 Minor	Regular health examination by a doctor for workers in station or exposed to high risk work.	Compliance <i>Minor</i>	
		<p><u>Findings:</u></p> <p>Evidence of regular health examination by a doctor for workers in station or exposed to high risk work.</p> <p>Objective evidence:</p> <p>Record of medical surveillance is available. Records are available and kept in the clinics. Based on procedures, the medical surveillance is required to be conducted on a yearly basis.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	

4.7.3 Minor	A documented risk assessment for Occupational Health and Safety (OHS).		Compliance
			Minor
<p><u>Findings:</u></p> <p>A documented risk assessment for Occupational Health and Safety (OHS) is available.</p> <p>Objective evidence:</p> <p>Risk Assessment is conducted on a yearly basis as reflected in Procedure document Petunjuk Pengisian Identifikasi Aspek/Bahaya K3 dan Dampak/Resiko K3 (SOP-GEN-009) dated 20 April 2011. The documented assessment (using the template document FRM-GEN-014 dated 20 April 2011), is available for various working fields i.e. Clinic, Field Operations and Workshop. There is also risk assessment for basic amenities such as line site. The 2012 assessment is available to the auditor during the audit.</p> <p><i>The company is in compliance to this requirement: Y</i></p>			
4.7.4 Minor	Record of OHS Training		Compliance
			Minor
<p><u>Findings:</u></p> <p>Record of OHS Training is available.</p> <p>Objective evidence:</p> <p>Osh training is available. Based on record, there are several trainings on OSH that was conducted as follows:</p> <ul style="list-style-type: none"> • OSH and Awareness Training for Manuring Workers – 13 August 2011 attended by 8 workers • OSH and Awareness Training for Spraying Workers – 15 Aug 2011 attended by 12 workers • OSH and Awareness Training for Harvesting Workers - 13 Aug 2011 attended by 35 workers • OSH for Building Contractors Workers – 3 April 2012 attended by 10 workers • OSH for Drivers FFB and other vehicles – 4 March 2012 attended by 8 drivers • OSH and Awareness Training for Manuring Workers – 10 Feb 2012 attended by 20 workers <p>The above trainings were conducted by the OSH officer and field supervisor.</p> <p><i>The company is in compliance to this requirement: Y</i></p>			
4.7.5 Minor	Accident and emergency preparedness procedure		Compliance
			Minor
<p><u>Findings:</u></p> <p>Evidence of accident and emergency preparedness procedure.</p> <p>Objective evidence:</p> <p>Emergency Procedure is available in the document Prosedure Tindakan Keadaan Darurat (PRO-GEN-014) dated 20 April 2011. The document highlighted the emergency procedures in various working field as follows:</p> <ul style="list-style-type: none"> • Forest and Estate Fire (<i>Kebakaran kebun dan hutan</i>) • Fire Occurrence at Palm Oil Mill (<i>Kebakaran fabrik</i>) • Fire Occurrence at Line Site (<i>Kebakaran perumahan</i>) • Oil Leakage at CPO tank (<i>Kebocoran minyak dari tangki simpanan CPO</i>) • Accident of CPO Tanker (<i>Tabrakan/terguling truk tanki minyak CPO</i>) • Accident involving Tractor (<i>Tractor trailer pendistribusian BBM terguling</i>) <p><i>The company is in compliance to this requirement: Y</i></p>			
4.7.6	Evidence of OHS and first aid equipments available at worksites		Compliance

Minor			<i>Minor</i>
		<p><u>Findings:</u> Inadequate evidence of availability of OHS and first aid equipments at worksites.</p> <p>Objective evidence: The auditing team observed that First Aid Kit as well as a documented emergency preparedness procedure is found to be made available at the work station and the procedure is posted on the notice board at the work station. At the field, the First Aid Kit and emergency preparedness procedure is found to be available carried by the mandore or field supervisor.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
4.7.7 Minor	Workers trained in first aid should be present in both field and mill operations		<i>Compliance</i>
		<p><i>Minor</i></p> <p><u>Findings:</u> Evidence of workers trained in first aid present in both field and mill operations.</p> <p>Objective evidence: Training programme for using the first aid kit that is conducted together with the training for fire extinguishing and fire drill is available. Based on record, the training shall be conducted once every year. Latest training conducted was on 11 october 2011 by OSH officer. Next training to be conducted on October 2012.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
4.7.8 Minor	Records of the occurrence of any work accidents are maintained and regularly reviewed.		<i>Compliance</i>
		<p><i>Minor</i></p> <p><u>Findings:</u> Availability of records of the occurrence of any work accidents are maintained and regularly reviewed.</p> <p>Objective evidence: Records of accidents is available and maintained and reviewed on a yearly basis. Observed record for 2010-2012 (until May). Records covers the name of the estate, date and time, name of workers, age, position, body parts injured, type of injury, cause of injury, location of accident, type of treatment and MC given (if any).</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 4.8	All staff, workers, smallholders and contractors are appropriately trained.		
4.8.1	A documented training programme for staff, employee and scheme smallholders in accordance with workers' positions and competences.		<i>Compliance</i>
	MA	<p><i>Major</i></p> <p><u>Findings:</u> Evidence of a documented training programme for staff, employee and scheme smallholders in accordance with workers' positions and competences.</p> <p>Objective evidence: Training programme is available in the document <i>Formulir Program Pelatihan dan Pengembangan Sumber Daya Manusia Tahun 2012 (FRM-HRD-024)</i> dated 20 April 2011 covering various working fields within the plantation operations and management. for examples: PPE, housekeeping, LK3 basic, permit system, lock out-tag out, welding, boiler operator, SCC, ERP, hazardous chemical and waste, fire fighting, first aid, risk</p>	

	management, etc. Training program is in accordance with workers' position and competences. <i>The company is in compliance to this requirement: Y</i>	
4.8.2	Records of training for each employee are kept.	Compliance
		Major
	<p><u>Findings:</u> Records of training for each employee are kept.</p> <p>Objective evidence: Records of training for employees are kept. In summary, the trainings that has been conducted are as follows:</p> <ul style="list-style-type: none"> • OSH and Awareness Training for Manuring Workers – 13 August 2011 attended by 8 workers • OSH and Awareness Training for Spraying Workers – 15 Aug 2011 attended by 12 workers • OSH and Awareness Training for Harvesting Workers - 13 Aug 2011 attended by 35 workers • OSH for Building Contractors Workers – 3 April 2012 attended by 10 workers • OSH for Drivers FFB and other vehicles – 4 March 2012 attended by 8 drivers • OSH and Awareness Training for Manuring Workers – 10 Feb 2012 attended by 20 workers <p><i>The company is in compliance to this requirement: Y</i></p>	
4.8.3	Evidence that the company uses experienced or trained contractors	Compliance
		Major
	<p><u>Findings:</u> Availability of evidence that the company uses experienced or trained contractors.</p> <p>Objective evidence: The company has made agreement of environmental, health and safety (FRM-GEN-041) with each contractor to ensure that all contractors' workers have experience and training adequately. The company also gives safety induction before they work in the field. Report of safety induction is made official report of health and safety induction.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	

Principle 5 : ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY		
Criterion 5.1	Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.	
5.1.1	Documented impact assessment	Compliance
		Major
MA	<p><u>Findings:</u> Availability of documented impact assessment.</p> <p>Objective evidence: The company has established its documented Environmental Impact Assessment (EIA) that is approved by Head of Bapedalda # 570/KPTS/Bapedalda/2004 dated on 28 October</p>	

		2004. EIA document analysed environmental impact during activities processes such as biodiversity, water quality, ambient air quality, protected area, erosion and social-economic-culture of local communities. <i>The company is in compliance to this requirement: Y</i>						
5.1.2		Records of regular report on environmental management in accordance with relevant regulations.	<i>Compliance Major</i>					
	MA	<u>Findings:</u> Records of regular report on environmental management in accordance with relevant regulations are available. Objective evidence: Reports on environmental management and monitoring are made twice a year. The last reports are available covering period of July – December 2011. These reports described management and monitoring of water quality, ambient air quality, and social-economic-culture of local communities. Environmental monitoring was conducted by external laboratory (“Balai Besar Laboratorium Kesehatan Palembang”) covering environmental aspects such as emission, noise, deep well utilization, waste water quality, river water quality and social-economic-culture of local communities. These reports are confirmed to be submitted to relevant authorities as per required under the local laws. <i>The company is in compliance to this requirement: Y</i>						
5.1.1 Minor		Revisions to environmental management document if there are changes in companies operating areas or activities.	<i>Compliance Minor</i>					
	MA	<u>Findings:</u> Evidence of revisions to environmental management document if there are changes in companies operating areas or activities. Objective evidence: Currently, the company is revising document of environmental management and monitoring (UKL/UPL) for Bumi Arjo Estate in the light that the estate will convert rubber to oil palm covering an area amounting to 1,760.9 ha. This report is still in progress pending approval by the government. <i>The company is in compliance to this requirement: Y</i>						
Criterion 5.2	The status of rare, threatened or endangered species (ERTs) and highly conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.							
5.2.1		Records of results of identification of any protected, rare, threatened or endangered species, and HCV habitat	<i>Compliance Major</i>					
	MA	<u>Findings:</u> Records of results of identification of any protected, rare, threatened or endangered species, and HCV habitat is available. Objective evidence: Records of results of identification of HCV are captured within the document Laporan Identifikasi HCV (HCV Identification Report) dated September 2011. In summary, there are 3 HCV elements identified within the company as follows: <table border="1" data-bbox="456 1755 1328 1896"> <thead> <tr> <th>HCV Element</th> <th>Details</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>4.1</td> <td>River and its boundary, water stream is an important HCV element</td> <td>This element is found within Dabuk Rejo</td> </tr> </tbody> </table>	HCV Element	Details	Location	4.1	River and its boundary, water stream is an important HCV element	This element is found within Dabuk Rejo
HCV Element	Details	Location						
4.1	River and its boundary, water stream is an important HCV element	This element is found within Dabuk Rejo						

			for the livelihood and sustainability of local communities that depending on the river for water source and food.	Estate, Suka Mulya Estate and Bumi Arjo Estate.	
		5	Source of livelihood for local communities	This element is found within Dabuk Rejo Estate, Suka Mulya Estate and Bumi Arjo Estate.	
		6	Evidence of ancestral shrine or graveyard within the estates perimeter.	This element is found within Dabuk Rejo Estate and Bumi Arjo Estate.	
	<p>There is no endangered, rare and threatened species identified via the HCV assessment as historically, the area has been planted with cocoa and rubber since 1980s. In addition, the surrounding areas are already planted with oil palm since the same time where the plantation has been established. Therefore, there is no evidence of presence of ERT species within the area as per reflected in the HCV assessment.</p> <p><i>The company is in compliance to this requirement: Y</i></p>				
5.2.2	If, rare, threatened or endangered species, or high conservation value habitats are present, appropriate measures to preserve them are to be taken.			Compliance	
				Major	
	MA	<p>Findings:</p> <p>Evidence of appropriate measures to preserve the rare, threatened or endangered species or high conservation value habitats.</p> <p>Objective evidence:</p> <p>Based on the HCV Report several measures has been identified and is currently being implemented to preserve the identified HCV as follows:</p> <ol style="list-style-type: none"> 1) Performing delineation of HCV map, verifying the results of the delineation of HCV (for any area that has a wide margin above 10%), and to determine the end result and produce it as PT BCP's HCV Definitive Guide. The process needs to be well documented (in a report on delineation of HCV area) by the company. In this process, if necessary the consultant can act as partners who will provide consultation to the method / approach to delineation or verify the results of the delineation. This consultation is part and parcel of the HCV assessment activities. 2) Conducting socialization for the setting of the HCV map to the entire staff, employees and residents of the estates, including the objective and purpose of the establishment of such protected areas. 3) Promptly establish the Management Plan of the HCV, taking into consideration of the following: <ol style="list-style-type: none"> a. Connectivity aspects between the HCV areas and the local landscap in totality, b. Consider and integrate stages of the management plan to the operational stage of estates development, c. Establish communication with the community to develop management action plans for the protection of endangered species, d. To involve the local community, for the interest and benefit of the presence of HCV in the interest and benefit of all parties. 4) Build institutional framework for the management of HCV: <ol style="list-style-type: none"> a. Establish a management unit to ensure management objectives of the HCV achieved, b. Train or recruit staff who have the necessary qualifications for the management 			

		<p>of HCV,</p> <p>c. Setting policies, standards and procedures for the achievement of the HCV's management.</p> <p>5) Strengthening the capacity of management in the identification, monitoring and evaluation of the HCV.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
5.2.3	Measures taken for protecting species and their habitats must be in accordance with relevant laws and included actions to control any illegal or inappropriate hunting fishing or collecting activities		<p><i>Compliance</i></p> <p><i>Major</i></p>
	<p>MA</p> <p><u>Findings:</u></p> <p>Measures taken for protecting species and their habitats is in accordance with relevant laws and included actions to control any illegal or inappropriate hunting fishing or collecting activities.</p> <p>Objective evidence:</p> <p>The management of the individual estates has taken action to discourage any illegal or inappropriate hunting fishing or collecting activities. This is the form of placing signages in appropriate locations that quotes clauses from relevant laws that prohibits any illegal or inappropriate hunting, fishing or collecting activities.</p> <p><i>The company is in compliance to this requirement: Y</i></p>		
5.2.1 Minor	Posters and signs warning of the presence of protected species are to be produced, distributed, and made visible to all workers and the community, including guidelines in handling them.		<p><i>Compliance</i></p> <p><i>Minor</i></p>
	<p>MA</p> <p><u>Findings:</u></p> <p>Evidence of posters and signs warning of the presence of protected species are to be produced, distributed, and made visible to all workers and the community, including guidelines in handling them.</p> <p>Objective evidence:</p> <p>Verification during the field visit evidenced that several identified locations has been placed with signage indicating the presence of the protected species within the area together with clauses from relevant laws that prohibits any illegal or inappropriate hunting, fishing or collecting activities.</p> <p>In addition, there are also posters picturing the protected species found to be posted on company's notice board both at the mill as well as at the estates.</p> <p><i>The company is in compliance to this requirement: Y</i></p>		
5.2.2 Minor	Companies are to appoint dedicated and trained officers to monitor any plans and activities as above.		<p><i>Compliance</i></p> <p><i>Minor</i></p>
	<p>MA</p> <p><u>Findings:</u></p> <p>Evidence of dedicated and trained officers to monitor any plans and activities as above.</p> <p>Objective evidence:</p> <p>Currently, the company has identified several responsible personnel to monitor and implement plans and activities as per in the HCV report as follows:</p> <ul style="list-style-type: none"> • Estate Manager; • Estate Safety and Health Officer; and 		

		<ul style="list-style-type: none"> Estate HCV Officer; <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 5.3	Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		
5.3.1	All waste and pollutions sources are identified and documented.		<p><i>Compliance</i></p> <p><i>Major</i></p>
	MA	<p><u>Findings:</u></p> <p>Evidence of all waste and pollutions sources that are identified and documented.</p> <p>Objective evidence:</p> <p>According to identification of waste and pollutions sources (FRM-EST-144), waste and pollution generated from all activities of plantation and mill as follows:</p> <ul style="list-style-type: none"> - Domestic waste from housing - Emission from light vehicle, truck, power house, boiler and tractor. - Liquid waste from palm oil mill effluent, workshop and housing. - Solid waste from workshop and mill production. - Dust from transportation and boiler. - Pesticide container from spraying. - Medical waste from clinic. <p><i>The company is in compliance to this requirement: Y</i></p>	
5.3.2	Estates and mills waste management and disposal are implemented to avoid or reduce pollution.		<p><i>Compliance</i></p> <p><i>Major</i></p>
	MA	<p><u>Findings:</u></p> <p>Implementation of estates and mills waste management and disposal to avoid or reduce pollution.</p> <p>Objective evidence:</p> <p>According to identification of waste and pollutions sources (FRM-EST-144), the company has planned and implemented to manage waste as follows:</p> <ul style="list-style-type: none"> - Domestic waste is managed by waste sorting (organic and inorganic) using different waste bins and disposed to waste disposal site (organic and inorganic). - Hazardous waste (used oil, contaminated rag, used battery, used lamp, pesticide containers and medical waste) are managed by waste storing at temporary hazardous waste storage and transferred to a licensed waste treatment/collector company. - Empty bunch and POME is managed by land application as soil nutrition provider in accordance with permit from government. <p><i>The company is in compliance to this requirement: Y</i></p>	
5.3.1 Minor	Management plan of hazardous waste and instruction of disposal of agrochemicals and their containers waste in accordance with the product label and existing regulations.		<p><i>Compliance</i></p> <p><i>Minor</i></p>
	MA	<p><u>Findings:</u></p> <p>Inadequate management plan of hazardous waste and instruction of disposal of agrochemicals and their containers waste in accordance with the product label and existing regulations.</p>	

	<p>Objective evidence:</p> <p>The company has established some procedures for waste management to manage hazardous and non waste at plantation and mill as follows:</p> <ul style="list-style-type: none"> - procedure for waste management (PRO-GEN-013) - procedure for temporary hazardous waste storage (SOP-MIL-043) - procedure for emergency response for hazardous waste (SOP-MIL-044) <p>According to the procedures, hazardous waste (used oil, contaminated rag, used battery, used lamp, pesticide containers and medical waste) are managed by waste storing at temporary hazardous waste storage. This storage is provided oil trap, hazardous waste symbol, concrete floor and spill kit.</p> <p>During storage, hazardous waste is recorded by staff into hazardous waste receiving. Then hazardous waste is transferred to a licensed waste treatment or collector company using by manifest document for hazardous waste. Sample of manifest document has been reviewed, for example: NF 0007533, transporter by PT Horas Miduk, truck police number B 9174 FDA, dated on 11 May 2012, and transferred used oil 3200 litter (16 drums).</p> <p>Observed during audit, hazardous waste symbol at temporary hazardous waste storage at Bumi Arjo Estate is not refer to EIA Decree # KEP-05/Bapedal/09/1995 regarding symbols and labels for hazardous and toxic waste. Procedure for waste management (PRO-GEN-013) did not clear determine requirement for construction of domestic waste landfill.</p> <p><i>The company is in compliance to this requirement: Observation 04</i></p>	
5.3.2 Minor	Records of waste monitoring/analysis.	Compliance Minor
	<p>MA</p> <p>Findings:</p> <p>Availability of records of waste monitoring/analysis.</p> <p>Objective evidence:</p> <p>The company has monitored in-out of hazardous waste periodically in accordance with hazardous waste balance sheet (last update January – March 2012). Domestic waste is monitored by general affair staff at each estate to ensure that organic and inorganic waste is not mixed.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 5.4	Efficiency of energy use and use of renewable energy is maximized.	
5.4.1	Records of monitoring renewable energy use and its efficiency analysis (energy/ton CPO, or energy/ton palm product).	Compliance Minor
	<p>MA</p> <p>Findings:</p> <p>Availability of records of monitoring renewable energy use and its efficiency analysis.</p> <p>Objective evidence:</p> <p>Records of monitoring renewable energy used are recorded in the document FRM-MIL-027 Energy/Fossil Fuel Calculation for PKS Buloh Cawang Plantations that is recorded on a monthly basis. During the main assessment, records for 2009-2012 (until May) are made available to the auditing team. Amount of energy used is calculated for every tonne of FFB processed into Crude Palm Oil and Palm Kernel Oil.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
5.4.2	Records of monitoring of fossil fuels use for operational reason and its efficiency analysis.	Compliance Minor

	MA	<p><u>Findings:</u></p> <p>Evidence of records of monitoring of fossil fuels use.</p> <p>Objective evidence:</p> <p>Records of monitoring of fossil fuels used are found to be recorded together with the amount of renewable energy used within the document FRM-MIL-027 Energy/Fossil Fuel Calculation for PKS Buloh Cawang Plantations that is recorded on a monthly basis for every usage for operational purposes such as genset and tractor (for transportation of FFB to the mill). Records for 2009-2012 (until May) are made available to the auditing team during the main assessment. Amount of fossil fuel used are calculated for every tonne of FFB processed into Crude Palm Oil and Palm Kernel Oil.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 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 Guidance or other regional best practice.		
5.5.1		Documented assessment where fire has been used for preparing land for replanting.	<p><i>Compliance</i></p> <p><i>Major</i></p>
	MA	<p><u>Findings:</u></p> <p>Not applicable as the company is implementing zero burning policy.</p> <p>Objective evidence:</p> <p>No burning advocated during replanting.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
5.5.2		Records of implementation of zero burning policy.	<p><i>Compliance</i></p> <p><i>Minor</i></p>
	MA	<p><u>Findings:</u></p> <p>Evidence of implementation of zero burning policy.</p> <p>Objective evidence:</p> <p>Observation made during the audit evidenced that all previous crops felled, are chipped and placed along the interrow.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
5.5.3		Procedures and records of emergency responses to land burning (Tanggap Darurat Kebakaran Lahan)	<p><i>Compliance</i></p> <p><i>Minor</i></p>
	MA	<p><u>Findings:</u></p> <p>Evidence of procedures and records of emergency response to land burning.</p> <p>Objective evidence:</p> <p>There is no occurrence of big scale land burning within the company and hence there is no records of emergency response to land burning available as of the date of the audit. However, the company has establish the procedures in dealing with the land burning and the emergency situation following to such incident is available. Training relating to response during the emergency situation following to land burning is constantly conducted as per required in the training plan.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
5.5.1 Minor		Presence of appropriate fire extinguishers and facilities, depending on the risks assessment	<p><i>Compliance</i></p> <p><i>Minor</i></p>
	MA	<p><u>Findings:</u></p> <p>Evidence of presence of appropriate fire extinguisher and facilities.</p>	

	<p>Objective evidence:</p> <p>Observation made during the field visit evidenced that the company has placed optimum number of fire extinguishers and fire fighting facilities at the visible and easily access designated place to cater any emergency relating to fire. Allocation and placement of the fire extinguishers and fire fighting facilities is made according to the recommendation made within the risk assessment.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 5.6	Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.	
5.6.1	Evidence of identification of pollution and emissions sources at mills.	Compliance Major
	<p>MA</p> <p>Findings:</p> <p>Availability of evidence of identification of pollution and emissions sources at mills.</p> <p>Objective evidence:</p> <p>There is evidence of identification of pollution and emissions sources at mills. The emission and pollution identified as Emisi Gas Buang and Gas Methane is captured within the document <i>Identifikasi Limbah</i> (Identified Waste) (FRM-MIL-024) dated 1 January 2012. The identification of source of the pollution and emission and method of measuring the emission is highlighted within the document.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
5.6.2	Monitoring of pollution and emission quality of the sources identified	Compliance Major
	<p>MA</p> <p>Findings:</p> <p>Availability of monitoring of pollution and emission quality of the sources identified</p> <p>Objective evidence:</p> <p>The monitoring of pollution and emission quality of the sources identified is monitored through the analysis by the UPTB Environmental Laboratory on the emission derived from the mill. The monitoring is found to be conducted twice a year. As of 2012, the monitoring has been conducted on 21-23 March 2012. Among element captured is as follows:</p> <ul style="list-style-type: none"> • Ammonium Compound; • Nitrogen Dioxide; • Sulphur Dioxide; • Foreign Particle; • Opacity; • Chlorine; • Hydrogen Chloride; • Hydrogen Fluoride; • Flow rate; and • Exhaust Gas Temperature. <p><i>The company is in compliance to this requirement: Y</i></p>	
5.6.1 Minor	Records of efforts and strategies employed to reduce pollution and emissions	Compliance Minor

	MA	<p><u>Findings:</u></p> <p>Availability of records of efforts and strategies employed to reduce pollution and emissions.</p> <p>Objective evidence:</p> <p>Based on the procedures, the result and recommendation of the monitoring analysis is transformed into the monitoring programme to enhance the environmental, occupational safety and health within the mill that is captured in document <i>Formulir Program Perbaikan Lingkungan, Keselamatan dan Kesehatan Kerja</i> (Formulated Programme for Occupational Safety, Health, Environmental Enhancement) (FRM-GEN-017) dated 1 January 2011.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
5.6.2 Minor	MA	Records of identification, monitoring, and treatment methodology for POME	Compliance
			Minor
		<p><u>Findings:</u></p> <p>Records of identification, monitoring, and treatment methodology for POME is available.</p> <p>Objective evidence:</p> <p>Procedure for treatment of the POME is available (SOP-MIL-038) dated 1 January 2011. The procedure highlights the procedures that need to be taken in treating the POME covering 10 ponds that has different role and element within it. Monitoring and enhancement/service of each of ponds also is carried out at least once every year. Based on record, latest service for ponds was conducted on 17 December 2011 and for 2012, the next service scheduled to be conducted in December 2012. In addition there is a budget allocated for buying the screw pump for pengurusan lumpur di kolam limbah. Also budget pembuatan area pembuangan limbah calcium (area pond) has been allocated for 2013.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	

PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS			
Criterion 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 continuous improvement.		
6.1.1 Major	Documented environmental and social impact assessment, including details of positive and negative social effects that may be caused by plantations and mills, and documented participation of affected parties and local communities.		Compliance
			Major
	MA	<p><u>Findings:</u></p> <p>Availability of documented environmental and social impact assessment.</p> <p>Objective evidence:</p> <p>The company has established the documented Social Impact Assessment (SIA) dated December 2011 that describes the analysis of the social impact assessment that covers the following:</p> <ul style="list-style-type: none"> • Social Map; <ul style="list-style-type: none"> ◦ Social Importance and Strengths; • External Social Impact; 	

		<ul style="list-style-type: none"> o Contribution to Regional Development and Economy o Labour Intake; o Land Conflict; o Air Pollution; o Waste/Sewage Pollution; o Road Damage following Outburst Water from Estate; o Theft and Violence; o Social Relation and Communication; • Internal Social Impact; <ul style="list-style-type: none"> o Environmental Impact Assessment [<i>Analisis Mengenai Dampak Lindungan (AMDAL)</i>] Document and Land Status; o Labour Work; <ul style="list-style-type: none"> ▪ Workers Union; ▪ Working Contract and Kontrak Kerja dan Promotion; o Employees Benefits; o Employees Facilities; o Occupational Safety and Health and Personnel Protective Equipment (PPE); o Management Operation; <ul style="list-style-type: none"> ▪ Waste derived from the estates; <p><i>The company is in compliance to this requirement: Y</i></p>	
6.1.1 Minor	Regular monitoring and management of social impact, with the participation of local communities.		<p><i>Compliance</i></p> <p><i>Minor</i></p>
6.1.2 Minor	MA	<p><u>Findings:</u></p> <p>Evidence of regular monitoring and management of social impact, with the participation of local communities.</p> <p>Objective evidence:</p> <p>The Management Plan for Social Impact Assessment for both External and Internal Impact identified including the methodology in implementing the management plan with the participation of affected local communities is made available to the auditing team during the main assessment.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	<p><i>Compliance</i></p> <p><i>Minor</i></p>
6.1.2 Minor	MA	<p><u>Findings:</u></p> <p>Availability of results of revisions to the environmental management document that encompasses social impact assessments in the event there are changes to company's operational scope, in accordance with existing regulations.</p> <p>Objective evidence:</p> <p>As mentioned above, the company has established its documented Environmental Impact Assessment (EIA) that is approved by Head of Bapedalda # 570/KPTS/Bapedalda/2004 dated on 28 October 2004. EIA document analysed environmental impact during activities processes such as biodiversity, water quality, ambient air quality, protected area, erosion</p>	<p><i>Compliance</i></p> <p><i>Minor</i></p>

		and social-economic-culture of local communities. The latest revision of the document dated May 2012 is made available to the auditing team during the audit. <i>The company is in compliance to this requirement: Y</i>	
6.1.3 Minor	A regular and scheduled environmental management and monitoring Report.		Compliance Minor
	<p><u>Findings:</u> Evidence of regular and scheduled environmental management and monitoring Report.</p> <p>Objective evidence: As mentioned earlier, reports on environmental management and monitoring are made twice a year. The last reports are available covering period of July – December 2011. These reports described management and monitoring of water quality, ambient air quality, and social-economic-culture of local communities. Environmental monitoring was conducted by external laboratory (“Balai Besar Laboratorium Kesehatan Palembang”) covering environmental aspects such as emission, noise, deep well utilization, waste water quality, river water quality and social-economic-culture of local communities.</p> <p><i>The company is in compliance to this requirement: Y</i></p>		
6.1.4 Minor	Particular attention paid to the impacts of outgrower schemes (where the plantation includes such a scheme).		Compliance Minor
	<p><u>Findings:</u> Not applicable as the company does not deal with the outgrower.</p> <p>Objective evidence: Not applicable as the company does not deal with the outgrower.</p> <p><i>The company is in compliance to this requirement: Y</i></p>		
Criterion 6.2	There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1	Documented procedures and records of communication and consultation with the communities.		Compliance Major
	MA	<p><u>Findings:</u> Availability of documented procedures and records of communication and consultation with the communities.</p> <p>Objective evidence: Procedures for communication and consultation with communities are available. Document <i>Komunikasi, Konsultasi dan Kordinasi Dengan Stakeholder</i> (Consultation, Communication and Coordination with Stakeholders)(PRO_BNM-001) dated 1 Jan 2011 is available. The document detailing the objective of the document, the coverage of the document, role and responsibilities (covering Estate Staff, Community Development Officer, Unit Leader and Management), types and procedures for communication as well as the flowchart of the <i>Tatacara Komunikasi, Konsultasi dan Kordinasi dengan Stakeholder</i> (Mechanism for Communication, Consultation and Coordination with Stakeholder).</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.2.1 Minor	Maintenance of a list of stakeholders		Compliance Minor

	MA	<p><u>Findings:</u> List of stakeholders are maintained.</p> <p>Objective evidence: The company has maintained the list of the stakeholders relevant to its operations covering the relevant government agencies, relevant NGOs (both social and environmental, neighbouring estates, local communities and contractors. The latest list is made available to the auditing team is during the audit.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.2.2 Minor	Records of local communities' aspiration and responses or follow-up actions by companies to these requirements		<p>Compliance <i>Minor</i></p>
	MA	<p><u>Findings:</u> Availability of records of local communities' aspiration and responses or follow-up actions by companies.</p> <p>Objective evidence: All action taken following the communication with the local communities is responded and recorded in the <i>Logbook Eksternal Surat Keluar</i> (External Communication Logbook) detailing the date of the action taken as well as the appointed responsible person to handle each of the communications.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.2.3 Minor	A dedicated person responsible for consulting and communicating with local communities.		<p>Compliance <i>Minor</i></p>
	MA	<p><u>Findings:</u> Evidence of a dedicated person responsible for consulting and communicating with local communities.</p> <p>Objective evidence: As highlighted in Para 3.0 of the Document <i>Komunikasi, Konsultasi dan Kordinasi Dengan Stakeholder</i> (Communication, Consultation and Coordination with Stakeholder) (PRO-BNM-012) dated 20 April 2011 the responsible person in handling the communication is highlighted as follows:</p> <ul style="list-style-type: none"> • Management Staff i.e. Community Development Officer <ul style="list-style-type: none"> ✓ Assessing the adequacy of stakeholder input that will be responded ✓ Inventoried operations support needs to be met and communicated, consulted and coordinated to the stakeholders ✓ Identify the public speaker or a member of the team that will respond to input or duty to meet the needs of the company's operational support through communication, consultation, and coordination with stakeholders. ✓ Approve or revise the formulation of the form and content of communication, consultation and coordination team proposed by the public speaker or member of a public speaker • Public Speaker Team /Member <ul style="list-style-type: none"> ✓ Analyze stakeholder input or support against the company's operational needs and formulate the content of the form of communication, consultation and coordination that will be presented to the stakeholders. 	

	<p>✓ Applying the content of communication, consultation and coordination to management.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	
6.3.1	An open system, which is accepted by affected parties, to receive complaints and to resolve dispute in an effective, timely and appropriate manner.	<p>Compliance</p> <p><i>Major</i></p>
	<p>MA</p> <p><u>Findings:</u></p> <p>Availability of an open system, which is accepted by affected parties, to receive complaints and to resolve dispute in an effective, timely and appropriate manner.</p> <p>Objective evidence:</p> <p>Evidence of Procedure for Conflict Resolution contained in two documents as follows:</p> <ul style="list-style-type: none"> ✓ <i>Prosedur Penyelesaian Perselisihan/Sengketa Lahan</i> (Procedure for Land Dispute / Settlement) (PRO-BNM-005) dated 20 April – specifies responsible (General Affairs and Legal Staffs), objective, procedure and flowchart on the mechanism on resolving the conflicts and grievances; ✓ <i>SOP Penyelesaian Sengketa Pertanahan</i> (SOP for Land Dispute Resolution) (SOP-IJIN-LAHAN&OPS-007) dated 20 April 2011 – specifies objectives, responsible personnel (General Affairs and Operating Units), Land Disputes (Background, Factors contributing to the disputes, type of land disputes and procedures resolving the disputes); and ✓ <i>SOP Penyelesaian Keluhan, Tuntutan dan Gugatan</i> (SOP for Complaints and Claims Settlement) (SOP-BM.GEN-002) dated 20 April 2011 – specifies objectives, responsible personnel, type of keluhan, tuntutan, gugatan and procedure to resolve the complaint) <p><i>The company is in compliance to this requirement: Y</i></p>	
6.3.1 Minor	Records of handling of the complaints.	<p>Compliance</p> <p><i>Minor</i></p>
	<p>MA</p> <p><u>Findings:</u></p> <p>Records of handling of the complaints are available.</p> <p>Objective evidence:</p> <p>During the main assessment, the auditing team note that there is a land claim disputes occur before involving Mr. Marzuki in Desa Sg. Belida with land in Desa Sumbu Sari. All action taken following the communication with the local communities is responded and recorded in the <i>Records of Conflicts involving Land</i>.</p> <p>Based on the records, latest development between the claimer and the company evidenced that the company is willing to compensate 20 Million for a 2 ha area.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.3.2 Minor	Procedures for the identification and calculation of fair compensation for the loss of legal or customary right of the land, with the involvement of local community representatives and relevant agencies and made publicly available.	<p>Compliance</p> <p><i>Minor</i></p>
	<p>MA</p> <p><u>Findings:</u></p> <p>Availability of procedures for the identification and calculation of fair compensation for the</p>	

	<p>loss of legal or customary right of the land.</p> <p>Objective evidence:</p> <p>Procedures for the identification and calculation of fair compensation for the loss of legal or customary right of the land are highlighted and specifies in Paras 5.1. Tata cara penyelesaian konflik lahan and 5.2 Tata cara penyelesaian konflik non-lahan of the Mekanisme Penyelesaian Konflik (PRO-BNM-004) dated 1 Jan 2011.</p> <p>With regard to the above mentioned land claim disputes, there is no record to capture the compensation incurred following the loss of customary of the local community to their land as the case is still under negotiation and ongoing.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 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	<p>Procedures for the identification, calculation and compensation for the loss of legal or customary rights of the land, with the involvement of local community representatives and relevant agencies.</p>	<p><i>Compliance</i></p> <p><i>Major</i></p>
	<p>MA</p> <p><u>Findings:</u></p> <p>Availability of procedures for the identification and calculation of fair compensation for the loss of legal or customary right of the land.</p> <p>Objective evidence:</p> <p>Procedures for the identification and calculation of fair compensation for the loss of legal or customary right of the land are highlighted and specifies in Paras 5.1. Tata cara penyelesaian konflik lahan and 5.2 Tata cara penyelesaian konflik non-lahan of the Mekanisme Penyelesaian Konflik (PRO-BNM-004) dated 1 Jan 2011.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.4.1 Minor	<p>Records of identification of people entitled to receive compensation.</p>	<p><i>Compliance</i></p> <p><i>Minor</i></p>
	<p>MA</p> <p><u>Findings:</u></p> <p>Not applicable as currently there is no compensation given to the claimer.</p> <p>Objective evidence:</p> <p>Not applicable as currently there is no compensation given to the claimer.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.4.2 Minor	<p>Records of negotiations processes and/or the details of compensation settlements.</p>	<p><i>Compliance</i></p> <p><i>Minor</i></p>
	<p>MA</p> <p><u>Findings:</u></p> <p>Not applicable as currently there is no compensation given to the claimer.</p> <p>Objective evidence:</p> <p>Not applicable as currently there is no compensation given to the claimer.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.4.3 Minor	<p>Records of the implementation of compensation payment</p>	<p><i>Compliance</i></p> <p><i>Minor</i></p>
	<p><u>Findings:</u></p> <p>Not applicable as currently there is no compensation given to the claimer.</p>	

		<p>Objective evidence:</p> <p>Not applicable as currently there is no compensation given to the claimer.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 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	Documentation of employee's pay rates		<p>Compliance</p> <p>Major</p>
	MA	<p>Findings:</p> <p>Documentation for employees pay slip is not clear.</p> <p>Objective evidence:</p> <p>Pay slip for harvesting worker issued by Suka Mulya Estate indicated information of weight of FFB, while Bumi Arjo Estate did not indicated this information, for example: Aliman, gross salary IDR 685,228, total mandays 23 (May 2012). (Major CAR 06)</p> <p>Close out evidence as of 02 May 2013:</p> <p>The company has taken action to revise the salary slip for harvesters working in Bumi Arjo Estate to include the specific information pertaining to the weight of the FFB harvested for that particular months together with other relevant information i.e. total tonne of FFB harvested/month and total working days/month. Evidence of action taken in the form of copies of newly revised salary slips for several harvesters working in Bumi Arjo Estate has been submitted to SGS via email on 02 May 2013. With the above observation, the Major CAR issued is now closed.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.5.2	A company working regulations and work contracts, in accordance with existing regulations.		<p>Compliance</p> <p>Major</p>
	MA	<p>Findings:</p> <p>A company working regulations and work contracts, in accordance with existing regulations is found to be not consistently implemented.</p> <p>Objective evidence:</p> <p>Term of employment of contract workers is not adequately implemented by Wilmar i.e. those workers that has been working at least 21 days a month, more than 3 months in a consecutively is not being upgraded to permanent basis. (Major CAR 07)</p> <p>Close out evidence as of 02 May 2013:</p> <p>The company has upgraded all qualified workers whom have been working with the company for more that 3 months to permanent basis according to Collective Agreement [Surat Kesepakatan Bersama (SKB)]. Evidence of action taken in the form of newly revised employment contracts for sprayers and manurers has been submitted to SGS via email on 02 May 2013. With the above observation, the Major CAR issued is now closed.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.5.1 Minor	Growers and millers provide adequate housing, water supplies, medical, educational, and other facilities for employees where such facilities are not available or accessible.		<p>Compliance</p> <p>Minor</p>
	MA	<p>Findings:</p> <p>Adequate housing, water supplies, medical, educational and welfare amenities provided to workers.</p> <p>Objective evidence:</p>	

	Workers have access to clean water, segregated sanitary and bathing facilities and electricity. All employees are given adequate housing, medical, educational and welfare amenities and waste disposal facilities. Disposal of domestic solid wastes at the linesite is conducted at least twice weekly. <i>The company is in compliance to this requirement: Y</i>	
6.5.2	Agreements entered into with contractors are to specify that contractors abide by labor laws.	Compliance <i>Minor</i>
	<p>Findings: Evidence of agreements entered into with contractors are to specify that contractors abide by labor laws.</p> <p>Objective evidence: Documented agreement between the company and the contractors are in place and found that the contractors are abiding the local labor laws.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 6.6	The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	
6.6.1	Documented company policy recognizing freedom of association.	Compliance <i>Major</i>
	<p>MA</p> <p>Findings: Evidence of documented company policy recognizing freedom of association.</p> <p>Objective evidence: Freedom association policy is captured in Perjanjian Kerjasama 2010/2012, Para 2, Pasal 7, Bab II that specifies that “<i>the company recognizes that free union membership is the right of all workers regardless of class, religion and ethnicity, but the remedy to avoid conflict of interest, then there are some workers with certain positions should not be a trade union, namely the level of assistant chief / assistant manager to the top, HR staff, office assistants and security guards</i>”. Records of disbursement of the Joint Working Agreement to workers is recorded where workers is signed with it.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.6.1 Minor	Documented minutes of meeting with any labor union (if any).	Compliance <i>Minor</i>
	<p>MA</p> <p>Findings: Availability of documented minutes of meeting with labour union.</p> <p>Objective evidence: There is a bipartite organisation formed by the company for the employees as a means for direct negotiation between the company and employees. Both representatives from the company and employees form the bipartite committee. Minutes of meeting of Bipartite Organisation dated 24 May 2012 is made available to the auditing team during the audit.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 6.7	Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.	

6.7.1	Documented company policy on worker age requirement, in accordance with national laws.	Compliance <i>Major</i>
MA	<p><u>Findings:</u></p> <p>Documented company policy on worker age requirement, in accordance with national laws is available.</p> <p>Objective evidence:</p> <p>Memorandum Intern No: 026/WIP-HRD/Int-VIII/2009 dated 12 Aug 2009 specifies “Prohibition Employment of Children - the company uphold applicable legislation that the company does not employ children.” Child” means any person who is under 18 years old” that is as per required by law.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.7.1 Minor	Records of implementation of company policy on worker age requirements.	Compliance <i>Minor</i>
MA	<p><u>Findings:</u></p> <p>Availability of records of implementation of company policy on worker age requirements.</p> <p>Objective evidence:</p> <p>The above policy is found to be communicated throughout the organization. Based on the employment record, there is no incidence whereby children under the age of 18 are employed by the company.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 6.8	Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	
6.8.1	A documented equal opportunities policy.	Compliance <i>Major</i>
MA	<p><u>Findings:</u></p> <p>A documented equal opportunities policy is available.</p> <p>Objective evidence:</p> <p>Memorandum Intern No: 026/WIP-HRD/Int-VIII/2009 dated 12 Aug 2009 specifies “Equal Opportunities for Employees - Company upholding professionalism and ensure the absence of discrimination on the basis of race, color, sex, religion, political beliefs, national or social origin resulting negate or diminish equality of opportunity or treatment in employment or occupation.”</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.8.1 Minor	Evidence of equal treatment in working opportunities for workers.	Compliance <i>Minor</i>
MA	<p><u>Findings:</u></p> <p>Availability of equal treatment in working opportunities for workers.</p> <p>Objective evidence:</p> <p>The above equal treatment policy is found to be have communicated for workers. In addition, the auditing team note that the company is currently implementing the equal opportunities for workers through the following:</p> <ul style="list-style-type: none"> • Employment opportunities are provided fairly based on qualification and advertised in local mass media; • Training is given to the workers on a yearly basis covering training relating to their 	

		<p>working station, personnel training such as communication skills and safety and health training;</p> <ul style="list-style-type: none"> • All employees are covered with working insurance; and • Termination is conducted based on local laws and is stated in the workers employment agreement. <p><i>The company is in compliance to this requirement: Y</i></p>
Criterion 6.9	A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.	
6.9.1	A documented company policy on sexual harassment and violence.	<p>Compliance</p> <p>Major</p>
	<p>MA</p> <p><u>Findings:</u></p> <p>Evidence of a documented company policy on sexual harassment and violence.</p> <p>Objective evidence:</p> <p>Memorandum Intern No: 026/WIP-HRD/Int-VIII/2009 dated 12 Aug 2009 specifies “Prevention of sexual violence and oppression against women and the right to reproductive -the principle of equal rights and obligations for each employee to obtain protection of occupational health and safety, morals and decency, treatment in accordance with human dignity and religious values, all employees are required to maintain the decency and safety while at work, and prohibits any element of sexual harassment and oppression of women.”</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.9.2	A documented company policy on the protection of reproductive rights.	<p>Compliance</p> <p>Major</p>
	<p>MA</p> <p><u>Findings:</u></p> <p>Availability of a documented company policy on the protection of reproductive rights.</p> <p>Objective evidence:</p> <p>Memorandum Intern No: 026/WIP-HRD/Int-VIII/2009 dated 12 Aug 2009 specifies “Prevention of sexual violence and oppression against women and the right to reproductive -the principle of equal rights and obligations for each employee to obtain protection of occupational health and safety, morals and decency, treatment in accordance with human dignity and religious values, all employees are required to maintain the decency and safety while at work, and prohibits any element of sexual harassment and oppression of women.”</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.9.1 Minor	Proof of implementation of sexual harassment policy.	<p>Compliance</p> <p>Minor</p>
	<p>MA</p> <p><u>Findings:</u></p> <p>Evidence of proof of implementation of sexual harassment policy.</p> <p>Objective evidence:</p> <p>Gender committee also has been established 18 November 2008. Gender Committee latest meeting 15 Mei 2012. Gender committee working programme for 2011-2012 is available.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	

6.9.2 Minor	Proof of implementation of reproductive rights policy.		<i>Compliance</i>
6.9.3 Minor	A specific grievance mechanism is available.		<i>Compliance</i>
6.9.2 Minor	MA	<p><u>Findings:</u></p> <p>Evidence of proof of implementation of reproductive rights policy.</p> <p>Objective evidence:</p> <p>As stated in the workers employees' agreement, all women workers upon confirmed pregnant is transferred to section or department that has lesser workload until two months after the delivery of their child. For those workers handling or working with chemicals, they will be station to the lesser workload section until up to 15 months after the delivery of their child.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
	MA	<p><u>Findings:</u></p> <p>Evidence of specific grievance mechanism is available.</p> <p>Objective evidence:</p> <p>In addition Procedure for Handling Sexual Harassment Cases (<i>Penyampaian dan Penanganan Kasus Pelecehan Seksual</i>) (PRO-GEN-016) dated 20 April 2011 is available. The procedures covers objective, scope, responsible person (FO, Supervisors, FC, Mandore, CC etc., gender committee, top management - managers) , Procedure in details of addressing and resolving those issues as well as flowchart detailing the mechanism in addressing and resolving the violence against women and sexual harassment.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 6.10	Growers and mills deal fairly and transparently with smallholders and other local businesses.		
6.10.1	Current and past prices paid for FFB shall be publicly available.		<i>Compliance</i>
6.10.1	MA	<p><u>Findings:</u></p> <p>Current and past prices paid for FFB is publicly available.</p> <p>Objective evidence:</p> <p>Current prices of FFB are available at palm oil mill. The prices are observed to be posted on the company's notice board.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
	MA	<p><u>Findings:</u></p> <p>Availability of documented pricing mechanisms for FFB and inputs/services.</p> <p>Objective evidence:</p> <p>Pricing mechanism is available and found to be in order. The mechanism highlights the process in determining the pricing. This is stipulated in the SOP <i>Pembelian TBS</i> (Purchase of the FFB)(SOP-MIL-045) dated 1 January 2011 that describes specific sections as follows:</p> <ul style="list-style-type: none"> ✓ Objective ✓ Definition ✓ Policy 	
6.10.2	Pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).		<i>Compliance</i>
6.10.2	MA	<p><u>Findings:</u></p> <p>Availability of documented pricing mechanisms for FFB and inputs/services.</p> <p>Objective evidence:</p> <p>Pricing mechanism is available and found to be in order. The mechanism highlights the process in determining the pricing. This is stipulated in the SOP <i>Pembelian TBS</i> (Purchase of the FFB)(SOP-MIL-045) dated 1 January 2011 that describes specific sections as follows:</p> <ul style="list-style-type: none"> ✓ Objective ✓ Definition ✓ Policy 	
	MA	<p><u>Findings:</u></p> <p>Availability of documented pricing mechanisms for FFB and inputs/services.</p> <p>Objective evidence:</p> <p>Pricing mechanism is available and found to be in order. The mechanism highlights the process in determining the pricing. This is stipulated in the SOP <i>Pembelian TBS</i> (Purchase of the FFB)(SOP-MIL-045) dated 1 January 2011 that describes specific sections as follows:</p> <ul style="list-style-type: none"> ✓ Objective ✓ Definition ✓ Policy 	

		<ul style="list-style-type: none"> ✓ Scope ✓ Procedure for determining the prices, covering the agreement procedures, dispatch and sorting of the FFB and payment process. <p><i>The company is in compliance to this requirement: Y</i></p>	
6.10.1 Minor		Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Agreed payments shall be made in a timely manner.	<p><i>Compliance</i></p> <p><i>Minor</i></p>
	MA	<p><u>Findings:</u></p> <p>Availability of evidence that all parties understand the contractual agreements they enter into and the agreed payments is made in a timely manner.</p> <p>Objective evidence:</p> <p>Evidence of agreement between the mill and the supplier is available. Sample of agreement signed between PT Sinar Sasongko and the PT BCP POM (No. 001/BCP- PKS/TBS/I-PEKEBUN/2012) dated 2 January 2012 is available and observed during the audit. Found that the agreement that is in local language is mutually agreed by both parties (both parties signed each of the pages).</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
6.10.2 Minor		Agreed payments shall be made in a timely manner.	<p><i>Compliance</i></p> <p><i>Minor</i></p>
	MA	<p><u>Findings:</u></p> <p>Evidence that the agreed payments shall be made in a timely manner.</p> <p>Objective evidence:</p> <p>Evidence of payment is available through the Evidence of Cash/Bank Expenditure (<i>Bukti Pengeluaran Kas/Bank</i>). Several samples of Evidence of Cash/Bank Expenditure with regard to payment to PT Sinar Sasongko is available as follows:</p> <ul style="list-style-type: none"> ✓ BPCP0412-16006 <9152001606> prove of that the payment was received on 18 April 2012 for delivery of FFB on 13 April 2012 ✓ BPCP0612-06004 <9012041725> Prove of that the payment was received on 8 June 2012 for delivery of FB on 4 June 2012 ✓ BPCP0412-26004 <9152001774> prove of that the payment was received on 28 April 2012 for delivery of FFB on 24 April 2012 ✓ BPCP0312-27016 <9012020010> prove of that the payment was received on 28 March 2012 for delivery of FFB on 26 March 2012 <p>Based on above samples, it is found that the payment was made in a timely manner as reflected within the agreement.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	
Criterion 6.11	Growers and millers contribute to local sustainable development wherever appropriate.		
6.11.1		Records of company contributions to the local development.	<p><i>Compliance</i></p> <p><i>Minor</i></p>
	MA	<p><u>Findings:</u></p> <p>Availability of records of company contributions to the local development.</p> <p>Objective evidence:</p> <p>Records of company's contributions to the local development are available. CSR programme for all estates for 2012-2016 is available covering the type of programme i.e. economy, environmental enhancement, religious, health, road, relationship and communication and buildings. There is also estimated amount to be channeled through the CSR programme for each of the programme.</p>	

		<p>The CSR also highlighted in the management plan of the social impact assessment for 2011-2012 that highlighting the contribution against the development and economic of the surrounding regions covering 2 main aspects as follows:</p> <p>i. Education Sector:</p> <ul style="list-style-type: none"> • Scholarship for Excellent Student • Training Skills <p>ii. Health Sector:</p> <ul style="list-style-type: none"> • Health Education and Environmental Hygiene • Health Services (Immunization Fogging) <p>CSR record for 2011 is available capturing all contributions that has been channelled to the surrounding stakeholders covering cash and kind.</p> <p><i>The company is in compliance to this requirement: Y</i></p>
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P7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

This whole Principle is not applicable to this assessment as there are no new plantings. The company is only involved in the re-planting programme after the felling of old palms which is not considered as new planting in Indonesia. There is no new planting within the landholding.

P8: COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY

Criterion 8.1	Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	
8.1.1	<p>A monitoring action plan based on the social environmental impact assessment, and regular evaluations of plantation and mill operations. As a minimum, these must include, but not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of certain chemicals (criterion 4.6). • Environmental impacts (criterion 5.1). • Waste reduction (criterion 5.3). • Pollution and emissions (criterion 5.6). • Social impacts (6.1). 	<p><i>Compliance</i></p> <p><i>Major</i></p>
MA	<p><u>Findings:</u></p> <p>Evidence of a monitoring action plan based on the social environmental impact assessment, and regular evaluations of plantation and mill operations.</p> <p>Objective evidence:</p> <p>The company has established a monitoring plan based on the social environmental impact assessment, and regular evaluations of plantation and mill operations.</p> <p>For monitoring of social impact, the company has established management plan for social impact assessment (internal and external) period 2011-2012 and community development program period 2012-2016. Monitoring of social environmental impact covers contribution for region economic and development, labour absorption, land status and boundary, air pollution, waste water pollution, road damage caused by flood water from the estate, theft and violence, social communication and relationship, public health, religion and construction.</p>	

		<p>For monitoring of environmental impact, the company has established schedule of environmental monitoring covers vehicles emission, ambient air quality, water quality, waste reduction and reduction in use of certain chemicals.</p> <p>Result of monitoring is reviewed by the company through Management Review Meeting (FRM-GEN-007) conducted at least once a year. Agenda of Management Review Meeting covers all issues related to RSPO requirements. Last management review meeting was conducted on 30 June 2012.</p> <p><i>The company is in compliance to this requirement: Y</i></p>
8.1.1 Minor	Records of follow-up actions taken against RSPO audit findings, if any.	<p><i>Compliance</i> <i>Minor</i></p>
	<p>MA</p> <p><u>Findings:</u> Not applicable because this audit is main assessment.</p> <p>Objective evidence: Not applicable because this audit is main assessment.</p> <p><i>The company is in compliance to this requirement: Y</i></p>	

8. SUPPLY CHAIN

Project Number:	Similar to P&C i.e. 2594-MY		
Mill Name:	Wilmar International Limited Mill: PKS Buloh Cawang Plantations PT Buluh Cawang Plantations		
Country:	Indonesia		
Scope:	<i>Purchase of FFB for the production and sales of CPO and Palm Kernel using the Mass Balance supply chain module E option</i>		
Type of certificate:	Single Mill Supply Chain	Number of Sites	1
Certificate Number:		Date of Issue:	
		Date of Expiry:	
RSPO trademark license code:	NA as this is the first Supply Chain assessment		
Contacts Job Description:	Mill Manager		
Name:	Ir. Hendra Gunawan		
Address:	<u>Physical address:</u> Jl. Blabak No. 2A RT. 28 – 3 Ilir Boom Baru Palembang Kecamatan Lempuing, Kabupaten Ogan Komering Ilir. Propinsi Sumatra Selatan. Indonesia	<u>Postal address:</u> As per Physical address	
Tel:	0823 73251995		
Cell Phone :	As above		
Fax:	0711-717738		

Email:	hendra.gunawan@wilmar.co.id	
Standard:	RSPO Supply Chain Certification Standard dated 25 November 2011	
Category	Mill / Plantation	
Approximate Number of Employees	149	
Palm Oil Product Categories		Approximate Annual Purchases (Jan 11- Dec 11)
Purchased/Processed (Own supply base and outside crop)	Fresh Fruit Bunch	Own supply base = 160,578,937 MT Outside Crop Produce = 116,194 MT
	Crude Palm Oil	Own Supply base = 34,033.25 MT Outside Crop = 24,656 MT
Sale	Palm Kernel	Own Supply base = 8,035.18 MT Outside Crop = 5,821 MT

LEGAL REQUIREMENT	
L1.0 The company must have legal registration and obtain the necessary licenses or permit to operate.	
Findings	The company have the Environmental Impact Assessment (EIA) to operate the mill on a piece of land covering an area of 3.66 Ha at production capacity of 100 ton FFB/hr. The EIA was completed in 2004. In addition, the company also have a legal documentation covering the land title issued by the South Sumatera Governor bearing the land title number 570/KPTS/BAPEDALDA/2004
Requirements - Applicability of the General Chain of Custody System Requirements for the supply chain	
Requirement 5.1.2: Either the operator at facility level or its parent company seeking certification shall be a member of the RSPO.	
Findings	The mill is part of the Wilmar International Limited company with the RSPO membership no. 2-0017-05-000-00

Requirements - Documented Procedures	
Requirement 5.1.2: The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements.	
Findings	PKS Buloh Cawang Plantations has established a series of SOPs to operate the mills covering all processes from reception of FFB to the dispatch of the Crude Palm Oil and Palm Kernel Oil. Example of SOPs observed during the main assessment are as follows: a) SOP-MIL-001 – Receiving of Fresh Fruit Bunch b) SOP-MIL-014 - Kernel Station c) SOP-MIL-030 – Reception and Dispatch of the Crude Palm Oil d) SOP-MIL-049 – Operation of Drilling Machine e) SOP-MIL-046 (ver:00) dated 01 July 2012 – Traceability and Supply Chain Certification System f) SOP-MIL-045 – Fresh Fruit Bunch, Crude Palm Oil, and Palm Kernel Weighing g) SOP-MIL-047 – Mass Balance h) SOP-MIL-039 – Despatch of Crude Palm Oil and Palm Kernel i) SOP-MIL-048 – Information on the Increment of Production
b) Complete and up to date records and reports that demonstrate compliance with these requirements. (Requirement 5.2.1)	
Findings	The company has prepared the template records for each of the above SOPs that is made available to the auditor

	during the audit.
c)	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 facility's procedures for the implementation of this standard. (Requirement 5.2.1)
Findings	Mill Manager has been appointed as the responsible person having overall authority over the implementation of these requirements and compliance with all applicable RSPO Supply Chain requirements.
Requirements - Purchasing and Goods in	
Requirement 5.3.1: The facility shall ensure that purchases of RSPO certified palm oil and palm oil products are in compliance with the following:	
a)	The facility shall have documentation that demonstrates that purchases are made to the material category agreed with their supplier (IP, SG, MB) (e.g. specified in purchase orders, contracts, material specifications) The facility receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For facilities that are required to announce and confirm trades in the RSPO IT System (all facilities up the final refinery) this shall include making Shipping Announcements and Shipping Confirmations in the RSPO IT System on the level of each shipment.
Findings	Refer to Module E (Mass Balance) Template record (Dispatch of FFB & Weigh Bridge Slip) from supplying estates is made available during the Audit assessment. Currently, the company only stamped all of the documents with the wording 'Certified' to represent the certification status. However, as point out by the Mill Manager, for RSPO Supply Chain certification purpose, the company will use the specific stamp with the wording MB to represent the RSPO Supply Chain certification of the Mill. Sample of the MB stamped is made available to the auditor during the main assessment.
b)	A check of the validity of the Supply Chain Certification of suppliers is required for all facilities that are SCCS certified. This shall be checked via the list of RSPO Supply Chain Certified facilities on the RSPO website www.rspo.org or the RSPO IT System within a reasonable timeframe.
Findings	No sales yet.
Requirement 5.3.2: The facility shall have a mechanism in place for handling non-conforming material/documents. This mechanism should also be used to take appropriate steps when the Supply Chain certification of a supplier is found to be invalid.	
Findings	The mill has a system that is able to separate the crop from each estate. Furthermore the system is able to allocate whether the crop is from outside or from their supply base.
Requirements - Outsourcing Activities	
Requirement 5.4.1: In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the intent and requirements of the RSPO Supply Chain Standard.	
Findings	No outsourcing activities. FFB is transported direct from the supply base, while the CPO tanker is delivered direct to the refinery.
MODULE E: CPO MILLS – MASS BALANCE	
Requirements – Documented Procedures	
Requirement E.1.1: The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following. (Requirement E.1.1)	
a)	Complete and up to date procedures covering the implementation of all the elements in these requirements
b)	The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard
Findings	PKS Buloh Cawang Plantations has established a series of SOPs to operate the mills covering all processes from reception of FFB to the dispatch of the Crude Palm Oil and Palm Kernel Oil. Example of SOPs observed during the main assessment are as follows: a) SOP-MIL-001 – Receiving of Fresh Fruit Bunch b) SOP-MIL-014 - Kernel Station c) SOP-MIL-030 – Reception and Dispatch of the Crude Palm Oil d) SOP-MIL-049 – Operation of Drilling Machine e) SOP-MIL-046 (ver:00) dated 01 July 2012 – Traceability and Supply Chain Certification System f) SOP-MIL-045 – Fresh Fruit Bunch, Crude Palm Oil, and Palm Kernel Weighing

	<p>g) SOP-MIL-047 – Mass Balance</p> <p>h) SOP-MIL-039 – Despatch of Crude Palm Oil and Palm Kernel</p> <p>i) SOP-MIL-048 – Information on the Increment of Production</p> <p>Mill Manager has been appointed as the responsible person having overall authority over the implementation of these requirements and compliance with all applicable RSPO Supply Chain requirements.</p>
Requirement E.1.2: The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	
Findings	The documented procedure for receiving and processing certified and non-certified FFBs is available in the SOP: Receiving of Fresh Fruit Bunch (SOP-MIL-001).
Requirements – Purchase and Goods in	
Requirement E.2.1: The facility shall verify and document the volumes of certified and non-certified FFBs received.	
Findings	<p>The facility has documented evidence in the Monthly Report file to verify and document the volumes of certified and non-certified FFBs received.</p> <p>All crops from supply base are certified and crop from outsiders are allocated as non-certified.</p>
Requirement E.2.2: The facility shall inform the CB immediately if there is a projected overproduction.	
Findings	The company has established a documented procedure PRO-MIL-007 as a formal procedures to handle and inform the CB if there is a projected overproduction.
Requirements – Record Keeping	
Requirement E.3.1: The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	
Findings	The facility maintain accurate, complete up to date and accessible records of all aspects of these requirements
Requirement E.3.2: Retention times for all records and reports shall be at least five (5) years.	
Findings	As reflected in the procedures, the retention for all records and reports generated in relation to RSPO Supply Chain will be for 10 years.
Requirement E.3.3:	
<p>a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.</p>	
Findings	No sales yet. Nevertheless, the company has prepared the template mass balance that is to be recorded on a three month basis.
Requirement E.3.4: The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.	
Findings	<p>No sustainable material sales yet</p> <p>For RSPO Supply Chain certification purpose, the company will use the specific stamp with the wording MB to represent the RSPO Supply Chain certification of the Mill. Sample of the MB stamped is made available to the auditor during the main assessment.</p>
Requirement E.3.5: In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	
Findings	No outsourcing activities takes place.
Requirements – sales and Good out	
Requirement E.4.1: The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information.	
<p>a) The name and address of the buyer</p> <p>b) The date on which the invoice was issued</p> <p>c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)</p>	

- d) The quantity of the products delivered
- e) Reference to related transport documentation

Findings	No sales of RSPO material yet Nevertheless, the company has prepared the template RSPO Supply Chain sales documents that states the following details: a) The name and address of the buyer: Available eg PT Sinar Permai b) The date on which the invoice was issued: 20/6/12 c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance): CPO (Stamped MB) d) The quantity of the products delivered: available in the sales invoices 350MT e) Reference to related transport documentation
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Requirements – Training

Requirement E.5.1: The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.

Findings	Training on ' <i>RSPO Supply Chain Certification Standard and Systems dated 25 November 2011</i> ' was provided 28/6/12
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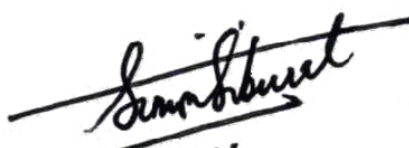
9. EVALUATION DECISION

The Main Assessment has resulted in the issuance of 05 Major and 01 Minor CAR as well as 04 Observations. The 05 Major CARs issued has been subsequently closed through the submission of objective evidence to the Certification Body. Details of the CAR and Observations raised as well as its objective evidences are as listed in Appendix A and Appendix B respectively.

With no Major CAR, **the Wilmar International Limited's management of PKS Buloh Cawang and its supply base estates in Sumatera, Indonesia**, is now recommended for the certification against the RSPO P&C INA_NIWG requirements. The issues highlighted as Minor CARs must be adequately addressed and the adequacy of the actions taken need to be verified during the first surveillance visit to be conducted within 12 months from the date of assessment.

10. ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY AND FORMAL SIGN-OFF OF ASSESSMENT FINDINGS

It is acknowledged that the assessments cited in this report have been carried out as stipulated and we confirm the acceptance of the assessment report contents including assessment findings.

<p>Sign on behalf of:</p>  <p>Simon Siburat</p>	<p>Sign on behalf of:</p> <p>SGS (M) Sdn. Bhd. SGS (MALAYSIA) SDN. BHD. (10871-T) System & Services Certification No. 26, Jalan Anggerik Vanilla 31/93, Kota Kemuning, 40460 Shah Alam, Selangor. Tel: +6(03) 5121 2320 Fax: +6(03) 5122 5927 www.sgs.com</p> <p>Abdul Haye Semail Manager – Natural Resources</p>
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General Manager- Group Sustainability	
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APPENDIX A: CORRECTIVE ACTION REQUEST

CAR #	MYNI Indicator	CAR Detail					
01	2.1.1	Date Recorded>	05/07/12	Due Date>	Next Surveillance	Date Closed>	
Non-Conformance:							
Inadequate evidence of a documented system, which includes written information on legal requirements that the palm oil company should comply with.							
Objective Evidence:							
The company has registered all applicable regulations and other requirements into Law Register (FRM-GEN-026) last update on 01 May 2012 and other requirements register (permits and licenses). However law register did not cover the following new regulations: <ul style="list-style-type: none"> - Ministry Regulation of Manpower and Transmigration # Per.13/Men/X/2011 regarding the limit threshold value of physical and chemical factor in the workplace. - Regulation Government # 50/2012 regarding implementation of health and safety management system. - Ministry Regulation of Agricultural # 07/Permentan/SR.140/2/2007 regarding requirement and procedure of pesticide registration. - ILO Code of Practice: safety and health in forestry work. Register of law and other requirements includes plantation and mill issues, land use issue, environmental issues, labour issues and health and safety issues.							
Minor CAR 01 – Raised							
Close-out evidence:							
M02	4.4.1	Date Recorded>	05/07/12	Due Date>	05/09/12	Date Closed>	22/8/12
Non-Conformance:							
Inadequate protection of watercourses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting.							
Objective Evidence:							
During the Main Assessment, the auditing team note that there are evidences of spraying was done along the bufferzones at watercourse. In addition, there is also evidence of planting along the bufferzone at the watercourse although the SOP for Land Clearing (SOP PRO-Est-002) dated 1 January 2011 stated no planting is allowed along the watercourse.							
Furthermore the auditing team also note that the rubber processing wastewater is not being well treated before being discharged into the watercourse.							
Major CAR 02 - Raised							
Close-out evidence:							

CAR #	MYNI Indicator	CAR Detail					
		<p>On August 22, 2012, the Unit has already submitted evidence (both pictoral and plan) that they have increase the number of retention ponds to 9 ponds at the rubber processing plant to cater for the wastewater.</p> <p>As for the spraying of some of the buffer zones, on 11 July 2012, training “ Sosialisasi Prosedur Penyemprotan dan larangan penyemprotan di daerah larangan sungai untuk pekerja semprot” was conducted by the Debok Rejo Estate manager Ir Rikson Purba for the field staff, spray mandore as well as the 10 of the sprayers. Similar training was conducted at Bumi Arjo Estate by the manager Ir A. Aziz M Purba on 10 July 2012.</p> <p>In addition , Estate Bambu Kuning , the EHS staff, M. Fahmi , conducted training for hte sprayers, fertiliser applicators as well as the field staff and mandores.</p> <p>Attendance sheet as well as the internal documentation to confirm its completion of the training was also submitted as evidence .</p> <p>With the above submission and evidence, the Major CAR 02 issued is now closed.</p>					
M03	4.6.3	Date Recorded>	05/07/12	Due Date>		Date Closed>	02/05/13
Non-Conformance:							
Inadequate evidence that usage of agrochemicals is appropriate for the target species, given at correct dosage and applied by trained personnel in accordance with the product label and storage instructions.							
Objective Evidence:							
<u>Findings:</u>							
Inadequate evidence that usage of agrochemicals is appropriate for the target species, given at correct dosage and applied by trained personnel in accordance with the product label and storage instructions.							
Objective evidence:							
The usage of the pesticides is not following the correct usage, dosage and storage instructions. The following observations are evidenced:							
<ul style="list-style-type: none"> • calibration records are not accessible to show correct usage of chemicals; • blue and red nozzles are used for the same spray programme; • evidence that some of the Material Safety Data Sheet (MSDS) missing in chemical storage; • Store do not have good ventilation i.e. do not have ventilation fan installed; and • Evidence of no measurement equipment for measuring chemical in the field 							
Major CAR 03 is issued following to this non-conformance.							
Close-out evidence:							

CAR #	MYNI Indicator	CAR Detail						
		<p>Following to the audit, the company has taken immediate action to resolve the above issues by submitting the close-out evidence in the form of training record and pictorial evidence showing action that has been taken to address the Major CAR issued. The evidence was submitted on 02 May 2013 stating the following evidences:</p> <ul style="list-style-type: none"> • Training (in the form of training records and pictorial evidence) that has been conducted to all mandore, sprayer workers and workers responsible for mixing of pesticides. The training records also stated the specific section on the following: <ul style="list-style-type: none"> ○ Safety and health of chemical handling in storage and in the field; ○ Training on the correct usage of the measuring equipment; and ○ correct usage of the spraying nozzles for particular spraying programme. • Pictorial evidence of the MSDS is found to be posted on the wall in the chemical storage; and • Pictorial evidence of newly renovated chemical storage showing new ventilation fan installed. <p>With the above observations, the Major CAR 03 issued is now closed.</p>						
M04	4.7.1	<table border="1" data-bbox="505 869 1458 936"> <tr> <td data-bbox="505 869 683 936">Date Recorded></td> <td data-bbox="683 869 829 936">05/07/12</td> <td data-bbox="829 869 959 936">Due Date></td> <td data-bbox="959 869 1170 936">05/09/12</td> <td data-bbox="1170 869 1317 936">Date Closed></td> <td data-bbox="1317 869 1458 936">13/7/12</td> </tr> </table> <p>Non-Conformance: Inconsistency in implementation for occupational safety and health (OSH) policy.</p> <p>Objective Evidence: Safety and Health Policy is available. The document dated September 2010 is made available to the auditor during the audit. The policy is found to be posted on company's notice board at each of the visited estates.</p> <p>Nevertheless, in practice, there is inconsistency in implementing the OSH policy. The following non-conformances are evident:</p> <ul style="list-style-type: none"> • Emergency procedure (contact person if emergency occur) not available at work site; • Usage of unsuitable cotton glove for manuring workers; and • Evidence of misuse of spillage kit. <p style="text-align: center;">Major CAR 04 – Raised</p> <p>Close-out evidence: On Aug 2, 2012, the company submitted evidences that emergency numbers were included in the emergency procedure in the mandore first aid kit, storage site, workshop, office and workers notice board at the line-site.</p> <p>On July 13, 2012, submitted evidence from Bumi Arjo Estate to show that they had a training “ <i>Sosialisasi penggunaan sarung tangan kain dan karet</i> “ or the correct use of gloves for the manuring workers. Attendance sheet ,proof of issuance and pictorial proof was submitted to show compliance.</p> <p>Similarly on July 13, 2012, submitted evidence form Bumi Arjo Estate to show that training on the proper usage of spill kit was conducted for the workers at the workshop, genset as well as the storage site. Attendance sheet and pictorial proof was submitted to show compliance.</p> <p>With the above submissions, the Major CAR 04 issued is now closed.</p>	Date Recorded>	05/07/12	Due Date>	05/09/12	Date Closed>	13/7/12
Date Recorded>	05/07/12	Due Date>	05/09/12	Date Closed>	13/7/12			

CAR #	MYNI Indicator	CAR Detail					
		Date Recorded>		Due Date>		Date Closed>	
M05	6.5.1	05/07/12				02/05/13	
		Non-Conformance:					
		Documentation for employees pay slip is not clear.					
		Objective Evidence:					
		Pay slip for harvesting worker issued by Suka Mulya Estate indicated information of weight of FFB, while Bumi Arjo Estate did not indicated this information, for example: Aliman, gross salary IDR 685,228, total mandays 23 (May 2012).					
		Major CAR 05 – Raised					
		Close-out evidence:					
The company has taken action to revise the salary slip for harvesters working in Bumi Arjo Estate to include the specific information pertaining to the weight of the FFB harvested for that particular months together with other relevant information i.e. total tonne of FFB harvested/month and total working days/month. Evidence of action taken in the form of copies of newly revised salary slips for several harvesters working in Bumi Arjo Estate has been submitted to SGS via email on 02 May 2013. With the above observation, the Major CAR 05 issued is now closed.							
M06	6.5.2	05/07/12				02/05/13	
		Non-Conformance:					
		A company working regulations and work contracts, in accordance with existing regulations is found to be not consistently implemented.					
		Objective Evidence:					
		Term of employment of contract workers is not adequately implemented by Wilmar i.e. those workers that has been working at least 21 days a month, more than 3 months in a consecutively is not being upgraded to permanent basis.					
		Major CAR 06 – Raised					
		Close-out evidence:					
The company has upgraded all qualified workers whom have been working with the company for more that 3 months to permanent basis according to Collective Agreement [<i>Surat Kesepakatan Bersama (SKB)</i>]. Evidence of action taken in the form of newly revised employment contracts for sprayers and manurers has been submitted to SGS via email on 02 May 2013. With the above observation, the Major Major CAR 06 issued is now closed.							

APPENDIX B: OBSERVATIONS

OBS #	Indicator	Observation Detail			
		Date Recorded>		Date Closed>	
01	1.1.1	05 July 2012			dd MM yyyy
		Observation			

OBS #	Indicator	Observation Detail			
		Commitment of transparency is addressed through a letter of commitment [Ref:981.02/TS.HRR/EXT/VII/2009] dated 10 July 2009. The letter stated Wilmar's commitment to be transparent in their operation and management. As of now, all records of response and request are recorded in the logbook on communication with external stakeholders. However, the auditing team note that the list of the relevant stakeholders for the PT. Tania Selatan is not made available to the auditing team during the stakeholder consultation prior to the audit date.			
		Follow-up evidence:			
02	2.1.1	Date Recorded>	05 July 2012	Date Closed>	dd MM yyyy
		Observation			
		Field evidenced that Farm tractor operator did not have proper valid transportation license i.e. " <i>lisensi K3 operator pesawat angkat dan angkut</i> " that is required under the Indonesian Law.			
		Follow-up evidence:			
03	4.1.1	Date Recorded>	05 July 2012	Date Closed>	dd MM yyyy
		Observation			
		The Standard Operating Procedures for plantations for estates are verified. The auditor team note that the first version of the SOP is dated back in January 2011. Verification at Bumi Arjo Estate evidenced that the estate's SOP is up-to-date based on the latest date i.e. 30 June 2012. However, the similar update is not done for the SOP for Dabuk Rejo Estate that is still using the first version.			
		Follow-up Evidence:			
04	5.3.1	Date Recorded>	05 July 2012	Date Closed>	dd MM yyyy
		Observation			
		Observed during audit, hazardous waste symbol at temporary hazardous waste storage at Bumi Arjo Estate is not refer to EIA Decree # KEP-05/Bapedal/09/1995 regarding symbols and labels for hazardous and toxic waste. Procedure for waste management (PRO-GEN-013) did not clear determine requirement for construction of domestic waste landfill.			
		Follow-up Evidence:			