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Roundtable on Sustainable Palm Oil

Annual 2nd Surveillance Audit Report

Report no.: ASA12_82450214011

Surveillance assessment against the

RSPO Principles and Criteria year 2013 (INA-NI 2016) and RSPO SCCS 2014 (Ver 2-Nov 2016)

PT Barumun Agro Sentosa

Jl. DC Mahakam Blok C No. 14
Padang Golf, Polonia
Medan - 20157

Date of assessment: 22-24 August, 2017

Report prepared by:

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1.1 SCOPE OF CERTIFICATION ASSESSMENT.

The 2nd surveillance assessment was carried out on Aek Sigala-gala Mill and Barumun Agro Sentosa Estate under PT. Pasifik Agro Sentosa owned by PT. Barumun Agro Sentosa.

The operations of the palm oil mill(s) and its supply base of FFB were assessed against RSPO Principles & Criteria INA-NI 2013 (July 2016), selected Supply Chain Model according to company's FFB supply base is Mass Balance

Mill name	Mill 1: Aek Sigala-gala		
Supply base name			
Company owned Estate:	1. Barumun Agro Sentosa Estate (HGU)		
Other operating estate owned by Company	1. Barumun Agro Sentosa Estate (Non HGU-Permit Location Area)		
Other Source	1. PT. Mega Agung Pratama		
Supply Chain Model	IP	X	MB
National Interpretation used	INA NI 2013 (Juli 2016)		

1.2 Location

Table 1: GPS locations for all estates and mills included in certification assessment

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Barumun Agro Sentosa Estate	Jambu Tonang Village, Ujung Batu District, Padang Lawas Utara Regency, North Sumatera Province, Indonesia	1°36'47.2"N	100°06'36.3"E

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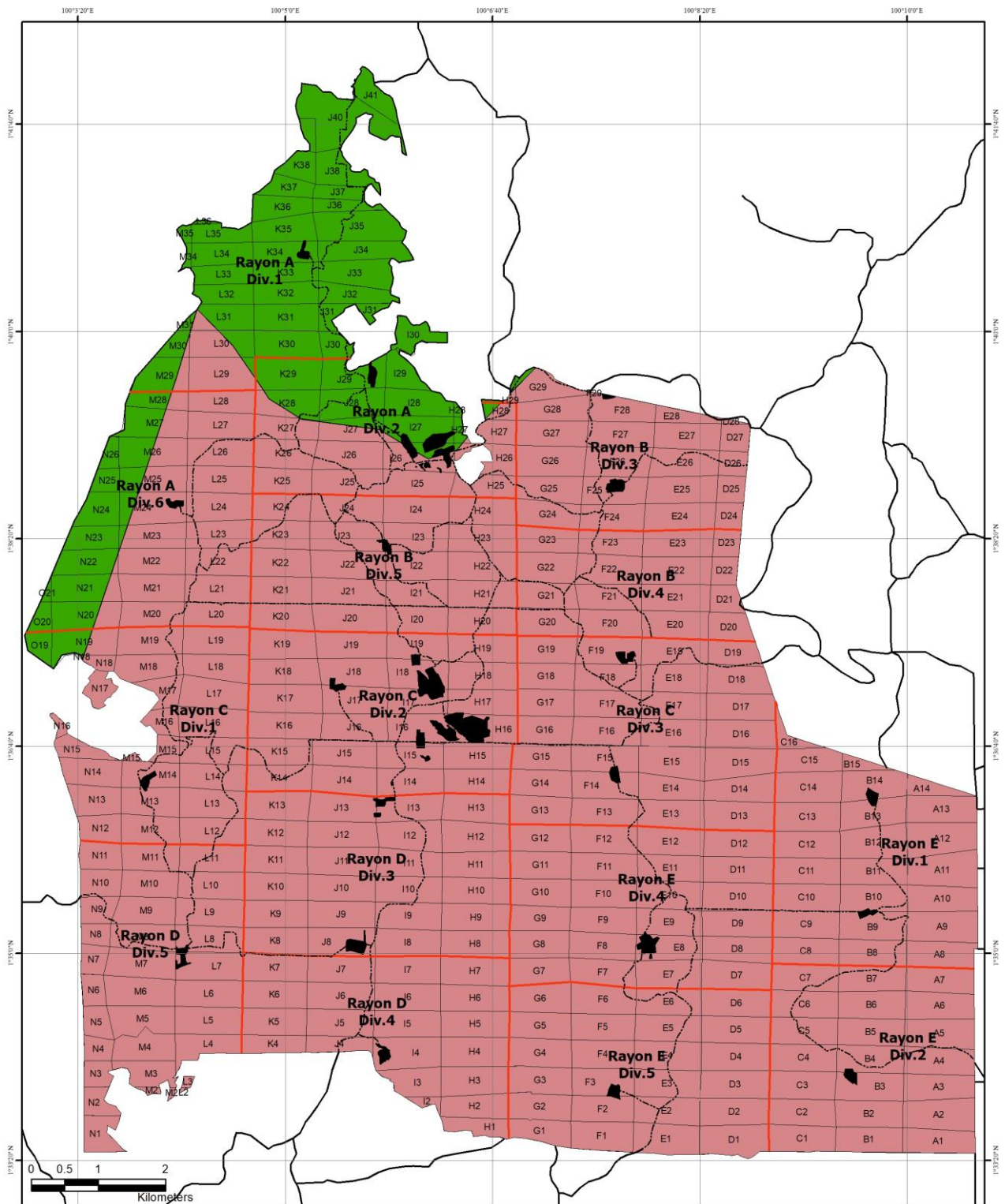


Maps



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PETA KERJA
PT. BARUMUN AGRO SENTOSA

SKALA 1:50,000

Keterangan :

- : PT. BARUMUN AGRO SENTOSA
- No. Anggta RSPO : 1-0059-08-000-00
- No. Sertifikat RSPO : 824.5021.4011
- Kepemilikan Perusahaan : Swasta Nasional
- Nama Lokasi : Desa Jambu Tonang, Kec. Ujung Batu, Kab. PALUTA, SUMUT
- Negara : Indonesia
- Jenis Izin Diperoleh : IUP/PT.BAS No. 503/0005/IUP/BTPPM2015
- Luas Areal : 13.819
- Status Hak Tanah : 12.319-HGU & 1.500 - Kadastral (proses HGU)
- Nomor Sertifikat : HGU No.01
- Tgl. Berlaku Sertifikat : 31 Desember 2021
- Nama Pabrik : PKS Aek Sigala-gala
- Lokasi Pabrik : Desa Ujung Gading Jae, Kec.Simangambat, Kab.PALUTA, SUMUT
- Kapasitas Pabrik : 60 Ton/Jam

Legenda :

- Hak Guna Usaha : 12.319 Ha
- Kadastral : 1.500 Ha
- Actual Blok
- Emplacement
- Jalan Luar
- Main Road
- Batas AFD

Sumber :

1. Hasil mapping dengan menggunakan GPS 60 CS.
2. Peta SKTB 08B edisi revisi tahun 2009
3. Peta Administratif Sumatera Utara 1:2.250.000

Coordinate System: GCS WGS 1984
Datum: WGS 1984
Unit: Degree



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1.3. Supply Base Composition

Table 2: FFB Supply Base Composition for Aek Sigala-gala Mill

FFB Contributor	FFB supplied in 2017 (Tonnes)	
	Tonnes	%
Barumun Agro Sentosa Estates (HGU)	268,301.789	76.70
Barumun Agro Sentosa Estate (Non HGU-Land Permit)	37,781.000	10.98
PT. Mega Agung Pratama (FFB Supplier)	39,000.000	11.32
Sub Total	345,082.789	100%
Others Company's owned estate	-	-
Smallholders / outgrower	-	-
GRAND TOTAL	345,082.789	100%

Table 3: CPO and PK production from period January-December 2017 and projected for year 2018

FFB supplied in (previous License Year) (Tonnes)	OER	CPO * (Tonnes)	KER	PK * (Tonnes)
305,249.80	21 %	64,102.49	5%	15,262.49
Projection FFB supplied in next 12 months (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
268,301.78	21 %	56,343.37	5 %	13,415.08

*) Only for certified product.

1.4 Area of Plantation (Total, Planted and Mature)

Table 4: Oil Palm Planted Area Summary, FFB Production and Average yield/ha for PT. Barumun Agro Sentosa

Estate Name	Total area (ha)	Oil Palm Planted area (ha)	Mature (Production) area (ha)	Immature (Non-production) area (ha)	FFB Production (tonnes)	Average yield/ ha
Barumun Agro Sentosa	12,319	11,804	11,804	-	267,468	22,659
TOTAL	12,319	11,804	11,804	-	267,468	22,659

1.5 Dates of Plantings and Replanting Cycles

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

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Table 5: Age and year of plantings of company estate supplying to Aek Sigala-gala

Age & Year of Plantings	Oil palm planted area at each estate(ha)		
	Aek Barumun Estate (HGU)	Aek Barumun Estate (Land Permit)	Planted Area
29/1988	231	-	231
28/1989	1,421	8	1,429
26/1991	2,477	87	2,564
25/1992	3,044	64	3,108
24/1993	1,973	122	2,095
23/1994	939	79	1,018
22/1995	183	153	336
21/1996	753	76	829
20/1997	9	81	90
19/1998	52	128	180
15/2002	462	327	789
12/2005	137	375	512
10/2007 (insert plant)	123*	-	123*
TOTAL	11,804	1,500	13,304

Note : * There are planting in 2007 covering an area of 123 ha, the land was opened and planted before 2007, but the plants are dying so often done replanting (insert). Inserts plants in 2007 is more dominant so the management are set to be the year of planting 2007

Table 6: Land use data for PT. Barumun Agro Sentosa

Estate Name	Total area (ha)	Oil Palm Planted Area (ha)	Other commodities	HCV/Potential HCV areas* (ha)	Land used for other purposes (ha)			
					Local Government office	Nursery	Cleared Area	Other Land
Barumun Agro Sentosa (HGU)	12,319	11,804	-	795.74	-	5	-	510
Barumun Agro (Non HGU)	1,500	1,500	-	-	-	-	-	-
TOTAL	13,819	13,304	-	795.74		5		510

Note : * involved of estate areas

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Table 7 Planned and actual oil palm replanting activities for PT. Barumun Agro Sentosa

Year	Total planned replanting area (ha)	Total planned replanting area for each estate (ha)				Actual total area replanted (ha)
		Barumun Agro Sestosa	-	-	-	
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	240	240	-	-	-	-

* However, currently the oil palm are still productive, it then be revised to be conducted in 2019. Sighted the previous replanting plan map with 3 years of plan from 2017 – 2019.

1.6 Volume of CPO and PK recommended for Certification

The approximate tonnages certified, based production in Barumun Agro Sentosa Estate 2017 are as follows:

Crude Palm Oil (CPO) : **56,343.37**
 Palm Kernel (PK) : **13,415.08**

1.7 Organisational Information / Contact Person

Contacts details of the company are as follows:

Company Name:	PT. BARUMUN AGRO SENTOSA
RSPO Membership no.	1-0059-08-000-00 on behalf PT Barumun Agro Sentosa since August 29, 2008502 14011
Address:	Head Office : Jl. DC Mahakam Blok C, No.14 Komp.Padang Golf, Medan Polonia, North Sumatera, Indonesia Site : Jambu Tonang Village, Ujung Batu District, North Padang Lawas Re-gency, North Sumatera Province, Indonesia Mill : Ujung Gading Jae Village, Simangambat District, North Padang Lawas Regency, North Sumatera Province, Indonesia
Contact Person:	IDRIS & HUSIN
Telephone:	061 7882311 061 7882177 (Fax)
Email:	idris@rmm-dis.com & husin_salim@yahoo.com

PT Barumun Agro Sentosa was previously certified under the company name PT First Mujur Plantation & Industry, which was established in year 1990. The change of company name was agreed by the company's shareholders according to Act no. 303 dated 28 December 2010 from the Humberg Lie SH, SE, Mkn Notary and approved by the Republic of Indonesia Ministry of Law and Human Rights as per decision letter no. AHU-08277.AH.01.02 year 2011 regarding the change of the company's statutes.

The company was initially entitled to govern a concession area of 12,319 ha and as stated in the certification report for PT FMPI, the mill is also receiving FFB supply from another small estate area within Aek Kulim estate which is owned by the company but the company has yet to receive the land use certificate (Hak Guna Usaha – HGU) for this area which covers 1,500 ha. At time of certification, the company had the location

permit no. 503/0398/K/2009 dated 24 Sept 2009 (the location permit revision no. 503/232/K/2012 date 17 July 2012 about on behalf PT Barumun Agro Sentosa now) from the North Padang Lawas government head for 1,500 ha of land located in Jambu Tonang, Menanti, Huta Raja, Pasir Lancat and Ujung Batu Jae Village, located on Simangambat sub-district, North Padang Lawas District of North Sumatera. The company has received the Plantation Operation Permit no. 503/157/KPTS/2011 for this 1,500 ha of land on 28 May 2011. As such, the total company's area is now 13,819 ha and the company is now in process to obtain the land use right (Hak Guna Usaha – HGU) for the area of 1,500 ha. And currently the area 1,500 ha is not part of surveillance audit activities and still waiting for decision from Indonesia National Land Agency.

Fresh fruit bunches (FFB) from the company's own estates are processed independently by Aek Sigala-gala Palm Oil Mill with an initial installed capacity of 30 tonnes per hour, but had now been increased to 50 tonnes per hour. The company has 1 estates Barumun Agro Sentosa Estate, and is managed by a general manager, while each division is managed by a field assistant along with division assistant for transport and office.

1.8 Time Bound Plan for Other Management Units

The time frame laid out below is considered to be both challenging and realistic.

This time bound plan so far been carried out has been revised and the reason for this is because there are some company has been reschedule to be include in RSPO Certification.

The audit team is satisfied that the company conforms with the RSPO requirements for partial certification as laid out in Clause 4.5 of the RSPO Certification Systems document.

PT Barumun Agro Sentosa as subsidiaries PT Pasific Agro Sentosa required to provide time-bond plan as stated below :

Tabel 8: Time Bound Plan of PT Barumun Agro Sentosa

Name of Holding	Location	Time bound plan for certification	Status
PT. Rimba Mujur Mahkota (PT.RMM). RSPO Member :No: 1-0124-12-000-00	Sikara-kara Village, Natal Sub District, Mandailing Natal District, North Sumatera - INDONESIA	November, 2014	Certified
PT. Dinamika Inti Sentosa (PT.DIS)	Sundutan Tigo Village, Natal Sub District, Mandailing Natal District, North Sumatera - INDONESIA	2019	Not Certified
PT. Cipta Usaha Sejati (PT.CUS) RSPO Member :No: 1-0078-09-000-00	Matan Jaya Village Kec. Simpang Hilir, North Kayong District, West Kalimantan - INDONESIA	2017	Not Certified
PT. Jalin Vaneo (PT.JV) - non member	Batu Barat Village, Simpang Hilir Sub District, North Kayong District, West Kalimantan - INDONESIA	2019	Not Certified
PT. Mitra Aneka Rezeki - Kubu Raya (PT. MAR) - non member	Arus Deras Village, Teluk Pakedai Sub District, Kubu Raya District, West Kalimantan-INDONESIA	2018	Not Certified

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PT. Mitra Aneka Rezeki – Banyuasin (PT. MAR) - non member	Meranti Village, Suak Tapeh Sub District, Banyuasin District, South Sumatera- INDONESIA	2018	Not Certified
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1.9 Compliance to Rules for Partial Certification

Compliance of the uncertified management units of PT. Barumun Agro Sentosa against the rules for partial certification according to RSPO Certification System clause 4.5 was assessed by desk study as well as web check on relevant complaints; verification to company's parent company, a positive assurance statement based upon company's self assessment completed with sufficient evidence against each requirement; consultation with targeted stakeholders including consultation with the relevant NGO's, and or further stakeholder consultation and or field inspection considering the risk assessment result of any non compliance with the requirements. A summary of findings is as stated below.

Partial Certification Requirements	Audit Findings
(a) The parent organization or one of its majority owned and / or managed subsidiaries is a member of RSPO.	PT Rimba Mujur Mahkota is subsidiary of Pacific Agro Sentosa. PT RMM has RSPO member with membership number No: 1-0124-12-000-00 (since: June 18, 2002).
(b-d) A challenging time-bound plan for certifying all its relevant entities is submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills. Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed. for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified	See table above, some changes on company's time bound plan due to several reason explained above.
(e) No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure	There are some newly developed plantation areas under PT Cipta Usaha Sejati (CUS) and PT Jalin Vaneo (JV), West Kalimantan province Indonesia. Company conduct HCV assessment in year 2012 and conduct land use changes analisis (LUCA). According to information stated on HCV amongst the 13 HCVs and associated sub-values assessed, 11 were deemed present at JV and 10 at CUS. Further information stated on HCV document, no areas in PT CUS and PT JV are merged into a single layer and overlaid on the license boundary. The total area of the recommended HCVMA inside the license boundary is c. 20,280 ha. The total non-HCVMA area within the license area is c. 24,830 ha. The area of non-HCVMA that overlaps with areas planned by the company for future oil palm development is estimated to cover c. 4120 ha. Such areas would be considered available for new development, subject to release by local communities through a fair and proper Free Prior and Informed Consent (FPIC) procedure for land release, and full payment of compensation.

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	<p>From LUCA document the indicating areas of clearance since 2005 is 22,042.38 ha both in PT CUS and PT JV with various vegetation coefficients. Currently both companies are under processing on RSPO Remediation and Compensation Porcedure.</p> <p>Also PT. DIS, PT. MAR Kubu Raya and PT. MAR Banyuasin there is no official document of HCV assessment nor NPP approval from RSPO.</p>
<p>(f) Land conflicts, if any, are being resolved through a mutually agreed process, e.g. RSPO Complaint System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6.</p>	<p>There are identified land dispute in several company's subsidiaries i.e.:</p> <ul style="list-style-type: none"> - Land dispute in PT Cipta Usaha Sejati with villager from Lumbuk Batu village, Kayong Utara District, for total area 1735 ha, under resolution involving Integrated Team Land Settlement, National Land Agency. - Dispute regarding smallholder scheme development in PT Rimba Mujur Mahkota and PT Dinamika Inti Sentosa with community from Bintuas village 740 ha and Buburan Village 596 ha, Mandailing Natal District. There are some agreements signed however some community still not satisfied with the agreement result. - Claime from "Gerakan Pemuda Untuk Keadilan Rakyat (GPUK)" regarding land occupied by PT Barumun Agro Sentosa 235.50 Ha. And Claim from Haji Soleh Hasibuan. Has been solved and clarified by management PT BAS through letter on February 24, 2015.
<p>(g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>There are some labour dispute in several companys subsidiaries, i.e.:</p> <ul style="list-style-type: none"> - Complaint regarding "Eid Mubarak Allowance" in PT CUS in June 2016. The casual wokers reported to Man Power Officer Kayong Utara District. - Labour dispute in PT RMM regarding minimum wages in year 2015 has been solved.
<p>(h) Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1.</p>	<p>Some of PT PAS's other management units have not complied with certain legal requirements (HGU), for example in PT DIS and PT. BAS. Those has been identified on audit report as well as legal compliance in PT BAS has been recorded on the relevant audit report.</p>

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1.9.1 Compliance to other RSPO Procedure

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

1.9.2 Compliance to RSPO Guidance on GHG calculation

During the audit, the audit team verify and confirm that

The RSPO PalmGHG Calculator used	Version 3.1
Accurate data has been put into the RSPO Palm GHG Calculator	Yes
Net GHG Emission Figure (tCO ₂ e/tCPO)	98.75

1.10 Plan for certification of associated smallholders

As seen from data in Table 2, the mill receives 0 % supply of FFB from smallholders,

The mill has not developed a plan for certification of associated smallholders .

2.0 ASSESSMENT PROCESS

2.1 Qualifications of Lead Assessor and Assessment Team

Name	Position	Qualifications / Experience
Panggading Hariara Nainggolan	Lead Auditor	<p>Education : Bachelor of Social Science, Jakarta Institute of Social & Politic Science</p> <p>Training Attended : ISPO by ISPO Commission, RSPO Lead Auditor (Pro-Forest, Daemeter), RSPO SCCS Lead Auditor, Quality Management System (QMS) Auditor/Lead Auditor (ISO 9001: 2015) IRCA by Neville Clarke, RSPO in house training by MAL, Awareness of QHSE (management system review & integrated management system concept ISO 9001, 14001, OHSAS).</p> <p>Working experience : National Commission for Child Protection (KOMNAS Perlindungan Anak) as Staff, Common Ground Indonesia as Staff Education Program Division - Reporter at Global Quality Information (Golbal TV), Producer at Netwave Multimedia, Producer at Satu Visi Perkasa Production, Project Supervisor at PT. Surya Solusi Informasi and Auditor at PT TUV Rheinland Indonesia.</p>
Naik Monang Parlindungan Linnga	Auditor	<p>Education : Bachelor of Forestry, Gadjah Mada University.</p> <p>Training attended :</p>

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		<p>ISPO Auditor, Quality Management System (QMS) Auditor/Lead Auditor (ISO 9001:2008) by IRCA, Environmental Management Systems Auditor/Lead Auditor Conversion Training by IRCA (ISO 14001-2004), Lead Auditor RSPO Training, HCVA Training and RSPO SCCS Training (2016)</p> <p>Working experience : Field Assistant PT Sapta Karya Damai (2008-2013), Auditor in PT Sucofindo (2013-2015), and Auditor in PT TUV Rheinland Indonesia (2015-present).</p>
Andreas Budi Rahutomo	Auditor	<p>Education: Forestry Undergraduate – Universitas Gadjah Mada.</p> <p>Relevant trainings: RSPO LA Training, Upgrading ISO 9001:2015; Lead Auditor IRCA Approved ISO 9001, ISPO Lead Auditor Training, IFCC Auditor Training, RSPO Supply Chain Auditor Training, FSC FM/CoC Auditor Training.</p> <p>Professional experience: 5 years of working experience. Consultancy in several environmental projects (forestry and climate change) i.e. Forest Carbon Partnership Facility (Ministry of Forestry – World Bank), UNDP REDD+, and Indonesian Palm Oil Pledges (IPOP). Auditing experiences as palm oil and forestry auditor for several certification bodies i.e. Control Union, Bureau Veritas, and currently as permanent auditor at TUV Rheinland.</p>
Harso Yuli Antena	Auditor	<p>Education: Bachelor of Agriculture Science– Bogor Agriculture Institute, (1995 to 2000)</p> <p>Training attended: ISO 9001:2008 Lead Auditor Training, Sustainable Forest Management, and Indonesia Sustainable Palm Oil Lead Auditor.</p> <p>Working experience: Social Research-Indonesia Centre for Agricultural, (social economic and policy study), Social researcher-CSR Indonesia mott-McDonaldIndonesia (2010-2011), Personal Consultant in Research and Development-Colors Media Group (2011-2013), RSPO and ISPO Auditor (2013-present).</p>

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2.2. Surveillance Assessment Agenda.

Date	Location/ Main sites	Main activities
August 22, 2017	Barumun Agro Sentosa Estate	<ul style="list-style-type: none">- Opening meeting- Document verification for all previous audit findings- SCCS Audit- AMDAL and environmental monitoring records- Social aspects- Workforce, payment
August 23, 2017	Aek Sigal-gala Mill & Barumun Agro Sentosa Estate	Document checks and verification to field for following aspects : <ul style="list-style-type: none">- Record of Maintenance boundary- Planning re-planting- FFB production records- Areal statement- Company management plan- HCV- Environmental aspects and impacts- Chemical and fertilizer usage records- Agricultural best practices- AMDAL and environmental monitoring records- Social aspects- Workforce, payment- SCCS
August 24, 2017	Barumun Agro Sentosa Estate	Document checks and verification to field for following aspects : <ul style="list-style-type: none">- Record of Maintenance boundary- Planning re-planting- FFB production records- Areal statement- Company management plan- HCV- Environmental aspects and impacts- Chemical and fertilizer usage records- Agricultural best practices- AMDAL and environmental monitoring records- Social aspects- Workforce, payment- SCCS

2.3 Assessment Methodology

The certification assessment was conducted between August 22-24, 2017 as per the assessment program above. The assessment was carried out in accordance with PT TUV Rheinland Indonesia's RSPO audit procedure as well as the RSPO Certification Systems document. During assessment, the qualified TUV Rheinland assessors used the RSPO standard as endorsed for the country in which the assessment took place and recorded their findings.

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

All Sigala-gala Mill and Barumun Agro Sentosa Estate visited and the assessment team carried out field and document assessments of compliance to all the RSPO principles and criteria. Common systems were identified and specific evidence was recorded for individual estates. Interviews were conducted at all estates and the mill. The company proposed the correction and corrective action for all identified non conformities raised to the certification body no more than 60 days after the closing meeting. Verification of closure of major non-conformances was conducted 2 months after the closing meeting of the main assessment and implementation of corrective actions for minor non-conformities will be verified during the next surveillance audit. The certification assessment agenda is as explained above

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3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

The following is a summary of findings made for the criteria listed in the Indonesian National Interpretation of RSPO Principles and Criteria 2013 for detail information about company's compliances to RSPO P & C indicators has been explained on the checklist as stated on Appendix_5

1. RSPO P & C

Criterion 1.1: Growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.

Findings:

Company still maintain their commitment to transparency, which is documented in their communication procedure which was issued since April 1, 2009 and change into April 1st, 2011. Every request categorized by the type of information required, and the replied by Head of Administration in the estate and mill. There are evidences showed during audit regarding their communication records such as incoming letters and letters logbook for incoming and out coming (2017). There is no incoming letter regarding information request. Most of letters are asking for support and donations. Estate still maintains the record as requested by company's Memo No. 006/SE/DIR/BAS/VIII/2011, regarding documents retention time (10 years).

PT BAS still show their stakeholders list. Evidences showed during surveillance: Stakeholder list Base on Form No. F-MR-32, published at April 01st 2011. The list consist of: a) Government (32); b) Head of local Village (15); c) Local religion leader (12); d) Customer (6); e) Contractor (6); f) Supplier (3); g) Non Government Organization (2); h) Labor Union (5). The stakeholder list updated annually and/or if any substitution of formal lader. Public relation officer open communication with formal formal leader gradually. The routine minimum meeting is every 6 months due to Environment and Social Impact Management Plan review.

Compliance status: Yes
 No

NCR No

Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

Findings:

PT BAS still show their commitment in providing information to stakeholders. In the communication procedure described the type of documents as publicly document that may be accessible to the public are land titles/user rights, OHS plans, plans and impact assessments relating to environmental and social impacts (environmental and SIA document), HCV documentation, pollution prevention and reduction plans, details of complaints and grievances, land compensation and negotiation procedures, continual improvement plans, public summary of certification assessment report, quality-environmental-health & safety policy, CSR activity report, agreement between company with workers, communication procedure and human rights policy.

Compliance status: Yes
 No

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

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Findings:

The company already has a vision, a mission and a commitment signed by the Director of January 1, 2015. In one of the commitments mentioned: "Applying the principles of ethical behavior appropriate decency and fairness are generally accepted and promote fairness in all transactions and operational business, extend all forms of corruption, bribery, fraud in the use of funds and resources."

There is a document that published at October 1st 2016 regarding "Code of Business Ethic". This document consist principle statement "In business the factor of trust, honesty, firmness, ability to influence PT BAS and solidarity are dominant. These part of a strong business ethic. If someone violates this provision, then it is certain that the person will fail. "

Policies Statement: a) Compliance to regulation; b) OHS&A; c) Working Relation; d) Business relation (contractors, partner and supplier); e) Government Relation; f) Conflict Interest; g) Corporate Information; h) Relation with Investor and Media; i) internal trading. The document written and communicate in Bahasa. Some values communicate by signboard/banner (no tipping) and some values clearly stated at Agreement Document with contractors.

The policy has documented, but there is no socialization activity since last surveillance. This finding rise as non-compliance. RSPO01433 **(1.3.1)**

Compliance status: Yes
 No

NCR No.:
RSPO01433

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

Findings:

The complete list of legal requirements Base on Form No F-L-GL-01, last updated at August 23rd 2016, name as "Identificaiton and Evaluastion of Regulation Compliance List" are available. This list periodically updated based on SOP-LGL-01, "Identification and Evaluation of Legal Regulation Compliance. Company has maintained coppies and list of related clauses and articles. Detail review to the list found that some national regulations regarding workforce need to be registered eg. Decree of Workforce Ministry No. 150/1999 regarding Insurance for daily free worker, volume base worker and Fixx Contract Worker (PKWT). This finding rise as observation.

Some of condition that does not accordance with regulation such as:

- Based on interview with harvester (Block J-28) and staff of Aek Kulim estate and palm oil mill known the company does not conduct periodic medical checkup at least once a year in accordance with Permenakertrans No. 2 year 1980
- Based on interview with employee at Aek Sigala-gala palm oil mill obtained information that the employee has not received safety shoes replacement since 2015 which is not in accordance with Permenakertrans No. 08 year 2010
- Based on interview with mill assistant head known that the welder (Anton Sianipar and Jeffri Siahaan) assigned as welder but does not have license as welder in accordance with Permenakertrans No. 2 year 1982

This condition raised as Non Compliance. **RSPO 01434 (2.1.1)**

Compliance status: Yes
 No

NCR No :
RSPO 01434

Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights

Findings:

Compliance status: Yes
 No

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The company has record of legal ownership such as:

- Decree letter from Minister of Local Affairs No. SK.67/HGU/DA/86 dated 2 December 1986 as large as ± 12,641.50 Ha located on Barumun Tengah Sub District, South Tapanuli District, North Sumatera Province
- Land certificate No.1 as large as 12.319 Ha located on Jambu Tonang village, Barumun Tengah Sub District, South Tapanuli District, North Sumatera Province
- Head Decree of Integrated Licensing Services Agency and Capital Investment of Padang Lawas Utara District No.503/0005/IU-P/BPPPTPM/2015 dated 2 November 2015 about Plantation Permit of PT Barumun Agro Sentosa as large as 12.319 Ha and mill capacity i.e. 60 ton/hours

The company has document showing history of land tenure such:

- Environmental document (AMDAL) of plantation and palm oil mill year 2014 as large as 12.319 ha with mill capacity i.e. 60 ton/hours
- Document of HCV (HCV Identification) year 2009

The company has document showing the actual legal use of the land in the office. The entire document completed and available in the office.

The company has situation maps No.7/10/IV/1993 dated 8 January 1993 as large 12,319 Ha located on Jambu Tonang village, Barumun Tengah Sub District, South Tapanuli District, North Sumatera Province issued by National Land Agency of North Sumatera Province. Based on field observation on boundary pillar No. 027 and No. 040, the boundary pillar in good condition and periodic maintenance. The company has procedure of Boundry Pillar maintenance with document number WI-CIVIL-01 revision 1 effective date 1 April 2011. The procedure regulated about the maintenance program of boundry pillar conduct every 3 month. The company has been conduct monitoring and periodic maintenance for all boundry pillar equipped with minutes of activity on January until March 2017 and April until June 2017.

There was a land dispute issue of estates areas during audit. Some of community member claimed that their land has been use as plantation but not been paid yet. The claimer has conducted some protest actions in front of PT BAS Office in Medan (based on records showed during audit. The claimer was Mr. HH, declared himself as the representative of Mr. HSH in Gariang Area (based on evidence, a letter from Mr. HH, dated at February 16th 2015).

PT BAS has responded this claim and giving clarification to RSPO in February 24th 2015. There letter consist of two points related to this case:

1. Point 6: PT BAS welcome to Mr HH to deliver their claim and proof that their claim is valid.
2. Point 7: PT BAS declare that all of plantation areas acquisitions process has been followed the legal procedures. If any parties such as community member claimed that their land has not been paid, PT BAS welcome for any grievances from related stakeholders.

On August 1, 2016 PT Barumun Agro Sentosa submitted a letter to National Land Agency (NLA), South Tapanuli District, Number: 028 / BAS-MHN / BPN / VIII / 2016 concerning the request Cadastral measurements of ± 1.500 ha area for the application of Land Use Title (LUT). Till the audit has been conducted, no reply from NLA of South Tapanuli District. There is no related and/or new issues rise since the last surveillance regarding land dispute.

NCR No

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Criterion 2.3:

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

Findings:

Estates still maintain procedure document issued in November 1st 2008 regarding "Flowchart and Procedures on handling land Disputes". During recertification audit, there is an issue rise regarding customary rights regarding Mr. HH claim. Based on the evidences collected during audit, the claim regarding customary right has no enough valid evidences. PT BAS still open communication if the claimer provide any new evidences and would process as the legal procedures.

Stakeholder meeting conducted during main audit; no one of the stakeholder attended to the meeting has clear understanding (and data) regarding this issue. Local community leader of related village has been met by the auditor during audit. The community leader said that he no this issue but not involved by the claimer during the process. Based on company's legal officer statement regarding this issue, there is no proven valid legal evidence showed by the claimer that company has been diminishing local community's legal and customary rights. On this Surveillance (2017) there is no related and/or new issues rise since the last surveillance regarding land dispute.

Compliance status: Yes
 No
 NCR No

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

Findings:

There are company's business plan in place divided into each estates and mill for 2017-2019, the mill business plan itself is divided into palm oil and palm kernel production. The business plan at estates already included area statement, crop production distribution for each month in current year, financial budget allocation for each work element (harvest, maintenance, administrative), and capital expenditure. OER and KER projection are available for 2017 – 2019 in the budget plan document of Mill. While FFB production projection for 3 estates are available on budgeting document of each estates. The CPO, Kernel, PKO, PKE, and FFB price projection are also available for 2017-2019, e.g. CPO price for 2017 Rp 7.700/kg, 2018 Rp 8.085,-/kg, 2019 Rp 8.500,-/kg. With such projection the company is able conduct profitability forecast for 2017-2019 and it is expected that until 2019 there will be projected profit of Rp 1,367,238,426,254.-.

The company plans to conduct replanting activity in 2019, this more that 25 years of plant cycle is due to old palms still in their productive state. Nonetheless there is plan to conduct replanting activity namely Rencana Kerja Anggaran Perusahaan (Replanting) year 2019 approved by Director. There is map of replanting area with total 240 ha in 4 estates, i.e.

Block Num.	Area (Ha)
K31	38
K32	31
D15	45
L13	42
L16	44
L7	40
Total	240

In the document also stated replanting budget with number of palm 31,200 palms. The budget is broken down into land clearing, planting activity, land conservation, road building, supervising. This replanting plan is actualy the very result of review

Compliance status: Yes
 No
 NCR No.:

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against previous replanting plan which was initially planned in 2017. But since the palm are still productive, it then be revised to be conducted in 2019.

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

Findings:

The company has documented procedure for plantation and palm oil mill activity. The procedure has been cover key process such as harvesting, transportation, manuring, IPM, good agriculture practices, supply chain requirement. The company has copy of the procedure and has been distribute to plantation and pal oil mill. The procedure used Indonesia language. Based on interview with employee (harvesting on Block J-28, spraying on Block H-20, grading activity), all of employee has been understood the procedure. Based on verification of document seen that the procedure has been cover entire the activity of plantation and palm oil mill. Based on field visit to plantation and mill, the procedure made available for each activity.

The company has list of procedure for plantation and palm oil mill that stated on Record List of Quality. The record list of quality stated related number of document, document title, number of revise document, document owner, and handling of master document and list of distribution.

Based on document verification can see:

- All of the procedure used Indonesia Language.
- The company has procedure of internal audit (SOP-MR-07 revision 02 effective date 1 April 2011). The procedure explained about planning, implementation, evaluation, reporting and corrective action and preventive. The company has conduct internal audit on 21-30 March 2017 for 1st semester year 2017. All of auditor has passed the training related internal audit. Based on internal audit report, there is 3 observation and has been followed up for each unit.
- The company has conducted internal audit training on 25-26 July 2017.
- The company conduct internal audit twice a year to measuring the implementation of entire procedure

The company has record of internal audit result and record related corrective action and improvement to prevent the non-conformity reoccur.

The company has procedure of FFB receipt with document number SOP-PKS-09 revision 03 effective date 1 April 2011. The procedure regulated about FFB receipt from certified and non-certified estate. The company has list of FFB supplier i.e. certified and non-certified. Based on list of supplier year 2017, there is non-certified supplier as much as 1 supplier i.e. PT Mega Agung Pratama. During the audit, the company has implemented the procedure and recording the FFB receipt in accordance with the procedure. The company has record of FFB receipt from third party. For year 2016, the company receiving the FFB as much as 32,061,920 kg and year 2017 (until June 2017) as much as 12,952,120 kg. The record of FFB receipt has verified against for entire document of FFB receipt.

Compliance status: Yes
 No

NCR No.:

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

Findings:

The company has established SOP for manuring activity, i.e. SOP - TAN – 09 dated 1 April 2011, which states that nutrient needs will be assessed by soil and leaf sample analysis. The company maintains records of fertiliser consistently. There is data regarding plan and realisation of manuring activity until June 2017 for 3 estates divided into each division, the fertiliser used are urea, KCL/MOP, Dolomite, Phospat, HGFB, and EFB which are stated in ha and kg. The 2017 and 2016 ma-

Compliance status: Yes
 No

NCR No

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nuring activity are conducted based on recommendation by IOPRI on the document of Rekomendasi Pemupukan Tanaman Kelapa Sawit Menghasilkan kebun Aek Sigala Gala, Aek Barumun, Aek Kulim, year 2017. The recommendation is divided by each estates division and block according to leaf sampling sent to IOPRI. For example at division IV Aek Sigala-Gala etate in semester I 2017 the fertiliser are Urea, RP, MOP, Dolomit, Borax while semester II 2017 are Urea, RP, MOP, Dolomit. The 2016 manuring was also conducted by such recommendation stated on the 2016 recommendation document. The recommendations are in the unit of kg/palm for each fertiliser type at each block. The fertiliser usage per ton FFB are as follow:

2017	Fertilizer usage (kg/ton FFB)				
Estate	Urea	MOP	CIRP	Dolomite	Borate
Aek Barumun	142	175	178	179	3
Aek Sigala-Gala	59	74	78	132	
Aek Kulim	114	119	114	173	

2016	Fertilizer usage (kg/ton FFB)				
Estate	Urea	MOP	CIRP	Dolomite	Borate
Aek Barumun	75	155	248	154	
Aek Sigala-Gala	166	0	169	146	
Aek Kulim	156	170	160	138	0

The POME land application volume and location monitoring are stated on Laporan Kerja Land Aplikasi tahun 2017 PT BAS, which is until July 2017 there have been 131,502 m³ of POME applied or 620.29 m³/day. There are also details of applied block and POME ditch for each month in 2017 until July.

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

Findings:

There are soil type map for each estates and integrated one, i.e.:

- Peta Jenis Tanah Kebun Aek Kulim scale 1:55.000
- Peta Jenis Tanah Kebun Aek Sigala-Gala scale 1:45.000
- Peta Jenis Tanah Kebun Aek Barumun scale 1:45.000
- Peta Jenis Tanah PT Barumun Agro Sentosa scale 1:90.000

The soil types are divided into 3 categories, i.e. Podzolic (9,209 ha), Latosol (2,767 ha) and Alluvial (1,843 ha). The characteristic of each soil types are as follow:

- Alluvial: sedimented soil with < 50% sand
- Latosol: lots of iron and aluminium content with low nutrient content.
- Podzolic: medium nutrient content, low pH.

There is slope map namely Peta Kelas Lereng (Slope) scale 1:90.000, based on the map the 3 estates have flat (0-8%), sloping (8-15%), choppy (15-25%), wavy (25-40%), steep-hilly (>40%) and steep (100%). The company conducted palm planting on slopy area based on Procedure on planting strategy on slopy area SOP-TAN-15 dated 1 June 2014 which states slope between 15° to 45° need to be developed using individual terraces with manual methods, developing contours for higher slope areas using mechanical methods and planting of cover crops to reduce erosion. The auditee has implemented stacking of palm fronds which perpendicular to the direction of contour and platform or individual terrace with stack-

Compliance status: Yes
 No

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ing of sacks filled with soil or sand. There is also practice of legume cover crop on slopy area. To monitor the impact of plantation activity against soil erosion, the company regular implements erosion monitoring every month by using stick method evidenced by the report recap of soil erosion monitoring report July 2017 for 3 estates , which resulted with zero erosion value since it was dry season. Meanwhile during April 2017 there was 16 ton/ha/month of erosion at area with 25-40% of slope in Division IV Aek Barumun District.

The road maintenance program is secured with funding availability. There is a budgeted road maintenance program as much as Rp 2,936,61,152.- for 2017 stated on the document of 2017 Budget Plan namely Rencana Kerja Anggaran Perusahaan Kebun Aek Sigala-Gala Tahun 2017. The implementation of road maintenance in 2017 stated on Road Maintenance Report (Laporan Rencana/Realisasi Perawatan Jalan & Parit Secara Mekanis Pengerasan Jalan dengan Sirtu, Padas, dan Petrun July 2017). The data include division, block, hectarage, road length, and job distribution for each heavy equipment i.e. grader, compactor, bulldozer, long arm excavator, canal excavator, and mini excavator. There are data on plan vs realisation in meter. The road maintenance program is also depicted on map i.e. Peta Realisasi Grading Jalan PT BAS s.d. Juli 2017 scale 1: 90.000.

There is no peat soil within the company area. Based on Soil Type Map there is the existence of Latosol soil type which is classified as low organic matter soil. In general the company conducts manuring activity based on annual recommendation by IOPRI which already considered nutrient needs. Other than recommended fertiliser there are also EFB mulching, ash, and decanter cake application to further increase soil fertility.

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

Findings:

Identification of watercourse is stated on map, i.e. Peta Daerah Aliran Sungai PT BAS scale 1:90.000. the more detailed maps are available for each 3 estates. The estates are located inside Barumun and Rokan Kanan Watershed area.

The detailed map are:

- Peta Daerah Aliran Sungai Kebun Aek Sigala-Gala scale 1: 45.000
- Peta Daerah Aliran Sungai Kebun Aek Barumun scale 1: 45.000
- Peta Daerah Aliran Sungai Kebun Aek Kulim scale 1: 55.000

On the maps there are data regarding river distribution on each block and division, river flow length and width and hectarage of riparian area. Besides rivers, the company has also identified water pond on Peta Lokasi Embung Air scale 1:65.000, the data includes pond distribution at each block, and ponds condition.

The company has a procedure on water management in place namely SOP Pengelolaan Air (SOP-MR-20 dated 22 August 2017). The water management is divided into water spring, riparian zone, POME containment, POME application, and water efficiency. The water efficiency is set as 1.5 m³/ton FFB for POM, workshop 20 m³/day, staff housing 2 m³/family/day, worker housing 0.6 m³/family/day, office 2 m³/unit/day, policlinic 3 m³/unit/day, and for other building e.g. daycare, mosque etc. 3 m³/unit/day. Based on that procedure the bufferzone for water spring is 300 m, for river is 50 m. Both buffer zone are not to be treated with agro-chemical. There is also effort to maintain POME containment so it will not pollute the water courses. The procedure already consist of water source identification i.e rivers and reservoir (stated on water usage permits), and efforts to minimise impacts on stakeholder.

The company has conducted efforts for riparian maintenance and restoration stated on Rencana vs Realisasi Pengkayaan Tanaman DAS Tahun 2017 Rayon E dated 15 August 2017. The document states planning for restoration on riparian area starting from September – December 2017 with tree species e.g. pinang, guava, caliantra. The 2016 activity had been realised evidenced by Rekapitulasi Program Pengkayaan Tanaman di DAS kebun Aek Sigala-Gala 2016 with species

Compliance status: Yes
 No

NCR No.:
RSPO01435

of *pinang* and *waru*. Dissemination to increase awareness on riparian protection had also been conducted evidenced by Sosialisasi Rekomendasi Pemeliharaan DAS Larangan Aftivitas Manual & Chanical di Riparian Zone dan DAS Tahun 2017, for example on 4 July 2017 at Division I attended by 32 participants, division II attended by 48 participants, Division IV attended by 47 participants, Division V attended by 32 participants, all consisted of harvester and sprayer. There was dissemination regarding PPRI no 38/2011 regarding River, manual and chemical weeding on riparian zone are not allowed, marking of perimeter palms, and riparian restoration.

Based on visits to the Aek Sigala-gala River, Siumpat River, and Water Spring at block M-11 it is known that the width of river border applied by the company has not been in accordance with Government Regulation No. 38 of 2011 on River, Presidential Decree no. 32 of 1990, and recommendations for HCV management.

It raised non conformity for this condition. **RSPO01435 (4.4.2)**

The Mill implements POME land application to Aek Sigala-Gala Estate. This is legalised through district level permit i.e. Keputusan Kepala Badan Pelayanan Perizinan Terpadu dan Penanaman Modal Kab. Padang Lawas Utara no: 503/0001/IX/2015 regarding land application (LA) permit extension (Perpanjangan Izin Pemanfaatan Limbah Cair Industri ke Tanah untuk Aplikasi pada Tanah/Land Application) dated 21 September 2015 valid for 5 years. The requirement within the permit is maximum BOD of 5,000 mg/litre and pH 6-9. The location of POME LA is at PT BAS Estates. The LA volume and location monitoring are stated on Laporan Kerja Land Aplikasi tahun 2017 PT BAS, which is until July 2017 there have been 131,502 m³ of POME applied or 620.29 m³/day. There are also details of applied block and POME ditch for each month in 2017 until July. Monitoring for POME land application substances is done according to land application permit, i.e. POME analysis (monthly), ground water analysis via monitoring well (3 monthly), and soil analysis (annually). The monthly POME analysis result is available e.g. Laporan Analisis by Sucofindo for POME on 26 July 2017 no: 05529/CLACAK date 9 August 2017 with BOD level still within the threshold. The 3-monthly analysis report for ground water is also available e.g. Laporan Hasil pengujian no: 1034/BLH.SU-UPT.LL/XI/2016 on 7 November 2016 where all parameter are still within the threshold. The soil analysis result available is from previous year i.e. hasil Analisis Tanah on 10 November 2016. The 2017 soil analysis has not been conducted yet. Soil monitoring analysis in relation to POME application is conducted annually, this is already comply to Permenlh no. 28 of 2003.

The company monitors the water usage on regular basis. There is updated raw data regarding water usage at Aek Sigala-Gala POM i.e. Pemakaian Air Bulan Juli 2017 consisting of reservoir, softener, canteen and office, housing, and etc. The company has legal surface water use right based on Keputusan Kepala Badan Pelayanan Perijinan Terpadu Prov. Sumatera Utara no: 610/99/BPPTSU/2/12.1/VIII/2014 tentang Perpanjangan Ijin Pengambilan dan Pemanfaatan Air Permukaan dated 27 August 2014 valid until 11 October 2017. The water source is from Aek Sigala-Gala River with debit of 20 L/sec consists of 2 pipes with 2 inch diameter and 13.88 L/sec sucking capacity. The water is utilised as palm oil processing, domestic use (sanitation), and PLTU boiler. The 2016 mill water use was 1.25 m³/ton FFB utilised for softener and turbine (0.68 and 0.58 m³/ton FFB respectively) or 6.15 m³/ton CPO based on Rekapitulasi Pemakaian Air tahun 2016. Meanwhile until July 2017 there have been water usage as much as 1.33 m³/ton FFB or 6.53 m³/ton CPO based on Rekapitulasi Pemakaian Air Tahun 2017. The company also has legal ground water usage right for estate activity for example Keputusan Kepala Badan Pelayanan Perizinan Terpadu dan Penanaman Modal Kab. Padang Lawas Utara no: 503/0003/ABT/2014 regarding Ground Water Extraction and Utilisation Right dated 7 October 2014 valid until 6 October 2017. There are total of 12 ground water permits with similar validity period.

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

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Findings:

The company has IPM plan that stated on budget year 2017. The IPM plan such as early warning system, census of pest and disease, worm eradication, pick up of larva, rat eradication, Oryctes eradication and maintenance of beneficial plant. The IPM plan covering identification of pest potential, pest and disease threshold and control technique. The company has beneficial plant i.e. Turnera surbulata, Antigonon leptosus and Tyto alba. The company does not used prophylactic pesticide to control pest and disease.

The company has procedure of pest and disease control (SOP-TAN-12 revision 1 effective date 1 April 2011). The company also has work instruction such as:

- Work instruction to control of caterpillar (WI-TAN-01 revision 01 effective date 1 April 2011)
- Work instruction to control of rat (WI-TAN-02 revision 01 effective date 1 April 2011)
- Work instruction to control of oryctes (WI-TAN-03 revision 01 effective date 1 April 2011)
- Work instruction to control of crown disease (WI-TAN-04 revision 01 effective date 1 April 2011)
- Work instruction to control of spear root (WI-TAN-05 revision 01 effective date 1 April 2011)

The procedure regulated about early warning system and census of pest to identify the pest and disease attack and corrective action to control. The company has control record of pest and disease i.e. early warning system and census of pest and disease. Based on record of early warning system and census of pest and disease year 2017 seen that the company has middle attack and heavy attack from January until May for caterpillar.

The company has control record by pesticide such as chemical used from January until July 2017 such as:

- Control of caterpillar with used Hamador 25 EC as much as 595.50 liter
- Control of bag worm with used Sinophate 75 SP as much as 143 liter

The company has record of pest and disease training such as:

- Pest and disease training conduct on 20 February 2017 attending by 4 people of pest and disease officer
- Training of monitoring technique to pest and disease control conduct on 22 January 2016 attending by 5 people of pest and disease officer

The company has record of training such as material of training, attendant list of participant and photo documentation.

Compliance status: Yes
 No

NCR No

Criterion 4.6

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

Findings:

The procedure of pesticide handling is in place, i.e. Work Instruction on pesticide Handling WI Penanganan Pestisida (WI-TAN-01 dated 13 December 2013). The procedure explains technique in spraying preparation, execution, and chemical storage handling along with proper PPE. The company has recommendation to use pesticide stated on Rekomendasi Penggunaan Pestisida di Tempat Kerja no: 560/0845/DSTKT/XII/2016 from Social and Manpower Authority of Padang Lawas Utara District, valid until 31 December 2017. The chemical are consist of pesticide and laboratory reactant. Based on comparison between the recommendation and company's agrochemical list it was found that all pesticide used are included in the

Compliance status: Yes
 No

NCR No.:
RSPO01436

recommendation. The recommendation has also consisted of paraquat dichloride which is also used by the company. The utilisation of pesticide is conducted based on certain rotation set by the company, sighted the document of Time Schedule Work Plan 2017 for Division II wit job of circle, path, and FFB collecting point spraying. The rotation is 3 rotation per year with pesticide of 0.015 kg/ha Meta Prima (Metsulfuron methyl). The time schedule is divided per block number and each month with comparison between plan and realisation. To ensure that the all pesticide being used are legal and registered by national law, the company has Pesticide Green Book for Agriculture and Forestry 2016 issued by Ministry of Agriculture. It was verified that all pesticide used are included the the register. The register consist of brand name, active ingredient name and value (gram/litre), li-cense of manufacturer, and pesticide purpose against certain pests. For example Primaxone Plus 280 SL with 280 g/l paraquat dichloride license no: RI.01030120113991 to combat Ageratum conyzoides and other pest herbs. However the paraquat used by company (Primaxone Plus 280 SL) has not included on Rekomendasi Penggunaan Pestisida di Tempat Kerja no: 560/0845/DSTKT/XII/2016 from Social and Manpower Authority of Padang Lawas Utara District. It raised non conformity for this condition. **RSPO01436 (4.6.1)**

The LD50 information is stated on the document of Daftar Agrochemical with the pesticide being used currently are Prima Up (isoprofil amina Glyphosate), Meta Prima (Metsulfuron methyl), Hamador (Lambda-cyhalothrin), SIME RB Pheromone (Etil-4-metiloktanoat), and Sinophate (Difenoconazole). The pesticide usage data are available in 2016-2017 in all 3 estates including calculation per hectare and per ton FFB for each chemical in 2016. The data for 2017 do not state pesticide per ton FFB, only per Ha. There are document of Realisasi Pemakaian Bahan Kimia for Region A, B, C, D, and E 2017 from January – July. For example at region C and D it has been used Prima Up for 0.3 ltr/ha, Meta Prima 0.01 kg/ha, Sime PB Pheromone 0.11 gr/ha, Marfu-P (Trichoderma) 21.91 gr/ha, hamador 0.24 litre/ha, and Primaxone (paraquat dichloride) 2,326 litre. The paraquat have also been used in 2017 at region E for 1398.5 litre, while at region A and B paraquat had also been used. The company uses paraquat dichloride based on usage recap 2017 until July.

The company does not have exact document regarding IPM plan, however there is a document of waste and GHG sources list along with its mitigation measures, which also include reduction of chemical pesticide by optimizing biological agent utilisation. Thus the IPM Plan can be considered integrated with waste reduction and GHG mitigation plan. There is record showing that the use of pesticides have been minimised in accordance with Integrated Pest Management (IPM) plan. The records describe that the availability of biological agents in the field has an effect on the decrease of Sinophate insecticide where in 2015 the use of sinophate 5,611 Kg and Turnera subulata length is 169,198 meters, and antigonon 1,867 points. By 2016 there has been a decrease in the use of Sinophate to 1,201 Kg, a sign that the increased availability of biological agents may be helpful in pest control in the field. There is no prophylactic use of pesticide since all herbicide are used based on scheduled rotation and there have been no major animal pest outbreak. The use of insecticide, rodenticide etc are based on regular monitoring with minimum number of attack as a threshold to apply pesticide. Chemical pesticide for animal pest is considered the most unlikely alternative after biological agent.

The company has a list of utilised pesticide on Daftar Agrochemical along with its LD50 and identification based on WHO list. There is no utilised pesticide under the class 1A or 1B of WHO list. Based on agrochemical list, the pesticide being used currently are Prima Up (isoprofil amina Glyphosate), Meta Prima (Metsulfuron methyl), Hamador (Lambda-cyhalothrin), SIME RB Pheromone (Etil-4-metiloktanoat), and Sinophate (Difenoconazole).

The company also uses paraquat dichloride which is nationally classified under restricted active ingredient. To comply with regulation, the company had conducted training on handling paraquat dichloride, evidenced by training document of Pelatihan Aplikasi Herbisida Paraquat by Agriculture Authority of North Sumatera i.e. Pesticide and Fertiliser Supervisory Committee 27 April 2017 attended by 72

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participants and Attendance list of Pelatihan Herbisida Paraquat on 27 April 2017 attended by 48 participants. The participants were not only sprayer but also chemical storage keeper and foreman. There is also list of all sprayers in 2017 i.e. 33 personel at Aek Sigala-Gala and Aek Barumun Estate and 22 personel at Aek Kulim Estate. Training attendants have been certified by Pesticide and Fertiliser Supervisory Committee of North Sumatera, e.g. Hotna cert number: 521.4/101.21/VI/2017 dated 5 June 2017. As part of the GHG mitigation plan, the company commits to reduce the use of chemical pesticide, including paraquat. The continuous reduction achievement of such usage will be further verified in the next audit.

The company has also established procedure on pesticide handling through working instruction. The company has developed pesticide handling training plan along with all other training agenda on Program Training Plantation. Training regarding MSDS and first aid have also been conducted on 27 August 2016 attended by 11 participants of workers and foreman. Sprayers have been given PPE i.e. boots, goggles, apron, mask (with carbon filter), and rubber gloves. There is a handing over record of PPE e.g. on Berita Acara Serah Terima APD dated 17 July 2017 to 16 sprayers and on 27 May 2017 to 22 sprayers. When the PPE is broken the workers will inform the foreman so new PPE will be given.

Pesticide storing is being conducted according to work instruction of pesticide handling (WI-TAN-01 dated 13 December 2013), which states that pesticide are to be kept properly, e.g:

- Classified by their container characteristic
- Symbol/label need to be seen
- Position upside
- No leakage allowed
- To be put on secondary containment
- Keep beyond reach of children, far from food and drinks
- Warehouse need to have ventilation and pesticide not directly against sun light

Pesticide mixing is to be conducted inside the warehouse with proper dosage and standardized tools and avoid spillage to ground. In the pesticide handling (WI-TAN-01 dated 13 December 2013) there is a procedure to conduct proper spraying, e.g. according to wind direction, not to position the nozzle to high to avoid risk of contamination to body, not to eat/drink/smoke during spraying. The company also conducts spraying tool calibration twice a year, the latest is evidenced by calibration report semester II 2017 on 26 July 2017 at region C and D. the calibration were conducted by foreman. The calibration result of 12 red nozzle sprayers (VLV 200) was all good and proper. The parameter were spray width, length per 10 seconds, output (Litre/minute), and spray volume/ha.

There have been no aerial application of pesticide taken place. All pesticide application are conducted manually with knapsack. Pesticide waste have been handled as per legal regulation according to hazardous waste warehouse permit.

There is list of all sprayers in 2017 i.e 33 personel at Aek Sigala-Gala and Aek Barumun Estate and 22 personnel at Aek Kulim Estate. During the time of audit the special medical surveillance for agrochemical handlers was taking place. Hence, the result will be verified in the next audit. There is record of 2016 cholinesterase check for sprayers on 8 August 2016 attended by 63 workers. There were 6 workers with over the limit result for cholinesterase, and the company have taken action by moving them to another job without agrochemical, until the next medical surveillance result have been issued i.e:

- Ms. Desni Zalukhu from Chemist became Non chemical maintenance
- Ms. Netti Hia from Chemist became Non chemical maintenance
- Mr. Liberty Turnip from storage head became fuel storage clerk
- Ms. Yuniman from chemist became Non chemical maintenance
- Ms. Lely Laia from chemist became Non chemical maintenance
- Mr. Toga Tampubolon from storage head became fuel storage clerk

The company prohibits pregnant and breastfeeding women to conduct spraying activity based on the company internal announcement, namely Surat Edaran no: 003/SE/KD-BAS/X/2016 dated 1 October 2016 signed by BM Saragi (GM) regarding Prohibition of pregnant and breastfeeding women to conduct chemical spray-

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ing, to employ under aged children, and sanction against employer of pregnant and breastfeeding women. To make sure that all female sprayers are not in pregnancy, there is a regular monthly medical check evidenced by Pemeriksaan Kesehatan Berkala Karyawan/l Periode Agustus 2017, based on the checking it was identified that no pregnant nor breastfeeding women were working at agro-chemical stuff. The medical check were conducted at estates clinic by the company's doctor.

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

Findings:

The company has OSH policy that sign by Director (Josua Vena Tanoza) dated 2 January 2013. The OSH policy has stated on Indonesian language. The OSH policy covering risk of work accident and risk preventive. The company has conducted socialization of OSH on 17 October 2016 at palm oil mill and on 27-30 March 2017. Evidence of socialization such as attendant list and photo documentation. The OSH socialization attending of 8 employees (palm oil mill) and 102 employees (plantation). The company conduct socialization of OSH for third party on 12 June 2017. The company has annual programme related OSH year 2016 and 2017 (F-HSE-05 effective dated 1 January 2011). The programme covering OSH aspect and equipped with target of programme. The programme such as monthly meeting of OSH committee, regularly medical check-up, special medical check-up, socialization of health, training of identification risk, training of first aid, training of PPE and inspection of OSH.

The company has realized the OSH programme for year 2016 such as:

- Basic training of OSH on 8 February 2017
- Special medical check-up (cholinesterase) on 9 August 2016 for 63 employee
- Inspection of OSH for contractor on 25 November 2016
- Socialization of health on 25 July 2016
- Regularly medical check-up year 2016
- Inspection of OSH for plantation and palm oil mill

The company conduct monitoring related implementation of plan by inspection of OSH each month. The OSH programme has distributed to each unit. The company has due time to conduct OSH programme and the programme will evaluated and including in the next programme if any programme does not achieve.

The company has identification of aspect and affect for environmental and OSH stated on document (F-MR-19 revision 05 effective date 1 April 2011). The aspect and impact of environmental and OSH covering identification of aspect, analyse of aspect/risk and controlling of aspect/risk. The identification of aspect and risk has cover all of processes and activities. Based on report of work accident (F-HS-04 revision 0 effective date 1 April 2017) year 2017, there is work accident as much as 2 cases with total of lost time work as much as 124 hours. The company has conduct filling the form related work accident report (F-HSE-02 revision 0 effective date 1 April 2011) and form of accident investigation (F-HSE-01 revision 0 effective date 1 April 2011). The form has equipped column of corrective action and due date of corrective action if any work accident to prevent the accident reoccur. The company has procedure of identification and risk assessment (SOP-MR-12 revision 00 effective date 1 October 2012). The company has conduct identification aspect and impact in accordance with the procedure.

Some condition does not properly to safe condition such as:

- During mill visit and testing of hydrant found that the hydrant does not have pressure.

Compliance status: Yes
 No

NCR No
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- Based on interview with mill assistant head known that the welder (Anton Sianipar and Jeffri Siahaan) assigned as welder but does not have license as welder in accordance with Permenakertrans No. 2 year 1982
- During mill visit , auditotr found there is no hydrant inspection conducted by OSH officer.

This condition has raised as Non-conformity **RSPO 01437 (4.7.2)**

The company has conducted trained of safe working practices for entire worker of plantation and palm oil mill on 8 February 2017. The company has internal training programme related OSH year 2017 such as training of aspect identification, impact and risk, basic safety training, MSDS training, training of OSH auditor, first aid training. The company has procedure of PPE (WI-PU-03 revision 0 effective 1 April 2011). The procedure explained that the PPE provide in accordance with type of work. The procedure regulated if any PPE damage can be replace with showing the damage PPE and replace with the new one. The company has record of providing PPE for year 2016 and 2017. For example dated 21 June 2017 (glasses), dated 20 July 2017 (safety helmet, glasses), dated 15 July 2017 (apron of chemist), dated on 27 May 2017 (apron of chemist, gloves, safety glasses and mask). Based on interview with employee at Aek Sigala-gala palm oil mill obtained information that the employee has not received safety shoes replacement since 2015 that is not in accordance with Permenakertrans No. 08 year 2010. This condition raised as Non-conformity **RSPO 01438 (4.7.3)**

Based on field visit to harvesting activity (Block J-28) and spraying activity (Blok H-20) and palm oil mill found that the workers has been wearing the PPE.

The company has responsible person to implement the OSH stated in OSH committee issued by Head of Labour and Cooperation Agency of Padang Lawas Utara District No. 560/0275/2017 dated 6 March 2017. The company has expert of OSH on behalf Imran. The OSH committee conduct periodic meeting once a month and discuss the problem. The company can showing the handover evidence of OS committee report to related agency. Report of Triwulan I year 2016 has been reported on 18 May 2016, Triwulan II year 2016 reported on 15 August 2016, Triwulan III year 2016 reported on 19 November 2016, Triwulan IV year 2016 reported on 4 February 2017, Triwulan I year 2017 reported on 3 April 2017 and Triwulan II year 2017 reported on 5 Juli 2017. The company has minutes of meeting record for OSH committee for each month. The OSH committee has been discuss entire aspect such as safety, health and welfare.

The company has procedure of emergency and accident (SOP-TGD-01 revision 02 dated 1 April 2011) covering pollution which cause of hazard and toxic material, fire, sabotage, natural disaster. The work accident has reported to related agency every 3 month. The procedure has been socialize to entire worker. The company has first aid officer such as Jery Saragih (No. Reg.5476/P3K/KK/12/2013), Sande Tua Siregar (No. Reg.5477/P3K/KK/12/2013), Ater Sinaga (No. Reg.5478/P3K/KK/12/2013), Viktor Manalu (No. Reg.5474/P3K/KK/12/2013), Nelson Sipayung (No. Reg.5473/P3K/KK/12/2013), Hari Aritonang (No. Reg.5491/P3K/KK/12/2013)

The company has conduct first aid training on 3 August 2017. The company has evidence such as attendant list of participant and photo documentation. Based on field visit to harvesting activity (Block J-28) and workshop at palm oil mill found the content of first aid kit has been accordance with Permenaker No.15 year 2008. The company has conduct regularly checked for content of first aid kit. The company as record of work accident. Based on report of work accident (F-HS-04 revision 0 effective date 1 April 2017) year 2017, there is work accident as much as 2 cases with total of lost time work as much as 124 hours. The company has conduct filling the form related work accident report (F-HSE-02 revision 0 effective date 1 April 2011) and form of accident investigation (F-HSE-01 revision 0 effec-

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tive date 1 April 2011). The form has equipped column of corrective action and due date of corrective action if any work accident to prevent the accident reoccur.

The company provide medical services for employee i.e. clinic. The company engage the worker on social security i.e Health Insurance and Labor Insurance. Health insurance and Labour insurance such as:

- Mill: Based on payment slip of Labour Insurance of July 2017, the company has been paid as much as IDR. 69.690.965 by Bank of Artha Graha on 18 August 2017 and Health Insurance as much as IDR. 60.534.812 (mill),
- Aek Kulim Estate: Based on payment slip of Labour Insurance of July 2017, the company has been paid as much as IDR. 129.889.467 by Bank of Artha Graha on 18 August 2017 and Health Insurance as much as IDR. 120.437.812
- Aek Sigala-gala estate: Based on payment slip of Labour Insurance of July 2017, the company has been paid as much as IDR. 128.543.914 by Bank of Artha Graha on 18 August 2017 and Health Insurance as much as IDR. 120.553.812.
- Aek Barumun estate: Based on payment slip of Labour Insurance of July 2017, the company has been paid as much as IDR. 105.199.132 by Bank of Artha Graha on 18 August 2017 and Health Insurance as much as IDR. 90.551.812.

The company has record of work accident from January until July 2017. Based on accident record, there is 2 cases. The company guarantee the medical cost. The company has certificate of participant for Labour insurance and health insurance valid from August 2015. The company has recapitulation of work accident that showing the lost time accident (LTA).

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

Findings:
The company has some training programs designed for staff, workers . There are training has programmed for staff, workers and also for the contractor, e.g. IPM, Chemist, best practice management on spraying, fertilizing, harvesting, fruit grading; ISO 9001-14001, HIRARC, MSDS, Remote Sensing and HCV, PPE, SCCS, first aid and safety.

Recording on staff training provided with evidence of minutes and certificate on implemented training.

- Fertilization on March 07, 2017 location Div II Rayon C, attended by 29 participants.
- Paraquat herbicide use on April 27, 2017 attended by participants.
- HCV on May 02-06, 2017 (AFI Erfolg) in West Borneo, attended by 46 participants.
- Forest Management, on May 09-10 2017.
- ISO 9001:2015 and 14001:2015 on July 25-27, 2017 at PT. BAS
- IPM on February 20, 2017, attended by 13 workers.
- Technical chemist application on March 06, 2017 attended by 20 participants.
- Basic safety on February 08, 2017 at the Mill attended by 34 participants.

Compliance status: Yes
 No

NCR No.:

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

Findings:
There is no EIA change since previous audit. Environmental aspects and impact of plantation and mills activities had been identified. The companys' document of en-

Compliance status: Yes
 No

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environmental impact identification was their Analisis Dampak Lingkungan (ANDAL) created in 7 Juli, 2010, based on the Governor's Decree No. 188.44 / 444 / KPTS- / 2010 concerning the environmental feasibility of oil palm plantation activities and increase the capacity of POM PT First Mujur Plantation & Industry, in Ujung Gading Jae village, District Simangambat, Padang Lawas Utara regency, Province North Sumatera which consist of 12.641,50 ha and POM capacity is 60 ton FFB/hour. Then the company obtained an approval letter from government, namely environmental permit/license number 660/98 / BPPTSU / 2 / 4.1 / VIII / 2014 dated August 25, 2014 The Environmental Permit for oil palm plantation activities and increase the capacity of the boiler and turbine and plant development kernel oil and castor bean plant (biji jarak).

The company conducts regular monitoring on environmental aspect as per RKL and RPL. During the audit there are report for 2nd semester 2016 and 1st semester 2017 which have been submitted to district level environmental authority. The PIC for environmental monitoring is Mr. Hendra (EHS)

The company has conducted environmental management and monitoring as per RKL/RPL matrix, there is also evidence of 2-yearly review on RKL/RPL along with feedback based on monitoring result, sighted the document of Review Terhadap Pelaksanaan Pengelolaan/Pemantauan Sosial dan Lingkungan which was conducted on 12 July 2017 and attended by management and community representatives in total of 24 participants. The meeting reviews the 2015 – 2017 social and environmental management which have done. It was concluded that the relation between company and surrounding community is well maintained. The Company has reviewed the Implementation of Social and Environmental Management/Monitoring, but it should be ensured that the review also includes compliance with environmental regulations and the dynamics of the flora fauna of HCV monitoring (OFI).

NCR No.:

Criterion 5.2:

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

Findings:

There is no change since previous audit, where HCV assessment was conducted when the company was still PT First Mujur Plantation & Industry in 2009 by YASBI when the total plantation area was 12.641,5 ha. The assessment was conducted using HCV Toolkit Indonesia 2008. Total HCV area from this assessment is 795.47 ha which consists of 781.03 ha of HCV 1 and 4 (overlap) and 14.44 ha of HCV 6. The HCV distribution map is available in the document. Both the first and second HCV assessment had gone through public consultation process with local communities evidenced by minutes of meeting and attendance list. The landscape boundary for HCV assessment was Siumpat Sub-Watershed which is part of Barumun Watershed where PT BAS is located with total area of 13,759.02 ha. The nearest conservation zone from the company is Padang Lawas Protection Forest (approx.. 40 km) and elephant training centre in Labuhan Batu Selatan (approx. 15 km).

The HCV assessment have also assessed the existence of RTE, which the data are stated on the assessment report. Based on HCV Assessment by YASBI in 2009 there are several protected species identified, e.g.

- *Egreta sacra* (crane) : Protected (PPRI)
- *Muntiacus muntjak* (kijang): Protected
- *Cervus unicolor* (rusa): protected
- Etc.

Thus the compay has came up with management and monitoring plan to protect the HCV and RTE species within. The monitoring and management activity is reported per semester, evidenced by Laporan Pengelolaan dan Pemantauan HCV Semester I 2017. Inside the report there is a description of management and monitoring plan which is developed according to HCV threat analysis and became the basis of monitoring and management activity. The four main protection measures based on priority threat are bird protection, rare reptile protection, rare fish and

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 No

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mamals protection, and priority habitat (riparian restoration). The rankings of those therat are classified low to medium. The plan consist of all activity from policy to field management. There is also time schedule for monitoring acivity from 2013-2017 in each semester. The monitoring result are i.e. data sheet of flora fauna monitoring. The general monitoring result is the HCV area is well maintained with RTE species still exisit in the area and protection of riparian and water spring will be kept continuously.

The company has implemented protection measures for RTE species along with its monitoring according to procedure of Flora Fauna Identification and Protection (SOP-MR-14 dated 1 April 2013). The identification could be by tracks, sounds, direct encounter or information from stakeholder. The company creates flora and fauna list which will be update if there is new species identified within the area. The company has established annual training program which also include dissemination regarding HCV and RTE protection. Dissemination to raise awareness is evidenced by document of Sosialisasi HCV di Areal Kebun on 10 April 2017 which consist of prohibition to cut trees at riparian zone, RTE species names and prohibition of hunting them, prohibition of capturing bird, prohibition of illegal fishing with poison, and prohibition of chemical spraying at restoration area. The activity was attended by 42 participants at Division I region A, 28 participants at Division II region A, 34 participants at div. III region B, 33 participants at Div. IV region B, div. 42 participants at div. V region B, and 42 participants at div. VI region A. the participants are mostly harvester and sprayers. Awareness raising measures are also conducted by installing signboards within estates area and borders. So far there have been no evidence of personnel capturing or harming RTE species in the area.

The company has been conducting monitoring and management of HCV area based on monitoring program. However there is not enough evidence that the results of these monitoring have been used as feedback to next year's monitoring program. (OFI).

There is no land claim by local people at anywhere within the estates. Thus the HCV area within are so far not under threat by other parties.

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

Findings:

The company has identified sources of waste and GHG emission i.e. Daftar Sumber Limbah, Polusi serta Emisi Gas Karbon (GHG). There are identified waste along with their sources and management measure specific to each waste e.g.

- genset : smoke/gas
- clinic: hazardous waste of medicine/injection
- workshop: used battery
- office: paper, printer toner
- plantation: pesticide container and fertiliser sack

Example of management measure are collecting properly to hazardous storage. The company has obtained legal permit of Hazardous waste storage i.e. Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Perizinan Terpadu kab. Padang Lawas Utara no: 503/0002/L-B3/IV/2017 regarding Permit Extension of Temporary hazardous Waste Storage of PT BAS dated 20 April 2017 valid until 30 March 2022.

There is SOP Pengelolaan Limbah B3 (SOP-TAN-03 on 1 April 2011) which explains the administration of hazardous waste management along with proper storage and disposal. Other procedure for hazardous waste management at workshop is SOP-TAB-03 dated 1 April 2011. The company has established cooperation with registered hazardous waste collector through document of Surat Perjanjian Kerjasama no: 012/BAS-ABS/SPK-LB3/II/2017 dated 1 February 2017 between PT BSA and PT Amindy Barokah as hazardous waste collector. The contractor is a valid licence holder for hazardous waste processor based on KepmenLHK no: SK.353/Menlhk.Setjen/2015 dated 31 August 2015 vaid for 5 years and legit hazardous waste collector based on kepGub SumUt no: 188.44/452/KPTS/2014 dat-

Compliance status: Yes
 No

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ed 19 June 2014 valid for 5 years.
 Example of record of hazardous waste manifest are as follow:
 - No: AVT 0002040 as liquid waste of lubricant with flameable characteristic as much as 2680 litre on 15 June 2017
 - No:AVT 0002041 as solid waste of used battery (accu) with corrosive characteristic as much as 210 kg on 15 June 2017.
 - No: AVT 0002042 as solid waste of used lubricant filter with toxic characteristic as much as 147 kg on 15 June 2017.
 The management of domestic waste (trash) is conducted according to procedure on trash handling and house keeping (WI-PU-01 dated 1 April 2011). The disposal of domestic trash are categorised into organic, an-organic, and metal/glass with trash bin distributed across the housing. The company doesn't have landfill, thus all domestic trash are collected and distributed to registered landfill in Gunungtua City, evidenced by Berita Acara Pembuangan Sampah Domestik no: 900/371/2017 dated 5 may 2017 issued by Environmental Authority of Padang Lawas Utara District.
 The company has implemented proper management of hazardous waste. There is identification of waste with plan to reduce waste production stated on the document of Waste and GHG Register.
 The company regularly send 3 monthly report to government regarding hazardous waste handling in hazardous waste balance report or Laporan Neraca Limbah B3 sighted the first and second quarter report in 2017. Those reports have been delivered to Environmental Authority of Padang Lawas Utara District. For example during the period 1 April – 1 June 2017 there have been several hazardous wastes produced and collected by 3rd party which volume are recorded for each type along with referenced hazardous manifest number.

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

Findings:
 The company has plan of efficiency of the use of fossil fuels substitute with fiber and shell. The company has implemented the plan and monitoring the use of fiber and shell.
 Based on monitoring record get some information i.e.:
 Efficiency of fossil fuel used
 Year 2016

Month	CPO (ton)	Use of fuel (kg)			Shell + Fiber / ton CPO	Fossil fuel (liter / ton CPO)
		Shell (ton)	Fiber (ton)	Fossil fuel (liter)		
January	4,293	1,328	3,102	43,195	1.03	10.06
February	4,550	1,295	3,290	70,140	1.01	15.42
March	4,901	1,384	3,468	74,620	0.99	15.22
April	5,863	1,561	4,224	64,880	0.99	11.07
May	6,214	1,204	4,655	6,660	0.94	1.07
June	6,371	1,199	4,722	2,234	0.93	0.35

Compliance status: Yes
 No
 NCR No

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July	6,352	1,327	4,754	3,256	0.96	0.51
August	6,113	1,096	4,570	5,465	0.93	0.89
September	7,294	2,199	5,457	1,640	1.05	0.22
October	6,591	2,109	4,915	5,923	1.07	0.90
November	6,840	2,057	4,999	6,265	1.03	0.92
December	5,984	1,725	4,273	4,205	1.00	0.70
Total	71,366	18,527	52,430	288,483	0.99	4.04

Year 2017

Month	CPO (ton)	Use of fuel (kg)			Shell + Fiber / ton CPO	Fossil fuel (liter / ton CPO)
		Shell (ton)	Fiber (ton)	Fossil fuel (liter)		
January	5,494	1,031	2,517	3,926	0.65	0.71
February	4,618	899	2,195	3,755	0.67	0.81
March	5,281	1,018	2,486	4,855	0.66	0.92
April	5,454	1,033	2,512	7,493	0.65	1.37
May	5,144	989	2,415	11,315	0.66	2.20
June	5,121	977	2,386	7,550	0.66	1.47
July	5,697	1,110	2,710	6,135	0.67	1.08
Total	36,809	7,058	17,230	45,029	0.66	1.22

The company has conduct monitoring of fossil fuel used since the construction of palm oil mill. The company does not conduct studies on the feasibility of collecting and using biogas because the company does not have biogas.

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

Findings:

The company commits to zero burning activity within its operation, which is manifested by no burning method of land preparation and planting stated on planting procedure (SOP-TAN-15 dated 1 June 2014). There is a statement from General Manager on 22 September 2016 regarding installation of sign board as dissemination of fire prevention measure. The signboards are then installed at all 3 estates, 2 at Aek Kulim, 3 at Aek Sigala-Gala, and 1 at Aek Barumun. The location are mainly at the boundary between estate and other company or local villages. Direct awareness raising has also been conducted evidenced by Sosialisasi Zero Burning on 18 May 2017 attended by 251 harvesters and sprayers. Moreover the company has fire fire fighting team both for estate and POM. Regu-

Compliance status: Yes
 No

NCR No.:

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lar monitoring is also being conducted with supporting manpower and facilities. The data are stipulated on Laporan Pemantauan dan Pengendalian Kebakaran Hutan dan Lahan Semester I 2017, which also states the organizational structure for emergency situation handling of PT BAS. There are list of firefighting equipment from fire watchtower, hand tool, water pump, transportation, communication, logistic. There have been no fire usage to eradicate pest, since the company commits to zero burning implementation. There have no major pest outbreak either.

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

Findings:

The company has registered all sources of GHG emission, its GHG, and its specific mitigation measure in the document of Daftar Sumber Limbah, Polusi Serta Emisi GHG. For example GHG source from land clearing with CO₂ gas and the management plan will be zero burning, protecting HCV area, tree planting on riparian zone. This identification is part of implementation on GHG mitigation procedure (SOP-MR-19 dated 14 April 2014) other activity in the procedure are GHG mitigation and reporting.

In the document of Daftar Sumber Limbah, Polusi Serta Emisi GHG there are identified pollutants and GHG identified, such as fertiliser usage for example urea, kieserite, NPK, Dolomit, KCL, dolomite, borate, rock phosphate, etc. mitigation measure are included, e.g. reducing an-organic fertiliser, fertiliser application when soil is in moist condition, and EFB mulching. Reduction of chemical pesticide is done by IPM e.g. barn owl.

There is the data of EFB and decanter application in 2016 and until July 2017 distributed for 3 estates from the mill. The number of applied EFB in 2016 was 71,779,590 kg and until July 2017 was 36,563,890 kg. While decanter application in 2016 was 8,817,800 kg and until July 2017 was 4,609,230 kg.

The LA volume and location monitoring are stated on Laporan Kerja Land Aplikasi tahun 2017 PT BAS, which is until July 2017 there have been 131,502 m³ of POME applied or 620.29 m³/day. There are also details of applied block and POME ditch for each month in 2017 until July.

There is no regular documented evaluation, which show target, timelines, achievement and monitoring on GHG mitigation plan. It raised non compliance for this condition. **RSPO01439 (5.6.2)**

The result from plam GHG ver.3 calculation are as follow:

Emissions per Product	tCO ₂ e/t Product
CPO	98.75
PK	98.75
PKO	367.79
PKE	367.79

Production	t/year
FFB processed	354,821
CPO produced	71,366
PK produced	17,204

Extraction	%
OER	20.11
KER	4.85

Land Use	Ha
OP planted area	13,304
OP planted on peat	0
Conservation (forested)	0

Compliance status: Yes
 No

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Conservation (non-forested)	0
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Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd party	
	tCO ₂ e	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/t FFB
Emissions						
Land Conversion	6891.31	0.02	0	0	0	0
*CO ₂ Emissions from Fertilizer	19177.83	0.06	0	0	0	0
**N ₂ O Emissions	12490.4	0.04	0	0	0	0
Fuel Consumption	1956.51	0.01	0	0	0	0
Peat Oxidation	0	0	0	0	0	0
Sinks						
Crop Sequestration	-85004.54	-0.26	0	0	0	0
Conservation Sequestration	0	0	0	0	0	0
Total	-44488.49	-0.14	0	0	87686 83.5	0

Summary Oil Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/t FFB
Emissions		
POME	32872.2	0.09
Fuel Consumption	915.05	0
Grid Electricity Utilization	324.16	0
Credits		
Export of Grid Electricity	-26.88	0
Sales of PKS	-12113.2	-0.03
Sales of EFB	0	0
Total	21971.32	0.06

Palm Oil Mill Effluent (POME) Treatment

Divert to compst	0%
Divert to anaerobic digestion	100%

POME Divert to Anaerobic Digestion

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

Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

Findings:

Social impact assessment Report since 2013 actually are review reports regarding the prior management plan (SIA Management plan 2009). PT Bas provide records that proof the documents have been developed with involvement of relat-

Compliance status: Yes No

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ed stakeholders on the process. Records of stakeholder involvement such as meeting records, questionnaires and attendant list has shown during audit. Collecting data methods written on the report such as PRA (participatory Rural Appraisal), interview and FGD (Focus group Discussion), evidences showed that the methods has been conducted were pictures, attendant list and Minute of Meeting at July 12th 2017. The meeting attended by 24 stakeholders from all villages surround the plantations area.

Issues assessed in this documents are community access to working opportunities; local business opportunities; local income level; Local average household income; Institutions; community perceptions; social and cultural changes; local community health level; local tenure issues and local community access to infrastructure.

There are social impact assessment documents or Social Impact Assessment (SIA) PT Barumun Agro Sentosa, Semester I, 2017. SIA document preparation method is through Focus Group Discussion (FGD), workshops, participatory mapping and in-depth interviews with stakeholders from the village of Merlaung, Martujuan, Menanti, Ujung Gading Jaya, Jambu Tonang, Ujung Gading Jae. Attendant list and Minute of Meeting at July 12th 2017. There are 24 stakeholders from all villages surround the plantations area participated on the Management Plan Review Process. There is periodical time and PIC mentioned for every planned activity

PT BAS already have Social Impact Management Plan for 2010 – 2017 as mentioned in First Mujur Social Impact Assessment Reports. There is a table (table 5.1) on page 50 outlined the plan on mitigation, implementation and monitoring to the SIA report. The records has summarized social impacts into parameters and indicators, as follow :

No	Parameter	Impacts Indicators
1	Working Opportunities	<ul style="list-style-type: none"> Level of Working Opportunity and worker mobility Recruitment Procedure
2	Business Opportunities	Local business opportunity for local businessman
3	Local Income	Company's obligations to local and national governance
4	Household income	<ul style="list-style-type: none"> Household Income from Company's activities Household Income influenced by Company's activities
5	Institutions	New local community institutions
6	Community Perceptions	Community perceptions regarding company's operations
7	Social and Cultural Exchanges	Social and Cultural changes monitored and recorded
8	Community Health	<ul style="list-style-type: none"> Kind of disease/illness and the patients Health facilities owned by company and government
9	Tenurial	<ul style="list-style-type: none"> Land Tenure cases or land acquisitions issues Mechanism of land tenure cases Local land tenure pattern
10	Accessibilities	<ul style="list-style-type: none"> Road access and transportation service existence The rights among parties regarding the uses and access to road facilities

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This Social Impact Management Plan is routinely reviewed every 6 months. The last review has been conducted and documented in June 2017. This Social Impact Management Plan is not difference between 2015 with 2016. Three methodological actions have taken in order to gain stakeholder participations in Social Impact. Management Plan review process, such as direct interview, discussion and workshop with stakeholders.

PT BAS has no smallholder scheme, so particular attention regarding this is issue is not relevant.

Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

Findings:

Estate still maintains a procedure for external communication, published April 1st, 2011. This procedure attaches guidance of communication system by developing forms of communication. The forms have applied consistently, such as F-MR-24 (Reports and Information from External Stakeholders), F-MR-25 (Information request from External Stakeholders logbook), and F-MR-28 (Information request from External Stakeholders logbook). For the stakeholder communication, company person in charge (PIC) in responsibility for carry out the communication and consultation.

The company is also has list of new stakeholder was recorded on July 2016 based on form F-MR-32. The document is an update from same document was made on April 1st 2014. The management was categorized stakeholder into: government, head of village, costumer, contractor, supplier, community and employee. Details data of stakeholder was include name of organization, contact person, address, and telephone number. Stakeholder list Base on Form No. F-MR-32, published at April 01st 2011. Consist of: a) Government (32); b) Head of local Village (15); c) Local religion leader (12); d) Customer (6); e) Contractor (6); f) Supplier (3); g) Non Government Organization (2); h) Labor Union (5).

There were records of Communication evidences showed during surveillance:

- a. Communication with local government regarding routine reports;
- b. Communication with supplier;
- c. Communication list with general stakeholder since December 2016 – Juli 2017. There are 18 letters that has been responded by PT BAS.

Compliance status: Full Compliance

Compliance status: Yes
 No

NCR No.:

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.

Findings:

Procedures of communication use SOP-MR-09, applicable since April, 1st, 2011. These procedures contain way to handle of complaints, including process to overcome the complaints on each division. These procedures have been informed to workers and a copy was placed in every security office and estate gate. The company has a procedure to conduct land acquisition and procedure for calculation of fair compensation. These procedures were revised & have been informed to relevant parties, applicable since April, 1st, 2011 (SOP-LGL-02). Fee compensation was calculated based on actual market price. There's no non-retaliation or non-repraisal policy that protects complainants or whistleblower clearly stated in the

Compliance status: Yes
 No

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procedure. This finding rise as observation.

Public Relation Officer, Management Representatives and Manager appointed to deal with complaints and grievances base on the cases and subject levels. There are appointment letter regarding MR and PR that consist of the one who responsible to receive and grievances: a) Mr. BM Saragih as Management representative and Plantation Manager, and b) Mr. Indra as Public Relation Officer. There are Socialization records showed during surveillance regarding the system such as Socialization to 3rd party (Contractor), June 2017. These procedures have been informed to workers and a copy was placed in every security office and estate gate and every division office. During village visit faound that MR and PR of PT BAS are well known by local ommunity, generally

Checks to company correspondence with external community for period of 2014 – 2017, there is no specific letter regarding dissatisfaction and complaint. PR has fully open communication with stakeholder that make them could communicate anything directly to the PR. Routine meeting with local external stakeholder also conducted by PR officer. The communication with external was recorded in to information request log book and corporate social responsibility log book. Stakeholder consultation has conducted with local during re-certification audit. Issues rise during stakeholder meeting were:

- a. The infrastructure conditions especially the main road
- b. The role of labor union dealing with worker complaint and grievance
- c. CSR/CD activities
- d. Access road for local FFB
- e. Boundary stone
- f. Retirement program for worker

Worker grievances and complaint accepted and manage by Labor Union. Regarding worker facility, they communicate their complaint directly to the Division Head. There are evidences showed during surveillance:

- a. Labor Union internal Meeting Records such as : 1) August 14th 2017 regarding Worker Facilities and Bonus; 2) July 27th 2017 regarding Independence day celebration; 3) July 26th 2017 regarding OSHA, and wage improvement.
- b. An there was a record showed regarding workers complaint of of broken Facility (AS II emplacement) release by Division Head. The complaints regarding facility forwarded to Technical division and then followed up with actions. Based on interview with worker, the management has fast respons for their complaints.

Compliance status: Observation.

Criterion 6.4: Any negotiations concerning compensation for loss of legal , or customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

Findings:

Company still use their documented procedure **SOP-LGL-02** regarding identification, calculation and compensation for the loss of legal or customary rights of the land, valid since 15 April 2011. Step 4 of the procedure mention that PR invited every farmer/land user, local community and foma leader into a meeting in consulting agendaregarding the lanccd status. Step 4 of the procedure mention that PR invited every farmer/land user, local community and foma leader into a meeting in consulting agenda regarding the lanccd status. The procedure take into account Ownership and access to land as describe on step 7 "Data collecting and verifica-

Compliance status: Yes
 No

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tion”, in general, not specifically differentiate gender, migrant and/or traditional communal ownership. Land ownership validity and reliability base on the data verification.

This procedure has reviewed with participations of stakeholders. The participation conducted in informal meeting with key stakeholder such as local village heads. Stakeholders and Management agree that legal procedure by involving local government is the best way in conducting negotiations concerning compensations. Its comply to national regulation regarding land title and guidance to land compensations. For some cases that rise up to a conflict situation, affected parties or complainer (such as land claimer) conducted their own procedure such as applying demonstrations and sending letters without clear address to be responded. Company will engage them and offering a negotiation procedures to be followed by the complainer.

The last compensation process is at time period of 2007-2013 in estate Aek Sigala-gala. Company already pays land compensation about 21 people for 97.81 Ha. All this payment is well documented for example compensation payment for occupant in this estate in April 27th, 2013 and July 12th, 2013. No new case for land compensation.

Criterion 6.5: Pay and conditions for employees and for contract workers meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

Findings:

There are 4 types employment: a) Staff; b) Non-Staff (PB); c) Fix Daily rate Worker (SKU-PKWT); d) Free Daily Rate Worker (BHL). Every worker rights for Staff and non-staff documented on Collective Working Agreement (PKB), and for the BHL documented on the PKWT collective contract (The contract has acknowledged by District Office of Workforce.

Definitions for living wage in the country refer to regulation as follow: a) Governoor of North Sumatera Decree No. 188.44/623/KPTS/2016 regarding province minimum nett wage 2017 (Rp. 1.961.354.69), and; b) Governoor of North Sumatera Decree No. 188.44/781/KPTS/2016 regarding Padang Lawas Utara minimum nett wage 2017 (Rp. 2.171.944,-). Company has followed up this regulation by releasing policies of salary improvement as follow: a) - Board Directors of PT BAS Decree No. 002/SK-BHL/BAS-DIR/I/2017egarding The improvement of Free Daily Rate Worker (BHL) 2017, from Rp. 80.300,- per day into Rp. 87.000,- b) Board Directors of PT BAS Decree No. 003/SK-BHL/BAS-DIR/I/2017egarding The improvement of Permanent Daily Rate Worker (KHT/SKU) 2017, from Rp. 66.900,- per day into Rp. 72.500,-.

Pay and conditions of employment clearly detailed in the employment contracts as Follow:

a. PKB: 1) Art 10, recruitmet; 2) Art 13, daily working contract; 3) Art 15, working Days; 4) Art 16, working hours; 5) Art 17 overtime; 6) art 19 holiday; 7) art 20, annual and long leave; 8) Art 21, period and maternity leave; 9) Art 24, Payment; 10) art 27, premi and bonus; 11) art29, worker insurance; 12) Art 35, OSHA.

b. Free Daily Worker Contract, No. 003/BAS/PKHL/VII/2017, signed by Free daily worker representative, Management and acknowledge by Head of District Office of Workforce, written in Bahasa, consist of: 1) Art 1, Type of Job and Working Area; 2) Art 2, Working days and hours; 3) Art 3, duration of Contract; 4) Art 4, Payment; 5) Art 5, Working Regulation. The contracts annex signed by 236 worker of rayon A&B, and 162 worker of rayon C&D

These two contracts written in Bahasa. The copies has distributed to each worker.

The payment complies to the decent living wage as Governoor decree: 1) Governoor of North Sumatera Decree No. 188.44/623/KPTS/2016 regarding province minimum nett wage 2017 (Rp. 1.961.354.69); 2) Governoor of North Sumatera Decree No. 188.44/781/KPTS/2016 regarding Padang Lawas Utara minimum nett

Compliance status: Yes
 No

NCR No.:

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wage 2017 (Rp. 2.171.944,-).
 Evidence showed during audit was : A) Worker Payment List (Amprah Gaji Kar-yawan) from March to July 2017. Detail information showed by the list are: 1) Worker Status; 2) position; 3) Effective Working Day; 4) Fix Income (prime wage and food/rice allowance, fix allowance); 5) Variable income (workforce insurance, harvesting premi and other premi); 6) Fix deduction (food payment and Workforce insurance); 7) Variable Deduction (instalment, fines). B) Board Directors of PT BAS Decree No. 002/SK-BHL/BAS-DIR/I/2017 regarding The improvement of Free Daily Rate Worker (BHL) 2017, from Rp. 80.300,- per day into Rp. 87.000,-; C) Board Directors of PT BAS Decree No. 003/SK-BHL/BAS-DIR/I/2017 regarding The improvement of Permenanent Daily Rate Worker (KHT/SKU) 2017, from Rp. 66.900,- per day into Rp. 72.500,-
 PT BAS has provide adequate housing, electricity, clean water supplies medical service, children education and welfare amenities. In clause number 9 of working agreement, state that the company provide the housing and clean water for employee and electricity shall be paid by the employee. Company also provide the housing and facilities for employee, such as elementary school, church and mosque, Sport facility (Football and badminton), and daycare, poly-clinic, schools (Kindergarten till High School), School bus (8 unit), ambulance (2 unit) and free electricity.
 .
 PT BAS has daily living good distribution program known as “Kedai Ransum”. Company puts logistic office known as Kedai Ransum Shop at every emplace-ments, provide main worker daily need. Worker could access this by direct pay-ment and or instalment scheme. There are 18 shops that operates at every em-placement. The shop provide daily need such as Rice, margarine, palm oil, bread, flour, cosmetics, fuel etc. Based on Worker Payment list March to July 2017, found that there is allowance for rice (include wife and children).

Compliance status: Full Compliance

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.

Findings:

Company still keep and maintain their policy regarding their respect the rights of all personnel to form and join trade unions. The freedom workers to have a work-er union and/or associations has also stated in PKB (Collective Labour Agree-ment) in clause 5 about recognition to worker union.

There are one formal worker association known as Serikat Kerja Perkebunan (La-bor Union of Plantation), registered at Distric Office of Workforce Padang Lawas Utara, and several traditional associations community bases such as community of church and clan. The formal associations – SKP – has an outcome known as Collective Working Agreement (PKB). The sent their personnels in order to nego-tiation and bargaining with Management of PT BAS through LKS Bipartit (Bipar-titite Cooperative Institution). The non-formal associations would communicate their aspirations to SKP. The labor union has organization management structure for 2016 – 2017. Company provides the facilities i.e. meeting room for SKP-BAS (Barumun Agro Sentosa Worker Union) in employee housing in Aek Kulim Estate. It has been registered in the Manpower and Transmigration Agency, Padang Lawas Utara District with Number. BP.01 / SKP-PT BAS / DSTKT / II / 2016 on February 16, 2016 and already have article of association and by laws (AD / ART). On March 7, 2016, meeting has been held between representatives of the company PT. Barumun Agro Sentosa with representatives of Plantation Labor Un-ion, agenda was about CLA period 2016-2017.

Compliance status: Yes
 No
 NCR No

There evidence showed during surveillance regarding SKP activities:

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1. Minute meeting internal SKP, Nopember, 26th 2016
 2. Minute Meeting SKP, December 10h 2016. Socialisation of Company's policy.
 3. Minute Meeting SKP, March 27th 2017. Socialization of PKB
 4. Minute Meeting SKP, March 29th 2017. Socialization of Worker Insurance (BPJS)
 5. Minute Meeting SKP, March 30th 2017. OHSA and Socialization of Worker Insurance (BPJS)
 6. Minute Meeting SKP, July 24th 2017. Socialization of Company's facilities and salary/bonus improvement

Interview result with labor union member confirmed that PT BAS management treat them equally among workers, there's no discrimination issue regarding their membership to labor union. Bipartite cooperation Institution has been established based on Meeting record June 1th 2015. The Appointment letter has published in June 3rd 2015. According to the Labor Union member statement, the worker union still takes role as a channel for worker complaint and grievances to management. All problem reported will discussed internally and with management by Bipartite cooperation Institution.

Compliance status: Full Compliance

Criterion 6.7: Children are not employed or exploited.

Findings:

PT BAS still hold policy of minimum age worker requirements. It also stated in PKB clause 10 about the recruitment, state that the workers at least are 18 years old. Evidence of implementation the policy is :

1. Sign board of announcement about the company only accept the worker at least 18 years old or was married, and also ban of bringing children under 18 years old for worker still applied at some points. The sign board was posted in front of office worker union, estate office and mill office.
2. Checks to list of employee of PT BAS July 2017there is no finding the employee under 18 years old. No worker under 18 years found.
3. List of FFB Transporter Contractor Employees: a) PT YT Motor (68 worker) and; b) PT Ivan Motor (124 worker). No worker under 18 years found.
4. Ground check and interview with 63 workers has also conducted. There is no worker under 18 years old. All workers aware to this policy.

Compliance status: Full Compliance

Compliance status: Yes
 No
 NCR No

Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

Findings:

The company has an Equal Opportunities Policy issued June 2017 also shows the worker heterogeneity regarding religions, ethnics and races. There are worker from java, batak, nias, etc. registered as workers. Interview result with workers confirmed that there is no discrimination issue among workers. They aware the general definition of "discrimination" and they admit that they never meet discrimination issues since they work at PT BAS. There is no "favorite worker" issues rise among workers and supervisor. They treat equally.

Commitment to equal opportunity has documented to Collective Working Agreements (PKB). The promotion listed in clause 14 of PKB, state that the workers who has meet the qualification or because have vacancies in higher position may be promoted. Equal treatment in working opportunity was guaranteed by company as define in decree No 009/SE/DIR/BAS/VIII/2011. Evidences showed regarding

Compliance status: Yes
 No
 NCR No

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this issues are:

1. There are 4 sampels of "Permanent Daily Rate Worker" (SKU) recruitment document from "Free Daily Rate Worker"
2. List of worker level promotion 2017. There are 4 permanent workers has promotion in 2017.

Employee Work Agreement between PT BAS and worker union of PT BAS period 2016-2018 has been disseminated to all levels of employees, for example, on August 3, 2016 for employees of workshop in Barumun Agro Estate on July 9, to workers in Afdeling III and IV, One of socialization material in CLA is that anyone has an equal opportunity to work in the company PT Barumun Agro Sentosa. Workers that have been interviewed confirm that they have copies of Collective Working Agreement.

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

Findings:

PT BAS still maintain their commitment regarding prevention for sexual harassment and violence, valid from August 26, 2011. The policy has communicated to all level of worker. Direct interview with maintenance and harvester workers found that they acknowledged regarding gender and prevention of sexual harassments policy. The WORKERS aware any kind of sexual harassment and gender based violation, and know to whom they has to report if any cases happen.

Company also has policy for female regarding their reproductive rights. The company gives the leave for female when they got period and pregnancy (give birth and maternity). The leave day for female's period is one day every month, approved by manager. The leave day for pregnancy/give birth is 3 months (90 days).

The Gender committee that has established and the organization management structure have been appointed. They take lead on actions regarding prevention for sexual harassment and violence. They may report to gender committee or labour union if any happen; they also have phone number of committee person. The gender committee has book of complaints/grievances, but there is no related cases recorded there.

Results of interview with gender committees - Herliani (August 23, 2017), it was noted that no cases of sexual harassment and domestic violence. The Company's commit in ensuring convenience for women employees.

Compliance status: Yes
 No

NCR No.:

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

Findings:

Since 2011, PT BAS buys FFB from external source (outgrowers). The price of FFB was informed by billboard in the outside of mill consist of today price and yesterday's price. During audit PT BAS could show evidences regarding past and present FFB prices, and make payments as mentioned in the contracts.

During re-certification audit found that PT BAS has only one external FFB supplier, detail data regarding the supplier was not available. This finding indicate that there is no standard mechanism for FFB supplier, such as:

- a. Requirement for local business partnership as FFB supplier,
- b. The origins of FFB

Compliance status: Yes
 No

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c. Price transparency between supplier with their out-growers
 d. Evaluation mechanism.
 There was FFB price, set by the Department of Plantations, North Sumatra Province, August 16th, 2016. FFB Price is valid for the period of August 14 to 21, 2017.

Date	FFB Price/kg /IDR
14/08/2017	1,560
15/08/2017	1,623
16/08/2017	1,605
18/08/2017	1,650
21/08/2017	1,661

Related to third party complaint, FFB seller (PT Mega Agung Pratama), it was set out in SOP Standard Operating Procedure of Communication No. Documents: SOP-MR-09 on April 1, 2011. At the point VI of the grievance / complaint from external parties, it was explained that complaints of stakeholders should be through public relations, discussed by GM and manager to make decision. PR submit responses to a complaint, submitted no later than 30 days from receipt of the complaint / grievance.

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

Findings:

Company's commitment to contribute to local development implemented by activities named as CSR Program. The programs have been developed based on the aspirations, grievances and consultations with stakeholder. Records of communication and consultation regarding CSR program is available and traceable, begin with letter from stakeholder, estate/mill response and follow up to General manager, approval, and implementation records. Some records , xample :

- Heavy equipment aid for road repair Ujung Gading Jae village, along 14.5 km dated 08 June 2017.
- Heavy equipment aid for road repair and scrap Ujung Gading Jae village street on March 18-30, 2017.

PT BAS has no smallholder scheme, so particular attention regarding this is issue is not relevant.

Compliance status: Yes
 No

NCR No.:

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

Findings:

Based on document checking, all daily paid workers (BHL) have ingage in contract agreement and there are no forced labour occure at the company as well the substitution work. Human Right Policy state that the company adheres to the principles of human rights and complies with the conventions of labour standards set by ILO including no use of forced labor and trafficked labour.

Company did not employ migrant workers. Checking against worker who works on mill and estate they all Indonesian people. Most of worker are residents of communities around the company. So company has not manage procedure related recruiting expatriate workers ang recruitment from outsourcing/labour suppliers.

Compliance status: Yes
 No

NCR No.:

Criterion 6.13: Growers and millers respect human rights.

Findings:

PT Barumun Agro Sentosa has a policy of protection of human rights, that was published on April 1, 2011 which is that management is committed to protecting and respecting human rights include personal human rights, political rights, rights

Compliance status: Yes
 No

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<p>in the field of law, legal equity rights, property rights and social culture right. Protection of human rights policy has been disseminated to all levels of employees and third parties (AU Firdaus, Ivan Motor, Supriya) on June 15, 2016. The company also socialize protection of women workers and the prevention of sexual harassment, guarantee of no discrimination on workers' rights, business ethics, no recruitment for under 18 years old workers.</p>	<p>NCR No.:</p>
<p><i>Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</i></p>	
<p>Findings: Based on previous audit finding and and follow-up verification during the audit, the status of company's land liability is still under review by RSPO Compensation Panel. This is evidenced by e-mail sent by Husni Salim to respocompensation@rspo.org on 9 April 2015. The follow-up of this issue and final statement from RSPO will be further verified during next audit</p>	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.:</p>
<p><i>Criterion 7.2: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</i></p>	
<p>Findings: Based on previous audit finding and and follow-up verification during the audit, the status of company's land liability is still under review by RSPO Compensation Panel. This is evidenced by e-mail sent by Husni Salim to respocompensation@rspo.org on 9 April 2015. The follow-up of this issue and final statement from RSPO will be further verified during next audit.</p>	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.:</p>
<p><i>Criterion 7.3: New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</i></p>	
<p>Findings: Based on previous audit finding and and follow-up verification during the audit, the status of company's land liability is still under review by RSPO Compensation Panel. This is evidenced by e-mail sent by Husni Salim to respocompensation@rspo.org on 9 April 2015. The follow-up of this issue and final statement from RSPO will be further verified during next audit.</p>	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.:</p>
<p><i>Criterion 7.4: Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</i></p>	
<p>Findings: Based on previous audit finding and and follow-up verification during the audit, the status of company's land liability is still under review by RSPO Compensation Panel. This is evidenced by e-mail sent by Husni Salim to respocompensation@rspo.org on 9 April 2015. The follow-up of this issue and final statement from RSPO will be further verified during next audit.</p>	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.:</p>
<p><i>Criterion 7.5: No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</i></p>	
<p>Findings: The company still use their documented procedure SOP-LGL-02 regarding identification, calculation and compensation for the loss of legal or customary rights of the land, valid since 15 April 2011. The last compensation process is period of 2007-2013 in estate Aek Sigala-gala. Company already pays land compensation about 21 people for 97.81 Ha. All this payment is well documented for example compensation payment for occupant in this estate in April 27th, 2013 and July 12th, 2013. No new case for land compensation.</p>	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.:</p>

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Criterion 7.6: Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreement	
<p>Findings:</p> <p>The Company has provided fair compensation to landowners for new plantation with evidence kept by the company.</p>	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.:</p>
Criterion 7.7: Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
<p>Findings:</p> <p>The Company has a zero burning policy for land preparation, and the new planting after year 2005 to 2007 in Barumun Agro Estate are insert plant. The land was cleared before 2005 (Based on foreman activity book, Land Clearing conducted 1991/92 and 2002) So there was no land clearing using burning activities, this indicator not applicable.</p>	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.:</p>
Criterion 7.8: New plantation developments are designed to minimise net greenhouse gas emissions.	
<p>Based on previous audit finding and and follow-up verification during the audit, the status of company's land liability is still under review by RSPO Compensation Panel. This is evidenced by e-mail sent by Husni Salim to respocompensation@rspo.org on 9 April 2015. The follow-up of this issue and final statement from RSPO will be further verified during next audit.</p>	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.:</p>
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.	
<p>Findings:</p> <p>Company have commitment on emission and pollution reduction and environmental damage cause the activity contained in the quality policy, Environmental and Safety and Health on point number 3 was state " to prevent and reduce the environmental impact pollution from any activities company production and also responsible on the environment and biodiversity, natural resource conservation.</p> <p>Company always promote conduct continual improvement for all activity to improve the performance quality management system, environmental and health and safety as define in management review result, and regular evaluation of plantation and mill operation.</p> <p>PT BAS has conducting routine social impact assessments and publish report every 6 months. Issues assessed are community access to working opportunities; local business opportunities; local income level; Local average household income; Institutions; community perceptions; social and cultural changes; local community health level; local tenure issues and local community access to infrastructure. The assessment has conducted in a proper method with participations of local community. Based on this assessment result, Company could keep up to date with social conditions surround the estates, and could frequently monitor and manage the social impacts.</p> <p>The GHG mitigation plan integrates the company's effort to minimise waste, chemical usage, and fertiliser input. This plan is monitored annually and furthermore there has been reporting to RSPO via Palm GHG calculator.</p>	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No.:</p>

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

2. RSPO SCCS

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E.1 Definition

Findings:

E.1

The organization (Aek Sigala-gala mill – PT BAS) was implemented the RSPO-SCCS Mass Balance model. This SCCS model allowed to mixing of certified and uncertified product but shall be control by the Mass Balance record to ensure the quantity of certified product, and only certified product could be claim by the organization as certified palm oil product. Organization has identified the volume of certified and uncertified FFB supplied to the mill. Based on record of Mass Balance showed the amount of FFB certified and uncertified, when the certified FFB is come from own estate (Barumun Agro Sentosa Estate-HGU area). Whereas, uncertified FFB is come from Barumun Agro Sentosa Estate-Non HGU area (Ijin Lokasi-Location Permit 1500 Ha), suppliers/traders.

Based on Table 2 above that Aek Sigala-gala mill was received certified FFB year 2016 is approximately 305,249.80 tons of FFB (87,77%) from the total of FFB received in once year) and uncertified FFB is approximately 43,455.00 tons (12.23%).

Mass balance record also showed the certified product. In year 2017 (projected) that certified CPO are 56,343.37 tons (76,70%) and uncertified CPO are 8,839.05 tons (22.3%). Whereas, certified PK are 13,415.08 tons (76,70%) and uncertified PK are 441.95 tons (12.30%).

Compliance status: Yes
 No

NCR No.:

E.2 Explanation

Findings:

Mass balance record also showed the certified product. In year 2017 (projected) that certified CPO are 56,343.37 m/tons (76,70%) and uncertified CPO are 8,839.05 m/tons (22.3%). Whereas, certified PK are 13,415.08 m/tons (76,70%) and uncertified PK are 441.95 m/tons (12.30%). From January to December 2016 mill has produce 61,052.842 m/tons and PK 14.782,924 m/tons.

During the 2nd surveillance, mill has registered in RSPO IT Platform. With registered number in RSPO_PO1000001315 and License ID CB19392. Based on Palm-Trace transaction record for year 2016, there is sales activity done by company from January – December 2016 sales activity done by company such as : CPO = 68, 289 m/tons and PK = 0 m/tons

In the mass balance report it is informed that Sales of certified products to Some buyer amounted to 3.526.. tons for CPO and 9.156 tons for PK, but sales was not recorded by mill on the RSPO IT platform (Palm-trace) consist of 4 certified PK transactions amounted 3,197 tons.

This is not in accordance with the standard RSPO SCC Module E rule and the specified Sales Administration procedure. This is raised as non conformity. **(RSPO 01440)**

Compliance status: Yes
 No

NCR No.:
RSPO 01440

E.3 Documented procedures

Findings:

During the 2nd surveillance audit, there is no revised about company procedure's has recorded and documentation owned procedure and work instructions to ensure the implementation of RSPO SCCS Mass Balance. That procedures such

Compliance status: Yes
 No

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<p>as:</p> <ul style="list-style-type: none"> - Procedure for delivery FFB from estate to mill (SOP-ADM.TAN-11) - Procedure to receive FFB (SOP-PKS-07 Rev.01, effective date on April 01, 2011), - Procedure for processing palm oil mill (SOP-PKS-01 Rev.02, effective date on April 01, 2011), - Procedure for preparation of palm oil mill operation (SOP-PKS-02 Rev.02, effective date on April 01, 2011), - Procedure for running operation of palm oil mill (SOP-PKS-03 Rev.02, effective date on April 01, 2011), - Procedure for stopping operation of palm oil mill (SOP-PKS-04 Rev.02, effective date on April 01, 2011), - Procedure for laboratory (SOP-PKS-05 Rev.02, effective date on April 01, 2011), - Procedure for administration of mill (SOP-PKS-06 Rev.02, effective on April 01, 2011), - Procedure for the tender and production sales contract (SOP-MKT-01 Rev.01, effective date on April 01, 2011), - Procedure for dispatch of CPO & PK to customer (SOP-MKT-02 Rev.01, effective date on April 01, 2011), - Procedure for hand over FFB to customer on mill office (SOP-MKT-03 Rev.01, effective date on April 01, 2011), - Procedure for production delivery report on mill office (SOP-MKT-04 Rev.01, effective date on April 01, 2011), - Procedure for production delivery report on director office-Medan (SOP-MKT-05 Rev.01, effective date on April 01, 2011), - Procedure for customer satisfaction survey (SOP-MKT-06 Rev.02, effective date on April 01, 2011), - Work Instruction for operation of boiler, turbine, generator, weighbridge, loading ramp, sterilizer station, threshing station, pressing station, clarification station, oil purification station and processing of drab (WI-PKS-01 to WI-PKS-12) - Procedure of entry to UTZ/eTrace process in Aek Sigala-gala mill. <p>Based on the document review, there is a non-certified FFB received by the mill which is then categorized as FFB certified, this is not in accordance with the FFB receive procedure (SOP-PKS-07 Rev.01), which explains that officers in the mill must be able to separate the certified FFB HGU) with non-certified FFB (location permit area). It raised non conformity to this condition (RSPO 01441)</p> <p>The company has a procedure for implementation of SCCS requirements as listed above. Furthermore, the company has procedure for certified product communication and claim according to RSPO requirements as they have made claims. Refers to information from MR, the mill only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communication; and procedure of inform to certification body if over certified product production.</p> <p>The management has issued letter decree No.031/BAS-DIR/VI/2013 dated on June 01, 2013 regarding structure of organization and job description as responsible of integration management system (include SCC system). Their annex are 1.structure of organization, 2.team work such as coordinator, management representative for integration management system (ISO, RSPO, ISPO, ISCC), document control and document control assistant) and 3.job description each level/job.</p> <p>The last on training RSPO and SCCS has conducted on 23-24 November 2015, trained by Mr.Haris Silalahi.S.Si (deGuru Consulting) external training, and attended by 29 participants from different division. The training documentation are</p> <ol style="list-style-type: none"> a. Training invitation (internal memo) b. Training minutes meeting 	<p>NCR No.: RSPO 01441</p>
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- c. Trainer list of attendees
- d. List of participants
- e. Training documentation/pictures

The company has identified and created training program in 2017 for all staff involved in RSPO SCC systems. Previous Refreshment training RSPO P&C and SCCS, Internal training by Rizki Sitepu (Manager certification) date November 04, 2016.

E.4 Purchasing and goods in

Findings:

Auditee has mechanism to receive FFB in mill (SOP-PKS-07 Rev.01) where include verify volume of certified and non-certified FFBs received.

On the FFB received form (F-PKS-08) has informed certified FFB and non-certified FFB where year 2017,(per August) that certified FFB receipt are 125,053.499 tons and non-certified FFB receipt are 79,824.961 tons. Auditor has verification to ensure volume of certified FFB where transaction FFB receipt dated on 05 August 2016 has appropriate between hard document of FFB receipt with FFB receipt report.

Based on document review, the mill has not been able to show evidence of verification and documentation of the volume of FFB received from certified area (HGU area) or non-certified area (location permit area).

It raised non conformity to this condition **(RSPO 01442)**

During the period of January to August 2017, the mill does not over produce CPO from the projected tonnage.

Compliance status: Yes
 No

NCR No
RSPO 01442

E.5 Record Keeping

Findings:

The mill has maintains daily records and balances all receipts of RSPO certified FFB and deliveries of RSPO certified CPO & PK on a tri-monthly basis, as seen in the mill's CPO Products Daily and Monthly Movement Summary Report and PK Products Daily and Monthly Movement Summary Report.

The material balance for CPO includes information about incoming FFB from the company's certified estates, independent smallholders and outgrowers, FFB Processed, CPO Production, % OER, calculation of non-sustainable and sustainable CPO production, total non-sustainable and sustainable CPO products despatched and remaining stock of non-sustainable and sustainable CPO products each month, which is balanced at the end of each quarter. All volumes of palm oil that are delivered are deducted from the material accounting system according to actual daily conversion ratios. The format for PK mass balance is similar, and includes instead data on PK Production, % KER, calculation of non-sustainable and sustainable PK production, and total non-sustainable and sustainable PK products despatched and remaining stock of non-sustainable and sustainable PK products. On the FFB received form (F-PKS-08) has informed certified FFB and non-certified FFB in January to August 2017, certified FFB receipt are 125,053.499 tons and non-certified FFB receipt are 79,824.961 tons. Auditor has verification to ensure volume of certified FFB where transaction FFB receipt dated from January to August 2017 has appropriate between hard document of FFB receipt with FFB receipt report.

Compliance status: Yes
 No

NCR No

3.2 Status of Previously Identified Non-conformances

During this 1st surveillance assessment, total of 6 (six) non conformances were identified 4 (four) non conformity were assigned against Major Compliance indicator, 2 (two) nonconformities against Minor Compliance Indicators and 5 (five) observations or opportunities for improvement were identified

For the major non-conformances, the company has taken the necessary corrective action to close these nonconformances within 60 days of completion of the assessment, and this was verified by the audit team through checks of documents submitted by the company. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as below :

- **RSPO P & C**

<p>Criterion 2.1.4 A system for tracking any changes in the law shall be implemented</p>
<p>NCR No.RSPO 00612 (Minor non-conformity) :</p> <p>Some procedure still have reference regulation expired, example: IK waste management and house keeping and IK pesticide handling</p> <p>Correction:</p> <p>Doing improvement of work instructions number WI-TAN-01 & WI-PU-01 by using the latest rules and regulations that are used as references from procedures</p> <p>Corrective Action:</p> <p>Revise the Document Control Procedure (SOP-MR-04) which confirmed the revised document should also be made if there are changes to the legislation as references used in making of procedures</p> <p>Auditor Conclusions:</p> <p>Company has updating the list of regulations ,last updating on January 2017</p> <p>.</p>
<p>Criterion 4.7.4 The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p>
<p>NCR No. RSPO 00613 (Minor non-conformity) :</p> <p>Health and safety committee has conducted meeting with topic of health and safety in working areas once every 3 month, but P2K3 Meetings should be conducted every month in accordance with the contents P2K3 performance report to the Department of Manpower. In the recording evaluate the achievement of objectives and targets K3 2015 and the first semester of 2016 has not discussed matters relating to plans, achievements, obstacles and next P2K3 work program discussed by the results of the implementation of the previous K3 as feedback to the next work program</p> <p>Correction :</p> <ul style="list-style-type: none"> • Companies Will conduct meetings every month according to applicable regulations • Will be conducted evaluation of targets K3 each semester to be used as reference in the preparation of the next work program <p>Corrective Action</p> <ul style="list-style-type: none"> • Revise Work Program P2K3 which begin on August onwards held every month • Ensure Discussion Evaluation of target achievement K3 included in schedul / work program

P2K3

Auditor Conclusions: Closed.

Verification result:

The company has conduct OSH committee meeting every month from January until June 2017 i.e. 3 January 2017, 24 February 2017, 31 March 2017, 3 April 2017, 25 May 2017 and 5 June 2017. The company has conduct evaluation of OSH plan for 1st semester 2016 i.e 21 June 2016 and 2nd semester 2016 i.e. 20 December 2016.

Criterion 4.8.1. (Major): A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme

NCR No. RSPO00614 (Major non-conformity) :

1. Document the findings are not yet available identification Training Needs to review the Third Party and society Neighbourhood.
2. Based on interviews WITH foreman and employees, they get yet Training And Understanding Regarding:.. DAS, MSDS, Committee on Gender, Contents of the Handbook

Correction:

1. The company has identified training needs for the community
2. The Company has conducted socialization / training DAS, MSDS, Handbook Committee P3K And Gender

Corrective Action:

The identification results will be included in the program of socialization and immediately performed Created program as an ongoing socialization of the DAS, MSDS, Committee on Gender and the contents of the book Guide P3K etc. there is evidence that the program has been made in accordance with the identification training needs

Auditor Conclusions: Closed.

Verification result:

Company provide evidence such as:

1. the company has a training needs identification document 2017 that has included a 3rd party in a training program for competency improvement
2. Document training report on DAS, MSDS, and the contents of guidebooks P3K on August 27, 2016.

Criterion 5.2 (Major indicator 1) Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).

NCR No. RSPO00615 (Major non-conformity) :

Based on identification documents for an area of 1,500 Ha HCV, there are some differences in the da-

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ta include: The extent of riparian siumpat on a map in HCV 1 with HCV 4.

Correction :

Make a clarification letter to the consulting firm related to differences in the river area on a map HCV siumpat 1 and HCV 4.

Consultant has followed the letter of the company and has revised the document of HCV.

Corrective Action:

The revised procedure SOP-MR-04 (point 1 (B) with the assertion of the relevant sections need to evaluate and ensure the correctness / accuracy of the data documents created by third-party / consultant before it is submitted to DC for distribution

Auditor Conclusion: Closed.

Verification result:

Company provide evidence such as:

1. Map HCV 1 & 4 update September 2016
2. Revised final report HCV document dated 6 September 2016

(Area Permit Location 1500 Ha, currently exclude from audit scope during ASA-02)

Criterion 5.3 (Major indicator 2) All chemicals and their containers shall be disposed of responsibly

NCR No. RSPO00616 (Major non-conformity) :

The Company has not undertake an obligation as stated in the Decree of the Head of Integrated Services and Investment Padang Lawas Urara District No. 503/0001 / IX / 2015 is the third point no.9. Delivering a monitoring report every 1 (one) month for wastewater monitoring results. A monthly report that there were only for the month of July 2016 and has been sent via post to the relevant agencies

Correction :

The Company will be report the results of water quality analysis of waste 1x a month according license number; 503/0001 / IX / 2015

Corrective Action:

Companies conduct Revised Program Environmental monitoring
The company ensures Reporting Schedule wastewater and river water is conducted every month

Auditor Conclusion: Closed.

Verification result:

During the audit it was verified that the company has conducted necessary corrective action, i.e. by conducting monthly monitoring report on POM wastewater (POME),.The monthly POME analysis result is available e.g. Laporan Analisis by Sucofindo for POME on 26 July 2017 No: 05529/CLACAK date 9 August 2017 with BOD level still within the threshold.

Criterion 7.3 (Major indicator 1) There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005.New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).

NCR No. RSPO00617 (Major non-conformity) :

PT BAS has HCV documents. Land clearance above 2005 must be submitted to the RSPO. In ac-

cordance with the guidelines contained in the P & C Generic 2013, when the land has been cleared since november 2005, and without sufficient analysis prior HCV, then the land will be used as an exception from RSPO certification program until their HCV compensation plans that have been developed and accepted by the RSPO

Correction :

Companies did Clearing in 2005. The differences in Areal Statement PT. BAS encountered Planting Year 2005 and 2007, due to land clearing is carried out in 1999/2000, but Many Plants die due to flooding and is often carried out replanting / inserts. Plants Life in the area most of the Plants inset in 2005 and 2007. So managemant set Being Planted In 2005 and 2007, the company has performed an analysis of HCV Enough earlier

Corrective Action:

Companies have evidence that land clearing was done in 1999/2000 include: Landsat image maps, books foreman activities, and document search data year of planting

Auditor Conclusion: Closed.

Verification result:

Based on previous audit finding and and follow-up verification during the audit, the status of company's land liability is still under review by RSPO Compensation Panel. This is evidenced by e-mail sent by Husni Salim to respocompensation@rspo.org on 9 April 2015. The follow-up of this issue and final statement from RSPO will be further verified during next audit.

- **RSPO SCCS**

During 1st surveillance audit, there is not non-conformity RSPO SCCS

3.3 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions

A total of 10 nonconformances were identified during the main certification assessment. These consisted of 09 major non-conformities and 01 minor non-conformities. For the major non-conformances, the company has taken the necessary corrective action to close these non-conformances within 60 days from completion of the assessment time(closing meeting), and this was verified by the audit team through an (on-site verification audit conducted on August 22-24 , 2017 as well as checks of documents submitted by the company. For the minor non-conformances, the company has taken corrective action against these as well, and for those which could not be verified as closed through document checks, the closure of these minor non-conformities will be assessed during the next surveillance audit. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as explained below:

3.3.1. Major non-conformitie

Ref	NCR No.	Evidence Observed /NCR raised	Auditee Response		Verification of Correction/Corrective action	Date of closure Auditor/ Conclusion
			Correction	Corrective Action		
2.1.1	RSPO 01434	<p>There area some findings that are inconsistent with national regulation include:</p> <ul style="list-style-type: none"> Based on interviews with of harvester (Block J-28) and staff in the Estate office, found information that the company does not conduct annual medical examination (at least once a year). It is not accordance with Permenakertrans No.02 year 1980 article 3 Based on interviews with employees at the Aek Sigala-gala mill, it is found that employees have not received safety shoes since 2015 which is not in accordance with Permenakertrans No. 08 year 2010. Based on interviews with Maskep (Mill Assistant), it is forund that mill welder (Anton Sianipar and Jeffri Siahaan) have not yet licensed as welders. It is not accordance with Permenakertrans No. 2 year 1982 	<ul style="list-style-type: none"> Conduct periodic checks for all Harvest workers and Staff and Mill workers Provide a replacement of PPE in the form of Safety shoes to mill employees who have provide by the company. Employees. Anton Sianipar and Jefri Siahaan are registered to attend JAS certification training on September 18-23, 2017, organized by Training Center PT. Safindo Raya - Medan, to get the Training Certificate according to Regulation No.2 of 1982 on Qualification of Welder in the workplace. 	<ul style="list-style-type: none"> Create a periodic inspection work program for all employees of miull and estate. Monitoring and evaluation of the use of PPE provided by the company, and the provision of PPE of employees in accordance with the evaluation, schedule and budget set. Reorganize and insert the Laser into the program part of the training program kar-yawan. 	<ul style="list-style-type: none"> Conduct periodic checks for all Harvest workers and Staff and Mill workers at September 2017. Provide a replacement of PPE in the form of Safety shoes to mill employees who have provide by the company. Employees. Anton Sianipar and Jefri Siahaan are registered to attend JAS certification training on September 18-23, 2017. 	18-09-2017 Closed
4.4.2	RSPO 01435	<p>Based on visits to the Aek Sigala-gala River, Siumpat River, and Mata Air in block M-11 it is known that the width of river border applied by the company is not in accordance with Government Regulation No. 38 of 2011 on River, Presidential Decree no. 32 of 1990, and recommendations for HCV management.</p>	<p>Creating a letter of provision regarding the riparian management based on Government Regulation no 38 of 2011 on river, Presidential Decree No. 32 of 1990, and recommendations for the management of HCV, by making the red marking as riparian.</p> <p>Conducts red coloring on the palm staple at the riparian.</p>	<p>Establish HCV Management work program on determination of all boundary boundaries of existing plantation areas Recommended in HCV in accordance with Government Regulation no 38 of 2011 on River, Presidential Decree no. 32 of 1990</p>	<ul style="list-style-type: none"> Creating a letter of provision regarding the riparian management based on Government Regulation Conducts red coloring on the palm staple at the riparian. 	18-09-2017 Closed

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4.6.1	RSPO 01436	<p>The paraquat pesticide used by the company (Primaxone Plus 280 SL of 280 gr / l) is not included in the Recommendation on Pesticide Use in Workplace No: 560/0845 / DSTKT / XII / 2016. The listed are Bravoxone 276 SL and Gramoxone 276 SL both with levels of 200 g / l.</p>	<ul style="list-style-type: none"> - Request changes / renewal of Pesticide Use Permit in the workplace to the Department of Manpower and Cooperatives , in order to recommend the use of Paraquat (Primaxone Plus 280 SL 280 gr / l). - Obtained a new Permit Recommendation on Pesticide Use at work No.560 / 0936 / DKKUKM / IX / 2017, dated 13-09-2017 from the Department of Manpower and Cooperatives District, which has recommended the use of Paraquat 276-280 SL (equivalent to the parakuat ion 203 g / l). 	<ul style="list-style-type: none"> - Recall to the Purchase section that when purchasing Pesticides / herbicides / toxic chemicals in order to be coordinated to the Legal & Licensing section, in order to purchase all Pesticides in accordance with the Recommended License granted from the Department of Manpower and Cooperatives of Small and Medium Enterprises. - Reconditioning all Pesticide Use to conform with the Recommended Permits granted by the Department of Manpower and Cooperatives of Small and Medium Enterprises. 	<p>Company able to show the document Pesticide Use Recommendation from Noth Padang Lawas District Manpower Agency No. 560/0936/DKKUKM/IX/2017, dated September 13, 2017.</p>	20-09-2017 Closed
4.7.2	RSPO 01437	<p>Some findings are not in accordance with the safe conditions include:</p> <ul style="list-style-type: none"> • At the time of the visit to the factory auditor found the hydrant does not have sufficient pressure and has not been inspected. • Based on interviews with Maskep, it is known that the welding employees (Anton Sianipar and Jeffri Siahaan) are assigned as welders but have not licensed as welders in accordance with Permenakertrans No. 2 year 1982. 	<p>Installing a Water Pump to help boost the water spray more strongly and always fill the tank full of water tower so that water is always available so that the water pressure released can be strong and maximal.</p> <p>Anton Sianipar and Jefri Siahaan are registered to follow the welder Certification training on 18-23 September 2017, organized by Training Center PT. Safindo Raya - Medan, to get Certificate of training according to Permenakertras No.2 year</p>	<p>Monitoring, keeping and always fully filling the water tower tank, so Hydrant can be used when the situation responds fire (fire) and functioning properly, with the push of a strong and maximal water burst.</p> <p>Appoint Personnel and assign Personil P2K3 tasks to always monitoring and inspection of Hydrant functions.</p> <p>Reorganize and input the welder into the training program part of the employee.</p>	<p>Company show the evidence by installing another water pump to help boost the water hydrant.</p> <p>Employees on behalf Anton Sianipar and Jefri Siahaan are registered to attend JAS certification training on September 18-23, 2017.</p>	18-09-2017 Closed

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			1982 about qualification of welder at workplace.			
4.7.3	RSPO 01438	Based on the interviews with employees at the Sigala-gala mill, they were informed that employees had not received safety shoes since 2015 in which this was not in accordance with Permenaker-trans No. 08 in 2010.	Provide PPE replacement in the form of Safety shoes to mill employees that should be provided by company	Monitoring & evaluating the use of PPE provided by the company, and giving workers PPE in accordance with evaluation, schedule and budget set.	The Company has presented proof of PPE distribution to mill employees on 11 August 2017 and evaluates the use of PPE	18-09-2017 Closed
5.6.2	RSPO 01439	There is no evaluation document showing routine targets, schedules, realizations and monitoring of GHG mitigation plans	Make a list of GHG inventory and mitigation plans	The GHG Inventory Document and Plan of Mitigation made to demonstrate the target, schedule, realization and routine monitoring of GHG sources.	The Company has presented GHG inventory and mitigation documents 2017	18-09-2017 Closed
E.2.2	RSPO 01440	Mill has not conducted reporting and recording (PK) for the appropriate supply chain through RSPO Palm Trace.	Record / input PK sale delivery transactions on the RSPO Palm Trace (e-trace) site for the remaining D / O No.077 / SO-BAS / PK / VIII / 2017, dated 14-08-2017. PT.Sari Dumai Sejati , total of 400 tons.	Perform input / recording of each sales shipment into RSPO Palm Trace site and adjust to Mass Balance Report.	At the end of August 2017 Mill has conduct a revision of PK shipments on palm Trace	18-09-2017 Closed
E.3.1	RSPO 01441	There is non-certified FFB accepted by the Mill and being certified claims, this is not in accordance with the procedure of FFB Receiving (SOP-PKS-07 Rev.01), which explains that officers in mill must be able to separate the FFB certified (HGU area) with non FFB certified (location permit area)	Separating production FFB from the location permit area of 1,500 Ha as Non Certified FFB and FFB Core estate Production from HGU area as FFB Certified. Make a Mass Balance Correction report by separating FFB Production of Core estate from HGU area as Certified RSPO with FFB of Core estate from the Location Permit area as Non-Certified	Creating Mass Balance Report that separates FFB Production of Core estate from HGU area as Certified RSPO to calculate CPO & PK Production result as CSPO & CSPK Certified RSPO, while FFB result from Area of Location Permit and external FFB Purchase as Non-Certified RSPO FFB to calculate CPO & PK Non-Certified RSPO Production Results.	Mill able to show evidence of having verified and documented the volumes of Certified FFB and non certified FFB according to FFB delivery letter that received at weight bridge. And revise Mass Balance report form certified FFB (HGU area)	30-09-2017 Closed

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			FFB RSPO.	Create Map and separation block data between HGU as RSPO Certified area and Location Permit as Non Certified area		
E.4.1	RSPO 01442	The Mill has not been able to show evidence of having verified and documented the volumes of FFB certified (HGU area) and not certified (location permit area) receive.	To verify all document (SPB, Scales Slip) for FFB Core estate Receipt from HGU Area as FFB Certified RSPO (stamped FFB Certified) and FFB Core estate from Location Permit as Non-Certified FFB RSPO	Creating Map and separation block data between HGUs as RSPO Certified areas and Location Permits as Non-Certified Areas	Mill able to show evidence of having verified and documented the volumes of Certified FFB and non certified FFB according to FFB delivery letter that received at weight bridge.	30-09-2017 Closed

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

3.3.2. Minor non-conformities

Ref	NCR No.	Evidence Observed /NCR raised	Auditee Response		Verification of Correction/Corrective action	Date of closure Auditor/ Conclusion
			Correction	Corrective Action		
1.3.1	RSPO 01433	Business Code of Business Code has been created, but no socialization evidence has been made yet. The results of a brief interview with employees indicate that the employee has not understood this policy	Business Ethics Policy Document Given to Askep / Assistant to be socialized to all employees, to let employees understand that the company has a Business Ethics Policy	Ensure that Business Ethics Policy Document Given to Askep / Assistant to be socialized to all employees, so employees understand that the company has a Business Ethics Policy.	Company conduct socialization related business ethics policy to employees on August 27, 2017	18-09-2017

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3.4 Noteworthy Positive Components and Potential for Improvement

3.4.1. Positive Observation:

No.	Ref.	Positive Comments
1	8.1	Company already certified ISPO, ISCC, ISO 9001, ISO 14001 and Proper (Blue) from Ministry of Environment.

3.4.2. Potential for Improvement:

No.	Ref.	Potential for improvement
1	1.1	The information request request form is empty. It is recommended that correspondence with contractors, government agencies and the public be included in this form, as well as proof of receipt of reporting to relevant agencies such as RKL / RPL environment reporting.
2	2.1.2	- List of regulations needs to be added with some national labour regulation. - To be checked again for reference rules used in the procedure used. For example: Waste Management Procedures still use PP no. 18 of 1999 while the latest regul The information request request form is empty. It is recommended that correspondence with contractors, government agencies and the public be included in this form, as well as proof of receipt of reporting to relevant agencies such as RKL / RPL reportination PP. 101 years 2014
3	4.7	Visitor line has to be clarified more.
4	5.1.3	The Company has reviewed the Implementation of Social and Environmental Management / Monitoring, but it should be ensured that the review also includes compliance with environmental regulations as well as the dynamics of flora fauna and HCV monitoring results
5	5.2.4	The Company has conducted HCV management and monitoring in accordance with the program, but there is not enough evidence of feedback on the HCV management plan based on routine monitoring results.
6	6.2	Need to be separated between Communication procedures and complaint procedures.
7	6.3	Related to Complaints admission procedures, need to be explicitly stated that the protection of whistleblowers anonymity.

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3.5. Issues Raised by Stakeholders and Findings Pertaining to Issues

3.5.1 Issues Raised during Stakeholder Consultation Meeting

No.	Issues Raised	Management Response	Auditor Verification

3.5.2 Issues Raised during Stakeholder Interviews On-site

No.	Issues Raised	Audit Verification
	There was no particular issue raised during the 2 nd surveillance conducted.	

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPON

4.1 Certification Decision

4.1.1 Recommendation for Certification

PT. Barumun Agro Sentosa has established and maintains an effective system to ensure compliance with the RSPO principles and criteria. The audit team has confirmed through the audit process that the company's practices complies with, adequately maintains and implements the requirements of RSPO Principles and Criteria INA NI 2016.

PT TUV Rheinland Indonesia recommends that PT Barumun Agro Sentosa] be approved as a producer of RSPO Certified Sustainable Palm Oil.

4.2 Date of Certificate Issued and Scope of Certificate

The scope of the certificate covers production of palm oil from [PT Barumun Agro Sentosa] and its supply bases. The date of certificate issued is [Date of certificate to be included upon certification decision and issuance of certificate]. Further details of the certificate are as per Appendix 1.

4.3 Date of Next Surveillance Visit

The next surveillance visit is planned for 22-24 August 2018

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

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

Signed on behalf of
PT Barumun Agro Sentosa



Idris Tan
Management Representative
Date: 12 December 2017

Signed on behalf of
PT TUV Rheinland Indonesia



Panggading H Nainggolan
Lead Auditor
Date: 12 December 2017

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APPENDICES

Appendix 1: Details of Certificate

Certificate

Standard : **Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July, 2016 and RSPO Supply Chain Certification Systems: 2014**

Certificate Registr. No. : 824 502 14011

Certificate Holder : **PT Barumun Agro Sentosa**
Jl. DC. Mahakam Blok C No. 14 Padang Golf,
Polonia, Medan 20157, Indonesia



and its company owned estates according to the annex

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


An audit was performed, Report No. ASA12_82450214011. Proof has been furnished that the requirements according to Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July, 2016 are fulfilled.

Validity: The due date for all future surveillance audits is 02.09 (dd.mm).
The certificate is valid from 02 November 2015 until 01 November 2020.
The certificate shall remain valid in period stipulated above provided that the certificate holder mentioned here continues to comply with the RSPO P&C requirements. Status of compliance of the certificate holder shall be based on the annual inspections conducted by PT TUV Rheinland Indonesia.

RSPO registered parents company* : PT Barumun Agro Sentosa
(RSPO Member No. : 1-0059-08-000-00)
* Name of the RSPO registered member company of which the certificate holder is a subsidiary (if applicable)

Date of first certificate : October 13, 2010

Indonesia, 18-12-2017


PT TUV Rheinland Indonesia
Director

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

www.tuv.com



Annex to certificate

Standard : **Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July,2016 and RSPO Supply Chain Certification Systems: 2014**
 Certificate Registr. No.: 824 502 14011

Location: **PT Barumun Agro Sentosa**
 Address : Jl. DC. Mahakam Blok C No. 14 Padang Golf, Polonia, Medan 20157, Indonesia.



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

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Aek Sigala Gala Mill	Ujung Gading Jae Village, Simangambat Sub District, Padang Lawas Utara District	01°37 ' 16.2"N	100°06 ' 08.8"E
Barumun Agro Sentosa Estate	Jambu Tonang Village, Ujung Batu District, Padang Lawas Utara Regency, North Sumatera Province, Indonesia	1°36'47.2"N	100°06'36.3"E

CPO Tonnage Total Production*: 64,102.49 tonnes
 PK Tonnage Total Production*: 15,262.49 tonnes
 Company Estates FFB Tonnages*: 268,301.78 tonnes
 FFB Tonnages from other sources*: 76,781.00 tonnes
 CPO Tonnage for certification*: 56,343.37 tonnes
 PK Tonnage for certification*: 13,415.08 tonnes

*Data projected for year 2017

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

Indonesia, 18-12-2017

Issued by PT TUV Rheinland Indonesia

PT TUV Rheinland Indonesia
Director

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Appendix 2: Surveillance Audit Plan

Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – EM/QM Element - RSPO and RSPO SCCS Standard
Monday, August 21, 2017				
07.55 - 10.10	Flight from CGK to KNO	PN, NM, HY		GA 182
Tuesday, August 22, 2017				
08.00 – 09.00	<ul style="list-style-type: none"> • Opening Meeting • Management Presentation about progress previous audit 	All Auditor	Management Representative and Related PIC	
09.10 – 12.00 Palm Oil Mill	Verification previous audit NC, and document, i.e <ul style="list-style-type: none"> - - Bisnis ethic - Child Labour - Gender - RSPO SCCS. 	PN	Management Representative and Related PIC	Principle and Criteria : 1.2; 1.3 2.1 6.9 ; 6.10; 6.11; 6.12; 6.13 7.7 RSPO SCCS Module E
09.10 – 12.00 Palm Oil Mill	Verification previous audit NC, and document, i.e.: <ul style="list-style-type: none"> - Long term economic - Water management - Energy used and efficiency - FFB supply based - Health and Safety - RSPO SCCS KCP 	NM	Management Representative and Related PIC	Principle and Criteria: 2.1; 2.2.1-2.2.2 4.1; 4.4; 4.5; 4.7 5.4 8.1 RSPO SCCS Module C Section 5 : 5.1-5.13 General Chain of Custody system Requirement
09.10 – 12.00 Palm Oil Mill	Verification previous audit NC, and document, i.e.: <ul style="list-style-type: none"> - Law and regulation compliance - Procedure implementation and evaluation - Training program and implementation - Environmental management - Waste management - Zero burning policy and activity - Emission pollution and GHG identification 	ADS	Management Representative and Related PIC	Principle and Criteria: 2.1.1 3.1 4.2; 4.3; 4.4; 4.6.; 5.1;5.2;;5.3; 5.5; 5.6; 7.1; 7.2; 7.3 7.4 ;7.8 8.1
09.10 – 12.00 Palm Oil Mill	Verification previous audit NC, and document, i.e.: <ul style="list-style-type: none"> - Law and regulation compliance related workers - Land dispute - Land conflict if any - Social and welfare workers - Social management plan - Continous improvement 	HY	Management Representative and Related PIC	Principle and Criteria: 1.1 2.1; 2.1.1-2.1.4 2.2.3-2.2.6; 2.3 4.8 6.1; 6.2; 6.3; 6.4; 6.5; 6.6; 6.7; 6.8 7.1; 7.5; 7.6 8.1
12.00 – 14.00	Break and lunch	All		

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Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – EM/QM Element - RSPO and RSPO SCCS Standard
		auditor		
14.00 – 17.30 Palm Oil Mill / Estate Office	Continue audit agenda, plant tour to the Mill and document verification.	All auditor	Management Representative and Related PIC	
17.30 –	End of 1st day audit			
Wednesday, August 23, 2017				
08.00 – 12.00 Aek Kulim Estate – Aek Sigala-gala Estate	Verification previous audit NC, and document, i.e <ul style="list-style-type: none"> - Transparancy - Business ethic - Child Labour - Gender - Local contribution - RSPO SCCS. 	PN	Management Representative and Related PIC	Principle and Criteria : 1.2; 1.3 2.1 6.9 ; 6.10; 6.11; 6.12; 6.13 7.7 RSPO SCCS Module E
08.00 – 12.00 Aek Kulim Estate – Aek Sigala-gala Estate	Verification previous audit NC, and document, i.e.: <ul style="list-style-type: none"> - Legal Compliance - Long term economic - Water management - Energy used and efficiency - FFB supply based - Health and Safety - RSPO SCCS KCP 	NM	Management Representative and Related PIC	Principle and Criteria: 2.1; 2.2.1-2.2.2 4.1; 4.4; 4.5; 4.7 5.4 8.1 RSPO SCCS Module C Section 5 : 5.1-5.13 General Chain of Custody system Requirement
08.00 – 12.00 Aek Kulim Estate – Aek Barumun Estate	Verification previous audit NC, and document, i.e.: <ul style="list-style-type: none"> - Procedure implementation and evaluation - Integrated pest management (IPM) - Energy used for plantation - Waste management - Zero burning activity and implementation - Erossion, pollution and GHG identification - New planting after Nov 2005 - Continuous improvement 	ADS	Management Representative and Related PIC	Principle and Criteria: 2.1.1 3.1 4.2; 4.3; 4.4; 4.6.; 5.1;5.2;;5.3; 5.5; 5.6; 7.1; 7.2; 7.3 7.4 ;7.8 8.1
08.00 – 12.00 All Estate	Verification previous audit NC, and document, i.e.: <ul style="list-style-type: none"> - Law and regulation compliance related workers - Land dispute - Land conflict if any - Social and walfare workers - Social management plan - Continous improvement 	HY	Management Representative and Related PIC	Principle and Criteria: 1.1 2.1; 2.1.1-2.1.4 2.2.3-2.2.6; 2.3 4.8 6.1; 6.2; 6.3; 6.4; 6.5; 6.6; 6.7; 6.8 7.1; 7.5; 7.6 8.1
12.00 – 14.00	Break and lunch			
14.00 – 17.00	Continue audit agenda and	All	Management	

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Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – EM/QM Element - RSPO and RSPO SCCS Standard
Estate Office	document verification.	auditor	Representative and Related PIC	
17.30 –	End of 2nd day audit			
Thursday, August 24, 2017				
08.00 – 12.00 Aek Kulim Estate – Aek Sigala-gala Estate	Field verification : - Transperancy - Business ethic - Child Labour - Gender - Local contribution - FFB from 3 rd party - RSPO SCCS.	PN	Management Representative and Related PIC	Principle and Criteria : 1.2; 1.3 2.1 6.9 ; 6.10; 6.11; 6.12; 6.13 7.7 RSPO SCCS Module E
08.00 – 12.00 Aek Kulim Estate – Aek Sigala-gala Estate	Field verification : - Legal Compliance - Long term economic - Water management - Integrated pest management (IPM) - Energy used and efficiency - FFB supply based - Health and Safety - RSPO SCCS KCP	NM	Management Representative and Related PIC	Principle and Criteria: 2.1; 2.2.1-2.2.2 4.1; 4.4; 4.5; 4.7 5.4 8.1 RSPO SCCS Module C Section 5 : 5.1-5.13 General Chain of Custody system Requirement
08.00 – 12.00 Aek Barumun Estate – Aek Sigala-gala Estate	Field verification : - Procedure implementation and evaluation - Energy used for plantation - Waste management - Zero burning activity and implementation - Erossion, pollution and GHG identification - New planting after Nov 2005 - Continuous improvement	ADS	Management Representative and Related PIC	Principle and Criteria: 2.1.1 3.1 4.2; 4.3; 4.4; 4.6.; 5.1;5.2;;5.3; 5.5; 5.6; 7.1; 7.2; 7.3 7.4 ;7.8 8.1
08.00 – 12.00 Aek Barumun Estate – Aek Sigala-gala Estate	Field verification , i.e.: - Law and regulation compliance related workers - Land dispute - Land conflict if any - Social and walfare workers - Social management plan - Continous improvement	HY	Management Representative and Related PIC	Principle and Criteria: 1.1 2.1; 2.1.1-2.1.4 2.2.3-2.2.6; 2.3 4.8 6.1; 6.2; 6.3; 6.4; 6.5; 6.6; 6.7; 6.8 7.1; 7.5; 7.6 8.1
12.00 – 14.00	Break and lunch			
14.00-16.00	Preparing and internal meeting auditor	All auditor		
16.00 –	Closing meeting and presentation audit result	All auditor	Management Representative and Related PIC	
18.00 –	Travelling to Medan, Stay Overnight in Medan	All audi-		

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Date / Time ⁽¹⁾	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	Procedure – EM/QM Element - RSPO and RSPO SCCS Standard
		tor		

Appendix 3: List of Abbreviations

AMDAL	Analisis Dampak Lingkungan & Sosial (Social & Environmental Impacts Assessment)
CPO	Crude Palm Oil
EIA	Environmental Impact Assessment
ERTs	Endangered, Rare & Threatened species
ESH	Environmental Safety & Health
FFB	Fresh Fruit Bunches
EFB	Empty Fruit Bunches
HCV	High Conservation Value
IPM	Integrated Pest Management
LTA	Lost Time Accident
MSDS	Material Safety Data Sheets
NGO	Non-Government Organization
NPP	New Planting Procedure
OSH	Occupational Safety & Health
PKO	Palm Kernel Oil
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RKL	Rencana Pengelolaan Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
UKL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)
UPL	Upaya Pemantauan Lingkungan (Environmental Monitoring Efforts)

Appendix 4: Other Achievements and Certification Helds

Name of mill / estate	Certification Standard / Award achieved	Certification Body / Awardee	Date Achieved
PT. Barumun Agro Sentosa	9001:2008	Bureau Veritas Indonesia	14.04.2008
PT. Barumun Agro Sentosa	14001:2004	Bureau Veritas Indonesia	14.04.2008
PT. Barumun Agro Sentosa	ISCC	SGS Indonesia	03.02.2013
PT. Barumun Agro Sentosa	ISPO	SGS Indonesia	04.02.2016

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Appendix 5: List of Stakeholders Interviewed and Contacted

No.	Name of Stakeholder	Institution / Position	Remarks
Stakeholders Interviewed On-Site			
1.	Imran	Sustainability Officer	
2.	Idris	Sustainability Manager	
3.	B.M Saragih	General manager	
4.	Mrs Nurpina	Staff weightbridge	
5.	Mr Jais	KTU	
6.	Amran Hasibuan	Staff Clarification	
7.	Ishak Sirait	Staff IPM	
8.	Holoan Simamora	Staff Afdeling	
9.	Siregar	Harvester	
10.	Saputra	Sprayer	
11.	Jumiah	Sprayer	
12.	Peringatan	Sprayer	
13.	Agustinus	Sprayer	
14.	Benipati	Sprayer	
15.	Wiski	Sprayer	
16.	Riati	Sprayer	
17.	Hotmanson	Spraying Foreman	
18.	Hasan	1 st Foreman	
19.	Simamora	Assistant of Division 2C	
20.	Siregar	Land Application Foreman	
21.	Machmud Sukri	Warehouse keeper	
22.	Aswan Lubis	Tractor operator	
23.	Leo Purba	Harvesting foreman	
24.	Baja	Harvesting worker	
25.	Armansyah Rangkuti	Warehouse officer	
26.	Tukiman	Head of workshop	
27.	Pahotan Gultom	Welder	
28.	Kumala	Asisstant of Quality Control	
29.	J Marbun	Loader operator	
30.	Libert Sibor	Processing foreman	
31.	Charles Marbun	Processing worker	
32.	Krisno Hutasoit	Processing worker	
33.	Setuju Baru	Warehouse officer of palm oil mill	