



**PT. MUTUAGUNG  
LESTARI  
ASSESSMENT REPORT**

***Roundtable on Sustainable Palm Oil Certification  
RSPO***

**[ ] Stage-1   [ ] Stage-2   [✓] Surveillance   [ ] Re-Certification**

Name of Management : Gunung Aru Palm Oil Mill, PT Bersama Sejahtera Sakti subsidiary of Organisation Sime Darby Plantation Sdn Bhd

Plantation Name : PT Bersama Sejahtera Sakti : Gunung Aru Estate, Gunung Kemas Estate, Laut Timur Estate and Pantai Timur Estate.

Location : Betung Village, Sub District of Pulau Laut Timur, District of Kotabaru, Province of South Kalimantan, Indonesia

Certificate Code : **MUTU-RSPO/005**

Date of Certificate Issue : 21 October 2016      Date of License Issue : 21 October 2017

Date of Certificate Expiry : 20 October 2021      Date of License Expiry : 20 October 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA – 1.1	21 – 25 August 2017	Trismadi Nurbayuto (Lead Auditor), Andi Pratama Pasaribu, Benli Manurung, Satria Adi Putra	Octo H.P.N. Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	6 December 2017

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on March 12<sup>th</sup>, 2014 with registration number **ASI-ACC-055**



# PT. MUTUAGUNG LESTARI ASSESSMENT REPORT

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Figure 1. Location Map of PT Bersama Sejahtera Sakti

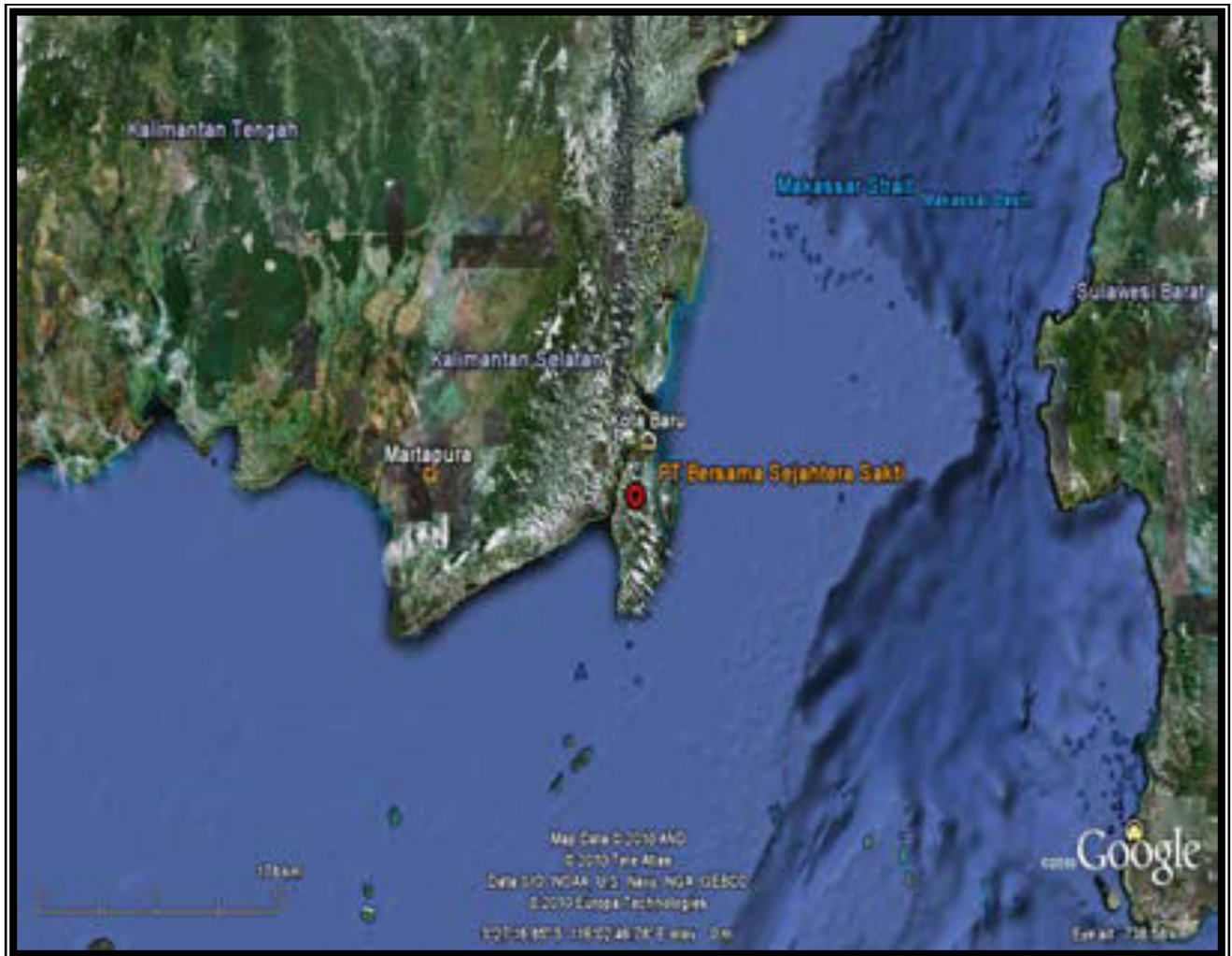
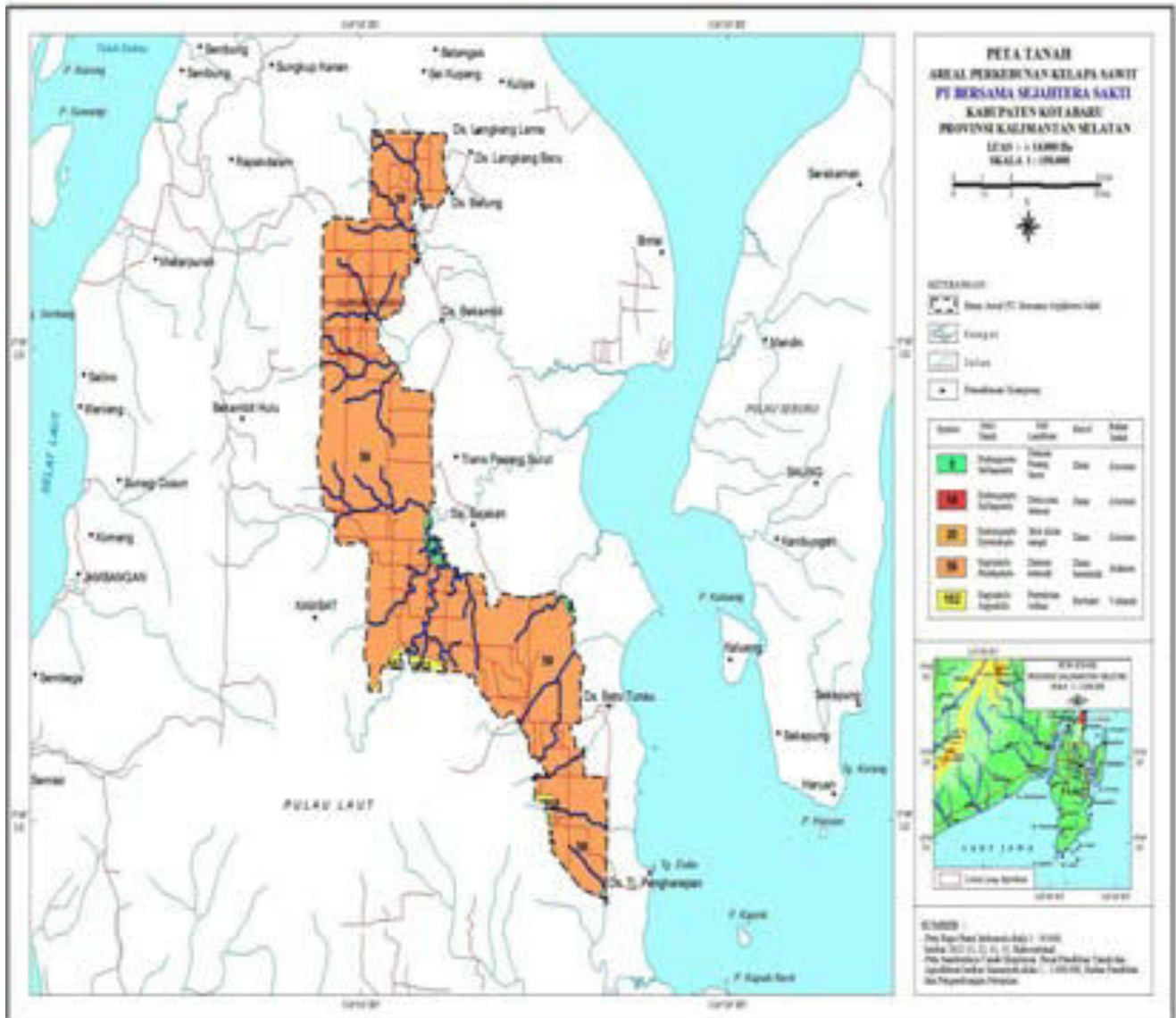


Figure 2. Operational Map of PT Bersama Sejahtera Sakti



### Abbreviations Used

AMDAL	:	Analisis Mengenai Dampak Lingkungan ( <i>Social and Environmental Impact Assessment</i> )
APAR	:	Alat Pemadam Api Ringan ( <i>Fire Extinguisher</i> )
APD (PPE)	:	Alat Perlindungan Diri ( <i>Personal Protective Equipment</i> )
B3	:	Bahan Beracun and Berbahaya ( <i>Hazardous Material Waste</i> )
BLHD	:	Badan Lingkungan Hidup Daerah ( <i>District Environment Body</i> )
BOB	:	Barn On Box
BOD	:	Biological Oxygen Demand
BPN	:	Badan Pertanahan Nasional ( <i>National Land Agency</i> )
BPJS	:	Badan Penyelenggara Jaminan Sosial
BSS	:	PT. Bersama Sejahtera Sakti
CD	:	Community Development
CPO	:	Crude Palm Oil
CSR	:	Coorporate Social Responcibility
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assesment
FFB	:	Fresh Fruit Bunch
GAE	:	Gunung Aru Estate
GAF	:	Gunung Aru Factory
GKE	:	Gunung Kemasan Estate
GHG	:	Green House Gas
HACCP	:	Hazard Analysis Critical Control Point
HCV	:	High Conservation Value (Nilai Konservasi Tinggi)
HGU	:	Hak Guna Usaha. ( <i>Land Use Permit</i> )
HIRAC	:	Hazard Identification Risk Assesment & Control
ISO	:	International Prganization for Standardization
ISCC	:	International Sustainability & Carbon Certificate
IUP	:	Izin Usaha Perkebunan. ( <i>Plantation Operation Licence</i> )
IPAL(WWTP)	:	Instalasi Penyaluran Air Limbah ( <i>Wastewater Treatment Plant</i> )
JAMSOSTEK	:	Jaminan Sosial Tenaga Kerja ( <i>Social Assurance of Labor</i> )
K3(OHS)	:	Keselamatan dan Kesehatan Kerja. ( <i>Occupational Health and safety</i> )
KLH	:	Kementrian Lingkungan Hidup ( <i>Environment Ministry</i> )
LC	:	Land Clearing
LCC	:	Legume Cover Crop
LUCA	:	Land Use Change Analysis
LTE	:	Laut Timur Estate
MMCM	:	Minamas Management Committee Meeting
MSDS	:	Material Safety Data Sheet
OHS	:	Occupational Health & Safety
OER	:	Oil Extraction Rate
PHT	:	Pengendalian Hama Terpadu ( <i>Integrated Pest Management</i> )
PK	:	Palm Kernel
PKO	:	Palm Kernel Oil
PKS(POM)	:	Pabrik Kelapa Sawit ( <i>Palm Oil Mill</i> )
PP	:	Peraturan Pemerintah ( <i>Government Regulation</i> )
PPE	:	Personal Protective Equipment
PTE	:	Pantai Timur Estate
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Enffluents

RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan ( <i>Environmental Management Plan/ Environment Monitoring Plan</i> )
PSD	:	Plantation Services Departement
PSQM	:	Plantation Sustainability and Quality Management
SOP	:	Standard Operating Procedure
SOU	:	Strategic Operating Unit
SP	:	Serikat Pekerja ( <i>Worker Union</i> )
SPK	:	Surat Perjanjian Kerja ( <i>Minutes of Agreement</i> )
TBS (FFB)	:	Tandan Buah Segar ( <i>Fresh Fruit Bunches</i> )
WLTk	:	Wajib Lapor Tenaga Kerja (Labor compulsory report )
UKL/UPL	:	Upaya Kelola Lingkungan/ Upaya Pemantauan Lingkungan ( <i>Environmental Management Efforts/ Environmental Monitoring Efforts</i> )



1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	<b>Assessment Standard Used</b> <ul style="list-style-type: none"><li>• <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governor 30<sup>th</sup> September 2016.</i></li><li>• <i>RSPO Supply Chain Certification Standart for Organization seeking for holding certification adopted by the RSPO Board of Governor on 21 November 2014 (Modul D/E for CPO Mill)</i></li><li>• <i>RSPO certification System (Approve by RSPO Executive Board 26 June 2007)</i></li><li>• <i>RSPO Supply Chain Certification System, November 2014.</i></li></ul>		
1.2	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	PT Bersama Sejahtera Sakti subsidiary of SIME DARBY PLANTATION SDN BHD	
1.2.2	Contact person	Men Kon Tang	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"><li>• Company RSPO Registered: The Plaza Office Tower Lantai 36 Jl MH Thamrin Kav. 28-30 Jakarta 10350</li><li>• Site: Betung Village, Sub District of Pulau Laut Timur, District of Kotabaru, South Borneo</li></ul>	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	<a href="mailto:mohamad.pirabaharan@simedarby.com">mohamad.pirabaharan@simedarby.com</a>	
1.2.7	Web page address	<a href="http://www.simedarby.com">www.simedarby.com</a>	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM Minamas Plantation)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 – 07 September 2004	
1.3	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	PT. Bersama Sejahtera Sakti <ul style="list-style-type: none"><li>• One (1) unit Palm Oil Mill – Gunung Aru POM and four (4) units supply base – Gunung Aru Estate, Gunung Kemas Estate, Laut Timur Estate, Pantai Timur Estate.</li></ul>	
1.3.2	Type of certificate	Single	
1.4	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Gunung Aru	Betung Village, Sub District of Pulau Laut Timur, District of Kotabaru, South Kalimantan Province	S 03° 29' 41" E 116° 10' 00"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>

			Latitude	Longitude		
	Gunung Aru Estate	Betung Village, Sub District of Pulau Laut Timur, District of Kotabaru, South Kalimantan Province	S 03° 30' 15"	E 116° 09' 47"		
	Gunung Kemas Estate	Betung Village, Sub District of Pulau Laut Timur, District of Kotabaru, South Kalimantan Province	S 03° 31' 48"	E 116° 11' 00"		
	Laut Timur Estate	Betung Village, Sub District of Pulau Laut Timur, District of Kotabaru, South Kalimantan Province	S 03° 35' 49"	E 116° 12' 18"		
	Pantai Timur Estate	Betung Village, Sub District of Pulau Laut Timur, District of Kotabaru, South Kalimantan Province	S 03° 36' 24"	E 116° 13' 26"		
1.5	Description of Area Statement					
1.5.1	Tenure					
	<ul style="list-style-type: none"><li>State</li></ul>		<ul style="list-style-type: none"><li>12,740,54 Ha based on HGU Certificate No.22/HGU/BPN/92, No.9/HGU/BPN/2002, No.01-540.2-43-2003 and No.62/HGU/BPN/2004</li><li>HGU on process ± 764.8 Ha (Has explained on criterion 2.2.1)</li></ul>			
	<ul style="list-style-type: none"><li>Community</li></ul>		0 Ha			
1.5.2	Area Statement					
	Total area		13,502.17 Ha			
	Mature		7,700.02 Ha			
	Immature		4,693.47 Ha			
	POM		34.83 Ha			
	Emplacement (housing, buildings)		132.85 Ha			
	Road & Bridges		451.57 Ha			
	Canals		22.40 Ha			
	Conservation:					
	<ul style="list-style-type: none"><li>Others (Nikel mine area, Buffer Zone, Bukit, Lembah, Sungai)</li></ul>		144.43 Ha			
	<ul style="list-style-type: none"><li>Conservation Area (riparian of GKE)</li></ul>		78,00 Ha			
	Without Encumbrances (Reserves)		149.70 Ha			
	With Encumbrances (Occupied)		70.70 Ha			
	Nursery		24.20 Ha			
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		Gunung Aru	Gunung Kemas	Laut Timur	Pantai Timur	Total
	1989	319.48	-	-	-	319.48
	1991	282.46	144.77	-	-	427.23
	1992	-	210.82	-	-	210.82



	1993	-	170.64	-	-	170.64	
	1994	20.58	141.24	709.88	-	871.70	
	1995	-		122.33	540.10	662.43	
	1996	-	188.98	1,128.44	1,088.08	2,405.50	
	1997	-	49.61		249.91	299.52	
	1998	-	45.43	210.32	-	255.75	
	1999	-	185.06	-	-	185.06	
	2000	-	214.91	-	106.17	321.08	
	2001	-	-	-	-	-	
	2003	-	-	56.53	121.21	177.74	
	2005	-	54.11	54.62	104.78	213.51	
	2006	-	-	-	452.56	452.56	
	2007	-	-	-	426.68	426.68	
	2008	-	-	-	-	-	
	2010	270.55	-	-	-	270.55	
	2012	326.62	-	-	-	326.62	
	2013	424.64	247.10	-	-	671.74	
	2014	403.38	489.22	-	-	892.60	
	2015	763.82	639.33	613.81	-	2,016.96	
	2016	130.83	320.78	109.67	-	561.28	
	2017	-	254.00	-	-	254.00	
		TOTAL	2,942.40	3,356.00	3,005.60	3,089.49	12,393.49
	1.6.2	New Planting area after January 2010		- Ha			
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle or 2 <sup>nd</sup> Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Gunung Aru Factory	40	122,870.89	25,673.47	20.89	6,084.78	4.95
* Production data source from 12 months before assessment (August 2016 – July 2017)							
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Gunung Aru	3,233.00	2,942.40	17,023.62	13.15	17,023.62	100
	Gunung Kemas	3,726.02	3,356.00	21,501.32	13.00	21,501.32	100
	Pantai Timur	3,205.18	3,005.60	47,539.82	18.45	47,539.82	100

	Laut Timur	3,337.97	3,089.49	36,806.13	17.24	36,806.13	100	
	TOTAL	13,502.17	12,393.49	122,870.89	15.96	122,870.89	100	
	*Production data source from August 2016 – July 2017							
1.7.3	FFB description from other source							
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill			
					FFB (tonnes/year)			
	-	-	-	-	-			
	-	-	-	-	-			
	TOTAL				-			
	*Production data source from August 2016 – July 2017							
1.7.4	Product categories			FFB, CPO, PK				
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 21 October 2016 to 20 October 2017 (tonnes/year)		Actual certified product October 21, 2016 until August 19, 2017 (tonnes/year)			
	• FFB Production		143,956		102,067.71			
	• CPO Production		32,780		21,414.24			
	• Palm Kernel (PK) Production		6,300		4,779.53			
1.8.2	Product selling							
	Tonnage of selling product		Actual selling product period October 21, 2016 until August 19, 2017					
	• CSPO		4,516.44					
	• CSPK		2,303.53					
	• CPO under other scheme trading (e.g ISCC, RFS)		-					
	• CPO under conventional trading (if any)		16,735.56					
	• PK under other scheme		-					
	• PK under conventional trading (if any)		2,947.47					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Gunung Aru	3,233.00	2,942.40	17,875	6,07			
	Gunung Kemas	3,726.02	3,356.00	22,576	7,27			
	Pantai Timur	3,205.18	3,005.60	49,917	16,60			
	Laut Timur	3,337.97	3,089.49	38,646	12,50			
	TOTAL	13,502.17	12,393.49	129,014	10,62			
	*Projected FFB production for 12 months of certificate							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	

	Gunung Aru Factory	40	129,014	25,803	20.0	5,806	4.5	IP
<i>*Projected CSPO and CSPK production for 12 months of certificate</i>								
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	Others							
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Supply Base	Time Bound Plan		Location	Status	
	Mill	Time Bound Plan						
	INDONESIA							
	Sekunyr. PT. Indotruba Tengah	2010	Sekunyr	2010		Seruyan and West Kotawaringin District – Central Kalimantan	Certified	
			Seruyan	2010			Certified	
	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010		Rokan Hilir District – Riau	Certified	
			Manggala 2	2010			Certified	
			Manggala 3	2010			Certified	
	Bukit Ajong PT. Sime Indo Agro	2010	West	2010	7,223 Ha	Sanggau District – West Kalimantan	Certified	
			East	2010			Certified	
			East	2019	1,652 Ha		-	
			Sei Mawang	2019			-	
			East Plasma	2010			Certified	
			West Plasma	2010			Certified	
	Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	2011		Pekanbaru, Siak District – Riau	Certified	
			Pinang Sebatang	2011			Certified	
			Aneka Persada	2011			Certified	
	Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012		Musi Rawas District – South Sumatera	Certified	
			Bukit Pinang	2012			Certified	
	Pemantang. PT. Teguh Sempurna	2011	Pemantang	2011		Seruyan and East Kotawaringin Distr ict – Central Kalimantan	Certified	
			Kawan Batu	2011			Certified	
			Hatan Tiring	2011			Certified	
			Batang Garing	2011			Certified	
	Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011		Rokan Hilir District – Riau	Certified	
	Teluk Bakau.	2011	Teluk Bakau	2011		Indra Giri	Certified	

PT. Bhumireksa Nusa Sejati		Nusa Perkasa	2011	Hilir District – Riau	Certified
		Nusa Lestari	2011		Certified
Mandah. PT. Bhumireksa Nusa Sejati	2014	Mandah	2011	Indra Giri Hilir District – Riau	Certified
		Rotan Semelur	2011		Certified
Angsana Mini. PT Sajang Heulang	2011	KKPA-1 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
		Pantai Bonati	2011		Certified
Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
		Gunung Sari	2011		Certified
		KKPA-4 PT.SHE	2013		Certified
Mustika. PT Sajang Heulang	2013	Mustika		Tanah Bumbu District – South Kalimantan	Certified
		KKPA-2 PT.SHE	2013		Certified
		KKPA-3 PT.SHE	2013		Certified
		KKPA-5 PT.SHE	2013		Certified
		SAP 1	2020		ST-2
Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
		Gunung Kemasam	2011		Certified
		Laut Timur	2011		Certified
		Pantai Timur	2011		Certified
		KKPA BSS	2020		-
Bebunga. PT. Langgeng Muaramakmur	2011	Sungai Cengal	2011	Kotabaru District – South Kalimantan	Certified
		Bebunga	2011		Certified
		KKPA Sungai Cengal	2014		Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011	Seruyan and East Kotawaringin Distr ict – Central Kalimantan	Certified
		Sapiri	2011		Certified
		Barasdanum	2011		Certified
		Kuala Kuayan	2011		Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012		Certified
		Rampa	2012		Certified
		Sesulung	2012		Certified
Selabak. PT Swadaya Andhika	2012	Selabak	2012	Kotabaru District – South Kalimantan	Certified
		Randi	2012		Certified
		Sangkoh	2012		Certified
		Lanting	2012		Certified
Rantau. PT Laguna Mandiri	2012	Rantau	2012	Kotabaru District – South Kalimantan	Certified
		Matalok	2012		Certified
Betung. PT Laguna Mandiri	2014	Betung	2012	Kotabaru District – South Kalimantan	Certified
		Sekayu	2012		Certified
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
		Plasma TGK	2015		Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	Muaro Jambi District – Jambi	Certified
		Plasma BGR	2020		-

Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
		Bumi Ayu	2012		Certified
		Karang Ringin	2012		Certified
		Napal	2012		Certified
		Mangun Jaya	2012		Certified
		Sungai Jernih Estate and GPI KKPA	2017		-
Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
		Batang Ara (PT PSK)	2013		Certified
		Blang Simpo-01	2013		Certified
		Blang Simpo-02	2013		Certified
MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2018	Sanggau District – West Kalimantan	-
		MAS 1	2018		-
		MAS 1	2018		-
		Plasma MAS	2020		-
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	Ketapang District – West Kalimantan	Certified
		Awatan	2014		Certified
		Karya Palma	2018		-
		KKPA SNP	2020		-
		Pelanjau (PT BAL)	2018		-
		Sungai Putih (PT BAL)	2018		-
		Baturus (PT BAL)	2018		-
		KKPA BAL	2020		-
MALAYSIA					
Sg Dingin SOU 1	2010	Bukit Hijau	2010	Kerangan, Kedah	Certified
		Padang Buluh	2010		Certified
		Bukit Selangor	2010		Certified
		Sg Dingin	2010		Certified
		Jentayu	2010		Certified
		Anak Kuli	2010		Certified
		Somme	2010		Certified
Chersonese SOU 2	2011	Chersonese	2011	Kuala Kurau, Perak	Certified
		Holyrood	2011		Certified
		Kalumpang	2011		Certified
		Tali Ayer	2011		Certified
Elphil SOU 3	2011	Kinta Kellas	2011	Sg Siput, Perak	Certified
		Elphil	2011		Certified
		Kamuning	2011		Certified
Flemington SOU 4	2011	Flemington	2011	Teluk Intan, Perak	Certified
		Bagan Datoh	2011		Certified
		Sabak Bernam	2011		Certified
		Sg Samak	2011		Certified
Seri Intan SOU 5	2011	Seri Intan (Main Division)	2011	Teluk Intan, Perak	Certified
		Sabrang	2011		Certified

			Sg Wangi	2011		Certified
			Sogomana (Main Division)	2011		Certified
Selaba SOU 5	2011		Seri Intan (Selaba Division)	2011	Teluk Intan, Perak	Certified
			Sogomana (Cashwood & Sg Beruas Division)	2011		Certified
			Bikam	2011		Certified
			Clumy	2011		Certified
Tennamaram SOU 6	2011		Tennamaram	2011	Bestari Jaya, Selangor	Certified
			Sungei Buloh	2011		Certified
			Bkt Talang	2011		Certified
Bkt Kerayong SOU 7	2011		Bkt Kerayong	2011	Kapar, Selangor	Certified
			Bkt Cherakah	2011		Certified
			Bkt Rajah	2011		Certified
			Bkt Lagong	2011		Certified
			Elmina	2011		Certified
East SOU 8	2010		East	2010	Carey Island, Selangor	Certified
			Dusun Durian	2010		Certified
			Sepang	2010		Certified
West – SOU 9	2010		West	2010	Carey Island, Selangor	Certified
Bukit Putri – SOU 10	2011		Bukit Putri	2011	Raub, Pahang	Certified
Kerdau SOU 11	2011		Kerdau	2011	Temerloh, Pahang	Certified
			Jentar	2011		Certified
			Mentakab	2011		Certified
			Sg Mai	2011		Certified
			Chenor	2011		Certified
Jabor – SOU 12	2011		Jabor	2011	Kuantan, Pahang	Certified
Labu SOU 13	2011		Labu	2011	Nilai, Negeri Sembilan	Certified
			New Labu	2011		Certified
			Bradwall	2011		Certified
Tanah Merah SOU 14	2010		Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
			Sua Betong	2010		Certified
			Bukit Pelandok	2010		Certified
Sua Betong SOU 15	2014		Salak	2014	Port Dickson, Negeri Sembilan	Certified
			Sengkang	2014		Certified
			Siliau	2014		Certified
			PD Lukut	2014		Certified
			Sungai Baru	2014		Certified
			Tampin Linggi	2014		Certified
Kok Foh SOU 16	2011		Bukit Pilah	2011	Bahau, Negeri Sembilan	Certified
			Kok Foh	2011		Certified
			Muar River	2011		Certified
			St. Helier	2011		Certified
			Pertang	2011		Certified
			Sg Gemas	2011		Certified
			Sg Sebalang	2011		Certified



		Sg Senarut	2011		Certified
Kempas SOU 17	2010	Kempas	2010	Jasin, Melaka	Certified
		Kemuning	2010		Certified
		Tangkah	2010		Certified
Diamond Jubilee SOU 18	2011	Bukit Asahan	2011	Jasin, Melaka	Certified
		Diamond Jubilee	2011		Certified
		Serkam	2011		Certified
Pagoh SOU 19	2014	Pagoh	2014	Muar, Johor	Certified
		Lanadron	2014		Certified
		Pengkalan Bukit	2014		Certified
		Welch	2014		Certified
Chaah SOU 20	2010	North Labis	2010	Chaah, Johor	Certified
		Cha'ah	2010		Certified
		Sg Simpang Kiri	2010		Certified
Gunung Mas SOU 21	2010	Gunung Mas	2010	Kluang, Johor	Certified
		Kempas Klebang	2010		Certified
		Bukit Paloh	2010		Certified
		Yong Peng	2010		Certified
Bukit Benut SOU 22	2011	Bukit Benut	2011	Kluang, Johor	Certified
		CEP Niyor	2011		Certified
		Lambak / Elaeis	2011		Certified
Ulu Remis SOU 23	2011	Pekan	2011	Layang-layang, Johor	Certified
		Sembrong	2011		Certified
		Tun Dr. Ismail	2011		Certified
		Ulu Remis	2011		Certified
		Bukit Badak	2011		Certified
		Cenas	2011		Certified
Hadapan SOU 24	2011	CEP Rengam	2011	Layang-layang, Johor	Certified
		Kulai	2011		Certified
		Layang	2011		Certified
		Seri Pulai	2011		Certified
Sandakan Bay SOU 26	2008	Tun Tan Siew Sin	2008	Sandakan, Sabah	Certified
		Tunku	2008		Certified
		Tigowis	2008		Certified
		Sentosa	2008		Certified
		Saguliud	2008		Certified
Melalap SOU 27	2011	Melalap	2011	Tenom, Sabah	Certified
		Sapong	2011		Certified
Binuang SOU 28	2009	Tingkeyu	2009	Kunak, Sabah	Certified
		Sungang	2009		Certified
		Jelata Bumi	2009		Certified
		Binuang	2009		Certified
Giram SOU 29	2009	Mostyn	2009	Kunak, Sabah	Certified
		Giram	2009		Certified
Merotai SOU 30	2009	Imam	2009	Tawau, Sabah	Certified
		Merotai	2009		Certified

			Table	2009		Certified
			Tiger	2009		Certified
	Lavang SOU 31	2011	Belian	2011	Bintulu, Serawak	Certified
			Kelida	2011		Certified
			Lavang	2011		Certified
			Lavang (SE)	2011		Certified
			Rasan	2011		Certified
	Rajawali SOU 32	2011	Rajawali	2011	Bintulu, Serawak	Certified
			Samudera	2011		Certified
			Semarak	2011		Certified
			Bayu	2011		Certified
	Derawan SOU 33	2011	Takau	2011	Bintulu, Serawak	Certified
			Damai	2011		Certified
			Derawan	2011		Certified
			Sahua	2011		Certified
	Pekaka SOU 34	2011	Chartquest	2011	Bintulu, Serawak	Certified
			Dulang	2011		Certified
			Peroh	2011		Certified
			Pekaka	2011		Certified
Ruai			2011	Certified		
	<p>Sime Darby has achieved 34 managment units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia.</p> <p>A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and Sime Darby Plantation Sdn Bhd targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p> <p>There was change of the Time Bound Plan under Sime Darby on 15 April 2016 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani Kelapa Sawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTU has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	Until the assessment of ASA – 1.1 conducted, there is no smallholder scheme at PT. Bersama Sejahtera Sakti. Gunung Aru Factory only received FFB from his own estates (Module D – Identity Preserved).					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA 1.1</b>	<p>1. <b>Trismadi Nurbayuto (Lead Auditor)</b>. Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001;14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; and RSPO Next. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. During this audit, he verify aspect environment and HCV.</p> <p>2. <b>Andi Pratama Pasaribu (Auditor)</b>. Indonesian citizen. Bachelor degree, majoring social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training, such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, auditor OHSAS etc. He has some experiences of ISPO audit in Indonesian palm oil in best management practices, land legality, environmental, social and worker welfare aspect. During this audit, he verify land legality and social aspect.</p> <p>3. <b>Benli Manurung</b>. Indonesian citizen, Bachelor of Agriculture, Soil Science Department. He has a working experience more than four years as a staff operational plantation in the private oil palm plantation company in Indonesia. Training have been followed are: ISPO, Lead auditor ISO 9001: 2015 and In House Training of Best Management Practice. Has been involved in several of similar scheme audit activities since 2016 covering of Best Management Practice and Worker Welfare. During this audit, he verify Worker welfare and OHS.</p> <p>4. <b>Satria Adi Putra</b>. Indonesian citizen, Diploma III majoring in Palm Oil Plantation. Have experience of work more than six years since 2009 as the operational staff of private oil palm plantations in Indonesia. Training have been followed including Occupational Health and Safety Expert (General AK3), Orang Utan and Wildlife Management, ISPO Auditor Training, RSPO Awareness, IHT Potential Mapping and Conflict Resolution in Production Forests, OHSAS 18001, Lead Auditor Training for ISO 9001, ISO 14001, ISO 17021, ISO 17065, ISO 19011 and ISO 22000. During this audit, he verify Best Management Practices.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-1</b>	<p>Number of auditors : 4 auditors</p> <p>Number of days for <b>ASA-2</b> at site : 4 days</p> <p>Number of working days for <b>ASA-2</b> at site : 16 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-1</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Adei Plantation &amp; Industry to the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production of Sustainable Palm Oil 2013 for Indonesia July 2016, approve RSPO Governors September 30,2016- and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results <b>ASA-1</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase <b>ASA-2</b>. Improvement of findings from main assesment findings were observed by auditors at this <b>ASA-1</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-1 report</b>.</p>

The assessment program please find Appendix 2

### 2.2.3 Locations of Assessment

**ASA-1** Number of units in this certification activity is four (4) estates, which supply the raw material (FFB) to one (1) palm oil mill. In conducting the assessment, the team of auditors used the  $0.8\sqrt{y}$  formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one (1) palm oil mill (**Gunung Aru Factory**) and two (2) estates (**Gunung Aru Estate and Gunung Kemas Estate**)

#### Gunung Aru Factory

1. **Security Post.** Tracing the origin of the fruit and its recording system.
2. **Security Gate and Weight Bridges.** Observation and interview with security officer and weightbridge operator regarding to FFB receiving and RSPO supply chain procedure.
3. **Hydrant.** Inspection of emergency preparedness equipment.
4. **Grading Site.** Observe how to grading the fruit and determine the quality of the fruit
5. **Hosting Crane.** Observations regarding safe work and operator licenses
6. **Engine Room.** Observation of OHS implementation and interview regarding to employment aspect and environment aspect.
7. **Boiler Station.** Observation of OHS implementation and interview regarding to employment aspect.
8. **Water Treatment Plant** Observation and interview related to Water Treatment
9. **Workshop.** Observation related to mill maintenance program and interview with workers related to labor and OHS aspect
10. **WWTP.** Observation about management and monitoring POME
11. **Hazardous Waste Storage.** Observation about management and monitoring hazardous waste
12. **Workshop.** According to the result of field observation, there is no oil leakage or spillage, first aid kits are well provided. The Officers have known the source and management for the generated hazardous waste from workshop.
13. **Chemical Storage.** According to the field observation, there were MSDS and hazardous materials symbols as well.

#### Gunung Aru Estate

1. **Field A005, Division 1.** Observations and interviews with harvesters regarding wages, harvesting procedures and OSH implementation.
2. **Field A008, Division 1.** Observations and interviews with EFB worker regarding wages, procedures application and OSH implementation.
3. **Field A007, Division 1.** Field Observation of chemicals used by the company, application management, safety worked, implementation of OHS and interview related labor.
4. **Field A011, Division 1.** Field observation on BOB related to the control of rodent pests using natural enemies
5. **Blok M08, Division 2.** Observation and interview with labor of manual fertilization related to fertilization procedure, wage, K3 implementation and facility of infrastructure.
6. **Field A034, Division 3.** Observation and interview with labor of manual road maintenance related to procedure, wage, K3 implementation and facility of infrastructure.
7. **Field A041, Division 3.** Field observation on planting *Turnera subulata* related to the control of nettle caterpillar using natural enemies.
8. **Fertilizer Warehouse.** According to the field observation, there were MSDS and hazardous materials symbols as well.
9. **Chemical Storage.** According to the field observation, there were MSDS and hazardous materials symbols as well.
10. **Housing Complex.** Field observation to see the facility of employee
11. **Generator Station.** Observation on OHS implementation and interviewing operator related employment aspect.
12. **Clinic Central.** Interview with company doctor related to working accident and also observe medical

- waste/hazardous waste management.
13. **Fire drill simulation.** Observation on Emergencies Preparedness Response.
  14. **Block Spraying System House (BSS House).** Observation on shower place, PPE's place, spraying tools place, and clean clothing places.
  15. **Landfill in Bock M9.** Observation on domestic waste, however there are open dumping.
  16. **Control well in Land Application Block O8.** Observation on Control Well in accordance land application permit.
  17. **Control well in Non Land Application Block P7.** Observation on Control Well in accordance land application permit.
  18. **Buffer Zone/Riparian Bekambit River, Block P4, Division 1.** Observation of Buffer Zone/Riparian as HCV area.
  19. **Boundary Pole No. BSS 07, BSS 08, BSS 09. Division 2.** Observation of availability and maintenance of boundary area. During the audit known that there is no planted outside the HGU area.
  20. **HCV 1.1 Gunung Kemas.** Observation of HCV area (HCV marking, sign board etc).
  21. **Fire Watching Tower, Block M9 Division 2.** Observation of infrastructure for land fire awareness

#### **Gunung Kemas Estate**

1. **Blok B1, Division 2.** Field Observation of chemicals used by the company, application management, safety worked, implementation of OHS and interview related labor.
2. **Blok B25, Division 2.** Observations and interviews with harvesters regarding wages, harvesting procedures and OSH implementation.
3. **Blok B32, Division 2.** Field Observation of chemicals used to eradicate pests by the company, application management, safety worked, implementation of OHS and interview related labor. **Fertilizer Warehouse.** According to the field observation, there were MSDS and hazardous materials symbols as well.
4. **Chemical Storage.** According to the field observation, there were MSDS and hazardous materials symbols as well.
5. **Housing Complex.** Field observation to see the facility of employee
6. **Generator Station.** Observation on OHS implementation and interviewing operator related employment aspect.
7. **Fire drill simulation.** Observation on Emergencies Preparedness Response.
8. **Block Spraying System House (BSS House).** Observation on shower place, PPE's place, spraying tools place, and clean clothing places.
9. **Landfill in Bock W19.** Observation on domestic waste, however there are open dumping.
10. **Boundary poles No. BSS 11, 12, 13 and 06.** Observation of availability and maintenance of boundary area. During the audit known that there is no planted outside the HGU area.

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-1</b>	Summary of stakeholder consultation process Consultation of stakeholders for PT Bersama Sejahtera Sakti was held by: Public Notification at website MUTU ( <a href="http://www.mutucertification.com">www.mutucertification.com</a> ) before assessment (03 July 2017). Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples. Numbers of input from stakeholders were clarified by PT Bersama Sejahtera Sakti as apart of this report
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<b>Please find appendix 1</b>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ASA-1.2 will be determined one year after this ASA-1.1 (August-2017).



### 3.0. ASSESSMENT FINDINGS

#### 3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Gunung Aru POM – PT Bersama Sejahtera Sakti subsidiary of SIME DARBY Plantation Sdn Bhd operation consisting of *one (1)* mill and *four (4)* oil palm estates.

During the assessment, there were six (6) Nonconformities were assigned against Major Compliance Indicators; five (5) nonconformities were assigned against Minor Compliance Indicators; and there is no nonconformance against supply chain requirement for CPO mill and three (3) opportunities for improvement were identified.

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

After the ASA 1.1 the certified unit has to provide corrective action to complying the non-conformances in 60 days (especially Major Non-conformance) prior the auditor team recommends to continue the certification.

Due to the certified unit has not been able to closed the major non-conformities within sixty days after the audit conducted, therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is *suspended (23 -10 - 17)* and given another sixty days to show the corrective actions taken.

MUTUAGUNG LESTARI found that *Gunung Aru POM – PT Bersama Sejahtera Sakti – SIME DARBY Plantation* complied with the requirements of *RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, generic standard 2013*.

The certified unit has showed the corrective action to closed out all the major non-conformities, therefore on December 4rd, 2017 the MUTUAGUNG LESTARI have recommend to lift the suspension and may continue the certificate.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	<p>Certificate holder has been identifying the stakeholders and listed it in stakeholders list document, contain of government agencies, contractor, NGO, head of villages, community organization, labor organization and supplier. Stakeholder list revised annually and/or there is change of information such as name, contact number and address. The latest update stakeholders is February 2017.</p> <p>The company has SOP No. 034/BSS-SOP in term of request of information of 2nd Revision Year 2015, explained mechanism of request of information conduct by stakeholder, response of management, time of response, the type of publicly document and flowchart. . this SOP has describes the information response period and the documents that can be accessed by stakeholder (there are 29 documents). The rest of the documents are confidential and not available to the public.</p>	



### 1.1.2

These SOPs also explaining the responsible PIC and time frame for response for the request of information not later than 30 days. Based on interview with stakeholders neither community around the company and government institutions mentioned that the company has been responded all request of information both of written request and unwritten request.

CH has do the mandatory reporting to the relevant agencies, for example: WLTk Reports (Employment Official Report), Environmental Management and Monitoring Report and Reporting Guiding Committee Of Occupational Safety & Health.

**Status: Comply**

### 1.2

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

#### 1.2.1

Certificate holder has provided a list of information that is accessible to the relevant public. The publicly available documents written in the procedure of document control, no. policy 301/BSS – DOC-01/11, such as EIA document, RKL/RPI document, HCV, areal statement, policy, OHS etc. All these documents are placed in PSD office and operational documents placed in each unit both of estate and mill.

The company has socializing those SOP to all stakeholders through formal and informal way, the responsible personal for socialization is PSD officer and head of administration in each units. The PIC who responsible for updating the data / documents is PSD officer.

**Status: Comply**

### 1.3

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

#### 1.3.1

The management unit shows the policy of business ethic number 440/HRM-COC/07. It was approved by the GM, SGM, HPO, and GHPI on May 24<sup>th</sup> 2007. The management unit develops the business ethic by considering the stakeholders expectation over the company and how to implement the code of ethic including the monitoring, reporting and sanction over the code of ethic violence. The commitment on the interaction with the stakeholders is the first priority of the company and it becomes the part of company's business ethic as well as creating the additional values. The stakeholders and its expectations are well described in detail. Furthermore, the management unit also composes the work ethic code which regulates the individuals' basic behaviour and their attitude and aptitude in and off the company.

Interviews with workers known that they know about the company policy to respect human rights and commitment to ethical behavior in all working operations. In addition, interview with CPO transporting contractor known that the policy has had socialized while contract is made.

**Status: Comply**

## PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

### 2.1

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

#### 2.1.1

Certificate holder has a list of the latest laws and regulations. The lists and copies of these regulations are available in each estates and mill. Some example s of regulations compliance that have been done such as EIA document and hazardous waste storage permits.

Based on document review, CH has: EIA document, hazardous waste temporary warehouse permit, POME report, implementation report of RKL / RPL and Fire monitoring reports as the evidence that the company has compliance to related regulation.

#### 2.1.2

The company has compiled a list of the applicable law and regulations period of 2017 as well as evidence of compliance evaluation, the document informs: the regulation titles, descriptions, compliance status, evidence of compliance and compliance explanation information. For example, the company has conduct payment of employs wages in accordance with the Decree of South Kalimantan Governor year of 2016 in terms of minimum wages for 2017. A copy of the laws and regulations has been placed in each unit (estates and mill). However not all relevant legal requirement was complied, **it was raised as non conformity No. 2017.1**. According to verification of document Land Application Permit Extension Technical Recommendation No. 660/245/BLHD/2016 dated 25 August 2016, on appendix I point F "there are monitoring location as: groundwater quality test on Block O4, groundwater quality test in land application on Block P7, groundwater quality test in control area on Block N7, therefore groundwater quality test in housing complex on Block N8. However there are no result of groundwater quality test on Block P7 and Block N7.

### 2.1.2, 2.1.3 & 2.1.4

There is a system to explains the person who responsible for managing the regulatory compliance that sustainability department.

The company has procedure No.724/TQEM-SPMS/09. The procedure describe that PIC to handling regulation update is PSQM unit. Type of regulation that updated such as local regulation, national regulation and international regulation. Regulation update one times per year based on the result audit internal / external finding and document monitoring.

The mechanism for checking regulatory compliance is done on a regular basis for each year such as 1 June 2017. The regulations are updated in 2017 such as: (1) *Keputusan Gubernur Kalimantan Selatan* No. 188.44/0610/KUM2016 in term of Regional Minimum Wage on *Kalimantan Selatan* Province, (2) *Permenaker no. 9 year 2016* in term of OHS in height, (3) *Permenaker no. 16 year 2016* in term of religion allowance, etc.

**2.1.1 Status: Nonconformity no. 2017.01 with minor category**

**2.1.2 Status: Nonconformity no. 2017.02 with minor category**

**open**

## 2.2

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

### 2.2.1 Major

The company showing legal permits of land ownership from Government as below:

1. HGU Certificate No. 01, dated 3 January 1995. Cover area: **8,222.54 Ha**. Valid until 31 December 2022.
2. HGU Certificate No. 36, dated 14 May 2002. Cover area: **3,318 Ha**. Valid until 24 September 2037.
3. HGU Certificate No. 42, dated 25 June 2004. Cover area: **100 Ha**. Valid until 20 April 2039.
4. HGU Certificate No. 62, dated 31 December 2004. Cover area: **1,100 Ha**. Valid until 10 December 2039.
5. Decree of Regent Kotabaru No: 188.45/389/KUM, dated 15 October 2009. Approval on Re-enrollment of Plantation Permits (IUP) PT. Bersama Sejahtera Sakti with cover area 12,740.54 Ha and Mill capacity 60 MT FFB/Hour.

Total land use rights (HGU) area is **12,740.54 Ha**. Whereas, in the Area Statement Minamas Management Committee Meeting (MMCM) document period May 2016, total managed area is **13,776.25 Ha**. There were discrepancy area 1,035.71 Ha that have not legally of land use rights, in details as follow:

- **529 Ha** (enclave area within the HGU No. 1 size 8,222.54 Ha) until Re-Certification in 2016, there is no progress and the land use right status is un-legally yet.
- **277.80 Ha** (unmanaged area of PT. Inhutani II, but still calculated within the company area statement document as well as not presented/pictured on HGU No. 1 Map).
- **228.91 Ha**: no supporting evidence on this area (location, status, map, etc.).

*After the previous assessment (Re – Certification), there were explanation from PSD Manager to the Head of PSQM (letter No. 025/PSD-PSQM/Bjb/VI/2016) dated on 28 June 2016 that explain PT BSS area as follow:*

*The discrepancy of hectar statement*

- A. *Sum of area*
1. *Areal Statement* = 13.776,25 Ha
  2. *Land Use Tittle/HGU* = 12.740,54 Ha
  - Discrepancy* = 1.035,71 Ha
- B. *Explanation of Discrepancy (1.035,71 Ha)*
1. *Land Build Tittle/ HGB Salino Port 5,06 Ha*
  2. *Land Use Tittle/HGU revision 8.222,54 Ha for enclave area that proposed to be legal area **528,71 Ha***
  3. *Planted area of GKE outside the Land Use Tittle/HGU **235,74 Ha***
  4. *The rest of area that claimed by Inhutani II 266.20 Ha*
- C. *Land Use Tittle/HGU on progress:*
1. *Areal 528,71 Ha :*
    - a) *Dated on 10/1/2014, proposed to measurement*
    - b) *Dated on 19/10/2014, proposed to measurement enclave area.*
    - c) *Dated on 22/06/2015, proposed to measurement enclave area with National Land Agency of South Kalimantan.*
  2. *Areal 235,74 Ha :*
    - a) *Dated on 10/1/2014, proposed to measurement for HGU area*
    - b) *Dated on 29/4/2015, proposed to measurement*

However, until the surveillance 1.1, the company can't show the positive progress regarding land legality of area 528,71 Ha and areal 235,74 Ha. Based on that fact, it raised as **Non Conformity No. 2017.3.**

#### **1.5.1. Minor**

##### **Recertification findings**

Legal boundaries of land use right are available in place. In 2007, National Land Agency (BPN) of South Kalimantan Province conducted re-demarcated of boundaries and issued the GPS coordinates list of poles location namely "Peta Tata Letak Pemasangan Patok HGU PT. Bersama Sejahtera Sakti".

During field verification by auditor using GPS device, it found that:

1. Boundary pole BSS-01, 02 and 05 Laut Timur Estate, located in unmanaged area of oil palm crops (Inhutani II area) and no legal use rights is available.
2. Boundary pole BSS-23 Pantai Timur Estate is located in different position from the coordinate list in the Map of HGU boundaries PT. BSS-PTE Scale 1:60,000 dated 3 September 2007 (issued by National Land Agency of South Kalimantan Province).

According to above verification it concludes that the company did not make legal boundaries in well demarcated appropriate with HGU map. **NCR No. 2016.2 minor raised to major.**

The company has showed corrective action as follows:

1. Letter from LTE Manager (No. 121/LTE-PSD/VI/2016) dated on 22 June 2016 regarding to repositioning of boundary pole.
2. Minutes of boundary pole on 8 August 2017 regarding to installation of boundary pole No. BSS 01, 02 and 05. However, can't ensure it appropriate with it coordinate.
3. Documentation of boundary pole no. BSS 023 position include it coordinate.

##### **Auditor Conclusion:**

Based on corrective action that showed, noncompliance in point 2 has been met. However, noncompliance in point 1 regarding to overlapped with Inhutani II still open. **Non Compliance No. 2016.2 minor raised to major**

##### **ASA-1.1**

Based on field observation regarding to boundary pole management known that:

1. Gunung Aru Estate: boundary poles No. BSS 07, 08, 09 and 20 are in position refer to it coordinate and there is no planted outside the HGU area.
2. Gunung Kemas Estate: boundary poles No. BSS 11, 12, 13 and 06 are in position refer to it coordinate and there is no planted outside the HGU area.

Entire data regarding boundary poles monitoring and maintenance has been kept by each estate.

#### 1.5.2. Minor and 2.2.4 Major

Based on interview with village representative from Tanjung Pengharapan, Batu Tunau and Bekambit village known that there is no land dispute that significantly disrupting the company's operational activities during this year.

2.2.1	<b>Status:</b>	
2.2.2	<b>Non Compliance No. 2017.3 Major</b>	
	<b>Non Compliance No. 2016.3 minor raised to major</b>	

#### 2.3

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

#### 1.5.3. Major

*Based on interview with village representative from Tanjung Pengharapan, Batu Tunau and Bekambit village known that there is no customary right in operating area.*

Based on the results of interviews with local community representatives and related government agencies, since the implementation of the previous audit (Re-Certification), there were several cases of land disputes between companies and others as follows:

1. The case of land dispute with an area of 1100 Ha located in the Village Tanjung Pengharapan. Proof of mediation process has been shown, among others:
  - a. Mediation dated November 10, 2016 was held in the Working Room Assistant for the Economy, Development and Welfare of Kotabaru Regency attended by Muspika elements, Head of Tanjung Pengharapan Village, representatives of companies and Indonesian NGO Marginal Care. Meeting results: no agreement was reached.
  - b. Mediation dated February 10, 2017 held at the Meeting Room of Pulau Laut Sub-District Head of Muspika, Head of Tanjung Pengharapan Village, company representatives and Indonesian NGO Marginal Care. Meeting results: no agreement was reached.
2. Land dispute with PT. Inhutani II which culminates in sealing land (status quo).

Until the audit is completed, a participatory map of the dispute has not been shown. It raised as **Non Compliance No. 2017.04.**

#### 1.5.4. Minor

1. The case of land dispute with an area of 1100 Ha located in the Village Tanjung Pengharapan. Proof of mediation process has been shown, among others:
  - a. Mediation dated November 10, 2016 was held in the Working Room Assistant for the Economy, Development and Welfare of Kotabaru Regency attended by Muspika elements, Head of Tanjung Pengharapan Village, representatives of companies and Indonesian NGO Marginal Care. Meeting results: no agreement was reached.
  - b. Mediation dated February 10, 2017 held at the Meeting Room of Pulau Laut Sub-District Head of Muspika, Head of Tanjung Pengharapan Village, company representatives and Indonesian NGO Marginal Care. Meeting results: no agreement was reached.
2. Land dispute with PT. Inhutani II which culminates in sealing land (status quo). At the end of the audit, the company has retried the disputed area but has not been able to show the documentation of the resolution of the problem.

Based on that fact above, it raised as **Non Compliance No. 2017.05.**

**1.5.5. Minor**

All methods of communication are done using the Bahasa. If necessary to giving additional information, the company will contact the representative of the community through head of villages.

**1.5.6. Major**

Based on interview with village representative from Tanjung Pengharapan, Batu Tunau and Bekambit village known that in every negotiation process with the company, villagers representing himself accompanied by village heads and district government officials.

<b>2.3.1</b>	<b>Status:</b>	
<b>2.3.2</b>	<b>Non Compliance No. 2017.4 with major category</b>	
	<b>Non Compliance No. 2016.5 with minor category</b>	

**PRINCIPLE #3 Commitment to long-term economic and financial viability**
**3.1**

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

**3.1.1**

The company has conducted an analysis of the long term economic viability for years 2017 to 2022. The document describes projections of areal statement for palm oil mature area, projections of immature area and replanting, production of FFB, production and price of CPO and PK, capacity, cost, revenue, and profitability. Evaluation of achievement conducted annually, changes will be made if necessary. One of its control functions is to conduct an annual evaluation by the relevant staff and to include it in the report.

**3.1.2**

The company has a replanting program listed in the 2010-2035 Long Range Replanting Progame (LRPP). Documentation related to the progress of planting program for the period 2016-2017 amounted to 667.19 Ha for Gunung Aru Estate and Gunung Kemas Estate. Evaluation of the annual review of replanting is conducted annually which contains a comparison between the budget and the realization of replanting

	<b>Status: Comply</b>	
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**PRINCIPLE #4 Use of appropriate best practices by growers and millers**
**4.1**

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

**4.1.1**

The Company also has SOP Reference Manual of Agronomy of Oil Palm Plantation. Policy 110 / EST-ARM / 13 on the technical culture of oil palm cultivation is released based on the Head Plantation Upstream Indonesia memorandum on September 01, 2013. The SOP includes plant material, nursery techniques, replanting, tillage, field maintenance, fertilization, canopy management, water management of coastal areas and plantations on peatlands, ablation, standard of maturity, harvesting, cultivation of loss fruit, legume cover crop, weed control and rainfall recordings.

SOP is available on audit site and written in a language that is easily understandable for workers and relevant with company situation. Based on interviews with workers in the estate and mill, it is known that the socialization of SOP has been carried out through the safety briefing or morning roll call which are done before begin the operational activities.

Based on field observations in Gunung Aru Estate on harvesting activities known that the labor has understood related to standards and procedures of harvest work, ranging from pre-harvest preparation, determination of harvest, fruit maturity standard and calculation of income / salary. In addition, field observation in Division 1 Block A07 Gunung Aru Estate on path spraying activity is known that the labor have understood the spray workflow in accordance with SOP owned by the company.

**4.1.2, 4.1.3**

The Company already has SOP master list for all procedure. Based on document review it is known that all SOPs and Work Instructions are available in appropriate language (Bahasa Indonesia). The Company has internal control



mechanisms listed in Audit Finding Monitoring & Action issued by Group Corporate Audit Department. Internal monitoring activities are conducted by examining the implementation of the SOP. If there are findings, the company should search for root causes, responses from auditees (action taken), recommendation from Group Corporate Audit Department (GCAD), fixing timeline, fix the action & evidence implementation, finding status and remarks.

#### 1.5.7. Major

Referring to the supply chain module used in the module D (Identity Preserved), the Gunung Aru Mill only receives FFB from their own estate that has been certified.

<b>Status: Comply</b>
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### 4.2

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

#### 1.5.8. and 4.2.2

The Company has SOP Block Manuring System with No Document 2 / SOP-BMS / BSS-GKE / 10 dated 01 March 2010 which has been endorsed by SOU Chair, containing among others effectiveness and efficiency through fertilization according to type, dose, storage, time, and place of application

The fertilization dose was determined based on leaf analysis and production analysis made by the research department. Fertilization application security procedures, banning fertilization diareal border river, fertilizer application method field, how to administer and monitoring the use of fertilizer, fertilizer application preparation, organizing work, methods retailers and sowers and how to fertilize fertilizer.

Based on document review, the company has carried out monitoring and implementation of SOPs such as planting cover crops, land applications, EFB applications and anorganic fertilizers

#### 4.2.3

The Company already has SOPs on soil sampling, leaves and visual observations. The purpose of soil sampling, leaf and visual observation is as a reference fertilizer recommendation for the coming year. Soil sampling, leaf and visual observations for Gunung Aru Estate and Gunung Kemas Estate have been included in the Land Survey Report Detail and Land Suitability for oil palm crops at PT Bersama Sejahtera Sakti 2017-2022.

#### 4.2.4

The Company has a strategy of recycling nutrients, such as the use of the frond (pruning), application of effluent and utilization of crop residues after replanting, empty fruit bunches application and Liquid waste application All activities are monitored and well documented.

A comprehensive plan and strategy of nutrient recycling have been incorporated in following documents: SOP and Manual of Agronomy, SOPs of Waste management, and land application permit from local authorities. Implementation of nutrient recycling practices have been recorded and monitored periodically by mill and estate, covering: monitoring of volume of applied EFB, location and area of EFB application, time of application, debit of POME I, location and area of POME application, time of application.

Nutrient recycling strategy is implemented such as Empty Fruit bunch and Palm Oil Mill Effluent application. During the inspection in Block A008, Division I, Gunung Aru Estate, the Empty Fruit Bunch applied is spread evenly around circle (doses 200 kg/palm).

<b>Status: Comply</b>
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### 4.3

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

#### 4.3.1

The company has a semi-detailed soil survey and land suitability document for oil palm plantation which includes the land slope map for Gunung Aru Estate and Gunung Kemas Estate. The map is available on a 1: 40,000 scale. The limitation factors are topography and soil fertility. Based on semi detail was not identified peat area.



#### **4.3.2**

Based on Land Survey Report Detail and Land Suitability for Oil Palm Plantation at PT Bersama Sejahtera Sakti 2017-2022 it is known that that PT Bersama Sejahtera Sakti consists of flat topography (level) of 14.10%, undulating of 21.01%, rolling of 57.35%, hilly (hilly) of 6.40%, somewhat steep 0.76%, and steep (steep) of 0.38%. The map has a scale of 1: 40,000.

The Company has a Memorandum of the GM Bussines Planning & Administration dated 01 July 2014 No 03 / BPA.SP-HPUI / VII / 2014 About ARM Chapter 4-Land Preparation, which explains that land in the estate area with a slope angle > 40% (21, 80) so as not to be planted and allowed to preserve biodiversity but access road between land planted and non-planted must be made and treated.

Based on field visit, the company already has management strategies on sloped areas such as planting cover crops (LCC), application of organic materials (EFB) as well as the manufacture of terraces

#### **4.3.3**

Company has a Road Maintenance Program 2017 that contains road maintenance at each division at Gunung Aru Estate and Gunung Kemas Estate. Total road maintenance period 2016-2017 for Gunung Aru Estate along 38,814 meters and for Gunung Kemas Estate along 79.482 meters. Based on field visit at Gunung Aru Estate Division III, its known that the company take a manual road maintenance.

#### **4.3.4, 4.3.5**

The company has a semi-detailed soil survey and land suitability document for oil palm plantation which includes the land slope map for Gunung Aru Estate and Gunung Kemas Estate. The map is available on a 1: 40,000 scale. The limitation factors are topography and soil fertility. Based on semi detail was not identified peat area.

Based on document review of semi-detailed soil survey and land suitability for oil palm cultivation PT Bersama Sejahtera Sakti period 2017-2022. It is known that the unit land contained in PT BSS is Inceptisol, Oxisol and Ultisol. There is no peatland PT BSS area there is no peatland.

#### **4.3.6**

The Company has SOP Determination of Erosion Stake with No. Document 056 / BSS-SOP concerning the procedure of making erosion pole, set up the erosion pole and erosion marking.

In addition, the company has also demonstrated a Memorandum of Land Preparation No. 03 / BPA.SP-HPUI / VII / 2014 concerning ARM Chapter 4, dated July 1, 2014 regarding the explanation that land in the estate area with a slope angle of > 40% (21.8°) for should not be planted and allowed to maintain biodiversity but road access between planted and non-planted area should be made and maintained.

The Company has a record of inspection and implementation of planting activities in areas with slopes contained in the document realization replanting program 2016-2017 at Gunung Aru Estate area of 354.47 Hectares, Activities in April 2017, among others:

- Conducting the making of the terrace with a width of 5.1 meters along 6379 meters
- Conducted porch manufacture with a width of 4.3 meters – 5 meters along 161.261 meters
- Siltpit manufacture size 1.83 meters (top width) x 0.91 meters (width below) x 0.75 meters (in) as many as 15,532 points.

Based on the results of the field visit in block A07 of Division 1 of Gunung Aru Estate, it is known that the company has been doing the legume cover crop (LCC) planting activity in the terrarium area which is useful as one of the land management from the risk of erosion / run off.

**Status: Comply**

**4.4**
**Practices maintain the quality and availability of surface and ground water.**
**4.4.1**

The company has identifying water courses that recorded on HCV document, such as Betung river, Bekampit Atas river, Bekampit Bawah river, Sejakah Atas river, Sejakah Bawah river, Api – Api river and Batak river. The company has tested the surface water quality in 1st semester of 2017. There are parameters not comply with quality threshold regulated by government, but the point has evaluated and reported to the environment agency on 20 July 2017.

**4.4.2**

According to the field observation on Bekambit river Block W19 Division II GKE, protection attempts conducted by the company such as HCV signboard instalment, boundary pole of spraying instalment, tree planting in riparian area, etc. According to the field observation on replanting area Block P4 GAE, riparian area of Bekambit River keeping let be as HCV area, and also riparian of Sejakah River in Block V11 GKE.

**4.4.3**

The company has Land Application Permit No. 503/01/IPAL-BPPTPM/2016 dated 31 August 2016 signed by Kota Baru Regent. Block applications are N2 (10 Ha), N3 (9 Ha), N4 (7 Ha), N5 (20 Ha), N6 (5 Ha), O3 (6 Ha), O4 (15 Ha), O5 (12 Ha), O6 (11 Ha), O7 (7 Ha), P7 (10 Ha), and P8 (3 Ha). The mill effluent quality has tested periodically, and it has been reported to the realted agency. The test result was complied with quality threshold in accordance to regulations. According to the field observation to WWTP, there is no overflowing or leakage to river or riparian area.

According to the interview with Environment Agency and Locals, there is no contamination caused by effluent processing. However there are contamination issues from replanting activities to Bekambit River in Village of Bekambit Asri. They were complaining of itching, after exsposure from Bekambit River Waters. The local NGO was reported this issues to the local parlement, and they want to water quality test conducted by **Balai Besar Teknik Kesehatan Lingkungan dan Pengendalian Penyakit** (BBTKLPP) Laboratory in Banjarmasin. The water quality test result known there are no contamination from replanting activity, however the company should be make some water filter in Lok Buaya River and Buluh Kuning water gate. There for the company should be providing health services as cure skin diseases every month. All of documentation was record by company and it has been verified by auditor team.

**4.4.4**

According to the interview with mill management, obtained information that water consumption for processing FFB based on budget is 1.52 m<sup>3</sup>/MT FFB. According to the field observation to WTP installation, flow meter works well, water consumption record conducted by operator. The company has record of water consumption for processing FFB period July 2016 to June 2017. Total consumption are 120,376 m<sup>3</sup> with consumption ratio are 1.01 m<sup>3</sup> /MT FFB.

<b>Status: Comply</b>
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**4.5**
**Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.**
**4.5.1; 4.5.2**

The company has a recording of pest and disease control for Gunung Aru Estate and Gunung Kemas Estate. Control techniques by detection and census. If the census results have not crossed the threshold then there is no need to control using pesticides.

Identification of potential pests by census and visual monitoring performed by employees, foremen or garden staff.

The company controls biologically by using useful plants (*Turnera subulata* and *Casia cobanensis*), besides the company also uses natural enemies such as *Tyto alba* as a predator against rat pest.

The company has demonstrated monitoring of pesticide use at Gunung Aru Estate and Gunung Kemas Estate. In the recording is known that the use of chemicals increased compared to the previous year. Justification companies note that

the increased use of pesticides due to replanting activities in the area of Gunung Aru Estate and Gunung Kemas Estate. In high crops, the use of chemicals is small because weeds are shaded by oil palm plants so that weed populations are depressed, while in the aftermath of replanting the area becomes open and weeds thrive so the area of spraying becomes widespread.

The Company has reviewed the pest control planning at the time of replanting, as planned for BOB development. The BOB installation program for that period is 161 BOB.

The Company has presented recording evidence related to the implementation of Integrated Pest Management training, among others, the census method training on February 17, 2017 with the number of participants as many as 5 people

**Status: Comply**

#### **4.6**

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

##### **4.6.1, 4.6.2**

The Company already has SOP Block Spraying No. 3 / SOP-BSS / BSS-GKE / 10 dated 01 April 2010 regarding spraying activities. Stages of spraying activities include having healthy body, child prohibition and pregnant woman to spraying the herbicide, use of PPE, determination of sprayable area, method to spraying activity and storage of work tool.

The company uses pesticides already registered in the fertilizer and pesticide directorate. The company records all the pesticides used, targeting of attacks, pesticide classes, registration numbers and justifications such as:

- Audit 486 SL with active ingrediens is Isopropyl Amine Glyphosate, class III (Reg.Number RI.01030120031863).  
Target weed : Systemic herbicides to control narrow-leaved weeds.
- Amiron 20 WG with active ingrediens is Methyl Metsulfuron, class U (Reg.Number RI.010101120152008).  
Target weed : Systemic herbicides for plant-wide leaves weeds.

The Company has listed the use of pesticides, active ingredients, LD50, targeted area and active ingredients used per hectare at Gunung Aru Estate and Gunung Kemas Estate period 2016-2017.

The Company has also demonstrated recordings of active ingredients per hectare and active ingredients per ton of FFB such as:

- Total use of pesticides in January 2017 of 374.55 Liters, active ingredient / ha usage of 0.13 a.i / Ha and active ingredients usage / ton TBS 0.27 a.i / ton TBS
- Total use of pesticides in June 2017 of 295.21 Liter, active ingredient / ha usage of 0.10 a.i / Ha and active ingredients / tons of TBS 0.10 a.i / ton TBS

Based on interviews with labor at Gunung Kemas Estate Division I Block B1 it is known that workers have understood the boundary of spraying around water bodies, labor had also attended pesticide training and labor understand related to spray activity bans for pregnant or actating women.

##### **4.6.3, 4.6.4**

The company has plans for IPM handling in Gunung Aru Estate and Gunung Kemas Estate such as the *Turnera subulata* planting plan for 2017-2018 period, BOB installment plan for 2017-2018 on immature area and Cassia cobanensis planting plan for 2017-2018 periode on immature area. Pest and disease control programs implemented by the company through monitoring and evaluation every month and determined control strategies used such as manual, biological or chemical control. The company does not make pesticide application prophylactic this can be proven by pest and disease control mechanism based on result of detection and census.

Based on field observation in Gunung Aru Estate Division 3 Block A041, it is known that the company has already planting a beneficial plant (*Turnera subulata*), besides that the company has also showed the implementation related to BOB installation at Gunung Aru Estate Division 1 Block A011 and its known that gupon is active .

The Company has a policy to minimize and eliminate the use of paraquat pesticides listed in Memorandum No: POD-UM-0110 / X2008 dated October 16, 2008. The policy concerns the recommendation of a substitute for the application of Paraquat-Gramoxone active ingredients within Minamas Plantation. The memo contains "following the need for safety herbicides, ammonium glufosinate is recommended to replace paraquat". In addition, the company has also showed a policy to reduce of pesticides class IA and IB with no. 01 / BSS-Pest / VIII / 2017 dated 22 August 2017, which requires all businesses in PT BSS to always evaluate and control the use of pesticide class IA and IB seriously and sustainably, so that finally the Pulau Laut area can zero the use of pesticides class IA and IB.

Based on document review and interview with management it is known that the company uses IB class pesticides such as Racumin (Kumatetralil) for rat pest control. Justification related to the use of IB class pesticides is the existence of rat pest attacks that exceed the economic threshold so it needs to be done chemically. Besides to chemical control, the company has also attempted to add BOB. It is listed in the BOB install program and the number of additions is 161 BOB.

Based on a visit to warehouse of Gunung Aru Estate, it is known that the inventory / stock pesticide recordings are in accordance with the physical amount.

#### **4.6.5, 4.6.9**

The company has showed Inter Office Mail No: MRC / VP I –Sr.Mgr UPD / 0452 / XII / 2015 date December 01, 2015 issued by Minamas Research Center related to pest, disease and weed control who recommendations method to control pests, diseases and weeds without causing damage and economic losses.

The company has conducted training records for labor who handling the pesticides, for example training to spraying labor on 04 July 2017 conducted by Suwaryo (Sr Asisstant GKE) with participant are 27 spray labor.

Based on the field visit at Gunung Kemas Estate Blok B1 on spraying area, it is known that the labor has been equipped by PPE such as helmet, glasses, cloth gloves, rubber gloves, shirt, apron, mask and shoes. Beside that, if the PPE is damaged then it will be replaced by the company.

Based on a field visit in Block B1, Division 2, Gunung Kemas Estate on chemical treatments, it is known that the labor carries spray material (kenlon) in pure state. This is not in accordance with the Pesticide Mixing Workflow which mentions "pure pesticides have been poured into 10 liters of conductor mixed with 10 liters of clean water".

Based on a field trip to Block U15, Division 2, Gunung Kemas Estate at Pest Spray (Oryctes rhinoceros), it is known that the labor took water at Siltpit for spraying. This is not in accordance with SOP Waterfill for spray and spraying which mentions "filling the spray tank as per the next day's spraying requirement by taking water from reservoir / from Mill using a water machine.

**Based on the explanation, raised the Non-Conformance No 2017.06 With Major Category**

#### **4.6.6**

The Company has SOP Warehouse Management with no. 6 / SOP-PG / BSS-GKE / 10 dated 01 April 2010 which contains the storage of toxic and hazardous goods such as agrochemical and BBM stored in a separate place from other goods (so as not to contaminate other goods) and does not interfere with human health and polluting the environment. The Company also has SOP of B3 and Non B3 Waste Management which contains the procedures for waste pesticide waste management. The Company undertakes waste management of pesticide by temporarily storing the waste before it is given to licensed collectors.

Based on observations to Central Warehouse, it is known that pesticide storage has been done well, separated by non-chemical materials, available MSDS and have air circulation. Based on field observation and worker residence at

Gunung Kemas Estate and Gunung Aru Estate, there is no pesticide packaging was found in the field.

#### 4.6.7

The Company has SOP Block Spraying No. 3 / SOP-BSS / BSS-GKE / 10 dated 01 April 2010 regarding spraying activities. Stages of spraying activities include having a healthy body, a ban on child labor, a ban on pregnant women to work spray, the use of PPE for labor, the determination of sprayable and non-sprayable areas, spraying methods and equipment storage.

Based on interviews with spray labor at Gunung Kemas Estate Division 1 Block B1, it is known that labor have been equipped by PPE such as glasses, cloth gloves, rubber gloves, spray shirts, apron, shoes and masks. Beside that labor have also participated in spray-related training

Based on a visit to Gunung Kemas Estate, it is known that the company has provided facilities such as BBS House (Block Spraying System House). It serves as a shower place after spraying, placement / storage of PPE, spray equipment and clean clothing places..

#### 4.6.8

Based on interviews with management it is known that the company does not apply pesticides by air.

#### 4.6.9

Based on interviews with labors it is known that they has conducted training related to the use of chemicals and can explain about the hazards contained in chemicals, PPE used, how to work safely, and working mechanism in accordance with the applicable SOP.

#### 4.6.10

The results of field visits and interviews obtained information that the ex-pesticide containers that are still in good condition are used as a place to distribute the pesticide before it is applied to the field. Which is Ex-agrochemical container stored in temporary waste storage and then released to licensed collector (PT Restu Ibu Kotabaru). Interview with workers and manager show that they are understand the step of ex-pesticide containers disposal in accordance with the procedure.

#### 4.6.11

Certificate holder show the document of medical examination such as cholinesterase for all employees who work using chemicals. Its was conducted by Mandiri healthy care Clinics Kotabaru on 15 October 2016. Health examination results show that there is no health problem which have been presented to all employees. Based on the results of field observation in spraying activity knows that employees was followed a regular health checks. From field observation are also not identified any complaints of skin disease or itching.

#### 4.6.12

Certificate holder has a policy that pregnant and lactating employees not allowed to work related with chemical material. Based on the results of field observation in block A007 spraying activities , there are no workers who are pregnant or breastfeeding. Workers said that pregnant or breastfeeding women are forbidden to work related to chemicals.

<b>4.6.5</b>	<b>Status: Nonconformity no. 2017.07 with Major category</b>
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#### 4.7

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

#### 4.7.1

CH commitment to prevent workplace accident and unhealthy workplace to all employs, guest and contractor, explained in the document of OHS policy that was approved by Head Plantation Upstream Indonesia, December 2011. Mentioned that Plantation Upstream Indonesia commit to provide safely and health workplace by implementing effectively management to prevent workplace accident and unhealthy to all employs, guest and contractor. The policy written bilingual in Bahasa and English, it has been displayed in each units of estates and mill.



Certificate holder has had a Safety and health program for 2017 which aims to improve health and safety. The Company evaluates the performance of safety and health in 2017 and develop an action plan for improvement. Policies and safety programs were communicated to the employees. Based on interviews with several workers on harvesting, spraying, fertilizing, officers grading and processing admitted that the company has been providing socialization associated with safety and health.

**4.7.2**

Certificate holder has a risk assessment document for all activities of estate operations and palm oil mill operations. The risk analysis has been including of workplace accident and its controlling, and the entire control action that has been set was implemented and well monitored. Implementation of recommendation written in the document of HIRAC has been done well by company, for example risk control by providing PPE, briefing before working and training.

**4.7.3**

Training of OHS aspect has been done routinely to all employs. Company shows the plan and realization of training period 2016 – 2017 for example: safety briefing, harvesting training, spraying training, First Aid training, fire fighting training, etc.

Based on field observation on harvesting, spraying, manuring activity (GAE, GKE) and operation mill known that the company has provide PPE for worker according to HIRAC and MSDS and PPE has been provide twice a year.

**4.7.4**

Certificate holder has safety and health organization authorized by Manpower Agency No. SK No KEP.566.061/P2K3/Naker-2/II/2017 dated 31 Januari 2017 (GKE and GAE) and No. KEP.566.1114/P2K3/Naker-2/XI/2016 dated 13 December 2016, with the secretary is a general safety and health expert. Regular meetings are held monthly to discuss issues of safety and health.

**1.5.9. & 4.7.7**

CH has SOP for accident reporting is referring to PSQM Memorandum No. 008/PSQM-UM/IX/2013 issued on 6 May 2015. The document has been explained general information and accident handling started of reporting, investigating and investigation report. SOP for emergency response No. 033/BSS-SOP /10 dated 1 April 2010 has been approved by SOU chairman and Unit Manager of estates and mill, explained the steps for handling emergency condition such as work accident, illness and fires fighting.

Certificate holder has established safety and health procedures covers all the main potential causes of emergencies including occupational health and safety procedures, emergency response for work accidents, emergency response to natural disasters (floods) etc. Certificate holder carries out monitoring of workplace accidents with lost time accident analysis equipped with accident investigation work submitted regularly to the Manpower Agency District of Kota Baru.

First aid training has been conduct routinely by the company's doctor. The latest training has held on 25 November 2016 with the attendant as much as 25 persons. Based on the results of field observation in several activities such as harvesting, fertilizing, spraying, processing activities are known that The company provides first aid equipment in the field and located in strategic places.

**4.7.6**

Certificate holder provides medical care for employees conduct in collaboration with insurance agency (BPJS TK and KES), including contract worker. It was covering work accident and death insurance. Based on observation over the monthly membership cost and number of membership, its known that the entire workers of PT BSS has been registered in employment insurance (*BPJS Ketenagakerjaan*) and healthy insurance (*BPJS Kesehatan*). Company has periodically pay the membership cost every month based on the applicable regulation, For examples: proof of health insurance payments for GKE workers on July 2017 has been paid on August, 3 2017.



Based on the results of interviews to employees during field visits on some activities such as harvesting, fertilization, spray and mill processing known that employees get treatment at the clinic which is also as Health Facility.

**Status: Comply**

### 4.8

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

#### 4.8.1

Certificate holder has established a training program that is based on the identification of the training needs of workers to improve competence. The training program period 2016 – 2017 consisted of technical training, training concerning OHS and environmental health, simulation and socialization associated with sustainability, for example:

- a) Training operator spraying
- b) Training operator manuring
- c) OHS training
- d) First Aid Training
- e) Training of land and forest fire control and fires
- f) Security training

#### 4.8.2

CH has kept a record the training conducted at company, the record presented in the form of training assessment record, which inform the date, the training topic, name of trainer and trainee. The records of the training have been stored in operation units and maintained by the company.

**Status: Comply**

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

### 5.1

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

#### 5.1.1

The company has EIA document that legalized by Agriculture of Ministry on 1996, regarding to plantation in 14,000 ha and mill capacity 60 tFFB / hour. Significant impacts will be managed and monitored such as soil erosion, disturbance to flora and fauna, air pollution and water resources, and social unrest. Assessment EIA has involved relevant stakeholders from the Betung village, Bekambit village, Ladang Lama village, Ladang Baru village, Sejakah village. Application of EIA documents recorded on the implementation report of RKL / RPL

#### 5.1.2

According to the document RKL / RPL 1<sup>st</sup> semester of 2017, the company has been managing the environment in accordance with the EIA directives, such as: (1) planting LCC in replanting area and terracing, (2) maintenance of machinery; (3) management of the WWTP effluent ponds, signboard instalment, etc.

#### 5.1.3

According to the document RKL / RPL 1<sup>st</sup> semester of 2017, the company has been monitoring the environment as dictated by the EIA, for example: (1) testing of air quality and noise each semester, (2) testing the quality of river water each semester, (3) and report monitoring results to related government etc.

The test results indicate that the emission and noise test parameters in accordance with the quality threshold regulated by the government. While the results of testing water quality of the river, there are parameters that are not in accordance with the provisions of the government, but has been evaluated and reported to the government. The monitoring results will be used as reference for next environmental management.

#### 5.1.3

**Status: Nonconformity no. 2017.07 with Minor category**

**5.2**

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

**5.2.1**

The company have identification documents HCV November 2010 conducted by the team that has competent in the field of ecology, social and mapping. Total of HCV area is 571.12 Ha (included on planted area). According to the document, there are several species within PT BSS area. For example: (1) 34 type of flora, not preserved, (2) 13 species are included on the Redlist Data Book IUCN, two species are protected by statute No. 7 year 1999 and Appendix II CITES, (3) three species are included on the Redlist Data Book IUCN, (4) one is protected by statute No.7 year 1999, (5) one primate, (6) and 1 reptile.

**5.2.2**

The company monitoring HCV area and flora and fauna routinely. According to the monitoring of the 2<sup>nd</sup> quarter of 2017, known HCV area of 571.12 ha (has been released from planted area of 117.41 ha). According to the document, there are several species within PT BSS area. For example on GAE there are four species of birds are not RTE species, one types of mammals not RTE species. According to the field observation to Sejahkah river Block V11/V12 GKE and Bekambit river Block P4 & W19, protection of rivers that have been made such as (1) provides a signboard HCV, (2) provide a marking spray, (3) and planting trees on the riparian.

**5.2.3**

The Company has conducted socialization RTE species, eg (1) socialization to locals Sejahkah village on November 14, 2015; (2) socialization to locals *Tanjung Pengharapan* village on March 16, 2016; (3) socialization to employees dated 10 July 2017. According to interviews with harvester and locals community in Batu Tunau, Tanjung Pengharapan and Bekambit Village, it is known that they had known of protected animals, through socializing and signboard available in the estate. According to the interviews with locals and field observations to HCV area there are no fishing activities, hunting animals performed by employees and the locals.

During the assessment (field visit and interview) with random stakeholder, there is no indication of captured, harm or collected RTE species by the worker.

**5.2.4**

Monitoring HCV 4th quarter of 2015, provide recommendation for the next HCV management plan and RTE, such as: HCV and RTE attributes maintenance; improve socialization to employees and the locals, and to plant tree in the riparian, etc.

There are no evidence of negotiated agreement that optimally safeguard their HCVs and the local community's rights. **It was raised as nonconformance No. 2017.8.**

According to field observation in Gunung Aru Estate, on block D3, E3, and F3 at HCV1.1 Kemasan Hill. The observations of the auditor team indicated an overlap with smallholders. However there are no evidence of negotiated agreement that optimally safeguard their HCVs and the local community's rights.

<b>5.2.5</b>	<b>Status: Nonconformity no. 2017.08 with minor category</b>
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**5.3**

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

**5.3.1**

The Company has a list of products and sources of waste in 2017, such as used oil, batteries used, filter used, etc sourced from the workshops. Ex agrochemical containers, etc sourced from estate activities etc.

**5.3.2.**

All chemicals material stored in chemical warehouse in the mill and estate. For hazardous waste, company has provided two units of hazardous waste storage (mill and 1 estates), in accordance with storage permit number No. 503/01/P.LIMB-

BPPTPM/2017 in GKE and No. 188.45/301/KUM/2015 in GAF.

Sighted during field 35ahasa35le35n in mill and estate that storage are in good condition, all requirements are available such as: waste shelves, placement by category, symbols, labels, ventilation, eye shower and bath, emergency tools, work instructions and safety instruction, logbook, trapping of liquid waste, etc

In accordance with Hazardous Waste SOP, all of hazardous waste disposed by authorized third party " PT Restu Ibu Kotabaru" (permit from Minister of the Environment and Forestry number S.96/VPLB3/PPLB3/PLB.3/2/2017; and waste transportation permit from the Ministry of Transportation number SK.1086/A/J.309/DJPD/2017/630021128BB. Recording is available in the hazardous waste document: Logbook of hazardous waste LB3, monthly balance of hazardous waste and reported every 3 months, manifest of hazardous waste delivery to authorized third party. The hazardous waste balance was reported on July 1<sup>st</sup> 2017 to the the audthority of District Kotabaru, South Kalimantan Province, and the Ministry of Environment and Forestry.

### 5.3.3.

Waste management and waste management plan document available in the following documents:

1. Hazardous waste SOP number 398/BSS/LB3-SOP / 44/12.
2. Medical waste SOP Number 131/OPR January 2, 2012. Medical waste is disposed to local hospital.
3. Hazardous and non hazardous waste SOP number RA.012 dated 01 April 2010.
4. Waste management plan in document "Reduction of Greenhouse Gases (GHG) plan of PT. BSS period 2016-2017.
5. SOP ARM 110 / EST-ARM / 13 of 2013 on the fertilization.

A waste management plan to avoid or reduce pollution was no implemented. **It was raised as nonconformance No. 2017.9.**

Based on field observations, there are several facts:

- There are ex-fertilizer container in Central Housing Complex in Gunung Aru Estate.
- There are ex-lubricant containers in housing and workshop of Land Clearing Contractor in Gunung Kemas Estate.
- There are open dumping in final dump on block W19 GKE and Block M9 GAE, it not accordance to procedure.
- There are leachet water from EFB station was flows to the environment.

<b>5.3.3</b>	<b>Status: Nonconformity no. 2017.09 with minor category</b>
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## 5.4

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

### 5.4.1.

The plan to increase the efficiency of fossil fuelavailable in several document such as identification and Reduction of greenhouse gases (GHG) and SOPs regarding waste management. Several of the plans that have been implemented are:

1. The use and monitoring of renewable energy such as fiber, shell, and local wood from surrounding villages. Monitoring data on 35ahasa35le energy fertilizer use 35ahasa35le in Gunung Aru Mill. Based on the monitoring data, company has calculated and 35ahasa35l efficiency of renewable energy use in term of energy / ton product of CPO. E.g average of energy production is 0.90 KWH/ton FFB.

The use of organic fertilizer to save anorganic fertilizer. Monitoring data on anorganic fertilizer use 35ahasa35le in each estate.

<b>Status:</b>
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## 5.5

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

### 5.5.1, 5.5.2

The Company has a Land Preparation SOP which contains technical guidelines for clearing land without fires for plantation development as a guide for non-burning land, so that in land clearing activities shall be guided by the contents of the decision letter of Directorate General of Estate Crops. KB 110 / SK / DJ BUN / 05.95 dated May 30, 1995. Beside that, the company has a Fire Prevention and Handling Manual with No. M-077 / HPUI / VIII / 2014 from Head Plantation Upstream Indonesia dated 07 August 2017 which contained that the company implemented Zero

Burning Policy in all Minamas plantation activities.

Based on the field visit at Gunung Aru Estate Division 1 Block A007 on the replanting area, it is known that the company performs replanting activities without burning. The replanting activity at Gunung Aru Estate is done by way of chipping.

**Status : Comply**

## 5.6

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

### 5.6.1

The company has been record all the activities of the pollution or emissions of GHG. Pollution / emissions sourced such as from land clearing, fertilizing and spray, use of solar fuel, transportation, FFB proces, POME etc.

### 5.6.2

Management of GHG emissions made by the company, such as sets a zero burning policy, use of fertilizers and chemical appropriated, EFB application on the land, emissions testing as routinely, use of fiber and shell as boiler fuel, plant trees on the reparian area.

### 5.6.3

According to the implementation report of RKL / RPL, emission testing is done each semester at an accredited Lab. The test results are still in line with the quality standards set by the government. There also GHG Emission calculating by RSPO GHG Calculator Ver. 3.0.1, and it has been reported to Devaladevi Silvaceyon dated 23 August 2017.

#### Summary of Net GHG Emissions

Emissions per product	tCO <sub>2</sub> e/tProduct	Extraction	%
CPO	3.2	OER	21.03
PK	3.2	KER	4.74

Land Use	Ha
OP planted area	11742.569
OP Planted on peat	0
Conservation (forested)	510.11
Conservation (non-forested)	-

#### Summary of Field Emissions and Sinks

	Own Crop		
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>			
Land conversion	119038.88	10.14	1
*CO <sub>2</sub> emissions from fertilizer	44086.85	3.75	0.37
**N <sub>2</sub> O emissions	2872.69	0.24	0.02
Fuel consumption	4809.69	0.41	0.04
Peat Oxidation	0	0	0
<b>Sinks</b>			
Crop sequestration	-93468.3	-7.96	-0.79
Conservation Sequestration	-2706.24	-0.23	-0.02
<b>Total</b>	<b>74633.81</b>	<b>6.36</b>	<b>0.63</b>

#### Summary of Mill Emissions and Credits

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>		
POME	23320.44	0.2
Fuel consumption	108.68	0

Grid Electricity Utilisation	0	0	
<b>Credits</b>			
Export of Grid Electricity	0	0	
Sales of Mill	0	0	
Sales of EFB	0	0	
<b>Total</b>	23429.12	0.2	
<b>Status:</b>			
<b>PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills</b>			
<b>6.1 Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.</b>			
<b>6.1.1 Major</b>			
PT. Bersama Sejahtera Sakti shows the document of social and environment impact assessment in form of the: (1) EIA main report (1996) which identifies the social impacts like the social restlessness, local community income increase and the increase of the community accessibility and (2) the report of social impact assessment over the estate management. It was composed by Pollito on January 2010.			
<b>6.1.2 Major</b>			
In the document of SEIA and SIA, affected parties that involved during assessment are surrounding communities which are 8 villages of Langkang Baru, Langkang Lama, Betung, Bekampit Asri, Bekampit, Sejakah, Tanjung Pengharapan and Batu Tunau. Affected parties who involved during Social Impact Assessment in 2010 is consisting of 8 villages' representative and statutory bodies with total participant is 23 persons.			
<b>6.1.3 Major</b>			
Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified already mentioned in SIA document. Development on its mitigation has been consulted with the affected parties, documented and timetable, including responsibilities for implementation. Corporate Social Responsibilities (CSR) program is one of method to increase positive impacts and reducing negative impact. For instance: realization of CD/CSR program 2015/2016 for LTE and PTE was observed and the result is well implemented. This also confirmed during stakeholder consultation on 22 June 2016 with surrounding villages (Tj. Pengharapan, Batu Tunau, Bekambit and Sejakah).			
<b>6.1.4 Minor</b>			
The company fails to provide the Social Impact Management and Monitoring Plan has been reviewed by management minimum once every two years (since RSPO Generic P&C 2013 approved). <b>NCR 2016.08 with minor category</b>			
They has been show corrective evidence as follows:			
<ol style="list-style-type: none"> <li>1. Program of handling negative impact based on SEIA report (Pollito 2010) period 2017 – 2019.</li> <li>2. Social monitoring questionnaire conducted in June 2016 with respondents 40 residents around.</li> <li>3. Document results of social impact monitoring based on summary of the questionnaire in July 2016.</li> </ol>			
Based on document verification, the company fails to showed the Social Impact Management and Monitoring Plan that will undertake based on the SIA study in 2010 and the results of the two-yearly basis monitoring that has been implemented. Thus, this discrepancy is not fulfilled and <b>non-compliance No. 2016.8 minor indicator raised to major.</b>			
<b>6.1.5 Minor</b>			
The company has had particular attention of smallholder schemes development since 2007. Based on daily report of			

smallholder development progress up to July 2017, total Land Cleared is 1,001.86 Ha, Planted: 554.32 Ha.

**6.1.4 Minor** | **Status: Non Compliance No. 2016.8 indicator minor raised to major**

### 6.2

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

#### 6.2.1 Major

PT. BSS is able to provide the SOP of communication (No. 28/BSS/SOP/SMK3LH) dated May 5th 2015. The procedure of the internal and external communication are described on the document. Another regulated things are the restriction for the sensitive information such as company secret.

#### 6.2.2 Minor

In a structural estates organization, the responsible person who handles communication and consultation with stakeholder is Administration Head. However, in the actual condition all staff is responsible to receive and giving communication to the stakeholder, particularly the communities. Unless for the statutory bodies, responsible person is Plantation Services Department officer.

#### 6.2.3 Minor

There is no change for the stakeholders list for GAE, GKE and GAF. Stakeholders list is available in place and well maintained by the officer. Person who responsible to updating the stakeholder list is Plantation Services Department officer.

**Status: Comply**

### 6.3

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

#### 6.3.1 Major and 6.3.2 Major

The company has procedure of complaint resolution in "SOP Penanganan Keluhan Karyawan (052/BSS-SOP) dated 27 December 2013 and SOP Komunikasi (No. 28/BSS/SOP/SMK3LH) dated 05 Mei 2015". The procedure describes that all complaint must be responded within 2 weeks. Responsible person to handle of any complaint is Estate Manager.

Based on the results of interviews with the Village Head and village representatives of Tanjung Pengharapan, Batu Tunau and Bekambit Village are known that the company has a mechanism to gathering all complaints and suggestions from the community by providing a advice box in village office. The suggestion box can be filled by all citizens who write down the name or not. The contents of the advice box are monitored by the safety officer on a monthly basis.

**Status: Comply**

### 6.4

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

#### 6.4.1; 6.4.2

There is no change of the procedure. A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation explained in "Standar Operating Prosedur (SOP) Pembebasan Lahan Okupasi (No. Policy: 343/PSD-OKUP/11) dated on 23 February 2012".

#### 6.4.3

The process and outcome of any negotiated agreements and compensation claims namely Berita Acara Ganti Rugi Lahan is kept by Plantation Service Department Officer. The latest compensation claim record is in 2013 of an area 221 Ha. All the relevant evidence is provided and well maintained. During Re-Certification, this case is already resolved in



participatory ways.

**Status: Comply**

## 6.5

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

### 6.5.1

Based on document review of employee list for period of July 2017 known that the workers is daily permanent, permanent workers and contract workers. CH has labor laws document in the form of "peraturan perusahaan" that has been explained pay and condition for employees.

Document of inter-office mail of HRM dated 13 January 2017 No. 007/RSP-i2/I/2017 on wages of daily permanent and monthly permanent workers for Kota Baru area period of 2017. Explained in the document that employee wages has been accordance with decree of governor of South Borneo province no. 188.44/0610/KUM/2016 dated 30 November 2016.

Based on review of documents of wages payment (GAE, GKE and GAF) can be shown in the form of employee wages master list informed : no workers ID, name of workers, P1+M, income (wages, additional wages/premium, overtime), insurance benefits, rice benefits, deductions, gross wages and salaries paid. Interview with workers (harvesting operator, manuring and spraying operator known that wages payment has been conducted timely and has been in accordance with applicable regulation.

Based on interviews with harvester in block of A005 GAE known that workers have understood the working hours that set by the company. Workers understand the details of wages received within one business day (such as base wage, base premium wage and excess base wage). In addition, the worker explained that there is no obligation to work outside of working hours and if within 7 working hours the worker has not got the established base then the worker still get the wage of base wage.

### 6.5.2

Certificate holder has "peraturan perusahaan" that describes the rights and obligations of employees and employers, wage payment mechanisms, worker conditions, working hours, working days, holidays and leave and termination of employment. Its has been valid for the period 2016 – 2018. Each labor has had the agreement / contract with the company, for example: Agreement No. 040/GAE-TK.PKWT/VII/2017 dated August 1, 2017 where the Agreement has clarified the positions, wages, rights and obligations of employees.

Based on document review known the company have paid overtime in accordance with that specified in the "peraturan perusahaan". The results of interviews with workers in GAF known that workers have earned wages and overtime has paid in accordance with the applicable regulation.

### 6.5.3

Based on field observation known the company has provided facilities and infrastructure to support the welfare such as: housing, sport facilities, places of worship, clean water, lighting, health facilities and education facility.

### 6.5.4

The results of interviews with workers known that available stalls in the housing that provides groceries. The company has provided road access to the market surrounding the estate, for example : "Pasar Sabtu" in Langku Baru village which operates once a week. There is also temporarily market in estate location that operates 2 times per month.

**6.5.2 Status: Non conformance NC.2014.02 with major category**

## 6.6

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

**6.6.1**

CH commit to be a responsible company on giving of freedom for association to its employees, the commitment has been written in the company's policy stated that the employees are given freedom unite, gather and expres their opinion as long as complying the company regulation and the employees are allowed to form labour union.

Has been established the independent union labor in each unit estates and mill, structure and document of endorsement can show to auditor. All employees are freedom to be the member of union labor and the policy was written in 40ahasa..

**6.6.2**

Worker Unions meetings both internally and with management do if there are labor issues that have been raised by the company with the Workers. The company showed minute of meeting, for example minute of meeting on 12 June 2017 concern about transportation costs when the employee is referred to the hospital from the company clinic and housing repairs.

<b>Status: Comply</b>
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**6.7**
**Children are not employed or exploited.**
**6.7.1**

CH has implemented the underage workers exploitation. It is written on the documents follow:

- Social policy which describe that the Plantation Upstream Indonesia is not allowed to recruit the forced workers nor underage workers. The policy was legalized by the Head of Plantation Upstream Indonesia on December 2011
- SOP of employees recruitment on July 10th 2009 of the general policy clause shows that the recruited employees must be at least 18 years old and should not be more than 40 years old.

Based on document review of employee data, the company has implemented the policy and there were no underage workers found (workers under 18 years old). The results of interviews with the spraying and manuring workers known that they understand about the minimum age requirement employment is 18 years. Workers also understand their company's policy on the prohibition of bringing children to work.

<b>Status:</b>
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**6.8**
**Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.**
**6.8.1**

The company has had a social policy that was approved by the Head Plantation Upstream Indonesia in December 2011. Several things are designated as the company's commitment, one of which is the fair treatment of all staff in matters relating to recruitment, promotions, restriction and working conditions without regard to personal issues such as race, degrees, ethnicity, gender, skin color, physical, organizational membership, political views, religion or age.

The policy has been socialized to employees in every muster morning and has been displayed in each office of mill and estates. Based on interviews with employees in the field known that workers understand the company policy regarding equal opportunity to get a job without distinction of race, religion and gender.

**6.8.2 & 6.8.3**

The results of interviews with the head of gender committee known that there is no gender discrimination in the workplace. PT BSS provide protection to female workers, for example: women who are menstruating given 2 days leave, and for pregnant women are transferred to light work (office garden care).

The company has had SOP of recruitment as referendum for workers recruiting, document no. 431/HRM-RCT/07 dated 24 May 2007. Scope of the SOP is permanent workers recruitment for staff and non-staff in head office, branch office and operational staff both of estates and mill. Recruitment stages start of in document filling, document checking,

manpower planning verification (verified by RTD manager), searching for the qualified workers and conducting selection process, medical check up, contract signing and handover with the associated department. Before assigned as permanent worker, the candidates receive a probability period for 3 months.

Based on interviews with employees in the field known that workers understand the company policy regarding equal opportunity to get a job without distinction of race, religion and gender. PT BSS has provide the assessment documents, promotions and the employee appointments.

**Status: Comply**

## 6.9

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

### 6.9.1

CH has commitment to be the company which protect their women workers from the sexual harasshment actions. The commitment is implemented in form of the gender. The gender policy was legalized by the Head of Plantation Upstream Indonesia on April 2011, written in language understood by workers (41ahasa). Company has had the form of gender committee structure in each unit (GAE, GKE and GAF).

Based on interview with spraying operator and fertilizer operator of GKE and GAE, known that the workers has had sufficient understanding on sexual harassment policy and gender committee. The employee has known the PIC if there is a special grievance. Based on reviews of "complaint documents" known that there is no complaints entered.

### 6.9.2

Based on document of "peraturan perusahaan" the policy related to women worker's rights to leave for menstrual period (H1) and partum (H2). The policy on spraying prohibition for pregnant women and breastfeeding to work in chemicals activity written in Block Spraying System SOP (document no. 3/SOP-BSS/BSS-EST/10 dated 1 April 2010). In the point of 5.2 mentioned that children, pregnant women and breastfeeding is prohibited to work on the jobs that associated with chemical.

Based on interviews with fertilizer workers and spraying workers known that workers have been known the gender committee. Workers have understood where to complain if they experience violence against women. The company has provide the protection of women's rights has been granted, for example menstrual rights.

### 6.9.3

CH has SOP of employee's complaint handling No. 052/BSS-SOP on December 27th 2013. It describes the complaints of permanent workers and staff recorded on the book of register, the flowchart and diagram of the complaint is also presented. In the document also has been mentioned the respect anonymity and protects complainants.

Based on interviews with gender committee, fertilizer workers and spraying workers known that there is no sexual harassment and/or abuse in the work place.

**Status: Comply**

## 6.10

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

### 6.10.1 and 6.10.2

At present, PT BSS neither purchase nor process FFB from other smallholders or other sources. The entire processed FFB in Gunung Aru Mill came from own estate in PT BSS.

### 6.10.3 and 6.10.4

Company has work agreement with third party to perform FFB's transportation work. For instance, work agreement No. GAE/SPK-LKL/III/2017/020-Angkut TBS dated on 13 March 2017. The contract is written in Bahasa and Both parties have understood with work agreement.

The company has been show several evidence regarding to contractor payments as follows:

2. Minutes of inspection & payment (BAPP) for SPK No. (No GAE / SPK-LKL / III / 2017/020-Transports TBS) dated June 2, 2017.
3. Bank Voucher No. II / GAE / VII / 2017 dated July 20, 2017 for the payment of FFB transport on behalf of it contractor.
4. Receipt of payment signed by contractor on behalf of it contractor upon receipt of payment dated July 20, 2017.

Based on interviews with the contractor, the payment has been paid on time in accordance with the agreement.

**Status: Comply**

#### **6.11**

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

##### **6.11.1**

Based on interview with villagers of Bekambit, Tanjung Pengharapan and Batu Tunau, the main necessity from villagers is road access from village to the government road. The company has assisted by providing heavy-duty equipment to maintain the roads.

##### **6.11.2**

The company has had particular attention of smallholder schemes development since 2007. Based on daily report of smallholder development progress upto May 2016, total Land Cleared is 1,001.86 Ha, Planted: 554.32 Ha. Name of Smallholder organization is Koperasi Bersama Sejakah Maju. Currently, the smallholders is under development progress.

**Status: Comply**

#### **6.12**

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

##### **6.12.1.**

All employees of PT BSS are legal employees received under the company's own admission. Companies can show the proof of recruitment in the form of identity and employee Cooperative Agreement Letter. There is no migrant workers on the PT BSS operationals.

##### **6.12.2.**

There is no contract substitution at the time of recruitment, all workers accepted have had the agreement before work begins. Based on document review of employee list, Labor compulsory report (WLTK) and interview with workers in the field known that the type of work described in the contract of employment is the same as the currently job.

There are no contracts substitution or force labours in PT Bersama Sejahtera Sakti, all worker have the agreements where the work agreements are made before work begins. Workers explained that they have been known that the work performed is in accordance with the mentioned in the worker agreements. In addition, workers also explain that any time may to resign without any threatened or penalty to be paid to the company.

##### **6.12.3.**

The certificate holder does not employ migrant workers and outside the region (inter-city inter-regional), all workers are come from the area around the plantation. Based on documents review of employees list which inform the regional origin and addresses of employees known that there are no migrant workers at PT BSS.

Based on the results of interview with Labour Agency known that the company has regularly reported the the amount and status of employees through Labor compulsory report (WLTK) and there are no migrant workers.

**Status: Comply**

#### **6.13**

**Growers and millers respect human rights**

##### **6.13.1**

The company has a policy on human rights issued by SOU Chair 06 Gunung Aru PT Bersama Sejahtera Sakti Minamas

Plantation dated 01 May 2015 which contains the company's commitment to protect the Human Rights of all Staff / Employees including the right to live, to get married and to continue progeny, right of self-liberty, right to security, right to welfare, the right to participate in government, women's rights and children's rights.

Based on interviews with employees at Gunung Aru and Gunung Kemas Estate, it is known that in addition to the official socialization, socialization related to human rights has also been submitted through morning briefing.

**Status: Comply**

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

### **7.1**

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

#### **7.1.1**

The company has EIA document that legalized by Agriculture of Ministry on 1996, regarding to plantation in 14,000 ha and mill capacity 60 tFFB / hour. Significant impacts will be managed and monitored such as soil erosion, disturbance to flora and fauna, air pollution and water resources, and social unrest. Assessment EIA has involved relevant stakeholders from the Betung village, Bekambit village, Ladang Lama village, Ladang Baru village, Sejahkah village. Application of EIA documents recorded on the implementation report of RKL / RPL.

#### **7.1.2 and 7.1.3**

According to the document RKL / RPL 2<sup>nd</sup> semester of 2015, the company has been monitoring the environment as dictated by the EIA, for example: (1) testing of air quality and noise each semester, (2) testing the quality of river water each semester, (3) and report monitoring results to related government etc.

The test results indicate that the emission and noise test parameters in accordance with the quality threshold regulated by the government. While the results of testing water quality of the river, there are parameters that are not in accordance with the provisions of the government, but has been evaluated and reported to the government. The monitoring results will be used as reference for next environmental management.

**Status: Comply**

### **7.2**

**Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.**

#### **7.2.1, 7.2.2**

The Company has a land suitability map for Gunung Aru Estate and Gunung Kemas Estate listed in the Land Survey Report Detail and Land Suitability for Oil Palm Plantation at PT Bersama Sejahtera Sakti 2017-2022.

#### **Gunung Aru Estate**

Based on the results of the study soil document review and land type map of Gunung Aru Estate which consists of:

- Type of soil Oxyaquic Dystrucept area of 363.64 Ha
- Type of soil Vertic Dystrucept area of 230.29 Ha
- Type of ground Plinthic Extrudox area of 260.67 Ha
- Type of land Lithic Hapludult area of 200.88 Ha
- Type of land Typic Plinthudult area of 1935.62 Ha

#### **Gunung Kemas Estate**

Based on the results of the study soil document review and map of soil type in Gunung Kemas Estate which consists of:

- Type of soil Oxyaquic Dystrucept of 737.56 Ha
- Type of soil Vertic Dystrucept area of 277.38 Ha
- Type of Typic Plinthudult Land area of 2,423.57 Ha

Based on the Report of Land Survey Detail and Land Suitability for Oil Palm Plantation at PT Bersama Sejahtera Sakti 2017-2022 it is known that the company has conducted topographic mapping of the land. Based on the map, PT Bersama Sejahtera Sakti consists of flat topography (14.10%), undulating (21.01%), rolling (57.35%), hilly ( 6.40%), somewhat steep (0.76%), and steep (0.38%). The map has a scale of 1: 40,000. Beside that, it is known that the map is



sufficient to establish land suitability for long-term palm oil plantation by managing land management such as terracing, planting a LCC (Legume Cover Crop) and organic applications (such as EFB).		
	<b>Status: Comply</b>	
<b>7.3</b> <b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>		
<b>7.3.1 up to 7.3.5</b> The company able to shows the date of the land after November 2005 to December 2009 is 1092.73 ha. While, based on the HCV identify conducted on November 2010, the company has disclosure of liability and LUCA for planted area period 2007 to 2010 on Pantai Timur Estate. Total LUCA analysis is 131 ha, meanwhile liability final for Pantai Timur Estate is 29 ha. The company has reporting all LUCA to RSPO Secretariat at Augustus 28, 2015 to summit for RSPO remediation and compensation liabilities for land clearance without prior HCV assessment. Based on identification of HCV in 2010, is not identified the rights of local communities (HCV5). Identified HCV attributes include: HCV1.1, HCV1.4, HCV2.3, and HCV 4.1		
	<b>Status: Comply</b>	
<b>7.4</b> <b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>		
<b>7.4.1, 7.4.2</b> The Company has Land Survey Detail Report and Land Suitability for Oil Palm Plantation at PT Bersama Sejahtera Sakti 2017-2022, it is known that the company has conducted topographic mapping of the land. Based on the map, PT Bersama Sejahtera Sakti consists of flat topography (14.10%), undulating (21.01%), rolling (57.35%), hilly (6.40%), somewhat steep (0.76%), and steep (0.38%). The map has a scale of 1: 40,000. There is no peatland in the management area of PT Bersama Sejahtera Sakti. Based on the field visit to Gunung Aru Estate, Division 1 Block A007, it is known that the company has implemented related planting on slope area such as making terrace, planting Legume Cover Crop (LCC) and EFB application.		
	<b>Status: Comply</b>	
<b>7.5</b> <b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>		
<b>7.5.1</b> The company has had 4 certificates of land use rights (HGU) that issued in 1995 (8,222.54 Ha), year 2002 (3,318 Ha) and year 2004 (1,200 Ha). Planting year for nucleus (own) estates is between 1988 upto 2009, all plantings is in legal area. Land compensation has been paid prior to land title certificate issued.  There is no new plantings are established since 2009.		
	<b>Status: Comply</b>	
<b>7.6</b> <b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>		
<b>7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; 7.6.6</b> Identification of SEIA is based on Location Permit year 1988 (14,000 Ha). When SEIA is undertaken, scope of identification is based on Location Permit and in that time the land use right is yet issued. However, within SEIA report is already covered for other land uses over the plantation area and no customary rights were exists.  There is no new plantings are established since 2009		



<b>Status: Comply</b>	
<b>7.7</b> <b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>	
<b>7.7.1 and 7.7.2</b> <p>The Company has a Land Preparation SOP which contains technical guidelines for clearing land without fires for plantation development as a guide for non-burning land, so that land clearing activities should be guided by the contents of the decision letter of Directorate General of Plantation. KB 110 / SK / DJ BUN / 05.95 dated May 30, 1995.</p> <p>Based on the field visit at Gunung Aru Estate Division 1 Block A007 on the replanting area, it is known that the company performs replanting activities without burning. The replanting activity at Gunung Aru Estate is done by chipping.</p>	
<b>Status: Comply</b>	
<b>7.8</b> <b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
<b>7.8.1 and 7.8.2</b> <p>The calculation of the carbon stock shall be conducted after the development of the new estate on August 1st 2014. According to the observation on the PT BSS area statement, there is no new estate development after August 1st 2014. However, the company has made efforts to minimize GHG emissions, such as: use of chemicals (fertilizers and pesticides) according to the recommendations, use of fuels in accordance with the budget, management of mill effluent on WWTP ponds, land application, transport maintenance routinely, etc.</p>	
<b>Status: Comply</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1</b> <b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
<b>8.1.1</b> <p>There are RSPO internal audit report dated 31 July – 2 August 2017 with six Major Nonconformity, however all of nonconformity has been fulfilled by the certification units.</p> <p><b>BMP Aspects</b></p> <p>The Company has a BOB installation plan on the replanting area at Gunung Aru Estate period 2017-2018. The BOB installation program for that period is 161 BOBs with the following details:</p> <ul style="list-style-type: none"> <li>• Division 1. Installation of 6 BOB will be done at Field A008, A012 and A013.</li> <li>• Division 2. Installation of 151 BOB will be done at Field A016, A017, A023, A019, A020, A021, A022 and A026.</li> <li>• Division 3. Installation of 4 BOB will be done in Field A041 and A042.</li> </ul> <p><b>Social Aspect</b></p> <p>GAE and GKE have realization of CSR programs 2016/2017 where the dominant activities include: funding for village development every 3 months, repairing villages with heavy equipment, donating community social activities (marriage, death or other cultural events).</p>	
<b>Status: Comply</b>	

**4.5. Summary of Assessment Report of Supply Chain Requirement**

Clause	(Module D) CPO Mills – Identity Preserved Requirements												
D1	Definition												
D.1.1													
A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.													
There is no change of the IP procedure.													
Based on observation on FFB receiving in security and weighbridge station known that GAF only receive FFB from certified plantation namely GAE, GKE, LTE and PTE which is scope of this ASA process. It also supported with result of interview with key personal on implementation of SCCS requirement such as GAF's head administration, weighbridge operator and SOU officer.													
According to the document of FFB receipt, for example FFB receipt document on 23 August 2017 namely FFB transport document, weighbridge tickets and daily FFB receiving recapitulation, explained that there is no FFB from other source.													
Based on explanation above, GAF apply the requirements of SCCS Module D (IP).													
	Status: Complied												
D.2	Explanation												
D.2.1													
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.													
According to the Re-certification certificate (MUTU-RSPO/005 period 21 October 2016 – 20 October 2017), Gunung Aru Factory has been approved to certified as follow:													
	<table><tr><th></th><th>Recertification (21 October 2016 – 20 October 2017)</th><th>Actual (21 October 2016 – 19 August 2017)</th></tr><tr><td>FFB</td><td>144,650</td><td>102,067.71</td></tr><tr><td>CPO</td><td>33,269</td><td>21,414.24</td></tr><tr><td>PK</td><td>6,509</td><td>4,779.53</td></tr></table>		Recertification (21 October 2016 – 20 October 2017)	Actual (21 October 2016 – 19 August 2017)	FFB	144,650	102,067.71	CPO	33,269	21,414.24	PK	6,509	4,779.53
	Recertification (21 October 2016 – 20 October 2017)	Actual (21 October 2016 – 19 August 2017)											
FFB	144,650	102,067.71											
CPO	33,269	21,414.24											
PK	6,509	4,779.53											
	Status: Complied												
D.2.2													
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).													
Gunung Aru Factory has been registered in RSPO IT Platform member registration number as the data below:													
Member name : Simeдарby Plantation – Gunung Aru POM, PT BSS													

Account UID : RSPO\_AC1000000328  
Member ID : RSPO\_PO1000000319  
Sub License ID : CB28134

**Status: Complied**

**D.3 Documented procedures**

**D.3.1**

**The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:**

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;**
- b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.**

*There is no change of the IP procedure.*

The company has had SOP of product traceability and identification in Minamas Plantation POM number RSPO/65/SCCS/BSS 2nd revision dated May 8th 2015. The document is referring the document of RSPO supply chain certification standard of the final document on November 21st 2014. It was legalized by the Manager of GAF.

According to point 5, the people in charge of the supply chain system are:

- Factory Manager: the mill manager is responsible for maintaining and storing all documents, records and notes of the raw material usage; verification of the product status to the vendee; holding proper SCCS training.
- Assistant of PSQM: checking the FFB quality and the raw materials as well as monitoring the product delivery and load/unload.
- Foreman/assistant of Lab: analyzing and testing the quality; maintaining and distributing the result of product and raw material analysis and test.
- Assistant/Senior Assistant/Manager of Bulking: Ensuring the transport of CPO and PK product from POM to bulking.
- Production clerk: recording the administration of the receipt certified FFB and the non-certified one.

**Status: Complied**

**D.3.2**

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

The company has had SOP of product traceability and identification in Minamas Plantation POM number RSPO/65/SCCS/BSS 2nd revision dated May 8th 2015. The document is referring the document of RSPO supply chain certification standard of the final document on November 21st 2014. It was legalized by the Manager of GAF.

According to point 6 of the procedure, several things are described. For example:

- The raw material of POM is sent from the nucleus estate, scheme smallholder or independent smallholders by showing the FFB covering paper, weighing (concerning the information on the FFB covering paper) and the weighbridge ticket shall be stamped as RSPO certified or not.
- The FFB processing is conducted one way.
- The POM products (CPO and PK) shall be issued once the weighbridge ticket is stamped with RSPO-certified or not.

**Status: Complied**

**D.4 Purchasing and goods in**

**D.4.1**

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

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

Period	FFB Receiving (Ton)			CPO (Ton)	PK (Ton)
	FFB Certified	FFB Non Certified	Total	Certified	Certified
21 – 31 October 2016	5,882.34	-	5,882.34	1,197.40	299.11
November 2016	15,536.11	-	15,536.11	3,318.66	782.82
December 2016	14,590.16	-	14,590.16	3,204.41	690.72
January 2017	11,061.70	-	11,061.70	2,438.02	501.69
February 2017	7,651.84	-	7,651.84	1,654.00	361.34
March 2017	6,903.88	-	6,903.88	1,463.30	321.60
April 2017	6,500.01	-	6,500.01	1,345.42	284.87
May 2017	8,357.29	-	8,357.29	1,692.33	348.69
June 2017	8,062.78	-	8,062.78	1,598.26	350.62
July 2017	10,829.56	-	10,829.56	2,135.44	532.51
1 – 19 August 2017	6,692.01	-	6,692.01	1,366.95	305.52
<b>Total</b>	<b>102,067.68</b>	<b>0</b>	<b>102,067.68</b>	<b>21,414.19</b>	<b>4,779.49</b>

**Status: Complied**

#### D.4.2

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

According to the Re-certification certificate (MUTU-RSPO/005 period 21 October 2016 – 20 October 2017), Gunung Aru Factory has been approved to certified as follow:

	Recertification (21 October 2016 – 20 October 2017)	Actual (21 October 2016 – 19 August 2017)
FFB	144,650	102,067.71
CPO	33,269	21,414.24
PK	6,509	4,779.53

Based on the data above, it can be summed that Gunung Aru Factory has no overproduction that shall inform to the CB.

**Status: Complied**

#### D.5

**Record keeping**

##### D.5.1

**The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.**

During the certification period, Gunung Aru Factory has deliveries CPO and PK certified that record and balances in three monthly based data as follows:

##### CPO Sales Information

Month	Volume (Ton)	Buyer Name	Claim RSPO
21 – 31 October 2016	1,436	PT. Golden Hope Nusantara	-
November 2016	3,528	PT. Golden Hope Nusantara	-
December 2016	2,830	PT. Golden Hope Nusantara	1486.04

January 2017	2,349	PT. Golden Hope Nusantara	1783.93
February 2017	1,707	PT. Golden Hope Nusantara	-
March 2017	1,709	PT. Golden Hope Nusantara	1246.47
April 2017	1,383	PT. Golden Hope Nusantara	-
May 2017	1,830	PT. Golden Hope Nusantara	-
June 2017	1,246	PT. Golden Hope Nusantara	-
July 2017	2,019	PT. Golden Hope Nusantara	-
1 – 19 August 2017	1,216	PT. Golden Hope Nusantara	-
<b>Total</b>	<b>21,252</b>		

**PK Sales Information**

Month	Volume (Ton)	Buyer Name	Claim RSPO
21 – 31 October 2016	489	PT ILMI	-
November 2016	523	SMART TBK	485.22
December 2016	1,115	SMART TBK	730
January 2017	696	SMART TBK	-
February 2017	401	SMART TBK	-
March 2017	230	SMART TBK	-
April 2017	285	SMART TBK	-
May 2017	381	PT ILMI	197.92
June 2017	390	PT ILMI	387.82
July 2017	545	PT ILMI	502.57
1 – 19 August 2017	196	PT ILMI	-
<b>Total</b>	<b>5,251</b>		

Documentation of FFB received, CPO & PK deliveries based on three monthly bases has been recorded by production clerk and approved by head clerk.

**Status: Complied**

**D.6**

**Processing**

**D.6.1**

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

GAF has ensured that on its SOP and its implementation that the certified FFB and CPO and PK storing and dispatch are conducted by avoiding the product contamination. According to the document review on the document of FFB receipt and processing report, GAF only receive and process the FFB from its own certified estates (GAE, GKE, PTE and LTE). It is supported by the result of interview with the weighbridge Operator and security Officer.

**Status: Complied**

**D.6.2**

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

GAF has ensured that on its SOP and its implementation that the certified FFB and CPO and PK storing and dispatch are conducted by avoiding the product contamination, which the objective is for 100 % segregated material to be reached. According to the document review on the document of FFB receipt and processing report, GAF only receive and process the FFB from its own certified estates (GAE, GKE, PTE and LTE). It is supported by the result of interview with the weighbridge Operator and security Officer.

**Status: Complied**

**4.6. Conformity Checklist of Certificate and Logo Use** *(Only apply for Surveillance Assessment Report)*

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or</b>
<b>ASA 1.1</b>	PT BSS/ Gunung Aru is Subsidiary of Sime darby Sdn Bhd that already have RSPO approved trademark lisenze with number RSPO-1106024	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA 1.1</b>	PT BSS does not use Logo	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA 1.1</b>	PT BSS does not use Logo	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA 1.1</b>	PT BSS does not use Logo	√
	<b>Status: Comply</b>	



### 4.7. Summary of RSPO Partial Certification.

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company Group/Holding Statement:</b> Companies are already doing internal audits. There are internal audit reports for each company.</p> <p><b>Auditor Verification:</b> Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
2.2.2	No replacement after dates defined in Nis Criterion 7.3 of: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>Company Group/Holding Statement:</b> HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p> <p><b>Auditor Verification:</b> Sime Darby Plantation Sdn Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2<sup>nd</sup> revision on 24 June 2016. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.</p>

2.2.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>Company Group/Holding Statement:</b>  A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017.  RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.  *Note: RSPO NPP Announcements for SDP can be found at <a href="http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14">http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</a></p> <p><b>Auditor Verification:</b></p> <ul style="list-style-type: none"> <li>• Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1<sup>st</sup> 2010 and due to not conduct NPP.</li> <li>• RSPO NPP process has been completed in 2011 for a new mill in Liberia.</li> </ul>
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p><b>Company Group/Holding Statement:</b>  Sime Darby (Liberia) Plantation Inc.  Status: Box G – Close for Monitoring  Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/46">http://www.rspo.org/members/complaints/status-of-complaints/view/46</a>  PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd)  Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/29">http://www.rspo.org/members/complaints/status-of-complaints/view/29</a></p> <p><b>Auditor Verification:</b>  Auditor has verified the supporting evidence of above the company statement.  There are land conflict in :</p> <ul style="list-style-type: none"> <li>• PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities</li> </ul> <p>PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.</p>
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>Company Group/Holding Statement:</b>  No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b>  Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</p>
2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>Company Group/Holding Statement:</b>  None noted. No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b>  Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for PT Budidaya Agro Lestari waiting for land title process.</p>

### 3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

#### 3.5.1 Identification of Findings, Corrective Actions and Observations at Recertification Assessment

<b>NCR No.</b>	<b>:</b>	<b>2016.01</b>	<b>Issued by</b>	<b>:</b>	<b>Yudwi Wisnu Rahmanto</b>
<b>Date Issued</b>	<b>:</b>	<b>24 Juni 2016</b>	<b>Time Limit</b>	<b>:</b>	<b>Prior issued certificate</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>13 October 2016</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>2.2.1 Legal Document of Land Use Right</b>			
<b>Non-Conformance Description &amp; Evidence observed :</b> The company has had 4 certificates of Land Use Right known as HGU with total legal area is <b>12,740.54 Ha</b> . Whereas, in the Area Statement Minamas Management Committee Meeting (MMCM) document period May 2016, total managed area is <b>13,776.25 Ha</b> .  According to the both evidence as above, there were discrepancy area <b>1,035.71 Ha</b> that have not legally of land use rights, in details as follow: <ul style="list-style-type: none"><li>• <b>529 Ha</b> (enclave area within the HGU No. 1 size 8,222.54 Ha) until Re-Certification in 2016, there is no progress and the land use right status is un-legally yet.</li><li>• <b>277.80 Ha</b> (unmanaged area of PT. Inhutani II, but still calculated within the company area statement document as well as not presented/pictured on HGU No. 1 Map).</li><li>• <b>228.91 Ha</b>: no supporting evidence on this area (location, status, map, etc.).</li></ul> During Re-Certification audit, the company has fail to showing legal document of total managed area.					
<b>Root Cause Analysis :</b> The HGU still on process due to the authorities need to have a time for issuance.					
<b>Correction :</b> <i>PT Bersama Sejahtera Sakti will update andregularly follow up the process of the HGU issuance to the authorities (BPN – National Land Agency).</i>					
<b>Corrective Action :</b> Based on communication to RSPO on 12 October 2016, CB asked about the situation faced about the Land Title (HGU) on process by the certification unit of Gunung Aru POM, PT Bersama Sejahtera Sakti.  RSPO gave a statement and information through email on 13 October 2016: “We will allow a Re-certification to take place, provided that: <ul style="list-style-type: none"><li>1. The company has fulfilled all requirements for the issuance of the HGU (Land Title)</li><li>2. The company has applied for the HGU</li><li>3. The company can show that they made real efforts to get the HGU</li><li>4. The company has reminded the authorities in writing to issue the HGU”</li></ul>					
<b>Assessor Evaluation and Conclusion :</b> August 21, 2016. PT BSS Shows letter addressed to PT Mutu Agung Lestari cq Director of Operations (No: 018 / MP / VIII / 2016) dated August 16, 2016, describes ttatus the PT BSS, PT BSS decides to exclude an area of 764.71 hectares (236 Ha + 528.71 ha) from the scope recertification thus changing the supply chain model into Mass Balance  Auditor conclusion :					

PT BSS should be able to show evidence of identification of areas that have been excluded from the scope of re-certification (in the smallest administrative unit/block), including a map of certified and non-certified area which has been endorsed by the management. PT BSS also need to be able showing the statement area document informing areal separation between certified and non-certified.

13 October 2016.

Based on the explanation obtain from RSPO secretariat, MUTU auditor conclude that the Non-Conformance 2016.01 regarding Legal Document of Land Use Right still on process to issued by the authorities related to indicator 2.2.1 is closed.

**Verified by** : Yudwi Wisnu Rahmanto

NCR No.	: 2016.2	Issued by	: Yudwi Wisnu Rahmanto
Date Issued	: 24 Juni 2016	Time Limit	: 23 October 2017
NC Grade	: Minor Raised to Major	Date of Closing	: 7 November 2017
Standard Ref. & Requirement	2.2.2 Legal boundaries are demonstrated clearly and maintained.		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<b>Evidence of legal area boundary can not be shown with clear and preserved.</b> Legal boundaries of land use right are available in place. In 2007, National Land Agency (BPN) of South Kalimantan Province conducted re-demarcated of boundaries and issued the GPS coordinates list of poles location namely “Peta Tata Letak Pemasangan Patok HGU PT. Bersama Sejahtera Sakti”. During field verification by auditor using GPS device, it found that: <ol style="list-style-type: none"><li>1. Boundary pole BSS-01, 02 and 05 Laut Timur Estate, located in unmanaged area of oil palm crops (Inhutani II area) and no legal use rights is available.</li><li>2. Boundary pole BSS-23 Pantai Timur Estate is located in different position from the coordinate list in the Map of HGU boundaries PT. BSS-PTE Scale 1:60,000 dated 3 September 2007 (issued by National Land Agency of South Kalimantan Province).</li></ol> According to above verification it concludes that the company did not make legal boundaries in well demarcated appropriate with HGU map.			
<b>Root Cause Analysis :</b> <ol style="list-style-type: none"><li>1. Direction Management, that area is still included in the area of statement and HGU LTE.</li><li>2. There is a monitoring error made by the PIC (Safety Officer) of the BSS (PTE) border stone when showing the subsidiary border stone to the auditor.</li></ol>			
<b>Correction :</b> <ol style="list-style-type: none"><li>1. Informed to the managment through Department of PSD with the letter attached. The area of 277.8 Ha is not cultivated anymore</li><li>2. The BSS border stone number 23 is still positioned according to the coordinates. The border stone are approximately 300 meters from the estate border (clarification).</li></ol>			
<b>Corrective Action :</b> <ol style="list-style-type: none"><li>1. Coordinate with management through PSD Department to be carried out by permanently involves related parties.</li></ol>			

2. Coordinate with related parties (PSD & Legal) to clarify the position of BSS border stone number 23.
3. Monitoring in accordance with SOP.

**Assessor Evaluation and Conclusion :**
**Verification August 24, 2017.**

The company has showed corrective action as follows:

1. Letter from LTE Manager (No. 121/LTE-PSD/VI/2016) dated on 22 June 2016 regarding to repositioning of boundary pole.
2. Minutes of boundary pole on 8 August 2017 regarding to installation of boundary pole No. BSS 01, 02 and 05. However, can't ensure it appropriate with it coordinate.
3. Documentation of boundary pole no. BSS 023 position include it coordinate.

**Auditor's Conclusion:**

Based on evidence of improvement, the uncorformity on point 2 is fulfilled. However, for uncorformity of point 1 related to overlap with PT Inhutani II stated not yet fulfilled.

**Verification on October 27<sup>th</sup> 2017**

The company has show:

1. LTE Manager letter No. 041/LTE-PSD-10/2017 dated on October 12<sup>th</sup> 2017 regarding to boundary poles installmen request near the Inhutani area.
2. Recorded of boundary poles installment in LTE on August 8<sup>th</sup> 2017 (21 poles unit).
3. Boundary poles map.

**Auditor's Conclusion on October 27<sup>th</sup> 2017**

Based on those evidence, this non – conformance still open.

**Verification on November 7<sup>th</sup> 2017**

The company has shown the prior evidence that boundary poles installment in accordance with boundary coordinate that given by Regional Office on National Land Agency of South Kalimantan.

**Auditor's Conclusion on November 7<sup>th</sup> 2017**

Based on those evidence, this non conformity has **Closed with Observation**.

**Verified by** : **Andi P Pasaribu**

NCR No.	: 2016.3	Issued by	: Yudwi Wisnu Rahmanto
Date Issued	: 24 Juni 2016	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	: June 28, 2016
Standard Ref. & Requirement	: 2.2.3. Records of Land Compensation through FPIC process		
<b>Non-Conformance Description &amp; Evidence observed:</b> The company has Map of Enclave Area over the HGU No. 01 as wide as 529 Ha and currently still on progress to obtain land use title certificate.  Based on interview with legal officer (PSD), known that all those enclave area (529 Ha) is already compensated in that time.  However, the company has fail to provide the summary and records of land compensation over the area.			

<b>Root Cause Analysis:</b>	
The entire document related to evidence of compensation available in PSD Office, Banjar Baru in the form of hardcopy	
<b>Correction:</b>	
Provide proof of land compensation by PSD staff and create copies of evidence in softcopy.	
<b>Corrective Action:</b>	
Shows evidence of land compensation in hardcopy to the auditor.	
<b>Assessor Evaluation and Conclusion :</b>	
<b>Auditor conclusion:</b>	
June 28, 2016	
Staff PSD showed evidence related to the recapitulation of the measurement and identification of land and a list of names of recipients of compensation in village Bekambit Hilir, April 1989. Such evidence is a document of land acquisition for 529 ha area.	
Based on the corrective have been shown, the nonconformity was stated CLOSED.	
<b>Verified by</b>	<b>: Yudwi Wisnu Rahmanto</b>

NCR No.	: 2016.4	Issued by	: Arif Yusni
Date Issued	: 24 Juni 2016	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	: 24 August 2017
Standard Ref. & Requirement	: 4.2.3. Soil Analysis periodically		
<b>Non-Conformance Description &amp; Evidence observed:</b>			
Based on the document observation, it is found that the soil analyze in Laut Timur Estate in 2005 and Pantai Timur Estate in 2010.			
In the guidelines of sustainable plantation management No. 724 / TQEM-SPMS / 09 dated August 27, 2010 stated that land checks are carried out maximum every five (5) years to find out the nutrients contained in the soil.			
Regarding the explanation, there is a discrepancy between implementation with the procedures or policies they have.			
<b>Root Cause Analysis:</b>			
Minamas Research Center / MRC has a program for analysis of soil samples every 5 years, but due to the limitations of the laboratory used to make soil analysis constrained.			
<b>Correction:</b>			
Coordinate with MRC for soil analysis and soil sampling in April 2017 and June 2017 has come out semi-detailed soil analysis for PT BSS.			
<b>Corrective Action:</b>			
Coordinate with the MRC and conduct periodic monitoring prior to the validity of the soil analysis.			
<b>Assessor Evaluation and Conclusion :</b>			
<b>Verify Date July 26, 2016</b>			
The Company has demonstrated the results of the land analysis for the East Sea Estate conducted in November 2014 by Minamas Research Center. Test parameters include pH, C, K, Mg, Ca, Na, Al and H. However, the soil analysis from the East Coast Estate has not been shown.			
However, the company's current identifies the root-related issues, correction and corrective actions.			



**Verification Date August 24, 2017**

The Company has presented the results of the soil analysis along with its evaluations for the East Coast Estate, Gunung Aru Estate and Gunung Kemasan Estate as stated in the Land Survey Report Detail and Land Suitability for PT BSS Palm Oil Plant MRC / Mgr-MRC / Mgr-Est / 0031 / VI / 2017 dated June 10, 2017. Testing parameters include pH, C-Organic content, total N, total P, available P, K, Mg, Na, Ca and CEC grades.

**Auditor's Conclusion:**

Based on the root analysis of the problem then NCR No. 2016.4 stated Fulfilled.

**Verified by** : **Satria Adi Putra**

<b>NCR No.</b>	<b>: 2016.5</b>	<b>Issued by</b>	<b>: Yudwi Wisnu Rahmanto</b>
<b>Date Issued</b>	<b>: 24 Juni 2016</b>	<b>Time Limit</b>	<b>: ASA-01</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: August 8, 2016</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.5 First Aid Kits in the workplace</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b> According to field visit at Pantai Timur Estate daycare, it was observed that first aid kits have not available appropriately (no medicine).			
<b>Root Cause Analysis:</b> Lack of control of the first aid kit clerk			
<b>Correction :</b> Assign a first aid personnel to perform routine checks (Monthly)			
<b>Corrective Action:</b> Officers for Daycare has been reported to the Assistant to complement the first aid kit that has been used / exhausted			
<b>Assessor Evaluation and Conclusion :</b> <b>Auditor conclusion:</b> August 8, 2016:  The company has shown evidence of corrective action and the identification of the root cause, among others: - Documents evidence of first aid equipment procurement (internal purchase request document) - Photos of first aid box in the daycare facility which has been fitted - Letter of reprimand against first aid officers - Assign of first aid officers to control once a month (certificate attached) - Completing the first aid attendant monitoring book - Checklist of first aid box  The non-conformity was stated fulfilled and will be observed in the next assessment.			
<b>Verified by</b>	<b>: Yudwi Wisnu Rahmanto</b>		

<b>NCR No.</b>	<b>: 2016.6</b>	<b>Issued by</b>	<b>: Yudwi Wisnu Rahmanto</b>
<b>Date Issued</b>	<b>: 24 Juni 2016</b>	<b>Time Limit</b>	<b>: 23 October 2017</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: September, 5 2016</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 5.3.3</b>		

	<b>Waste Management</b>
<b>Non-Conformance Description &amp; Evidence observed :</b> During field verification in surrounding area of Pantai Timur Estate office, observed that waste management is not well implemented referred to available procedure and regulations. i.e: - Open dumping of domestic waste was disposed inappropriate place.	
<b>Root Cause Analysis:</b> Lack of understanding of domestic waste handling procedure, so that there are employess who dispose of garbage in the place that should not.	
<b>Correction :</b> Conduct re-socialization to the employees who work in office, storage, and workshop; providing administrative sanction to employees who violate the company procedure.	
<b>Corrective Action:</b> Removing the garbage to land fill that has been provide. Filling in the rubbish pit used as a garbage dump located behind the oil storage.	
<b>Assessor Evaluation and Conclusion :</b> <b>Observation</b> <b>Sept, 5 2016</b> The objective evidence proven by the company through domestic waste management, where the domestic waste has been transported to the land fill.  <b>Auditor conclusion:</b> According to these evidence, auditor concludes that NC.2016.06 is closed with observation.	
<b>Verified by</b>	: <b>Yudwi Wisnu Rahmanto</b>

NCR No.	: 2016.7	Issued by	: Yudwi Wisnu Rahmanto
Date Issued	: 24 Juni 2016	Time Limit	: ASA-01
NC Grade	: MAJOR	Date of Closing	: July 14, 2016
Standard Ref. & Requirement	5.6.3 GHG emission calculation and reporting		
<b>Non-Conformance Description &amp; Evidence observed :</b> The company have not make GHG emission calculation by using appropriate tools (PalmGHG calculator) and fail to show the evidence of reporting submission to RSPO Secretariat.			
<b>Root Cause Analysis:</b> <ul style="list-style-type: none"><li>• Prior to RSPO recertification audit on PT. BSS, already submitted data to meet the needs of GHG calculations. However, there is some insufficient data namely historical data of company has not been fulfilled so that the pending GHG calculation.</li><li>• Until the completion of the RSPO recertification audit, the results of GHG calculation has not been able shown since data has not been fitted in conjunction with the RSPO recertification audit</li><li>• This indicates that the unit of PT BSS was lacking in coordination with the staff at H.O to convey the data needs of GHG calculation</li><li>• Staff who were in units not yet have the ability to calculate GHG emissions independently, so it should coordinate with relevant staff outside the unit</li></ul>			

<b>Correction :</b>	
Staff at the unit shall coordinate immediately with those who can do the calculation of GHG	
<b>Corrective Action:</b>	
<ul style="list-style-type: none"> <li>• Send a of GHG calculation results immediately after the complete data required</li> <li>• Coordinate with the related staff for calculation of GHG</li> </ul>	
<b>Assessor Evaluation and Conclusion :</b>	
<b>Auditor conclusion:</b>	
July 14, 2016	
The company has shown the final report GHG calculations herein Palm GHG Summary Report dated July 2, 2016 for Gunung Aru Factory of PT. BSS. Year of assessment 2015.	
The Company has submitted a report to the RSPO GHG and has received a response from the RSPO mentioned submission has been received well on August 9, 2016. Non-compliance is fulfilled.	
<b>Verified by</b>	<b>: Yudwi Wisnu Rahmanto</b>

NCR No.	: 2016.8	Issued by	: Sofyan Hadi Lubis
Date Issued	: 24 Juni 2016	Time Limit	: 23 October 2017
NC Grade	: Minor raised to major	Date of Closing	: 6 November 2017
Standard Ref. & Requirement	6.1.4. The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.		
<b>Non-Conformance Description &amp; Evidence observed :</b> The company fails to provide the Social Impact Management and Monitoring Plan has been reviewed by management minimum once every two years (since RSPO Generic P&C 2013 approved).			
<b>Root Cause Analysis:</b> The Company has consistently managed the environment, is in best practice management and poured in RKL-RPL and monthly monitoring. The unit's CSR program shows that the company has established a good relationship with the community in the surrounding villages for village development, but the company does not have a program / work plan to conduct a Social Impact Review on the community in the surrounding villages.			
<b>Correction :</b> Create a program regularly for 2 years, by doing a review of interviews with the village community around the impact of the PT BSS plantation business in the surrounding villages) and Quisoner has been done to the surrounding community and there has been an analysis of the conclusion of management of social aspects in June 2017 which has been set forth in RKL RPL BC I 2017.			
<b>Corrective Action:</b> Monitoring the programs that have been made to run smoothly and the results obtained accurately.			
<b>Assessor Evaluation and Conclusion :</b> <b>Verifikasi 24 August 2017</b> They has been show corrective evidence as follows: 1. Program of handling negative impact based on SEIA report (Pollito 2010) period 2017 - 2019.			

2. Social monitoring questionnaire conducted in June 2016 with respondents 40 residents around.
3. Document results of social impact monitoring based on summary of the questionnaire in July 2016.

Based on document verification, the company fails to showed the Social Impact Management and Monitoring Plan that will undertake based on the SIA study in 2010 and the results of the two-yearly basis monitoring that has been implemented. Thus, this discrepancy is not fulfilled and **non-compliance No. 2016.8 minor indicator raised to major.**

**Verification on October 27<sup>th</sup> 2017**

The company has show several evidence such as:

1. Sample of SIA questionnaire.
2. Result of assessment based on those questionnaire.
3. Program of handling negative impact period 2017 - 2019

However, those questionnaire has covered social issues that related to social restlessness.

**Auditor's Conclusion on October 27<sup>th</sup> 2017**

Based on those evidence, this non – conformance still open.

**Verification on November 6<sup>th</sup> 2017**

The company has show several evidence such as:

1. Social assessment result of PT. BSS. Sample of questionnaire attached.
2. Program of handling negative impact period 2017 – 2019 based on the latest SIA assessment.

**Auditor's Conclusion on November 6<sup>th</sup> 2017**

Based on those evidence, this non conformity has **Closed with Observation**. Corrective action effectivity will be observed in the next ASA.

**Verified by** : **Andi Pratama Pasaribu**

**3.5.2 Identification of Findings, Corrective Actions and Observations at ASA 1.1 Assessment**

<b>NCR No.</b>	<b>:</b>	<b>2017.1</b>	<b>Issued by</b>	<b>:</b>	<b>Trismadi N</b>
<b>Date Issued</b>	<b>:</b>	<b>24 Agustus 2017</b>	<b>Time Limit</b>	<b>:</b>	<b>23 Oktober 2017</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>19 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>2.1.1. There should be evidence of compliance with relevant laws and regulations.</b>			
<b>Non-Conformance Description &amp; Evidence observed :</b>					

Not all laws and regulations are followed by the certification unit.

Pursuant to result of document Recommendation Technical Extension of Waste Water Utilization to Land for Land Application no. 660/245 / BLHD / 2016 dated 25 August 2016. In Appendix I Point F mentioned several monitoring locations that shall tested its ground water quality regularly, for example: monitoring wells on land application Block O-4 and P-7, monitoring wells on control area Block N-7 and communities well in Block N-8. However, not all of the location has been monitored, for example land application Block P-7 block application and monitoring wells on control area Block N-7.

**Root Cause Analysis :**

- Lack of knowledge related to land application permit in accordance to technical recommendation number 660/245/BLHD/2016.
- No analysis of monitoring wells on Land Application (Block P-7) and monitoring wells on control area Block N-7, where both of blocks are on replanting process (there are no effluent application activity).

**Correction :**

Ground water quality test has been conducted on Block P-7 and Block N-7, in accordance to Factory Manager Letter number 040/GAF-PODB/VIII/2017.

**Corrective Action :**

- Ground water sample delivery monitoring in accordance to Technical Recommendation of Land Application number 660/245/BLHD/2016 (effluent pond outlet number 5, land application monitoring wells on Block O-4 and P-7, monitoring wells on control area Block N-7, community wells on Block N-8, and also upstream of Bekambit River on Block P-1).
- Appointment of competent and responsible in charge to oversee and monitor sample delivery and effluent sample analysis.
- Land application permit, sample point location, time of test will be socialized to the PIC.
- Monitoring program of water sample delivery in accordance to related permit.

**Assessor Evaluation and Conclusion :**

**Verification on 1 October 2017**

The company was shown several evidence, such as:

- Effluent sample, well control and river water sample period of 2017/2018. It has been delivered:
  - a. Inlet Pond number 1 and Outlet Pond number 5 dated 19 July 2017, 3 August 2017 and 2 September 2017.
  - b. Well control on Block O4 dated 3 August 2017
  - c. Well control on Block P7 dated 26 August 2017
  - d. Well control on Block N7 dated 26 August 2017
  - e. Community well on Block N8 dated 26 August 2017
  - f. Upstream of Bekambit River on Block N8 dated 6 June 2017
  - g. Downstream of Bekambit River on Block Q9 dated 26 August 2017
- Effluent water sample result from Inlet & outlet pond, effluent from Block N4, well control Block O4, community well on Block N8 and downstream of Bekambit River on Block Q9 dated 3 August 2017.
- Effluent water sample result from well control on block N7, community well on block O4, community well on Block N8 and downstream of Bekambit river on Block Q9.

**Verification on 19 October 2017**

- Effluent water sample result from well control on Block P7, well control on Block N7, community well on Block N8 and downstream of Bekambit river on Block Q9 dated 8 August 2017 and 12 September 2017.
- Effluent water sample result from land application on Block O3, Outlet pond number 5 and inlet pond number 1 dated 27 July 2017 and 12 September 2017.

- Appointment Letter number 069/GAF-INT/X/2017 signed by Mill Manager dated 5 October 2017 about water sample delivery in charge.
- Record of land application permit socialize dated 7 October 2017. There are also water sample and effluent sample delivery schedule period of 2017/2018.

According to above evidence, this nonconformance has been closed out.

**Verified by** : Trismadi N

<b>NCR No.</b>	<b>:</b>	<b>2017.2</b>	<b>Issued by</b>	<b>:</b>	<b>Benli Manurung</b>
<b>Date Issued</b>	<b>:</b>	<b>24 August 2017</b>	<b>Time Limit</b>	<b>:</b>	<b>ASA-2</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	<b>13 October 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>2.1.2</b> <b>A documentation system that includes written information on legal requirements should be maintained.</b>			
The documentation system which includes written information on legal requirements has not been maintained. To ensure compliance with applicable regulations the company evaluates the compliance of regulations annually. However, based on the evaluation of the evaluation documents of PT BSS regulation in 2017 it is known that not all regulations have been updated and evaluated, for example: 1. PP 45 of 2015 on the Implementation of Pension Program. 2. Government Regulation No. 78 of 2015 on Wages. 3. Permenaker No. 1 year 2017.					
<b>Root Cause Analysis :</b> Lack of information about the renewal of regulations.					
<b>Corrective Action :</b> Regulation evaluation has been conducted on 28 August 2017.					
<b>Preventive Action :</b> The management unit will be coordination with related agencies such as Man Power Agency, Plantation Agency, Plantation Service Department, Human Resources Management and Plantation Sustainability, Quality Management Department every month.					
<b>Assessor Evaluation and Conclusion :</b> <b>Verification on 13 October 2017</b> The company was shown update of regulation evaluation year of 2017 dated 28 August 2017. For example: Government Regulation number 45 of 2015, Government Regulation number 78 year of 2015, Manpower minister regulation number 38 year of 2016 and Manpower minister regulation number 1 year of 2017.  According to above explanation, this nonconformance has been closed out.					
<b>Verified by</b>	<b>:</b>	<b>Trismadi N</b>			

<b>NCR No.</b>	<b>: 2017.3</b>	<b>Issued by</b>	<b>: Andi Pratama Pasaribu</b>
<b>Date Issued</b>	<b>: 24 August 2017</b>	<b>Time Limit</b>	<b>: 23 October 2017</b>



NC Grade	:	Major	Date of Closing	: 27 October 2017
Standard Ref. & Requirement	:	2.2.1 Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available.		
Non-Conformance Description & Evidence observed :				
<p>The company showing legal permits of land ownership which total land use rights (HGU) area is <b>12,740.54 Ha</b>. Whereas, in the Area Statement Minamas Management Committee Meeting (MMCM) document period May 2016, total managed area is <b>13,776.25 Ha</b>. There were discrepancy area 1,035.71 Ha that have not legally of land use rights, in details as follow:</p> <ul style="list-style-type: none"><li>• <b>529 Ha</b> (enclave area within the HGU No. 1 size 8,222.54 Ha) until Re-Certification in 2016, there is no progress and the land use right status is un-legally yet.</li><li>• <b>277.80 Ha</b> (unmanaged area of PT. Inhutani II, but still calculated within the company area statement document as well as not presented/pictured on HGU No. 1 Map).</li><li>• <b>228.91 Ha</b>: no supporting evidence on this area (location, status, map, etc.).</li></ul> <p>After the previous assessment (Re – Certification), there were explanation from PSD Manager to the Head of PSQM (letter No. 025/PSD-PSQM/Bjb/VI/2016) dated on 28 June 2016 that explain PT BSS area as follow:</p> <p>The discrepancy of hectar statement</p> <p>A. Sum of area</p> <ol style="list-style-type: none"><li>1. Areal Statement = 13,776.25 Ha</li><li>2. <u>Land Use Tittle/HGU</u> = 12,740.54 Ha</li><li>Discrepancy = 1,035.71 Ha</li></ol> <p>B. Explanation of Discrepancy (1.035,71 Ha)</p> <ol style="list-style-type: none"><li>1. Land Build Title/ HGB Salino Port 5.06 Ha</li><li>2. Land Use Tittle/HGU revision 8,222.54 Ha for enclave area that proposed to be legal area <b>528.71 Ha</b></li><li>3. Planted area of GKE outside the Land Use Tittle/HGU <b>235.74 Ha</b></li><li>4. The rest of area that claimed by Inhutani II 266.20 Ha</li></ol> <p>C. Land Use Tittle/HGU on progress:</p> <ol style="list-style-type: none"><li>1. Areal 528.71 Ha :<ol style="list-style-type: none"><li>a) Dated on 10/1/2014, proposed to measurement</li><li>b) Dated on 19/10/2014, proposed to measurement enclave area.</li><li>c) Dated on 22/06/2015, proposed to measurement enclave area with National Land Agency of South Kalimantan.</li></ol></li><li>2. Areal 235.74 Ha :<ol style="list-style-type: none"><li>a) Dated on 10/1/2014, proposed to measurement for HGU area</li><li>b) Dated on 29/4/2015, proposed to measurement</li></ol></li></ol> <p>However, until the surveillance 1.1, the company can't show the positive progress regarding land legality of area 528.71 Ha and areal 235.74 Ha.</p>				
Root Cause Analysis :				
There is a discrepancy between HGU certificate and those HGU map's.				

**Correction :**

The company has been requested National Land Agency to re-measuring of HGU area.

**Corrective Action :**

1. The company has send measurement request of 236 Ha area to the National Land Agency through the letter No. 331/BSS/UM/PSD/VIII/2017 dated on August 21<sup>st</sup> 2017 and accepted on August 24<sup>th</sup> 2017.
2. The company has send measurement request of 515,46 Ha area to the National Land Agency through the letter No. 310/BSS/UM/PSD/VIII/2017 dated on August 21<sup>st</sup> 2017 and accepted on August 24<sup>th</sup> 2017.

**Assessor Evaluation and Conclusion :**
**Verification on October 26<sup>th</sup> 2017**

The company has shown several evidence such as:

1. The company has send measurement request of 236 Ha area to the National Land Agency through the letter No. 331/BSS/UM/PSD/VIII/2017 dated on August 21<sup>st</sup> 2017 and accepted on August 24<sup>th</sup> 2017.
2. The company has send measurement request of 515,46 Ha area to the National Land Agency through the letter No. 310/BSS/UM/PSD/VIII/2017 dated on August 21<sup>st</sup> 2017 and accepted on August 24<sup>th</sup> 2017. Kedua dokumen tersebut telah dibubuhi stempel tanda terima dari pihak BPN setempat.

**Auditor's Conclusion on October 26<sup>th</sup> 2017**

Based on those evidence, this non conformity has **Closed**.

Based on RSPO statement regarding to HGU in Indonesia:

For grower members that are currently RSPO certified but yet to obtain the HGU, 1.1 **their certification will continue** but are given not later than 3 (three) years from the date of this notice, to process and obtain HGU. Failure to do so will result in the suspension of the RSPO certificate.

Further information, please read this link:

<http://mailchi.mp/rspo/rspo-statement-on-hak-guna-usaha-hgu-indonesia-805109?e=6f79fbed03>

**Verified by** : **Andi Pratama Pasaribu**

<b>NCR No.</b>	<b>: 2017.4</b>	<b>Issued by</b>	<b>: Andi Pratama Pasaribu</b>
<b>Date Issued</b> <b>Tanggal diterbitkan</b>	<b>: 24 August 2017</b>	<b>Time Limit</b>	<b>: 23 October 2017</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 4 December 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.3.1</b> <b>Maps with appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).</b>		

**Non-Conformance Description & Evidence observed :**

Based on the results of interviews with local community representatives and related government agencies, since the implementation of the previous audit (Re-Certification), there were several cases of land disputes between companies and others as follows:

1. The case of land dispute with an area of 1100 Ha located in the Village Tanjung Pengharapan. Proof of mediation process has been shown, among others:
  - a. Mediation dated November 10, 2016 was held in the Working Room Assistant for the Economy, Development and Welfare of Kotabaru Regency attended by Muspika elements, Head of Tanjung Pengharapan Village, representatives of companies and Indonesian NGO Marginal Care. Meeting results: no agreement was reached.
  - b. Mediation dated February 10, 2017 held at the Meeting Room of Pulau Laut Sub-District Head of Muspika, Head of Tanjung Pengharapan Village, company representatives and Indonesian NGO Marginal Care. Meeting results: no agreement was reached.
2. Land dispute with PT. Inhutani II which culminates in sealing land (status quo).

Until the audit is completed, a participatory map of the dispute has not been shown.

**Root Cause Analysis :**

There is several land disputes that did not well documented by PSD Department.

**Correction :**

The company always using negotiation and mediation method for entire land dispute cases.

**Corrective Action :**

Whole land dispute cases and it negoisation process shall documented by PSD Departement.

**Assessor Evaluation and Conclusion :**
**Verification on December 4<sup>th</sup> 2017**

The company has showed corrective evidence of HGU map that indicated over lapped with forest area based on investigation of Special Criminal Investigative Directorate, Regional Police of South Kalimantan on 2017.

**Auditor's Conclusion on December 4<sup>th</sup> 2017**

Based on those evidence, this non conformity has **Closed with Observation**. The land dispute process now in the status waiting for court's decision and the progress will be verified during the next surveillance.

**Verified by** : **Andi Pratama Pasaribu**

<b>NCR No.</b>	<b>:</b>	<b>2017.5</b>	<b>Issued by</b>	<b>:</b>	<b>Andi Pratama Pasaribu</b>
<b>Date Issued</b>	<b>:</b>	<b>24 August 2017</b>	<b>Time Limit</b>	<b>:</b>	<b>23 October 2017</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>2.3.2</b> Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include: <b>a. Evidence of consultation</b> <b>b. Statement of transfer of rights</b>			

	<b>c. Evidence of compensation</b>
<b>Non-Conformance Description &amp; Evidence observed :</b>	
<p>Based on the results of interviews with local community representatives and related government agencies, since the implementation of the previous audit (Re-Certification), there were several cases of land disputes between companies and others as follows:</p> <ol style="list-style-type: none"> <li>1. The case of land dispute with an area of 1100 Ha located in the Village Tanjung Pengharapan. Proof of mediation process has been shown, among others: <ol style="list-style-type: none"> <li>a. Mediation dated November 10, 2016 was held in the Working Room Assistant for the Economy, Development and Welfare of Kotabaru Regency attended by Muspika elements, Head of Tanjung Pengharapan Village, representatives of companies and Indonesian NGO Marginal Care. Meeting results: no agreement was reached.</li> <li>b. Mediation dated February 10, 2017 held at the Meeting Room of Pulau Laut Sub-District Head of Muspika, Head of Tanjung Pengharapan Village, company representatives and Indonesian NGO Marginal Care. Meeting results: no agreement was reached.</li> </ol> </li> <li>2. Land dispute with PT. Inhutani II which culminates in sealing land (status quo).</li> </ol>	
<b>Root Cause Analysis :</b>	
<b>Correction :</b>	
<b>Corrective Action :</b>	
<b>Assessor Evaluation and Conclusion :</b>	
<b>Verified by</b>	:

<b>NCR No.</b>	:	2017.6	<b>Issued by</b>	:	Satria Adi Putra
<b>Date Issued</b>	:	24 Agustus 2017	<b>Time Limit</b>	:	23 Oktober 2017
<b>NC Grade</b>	:	Major	<b>Date of Closing</b>	:	23 October 2017
<b>Standard Ref. &amp;</b>	:	4.6.5 Proof of pesticide application should be available by trained personnel and in accordance with the instructions on use on product labels and storage instructions. Sufficient safety equipment should be provided and used. Product warnings should be observed, understood and correctly applied by the worker.			
<b>Non-Conformance Description :</b>					
There is no evidence that the pesticide application complies with the instructions for use. <ul style="list-style-type: none"> <li>• Based on the results of the field visit in Block B1, Division 2, Gunung Kemas Estate on chemical</li> </ul>					

treatments, it is known that the workforce carries spray material (kenlon) in a pure state. This is not in accordance with the Pesticide Mixing Workflow which mentions "pure pesticides have been poured into 10 liters of conductor mixed with 10 liters of clean water".

- Based on the results of field visit to Block U15, Division 2, Gunung Kemas Estate at Pest Spray (*Oryctes rhinoceros*), it is known that the laborers take water at Siltpit for spraying activities. This is not in accordance with SOP Water filling for spray and spraying which mentions "filling the spray tank as per the next day's spraying requirement by taking water from the reservoir / from the MCC using a water machine.

**Root Cause Analysis :**

- Field assistant and spraying mandore in Block spraying system is negligent and inconsistent in running of SOP No.3/SOP-BSS/10 dated 1 April 2017.
- Insecticide spraying team is not included in the block spraying system team, so they weren't water supply.
- Insecticide spraying was conducted on several block in accordance to the pest attacked level.

**Correction :**

- Remind and reconfirm to all of Senior Assistant, Field Assistant and all mandore, that all of chemical taken to the field should be mixed. Memorandum of GKE Manager number GKE-Divisi/0160/VIII/2017/s dated 28 August 2017.
- The store keeper should be ensure that water availability and agrochemical mixing is done before being taken to the field.
- Re-ensure of insecticide spraying team should be use water carried by tank truck in accordance to Memorandum of GKE Manager number GKE-Divisi/0160/VIII/2017/s dated 28 August 2017.

**Corrective Action :**

- All of agrochemical which brought to the field has been mixed at the time of collection from central chemical store.
- Water supply for insecticide spraying activity has been conducted by tank truck.

**Assessor Evaluation and Conclusion:**
**Verification on 02 September 2017**

Based on the results of a review of improvements that have been shown in the form:

- Confirmation letter of agrochemical mixing (No. GKE-Division / 0160 / VIII / 2017 / s)
- Letter of affirmation of water supply for pest spray (No. GKE-Division / 0161 / VIII / 2017 / s)
- Photo mixing / thawing agrochemical and photo spraying water from the tank
- Justification and attachment related indicators 4.6.5

**Verification on 23 October 2017**

- Appointment letter number GKE-Divisi/0173/X/2017 dated 25 August 2017 about Block Spraying System Responsible.
- Working flow of spraying activity with the principle of mixing of material using ratio 1:1.

According to above explanation, this nonconformance has been closed out.

**Verified by** : **Satria Adi Putra**

<b>NCR No</b>	<b>: 2017.7</b>	<b>Issued by</b>	<b>: Trismadi N</b>
<b>Date Issued</b>	<b>: 24 Agustus 2017</b>	<b>Time Limit</b>	<b>: ASA-2</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>:</b>
<b>Standard Ref. &amp;</b>	<b>:</b>		

<b>Requirement</b>	<b>5.1.3. There is an environmental monitoring plan document and its implementation report and an improvement plan for the monitoring results if discrepancies are found.</b>
<b>Non-Conformance Description &amp; Evidence observed :</b> Not all reports on the realization of the environmental monitoring plan have been fully implemented.	
<b>Description of Non-conformance &amp; Evidence observed (completed by auditor):</b> Based on the results of the study The implementation report of RKL-RPL Semester II of 2016 and First Semester of 2017 is known that not all parameters are monitored in accordance with the direction of RKL / RPL matrix. For example: Monitoring impacts on erosion by USLE method.	
<b>Root Cause Analysis :</b>	
<b>Correction :</b>	
<b>Corrective Action :</b>	
<b>Assessor Evaluation and Conclusion :</b>	
<b>Verified by</b> <b>Diverifikasi oleh</b>	:

<b>NCR No.</b>	:	<b>2017.8</b>	<b>Issued by</b>	:	<b>Trismadi N</b>
<b>Date Issued</b>	:	<b>24 Agustus 2017</b>	<b>Time Limit</b>	:	<b>ASA-2</b>
<b>NC Grade</b> <b>Grade</b>	:	<b>Minor</b>	<b>Date of Closing</b>	:	
<b>Standard Ref. &amp; Requirement</b>	:	<b>5.2.5. Where HCV areas overlap with identified local community rights areas, there should be evidence that a negotiated agreement has been reached to protect HCVs and local community rights in an optimal manner.</b>			
<b>Non-Conformance Description &amp; Evidence observed :</b> No negotiated agreements are available to protect HCVs and local community rights in an optimal way.					
<b>Description of Non-conformance &amp; Evidence observed (completed by auditor):</b> Based on the results of field visits to HCV1.1 Bukit Kemas on Block D3, E3, F3 Division 3 Gunung Aru Estate; the observation of the auditors' team indicated an overlap with the community's oil fields. However, there has not been a negotiated agreement to protect HCVs and local community rights in an optimal way.					
<b>Root Cause Analysis :</b>					
<b>Correction :</b>					



<b>Corrective Action :</b>	
<b>Assessor Evaluation and Conclusion :</b>	
<b>Verified by</b>	:

<b>NCR No.</b>	:	2017.9	<b>Issued by</b>	:	Trismadi N
<b>Date Issued</b>	:	24 Agustus 2017	<b>Time Limit</b>	:	ASA-2
<b>NC Grade</b>	:	Minor	<b>Date of Closing</b>	:	
<b>Standard Ref. &amp; Requirement</b>	:	5.3.3. A waste management plan should be available that is documented and implemented to avoid and reduce pollution.			
<b>Non-Conformance Description &amp; Evidence observed :</b> Not all waste management plans are implemented to avoid and reduce pollution.					
<b>Description of Non-conformance &amp; Evidence observed (completed by auditor):</b> Based on the results of field visits found several facts: <ul style="list-style-type: none"> <li>- There is a packaging of fertilizer that is around the employee housing (CHC) Gunung Aru Estate.</li> <li>- Observation around LC contractor housing and workshop at CHC Gunung Kemas Estate, contain some oil packaging</li> <li>- Field observation results to TPSA in Block W19, 3rd Division of Gunung Kemas Estate and Block M9 of Gunung Aru Estate, it is known that open dumping is not yet in accordance with the procedure.</li> <li>- Field observation results to the EFB station at Gunung Aru Factory, it is known that there is leachate runoff from the empty empty pile that concerns the environmental body.</li> </ul>					
<b>Root Cause Analysis :</b>					
<b>Correction :</b>					
<b>Corrective Action :</b>					
<b>Assessor Evaluation and Conclusion “</b>					
<b>Verified by</b>	:				

**3.5.3 Opportunity for Improvement**

No	Ref. Std.	Description Deskripsi
1	1.1.2	<ul style="list-style-type: none"> <li>Consider requests for information to be responded to within specified time limits as described in SOP No: 034 / BSS-SOP on Information Request. (Observation)</li> <li>Consider submitting mandatory reporting of B3 waste management in accordance with the regulations. (Observation)</li> </ul>
2	4.7.5	Consider re-evaluating the period of monitoring the contents of the First Aid Box.
3	4.8.2	Consider re-disseminating all aspects of RSPO to all workers.



**3.5.4 Noteworthy Positive Components**

No	Description Deskripsi
1	The company's commitment to implement the principles of sustainable palm oil management
2	Personal enthusiasm for demonstrating RSPO standard requirements
3	The company's commitment in building community estate
4	Received the Blue Proper Award for the Period of 2015-2016

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

<b>Interview result with village representative of Tanjung Harapan, Batu Tunau and Bekambit Village</b>	<b>Auditor response</b>
<ul style="list-style-type: none"> <li>• The company staff have a good relationship with villagers.</li> <li>• All land acquisition process has been paid.</li> <li>• The existence of the company provides added value for the community with the opening of job opportunities and business opportunities.</li> <li>• There is no significant land dispute that disrupting company operational activity.</li> <li>• The company conducts community empowerment programs and CSR annually and evaluated it result.</li> <li>• The company gathering complaint and suggestive from villagers through the complaint and suggestive box in each head of village office.</li> </ul>	In accordance with criteria 1.1; 2.2;2.3 and 6.1.
<b>Environment Agency</b> <ul style="list-style-type: none"> <li>• There is a complaint from the community related to water pollution resulting from replanting activities, based on the results of the joint study it is known that water pollution is not derived from replanting activities. Water pollution due to high levels of e-coli</li> <li>• The company has routinely delivered reports to the agency</li> <li>• Communication between companies and stakeholders is good</li> </ul>	In accordance with indicator 4.4.1 and 4.4.3
<b>Plantation Agency</b> <ul style="list-style-type: none"> <li>• Communication between the department and the company is slightly hampered because the agency is difficult to get information directly to the unit because the demand for information must go through the central office</li> <li>• Plantation Business Development Report has been reported regularly, but it should be ensured that the delivery of reports is not too late</li> <li>• There is an issue of land overlap between inhutani and company</li> </ul>	In accordance with criteria 2.2 and 2.3
<b>22 August 2017</b> <b>Gender Committee</b> <ul style="list-style-type: none"> <li>• PT BSS has a gender committee structure and each division of estate has a representative for employee complaints if there is violation case of women's rights</li> <li>• There are no complaints related to violations of women's rights or violence against women in the workplace</li> </ul> <p>PT BSS has granted the rights of women such as the right to maternity leave and menstruation leave</p>	PT BSS has committed to guarantee the rights of women, for example, the company has granted maternity leave and menstruation. Based on interviews with workers known that there are never happened of violence against women in workplace (see C6.8 and C6.9)

<p><b>22 August 2017</b>  <b>Local Contractor (FFB and CPO Transports)</b></p> <ul style="list-style-type: none"> <li>• Company had socialized policies such as corporate codes and the use of labor over 18 years.</li> <li>• Contractor's workers has given PPE by the contractors and company.</li> <li>• The entire execution of the work and payment in accordance with the applicable agreement.</li> </ul> <p>There is no complaint from contractor.</p>	<p>Based on document verification, show that the rights and obligation of each party has been set in the contract.</p>
<p><b>22 August 2017</b>  <b>Worker Unions</b></p> <ul style="list-style-type: none"> <li>• There is no negative issues such as discrimination, the use of labor under 18 years, sexual abuse issues and others.</li> <li>• Providing wages and overtime in compliance with applicable regulations.</li> <li>• All employees have been included in the program BPJS employment and health.</li> <li>• The Company has conducted periodic health checks to workers with high risk.</li> <li>• The Company has also provided PPE which is provided for free.</li> <li>• If there is a problem between worker and PT Adei P &amp; I, the union always communicates with the company.</li> </ul>	<ul style="list-style-type: none"> <li>• Has been described in criterion 6.5.</li> <li>• Has been described in indicator 6.5.1</li> <li>• The company has paid labour social insurance and labour health insurance for all workers as written in indicator 4.7.6.</li> <li>• Has been described in indicator 4.6.11.</li> <li>• Has been described in indicator 4.7.3</li> <li>• Based on document verification known that if there are things that will submitted to company, the union held a meeting with the company (see C6.6)</li> </ul>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>PT Bersama Sejahtera Sakti Head of PSQM Indonesia</p>  <p><b><u>Mohammad Pirabaharan</u></b> Thrusday, 24/08/2017</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Trismadi Nurbayuto</u></b> Thrusday, 24/08/2017</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Batu Tunau Village	District of Kotabaru	-	Interview	22 August 2017	v	-
2	Tanjung Pengharapan Village	District of Kotabaru	-	Interview	22 August 2017	v	-
3	Bekampit Village	District of Kotabaru	-	Interview	22 August 2017	v	-
4	Sawit watch	Jakarta	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Correspondence by email	May 19th 2015	-	v
5	Walhi	Jakarta	<a href="mailto:info@walhi.or.id">info@walhi.or.id</a>	Correspondence by email		-	v
6	WWF	Jakarta	<a href="mailto:wwf_indonesia@wwf.or.id">wwf_indonesia@wwf.or.id</a>	Correspondence by email		-	v
7	Plantation Agency Kotabaru	Kotabaru, Kalimantan Selatan	-	Interview	22 August 2017	v	-
8	Environment Agency Kotabaru	Kotabaru, Kalimantan Selatan	-	Interview	22 August 2017	v	-
7	<b>Internal Stakeholder</b> <u>Gunung Aru Factory</u> Security → 2 Person Engine Room → 2 Persons Boiler Operator → 2 Persons Water Treatment Operator → 1 Person  <u>Gunung Aru Estate</u> Spraying Team → 17 Persons Harvesting Team → 3 Persons EFB Aplicator → 2 Persons Manuring Team → 11 Persons  <u>Gunung Kemas Estate</u> Harvesting Team → 2 Persons Spraying Team → 2 Persons Pest Spraying Team → 3 Person	Kotabaru, Kalimantan Selatan	-	Interview	22-23 August 2017	v	-



**Appendix 2. Assessment Program**

DATE		21 – 25 August 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 21 August 2017</b>			
05.45 – 08.35	05.45 – 08.35	Jakarta → Banjarmasin (Garuda GA 530)	• ALL Team
12.20 – 13.05	12.20 – 13.05	Banjarmasin → Kotabaru (Wings Air IW 1392)	• ALL Team
13.30 – 15.00	13.30 – 15.00	Kotabaru → PT.BSS (Gunung Aru)	• ALL Team
15.30 – 16.00	15.30 – 16.00	Opening Meeting	• ALL Team
16.00 – 17.00	16.00 – 17.00	Review of Previous Visit Non-conformance and verification of basic information	• ALL Team
<b>Tuesday, 22 August 2017</b>			
08.00 – 12.00	08.00 – 12.00	<ul style="list-style-type: none"> <li>Stakeholders consultation to Related Government Institution (Kotabaru District Government and local NGO)</li> <li>Stakeholders consultation to Nearest village, community leader.</li> <li>Stakeholders consultation to local contractor, Workers Union, Gender Committee.</li> </ul>	• SAP/TNB
08.00 – 12.00	08.00 – 12.00		• APP
			• BMG
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	• ALL Team
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>Clarification of Public Consultation</li> <li>Document Review and Review of Previous Visit Non-conformance</li> </ul>	• ALL Team
			• ALL Team
<b>Wednesday, 23 August 2017</b>			
08.00 – 12.00	08.00 – 12.00	<b>Field Observation Gunung Aru Estate</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, EFB application, best agricultural practices</li> <li>Worker Welfare (payments, complaint mechanism)</li> <li>Hazardous Waste Material (B3) management; Worker facilities (housing, health clinic, clean water, etc), Land Fill, and Land Fire facilities, Storage, ect.</li> <li>Legal operational and Conservation Area</li> </ul>	• SAP/BMG
			• SAP/BMG
			• TNB
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	• APP
14.00 – 17.00	14.00 – 17.00	<b>Field observation to Gunung Aru POM</b> <ul style="list-style-type: none"> <li>Security Post, FFB receiving, CPO&amp;PK Sending/SCCS Aspect)</li> <li>FFB grading, FFB processing, OHS Aspect, Worker Welfare (payments, complaint mechanism)</li> <li>Water Treatment Plant, Schedule Waste, Workshop, Chemical Storage, WWTP, Leachate Water management.</li> <li>Document Review and Verification of Previous Visit</li> </ul>	• ALL Team
			• APP
			• SAP/BMG
			• TNB
			• ALL TEAM
<b>Thursday, 24 August 2017</b>			

08.00 – 12.00	08.00 – 12.00	<b>Field Observation Gunung Kemas Estate</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, EFB application, best agricultural practices</li> <li>Worker Welfare (payments, complaint mechanism)</li> <li>Hazardous Waste Material (B3) management; Worker facilities (housing, health clinic, clean water, etc), Land Fill, and Land Fire facilities, Storage, ect.</li> </ul>	<ul style="list-style-type: none"> <li>SAP/BMG</li> <li>SAP/BMG</li> <li>TNB</li> </ul>
		<ul style="list-style-type: none"> <li>Legal operational and Conservation Area</li> </ul>	<ul style="list-style-type: none"> <li>APP</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>Field observation clarification</li> <li>Document Review and Verification of Previous Visit Non- conformance</li> <li>Field observation clarification</li> </ul>	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>
19.00 – 21.00	19.00 – 21.00	<ul style="list-style-type: none"> <li>Closing Meeting</li> </ul>	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>
<b>Friday, 25 August 2017</b>			
05.30 – 07.00	05.30 – 07.00	<ul style="list-style-type: none"> <li>PT BSS → Kotabaru</li> </ul>	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>
07.45 – 08.25	07.45 – 08.25	<ul style="list-style-type: none"> <li>Kotabaru → Banjarmasin (Wings Air IW 1393)</li> </ul>	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>
10.50 – 11.30	10.50 – 11.30	<ul style="list-style-type: none"> <li>Banjarmasin → Jakarta (Citilink QG 869)</li> </ul>	<ul style="list-style-type: none"> <li>ALL Team</li> </ul>