

**Roundtable on Sustainable Palm Oil Certification
RSPO**

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : SUNGAI RUNGAU POM, PT BINASAWIT ABADIPRATAMA subsidiary of GOLDEN AGRI RESOURCES Ltd.

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

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

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

Date of Certificate Issue : August 26th, 2013

Date of License Issue : August 26th, 2015

Date of Certificate Expiry : August 25th, 2018

Date of License Expiry : August 25th, 2016

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	8 – 12 June 2015	Ardiansyah (Lead Auditor), Andi Pratama, Doni, Dwi Haryati	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	8 July 2015

PT Mutuagung Lestari • Raya Bogor Km 33,5 Number 19 • Cimanggis • Depok 16953 • Indonesia
Telephone (+62) (21) 8740202 • Fax (+62) (21) 87740745/6 • Email: agri@mutucertification.com • www.mutucertification.com
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Figure 1. Location Map of PT Binasawit Abadipratama

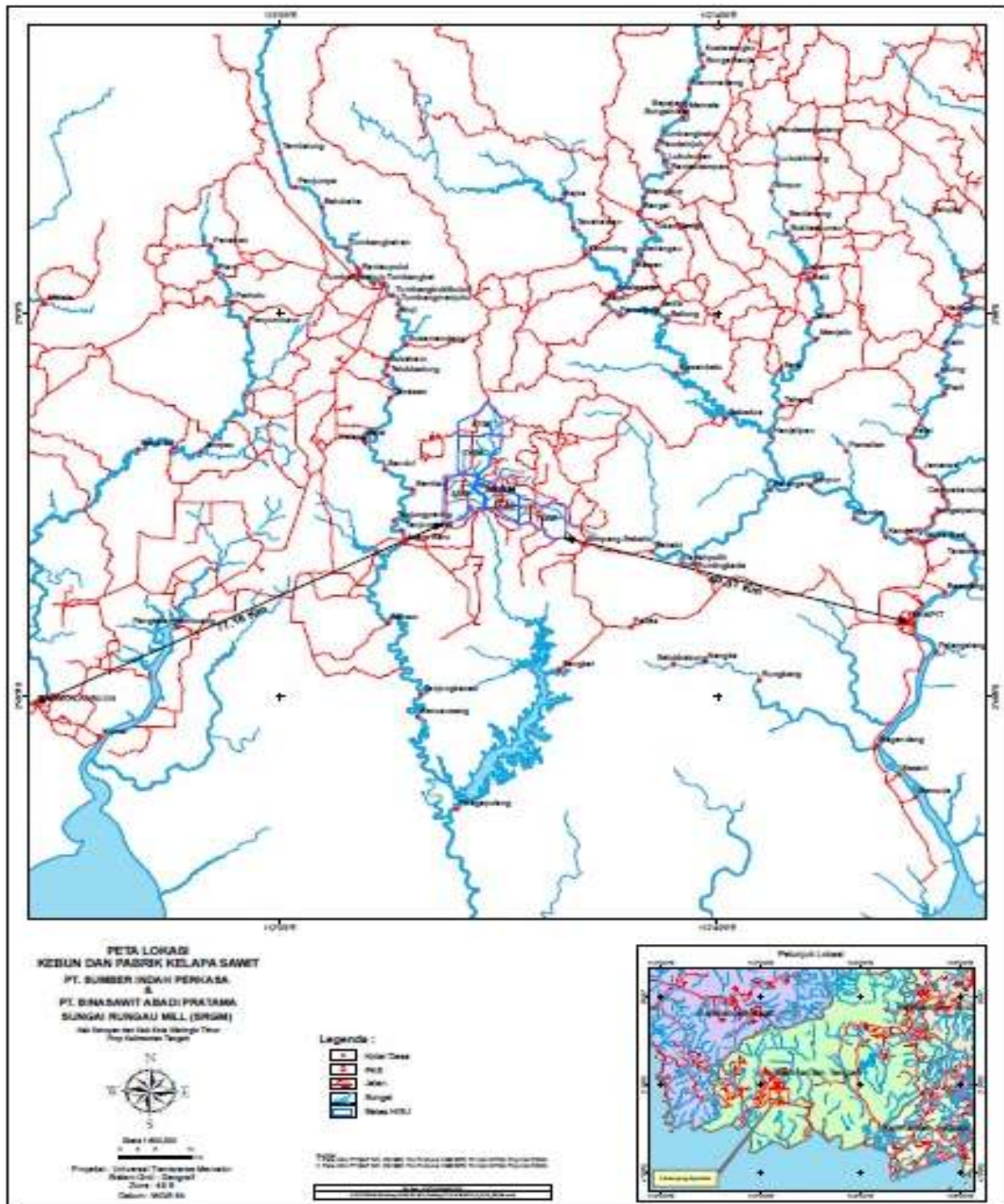
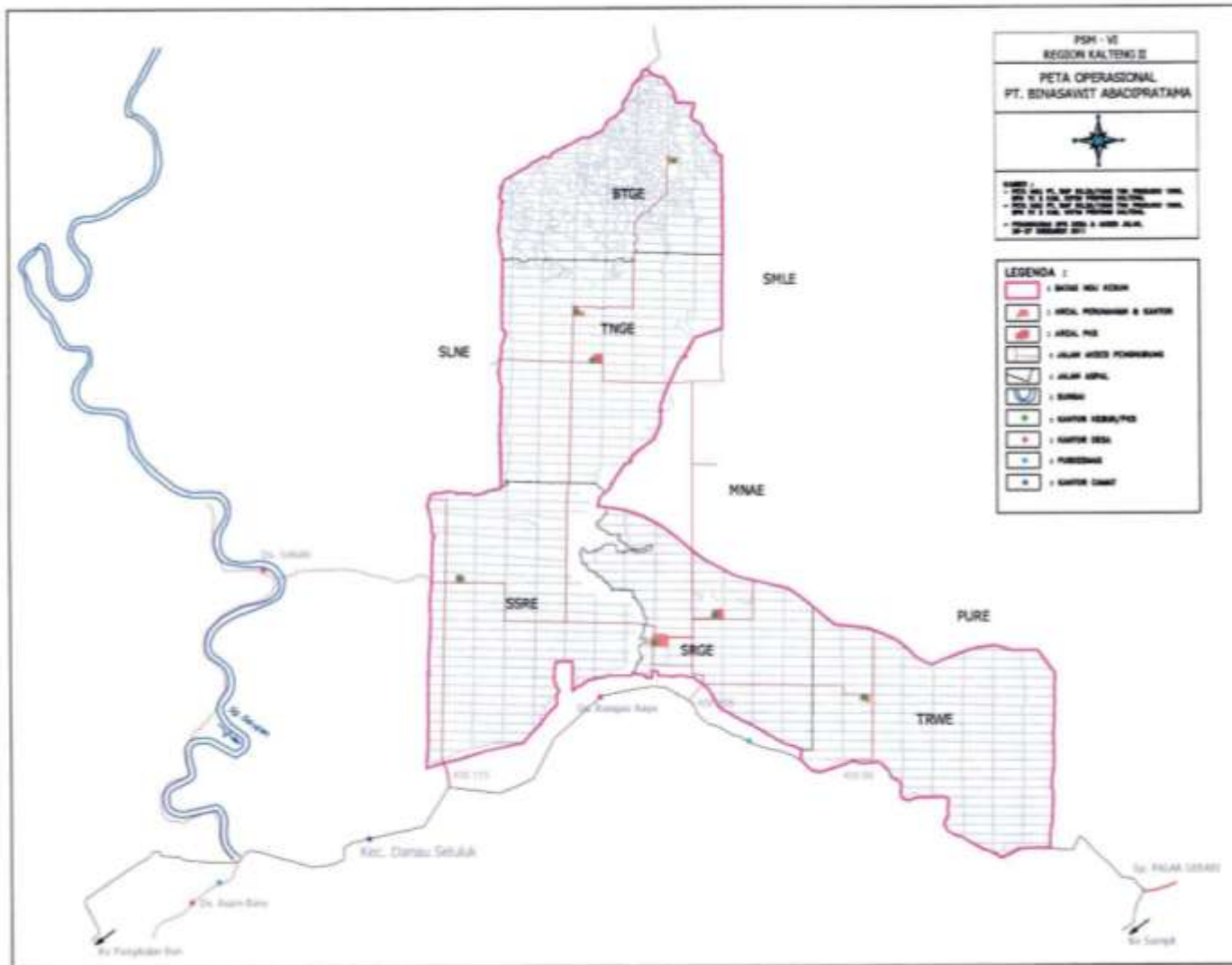


Figure 2. Operational Map of PT Binasawit Abadipratama



Abbreviations Used

ANDAL (EIA)	:	<i>Analisis Dampak Lingkungan</i> (Environmental Impact Assessment)
BOD	:	Biological Oxygen Demand
BPN	:	Badan Pertanahan Nasional (<i>National Land Agency</i>)
BTGE	:	Bukit Tiga Estate
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior and Informed Consent
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
ISCC	:	International Sustainable Carbon Certification
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Business Permit)
LA	:	Land Application
LSC	:	Land and Soil Capability
LC	:	Land Clearing
MCAR	:	Management Committee Agronomy and Research
MCMD	:	Management Committee for Mill Development
MSDS	:	Material Safety Data Sheet
NGO	:	Non-Government Organization
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OIA	:	Office Internal Audit
IPM	:	Integrated Pest Management
PK	:	Palm Kernel
PMNP	:	Plantation Monitoring and Planning
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PSM	:	<i>Perkebunan Sinarmas</i> (Sinarmas Plantation)
PT BAP	:	PT Binasawit Abadipratama
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened and Endangered
SIA	:	Social Impact Assessment
SMARTRI	:	SMART Research Institute
SOP	:	Standard Operating Procedure
SRGE	:	Sungai Rungau Estate
SSRE	:	Sungai Seruyan Estate
TRWE	:	Terawan Estate
TNGE	:	Tangar Estate
WWTP	:	Wastewater Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • <i>RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013.</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> 	
1.2	Organisation Information		
1.2.1	Organization name listed in the certificate	PT Binasawit Abadipratama – Golden Agri Resources, Ltd	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Organisation address and site address	Company Address : Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia Phone: +62-21-5033 8899. Fax: +62-21-5038 9999 Site Address: Rungau Raya Village, Danau Seluluk Sub District, Seruyan District, Kalimantan Tengah Province	
1.2.4	Telephone	(+62-21) 318 1388	
1.2.5	Fax	(+62-21) 318 1389	
1.2.6	E-mail	ismu-zulfikar@smart-tbk.com	
1.2.7	Web page address	www.smart-tbk.com	
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Department)	
1.2.9	Registered as RSPO member	1-0096-11-000-00. 31 March 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Sungai Rungau POM and its supply base (Rungau Estate, Terawan Estate, Sungai Seruyan Estate, Tangar Estate and Bukit Tiga Estate).	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Sungai Rungau Mill	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Kalimantan Tengah Province	S 2° 19' 14,16" E 112° 20' 2,97"

1.4.2	Location of Certification Scope of Supply Base					
	Name of Supply Base	Location	Coordinate			
			Latitude	Longitude		
	Sungai Rungau Estate	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Kalimantan Tengah Province	S 2° 19' 43"	E 112° 18' 58"		
	Sungai Seruyan Estate	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Kalimantan Tengah Province	S 2° 18' 32"	E 112° 15' 28"		
	Terawan Estate	Selunuk Village, Seruyan Raya, Seruyan Sub district, Kalimantan Tengah Province	S 2° 20' 43"	E 112° 22' 43"		
	Tangar Estate	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Kalimantan Tengah Province	S 2° 13' 45"	E 112° 17' 34"		
	Bukit Tiga Estate	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Kalimantan Tengah Province	S 2° 11' 1"	E 112° 19' 20"		
1.5	Description of Area Statement					
1.5.1	Tenure					
	• State	20,152.79 Ha				
	• Community	- Ha				
1.5.2	Area Statement					
	• Total area	20,152.79 Ha				
	• Mature area	18,062.09 Ha				
	• Immature area	- Ha				
	• Mill & Emplacement	180 Ha				
	• Road & Bridge	678.99 Ha				
	• Swamp & Drain	516.47 Ha				
	• Nursery	9.18 Ha				
	• HCV	706.06 Ha*)				
	*) Referring to the analysis of HCV, HCV areas overlap with plantations on certain lands planted before 2007 but treated as a special treat HCV					
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		Sungai Rungau Estate	Sungai Seruyan Estate	Terawan Estate	Tangar Estate	Bukit Tiga Estate
	1996		249.51	852.98		1,102.49
	1997	490.48	1,667.79	883.41	333.02	3,374.70
	1998	621.20	1,061.53	1,283.60	1,411.72	4,822.59
	1999	582.05	1,230.82	360.73	764.61	3,513.98
	2000	933.21		934.81	1,046.99	2,999.73
	2001	183.31			85.34	311.26

	2004			148.34	415.32	563.66
	2005	71.03		178.61	796.80	1,046.44
	2006		12.38			12.38
	2007			46.21		46.21
	TOTAL	2,881.28	4,209.65	4,327.91	4,014.84	18,062.09
1.6.2	New Planting area after January 2010			- Ha		
1.6.3	Planting Cycle			1 st Cycle		
1.7	Description of Mill and Supply Base					
1.7.1	Description of Mill					
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel
				Out put (tonnes)	Extraction (%)	Out put (tonnes) Extraction (%)
	Sungai Rungau Mill	80	446,335.86	104,407.77	23.17	25,691.53 5.76
	<i>*Production data Juni 2014 – Mei 2015</i>					
1.7.2	Description of Certification Scope of Supply Base					
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill
						FFB (tonnes/year) %
	Sungai Rungau Estate	3,073.15	2,881.28	84,272.81	29.25	84,272.81 100
	Sungai Seruyan Estate	4,870.84	4,209.65	104,258.33	24.77	102,952.59 99
	Terawan Estate	4,481.87	4,327.91	125,595.23	29.02	125,595.23 100
	Tangar Estate	4,445.15	4,014.84	109,375.23	27.24	101,588.06 93
	Bukit Tiga Estate	3,281.78	2,628.41	72,852.38	27.72	31,927.17 44
	TOTAL	20,152.79	18,062.09	496,353.98	27.48	446,335.86 90
	<i>*Production data Juni 2014 – Mei 2015</i>					
1.7.3	FFB description from other source					
	Name of sources	Organisation	Location			Supplied to Mill
						FFB (tonnes/year)
	-	-	-			-
	TOTAL					
1.7.4	Product categories			FFB, CPO, PK		
1.8	Estimate Tonnage of Certified Product					
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim August 26 th , 2014 to August 25 th 2015 (tonnes/year)		Actual certified product August 26 th 2014 to June, 6 th 2015 (tonnes/year)	
	• FFB Production		542,853.20		341,773.74	
	• CPO Production		129,144.78		79,343.61	

	• Palm Kernel (PK) Production		30,888.35		19,800.61		
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Sungai Rungau Estate	3,073.15	2,881.28	86,438	30.0		
	Sungai Seruyan Estate	4,870.84	4,209.65	113,660	27.0		
	Terawan Estate	4,481.87	4,327.91	129,838	30.0		
	Tangar Estate	4,445.15	4,014.84	114,423	28.5		
	Bukit Tiga Estate	3,281.78	2,628.41	76,224	29.0		
	TOTAL	20,152.79	18,062.09	520,583	28.2		
	<i>*Projected FFB production for 12 months of certificate</i>						
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Sungai Rungau Mill	80	520,583.08	121,296	23.30	30,350	5.83
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>						
1.9	Other Certifications						
	ISCC	- ISCC (International Sustainability Carbon Certification) Registration No. EU-ISCC-Cert-DE104-07781431 valid from October, 20 th 2014 to October, 19 th 2015					
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	
	MILL	Time Bound Plan					
	Pangkalan Panji	2013	PT Sawit Mas Sejahtera	2013	South Sumatera	Certified	
	Bumi Sawit	2013	PT Bumi Sawit Permai	2013	South Sumatera	Certified	
	Muara Kandis	2013	PT Djuanda Sawit Lestari	2013	South Sumatera	Certified	
			Smallholder (KKPA Pandawa)	2013		ST-2	
			Smallholder (Pandawa Plasma)	2013		ST-2	
	Sungai Rungau	2013	PT Binasawit Abadi Pratama	2013	Central Kalimantan	Certified	
	Bukit Perak	2013	PT Bumi Permai Lestari	2013	Bangka Belitung	Certified	
	Tanjung Kembiri	2013	PT Forestalestari Dwikarya	2013	Kab. Belitung	Certified	
	Sungai Buaya	2014	PT Sumber Indah Perkasa	2014	Lampung	Certified	
			Smallholder (KKPA Gedung Aji Lama)	2014	Lampung	Certified	
	Sungai Merah	2014	PT Sumber Indah Perkasa	2014	Lampung	Certified	

		Smallholder (KKPA Gedung Aji Baru)	2014	Lampung	Certified
Kasuari	2015	PT Sinar Kencana Inti Perkasa	2015	Papua	ST-1
		Smallholder (KKPA Sungai Panci)	2015	Papua	ST-1
		PT Sumber Indah Perkasa (Mambruk Estate)	2015	Papua	ST-1
Senakin	2015	PT Purimas Sasmita & PT Sinar Kencana Inti Perkasa (Senakin Estate)	2015	South Kalimantan	-
Pekawai	2015	PT Agrolestari Mandiri	2015	West Kalimantan	-
		Smallholder (Kayung Plasma)	2015	West Kalimantan	-
Kenanga	2015	PT Kencana Graha Permai	2015	West Kalimantan	-
		PT Cahaya Nusa Gemilang	2015	West Kalimantan	-
		Smallholder (Kencana Plasma)	-	West Kalimantan	-
		Smallholder (Kenanga Plasma)	-	West Kalimantan	-
Ketayang	2015	PT Mitra Karya Agrindo	2015	Central Kalimantan	-
		PT Agrolestari Sentosa	2015	Central Kalimantan	-
		PT Aditunggal Mahajaya	2015	Central Kalimantan	-
Perdana	2015	PT Binasawit Abadi Pratama	2015	Central Kalimantan	ST-1
Kuayan	2015	PT Agrokarya Prima Lestari	2015	Central Kalimantan	ST-1
		PT Buana Adhitama	2015	Central Kalimantan	ST-1
Belian	2015	PT Paramitra Internusa Pratama	2015	West Kalimantan	-
		PT Bangun Nusa Mandiri	2015	West Kalimantan	-
		PT Kartika Prima Cipta	2015	West Kalimantan	-
		PT Persada Graha Mandiri	2015	West Kalimantan	-
		PT Buana Artha Sejahtera	2015	Central Kalimantan	-
Sungai Kupang	2015	PT Sinar Kencana Inti Perkasa Sungai Kupang Estate Sungai Kupang KKPA	2015	South Kalimantan	ST-2
Golden Agri Resources Ltd run 17 mills and 54 estates in Indonesia and has achieved RSPO certified for 1 (one) mills and supply base in Indonesia. Golden Agri Resources Ltd has informed the Time Bound Plan progress, MUTUAGUNG has considered that Golden Agri Resources Ltd is comply with the RSPO requirement for Time Bound Plan.					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	Sungai Rungau Mill does not receive the FFB from the out growers.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-2	<ol style="list-style-type: none"> Ardiansyah (Lead Auditor). Bachelor of Forest Resources Conservation, Department of Forestry, Bogor Agricultural University. He has followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Diameter, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. During the assessment the auditor verified the environmental aspect, legal aspect and SCCS. Andi Pratama Pasaribu (Auditor). Bachelor of social economy and agribusiness a course of study Agricultural University Faculty of Jember. He had followed the training of auditor Indonesian Sustainable Palm Oil (ISPO). He has experience of work for five years as an operational staff in several plantation companies in Indonesia private oil palm plantation. Currently working on certification body as independent auditors. During the assessment the Auditor verified Best management Practice. Doni (Auditor). Master's Program In Sociology Rural. Have been following the certification of Sustainable Production forest management (PHPL) Ecolabel of Indonesia (LEI) in 2008 and Training Up-Grading at the Pusdiklat PHPL Forestry Bogor in 2010. Since 2003 has been a several times to audit certification of PHPL, among others: PT Bintuni Straits Bay Main Agro Mina Prop. West Papua in 2010 PT. ITCIKU Prop. In 2009, Kaltim Cooperative Meranti Grow Beautiful Prop. In 2008, PT Kaltim Memberamo Indan Agro Mandiri in 2008, PT Arara Abadi Prop. Riau in 2005, PT INHUTANI III (Nanga Pinoh) Kaltim, 2003. Since 2005-present work freelance in BAPPENAS, Ministry of Regional development is lagging behind (KPDT) and Ministry Director General Cipta Karya PU as an evaluation team. 2006-2007 working in JICA-UN-HABITAT and UNDP. In the assessment activity, he assessed on social aspect, conservation aspect and worker welfare. Dwi Haryati (Auditor Witnessed). Bachelor of Agriculture, majoring in Agriculture Cultivation. She has experienced on Palm Oil Plantation as Sustainability staff. She had attended such as training ISPO Auditor training, OH01S Expert Training, and Auditor /LA Management System Certification (ISO 9001-2008).
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-2	<p>May 8th to May 12th, 2014 Number of auditors : 4 (four) auditors Number of days for ASA-1 on site : 4 (four) days Number of working days for ASA-1 on site: 16 (sixteen) working days</p>
2.2.2	Assessment Process
ASA-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Binasawit Abadipratama to the requirements of RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013 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) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-3). Improvement of findings from main assesment findings were observed by auditors at this ASA-2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-2 report.</p> <p>The assessment program please find Appendix 2</p>

2.2.3	Locations of Assessment
ASA-2	<p>The number of units in the management of this activity consists of four (5) estates were supplying material TBS to one (1) palm oil mill. In conducting the assessment team using the formula $0.8 \sqrt{y}$ auditor to determine the management unit that is the focus of sample locations and consider the issue of problems arising from the stakeholders that are fundamental and critical. Based on this formula, the team of auditors determine the location of the sample is one (1) unit of palm oil mill and two (2) estates (Tangar Estate and Sungai Rungau Estate).</p> <p>Tangar Estate</p> <ol style="list-style-type: none"> 1. Block Q16 Division 4. Observation on spraying of herbicide with active ingredient of Roll up. The spraying team has been equipped with PPE (helmet, face shield, mask, rubber gloves, apron and shoes). The medical check in form of cholinesterase is conducted routinely. The wage conforms to the government regulation on minimum salary and the worker has been registered in Worker Social Insurance. The worker has understood about the prohibition on riparian area agrochemical spraying and the prohibition on protected wildlife in and surrounding the plantation area. 2. Block R16 Division 4. Observation on domestic waste by landfilling that located in a long distance from the worker housing area and water source. 3. Block P63. Observation on harvesting technique where the auditor interviewing 3 harvesters about the salary, working accident insurance, housing facility, working equipment and PPE. 4. Workshop. Observation and interview on workshop waste such as used oil, used filter, used battery those kept in temporary hazardous waste that is located not far from the workshop. Light equipment and first aid kit are in good condition. Fire equipment is also provided in the workshop in form of tractor, water tank, hose, nozzle and Robin Engine. The equipment demonstration showed the machine is in a good condition and can spray water well. However there is a bit leakage in hose and nozzle rivet. 5. Temporary hazardous waste. Observation and interview related to hazardous waste management. 6. Storage. Observation and interview related to hazardous waste management, worker prosperity and the given facility. 7. The mixing are of herbicide. Observation on hazardous waste management related to herbicide. 8. Clinic. Observation and interview with paramedic related to health facility and the medical waste management. 9. Housing complex/ Pondok 2. Observation on housing facility given by the company. The public facility are in form of emplacement, child day-care, worker hall, elementary school, praying facility (church and mosque), dust bin for inorganic waste and landfill for organic waste, protected animal species poster, and signboard of no employment for age under 18 year. 10. Childcare of Housing complex/ Pondok 2. Observation and interview related to child day-care. 11. Block N63, HCV area of water spring. Observation on HCV area management. 12. Block X61, HCV area of Sungai Rungau Riparian Area. Observation on HCV management. 13. Block L 58. Observation on border of land use title BAP 034. The pole is in good condition and well maintained 14. Block L57. Observation on border of land use title BAP 035. The pole is in good condition and well maintained 15. Block L65. Observation on border of land use title BAP 030. The pole is in good condition and well maintained <p>Sungai Rungau Estate</p> <ol style="list-style-type: none"> 16. Block M23 Division 1. Observation on IPM management in form of barn owl as rat natural predator. 17. Block K20 Division 3. Observation and interview with the supervisor and harvester have understood on harvesting procedure, OHS aspect, payment system and extra payment for extra harvesting target. Interview result showed that the harvesting worker has understood, demonstrate and run the working instruction as stated in the harvesting procedure, using PPE and understood the calculation for extra payment for harvesting more the targeted. 18. Block M31 Division 1. Observation and interview with supervisor and spraying worker. Based on interview with supervisor and worker known that they have understood the working instruction on herbicide application correctly, user the proper PPE, understand the symbol of herbicide application use prohibition in riparian area and other conservation area. Further, they can demonstrate the working method well as stated in the company's

	<p>procedure.</p> <ol style="list-style-type: none"> 19. Central polyclinic S. Observation on polyclinic condition (check-up room, doctor room, stay overnight room and pharmacy). Interview with company doctor and other paramedic related to periodic medical check-up, working accident, health program and medical waste management. 20. Solar tank. OHS implementation among others are symbol of explosive and hazardous material, MSDS, working instruction on agro chemical taking. 21. Storage of oil, agrochemical and fertilizer. OHS implementation covers the availability of explosive and poisonous hazardous waste, MSDS, emergency wash, working instruction on agrochemical, oil and fertilizer taking, PPE and fire equipment. 22. Workshop. OHS implementation. Welder has got welder license. Working instruction on fixing and checking vehicle, truck and heavy equipment. 23. Hazardous waste temporary storage. OHS implementation among others the availability of hazardous waste symbol flow chart on spillage handling, PPE and fire equipment. 24. Housing complex Division 1. Observation and interview with worker's family related the provided facility, complaint mechanism, domestic waste management, and clean water source and worker prosperity. 25. Block J15. Observation on landfill 26. Public facility. Observation on worker facility and equipment provided by the company are in properly provided such as education facility in form of kindergarten, elementary school and "rumah pintar" that is the charity form SBY program in form of books and other education equipment. 27. Block 030. Observation on nursery for conservation and Sungai Rungau Riparian Area management. 28. Block N35 Division 2. Observation on conservation area management of Sungai Sei Rindu Riparian Area. 29. Block M36 Division 2. Observation on land use title pole no. BAP 54. The pole is in good condition and well maintained. 30. Block I29 Division 5. Observation on land use title pole no. 64 and conservation area management of SRGE riparian area. Pole condition is in good condition and well maintained. There is x sign for border of no chemical spraying and fertilizer. There are 5 trees given x sign from river edge. 31. Block I28 Division 4. Observation on land use title pole management no 65 and conservation management of SRGE 1 riparian area. There is x sign for border of no chemical spraying and fertilizer. There are 5 trees given x sign from river edge. 32. Block N24. Observation on conservation management of cemetery. There is a signboard of HCV area. <p>Sungai Rungau Mill</p> <ol style="list-style-type: none"> 33. Hazardous waste Storage. Observation and interview regarding hazardous waste management. The storage has limited access and only can be accessed by the storage officer. Surrounding the storage was built close drainage and waste oil trap to prevent hazardous waste to the surrounding environment. Hazardous waste symbol is has been installed as regulated in Bapedalda Regulation no. 15 year 1995. Interview was conducted with the storage officer. 34. Processing station. Observation and interview with the worker in the mill processing station (sortation/grading, sterilizer, boiler, workshop). The worker has understood the procedure and working instruction in each processing stage. There is employee medical check. <p>Stakeholder consultation</p> <ol style="list-style-type: none"> 35. District Government of Seruyan (Plantation Agency, Manpower, Transmigration and Tourism Agency). The interview related to the company obligation to plantation management, manpower and environment agencies. 36. Village surrounding PT BAP (Rungau Jaya and Sebabi Villages). Interview relates to impact caused by the company operational, its contribution to the surrounding community and land ownership issue.
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-2	<p>Consultation of stakeholders for PT Binasawit Abadipratama was held by:</p> <ul style="list-style-type: none"> • Public Announcement placed in the www.mutucertification.com on 04 May 2015

	<ul style="list-style-type: none"> • Visit to surrounding villages and interviews with local communities (Rungau Jaya and Sebabi Villages) on 09 June 2015 • Visit to regional government institutions of Seruyan Regency (Plantation Agency, Social and Labor Agency, and Environment Bodies) on 09 June 2015 • Public consultation to NGO (Sawit Watch, WWF, AMAN) by email on 01 June 2015 <p>Input from stakeholders were clarified by PT Binasawit Abadipratama.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
ASA-2	The next visit (third surveillance) will be determined on May, 2016.

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

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

During the assessment, there was no Nonconformity were assigned against Major and Minor Compliance Indicator of P&C and also supply chain requirement for CPO mill and four (4) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Sungai Rungau Mill - PT Binasawit Abadipratama, Golden Agri-Resources Ltd complied with the requirements of RSPO Principle And Criteria For Sustainable Palm Oil Production On April 2013 And Supply Chain Requirement For CPO Mill, November 2014.

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.
	<p>The unit management has conducted socialization concerning on environmental, social and legal issues those are relevant with RSPO criteria. The socialization was held in October 27, 2014 intended to head of village, sub district government, NGO, PSM, Village Apparatus, Chief of Women Committee and contractor. It was attended by 47 participants and took place in Sungai Rungau Training Centre (SRTZ)-PSM 6-Region Kalimantan Tengah 2. The record of requested information response is available in form of stakeholder information and communication logbook. For example, the outgoing letter of response over request from Environmental Agency for quarterly report of fire management was sent on April 14, 2015 by letter no. 006/SRGE.G/IV/2015.</p> <p>Based on interview result and consultation with stakeholder in Environmental Agency of Seruyan District revealed that the company has reported the environmental management within the reports of environmental management and monitoring plan, hazardous waste balance sheet, fire management and land application as a medium to provide information on environmental, social and legal issues to the concerned stakeholders that relevant to RSPO criteria. Despite of it, based on interview with Mandiri Worker Union, the company has conducted socialization over RSPO to the worker.</p>
	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.
	<p>The company has clasified the publicly accessed document for stakeholder. The document is the general information of the company profile such as Environmental Impact Document, Environmental Management and Monitoring Plan, number of employee, list of employee basic salary, employee data and information related to land and building taxation, district redistribution payment, fertizer application, HCV report, SIA, working accident and OHS Guiding Committee.</p> <p>Based on interview with the concerned agencies (Plantation Agency, Environment Agency, Manpower and Transmigration Agency of Seruyan District), the company has met its obligation in reporting such as reports on plantation development, fire management, environmental management and monitoring plan, OHS Guiding Committee (P2K3), hazardous waste balance sheet and land application of effluent. Those mentioned documents contain company's general information that is</p>

publicly accessed.	
	Status: Comply
1.3	
Growers and millers commit to ethical conduct in all business operations and transactions.	
<p>The company has a written policy of its commitment on integrity code and ethical behavior in all aspect of the company operational and transaction that has been documented and communicated to all worker and operational level. The written policy is stated in Company's Business Ethical Policy. The policy stated that PT SMART Tbk. As one of plantation and palm oil processing companies in Indonesia has a commitment to operate ethically in all transactional and operational business aspects based on company shared value which is integrity, positive attitude, commitment, continuous improvement, innovation and loyalty and appropriate with the principle of sustainable palm oil management.</p> <p>The policy was implemented by continuous socialization by practicing the shared values to all employee, implementing standard of ethical conduct in all business activity including how to treat each other, stakeholder, broader environment and community, punishment for employee in regards to applied regulation over corruption and deception in budgeting and sources.</p> <p>Based on interview with unit management, the commitment to act ethically in all business aspects is implemented accordingly to principle of sustainable palm oil management. The values of shared values was continuously socialized to the employee by installing signboard in estate area such as office area and operational block. The signboard informs the value of integrity, positive attitude, commitment, continuous improvement, innovation and loyalty.</p>	
	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.	
<p>PT BAP has proved its obedience to the local, national and international regulation, such as:</p> <ul style="list-style-type: none"> • Having the land title certificate No. 17 year 2008, land title certificate no. 3 year 2003, land title certificate no. 4 year 2003, land title certificate no. 5 year 2003, land title certificate no. 6 year 2003 and land title certificate no. 7 year 2003. • Own plantation business permit as stated in Plantation Business Registration Letter no. 089/ Menhutbun-VII/2000 dated 23 Februari 2000 issued by Plantation and Forestry Department. • Own the environmental impact assessment document • Giving employee wage in regards to Minimum Sectoral Wage of Seruyan District. Interview result and document review proves that the employee salary in conforming the Minimum Sectoral Wage of Seruyan District • For OHS, the company has had efforts and its implementation such as the authorization of OHS Guiding Committee for mill and estates and permit of hazardous waste storage as stated in Decree of Head of Seruyan District no. 298/LH/2011 dated 23 September 2011. The permit is valid for 5 years since its issuance date. Other efforts are Hyperkes certificate for medical staffs, fulfillment of OHS expert and monthly meeting for OHS Guiding Committee has been conducted in each operational of mill and estate. • The company has done land clearing without burning as regulated in Technical Handbook of Management without Burning issued by Ministry of Agriculture, Indonesian Republic year 2011. • The company has registered the worker on limited pesticide applicator as regulated in Agriculture Ministry Regulation No. 24 year 2011 about requirement and mechanism to of pesticide registration. The company has showed some sample limited pesticide applicator held by Plantation Agency of Kotawaringin Timur District on 25 May year 2012 and 12 March year 2015 in sport hall of Sungai Rungau Estate. <p>Ensuring the compliance to the regulation, the unit management has listed the regulation concerning on plantation activities and evaluate the regulation. List of regulation and it evaluation is renewed every semester. The update list of regulation is available and grouped into:</p> <ul style="list-style-type: none"> • Manpower: 34 regulation and updated on 9 February 2015 	

- Environment: 46 regulation and updated on 9 February 2015
- OHS: 44 regulation and updated on 11 May 2015
- Plantation area legality: 23 regulation and updated 8 June 2015
- HCV: 10 regulation and updated on 9 February 2015

The unit management has showed the evaluation over the regulation that is explained in "list of evaluation over regulation compliance". The evaluation explained on regulation, chapter, condition, implementation/documentation, status and description. Based on the result of evaluation known that all regulation concerning on plantation has been fulfilled. There is the result of regulation evaluation such as Statue No. 13 year 2003 chapter 6 on condition that each worker has equal treatment without discrimination from the entrepreneur; implementation/documentation of employee data, SE Ref No.262/HR-Ops/08/10 on implementation of industrial relationship.

The unit management has adjusted to the change in regulation such as:

- Change in Decree of Head of Environmental Control No. 05 year 1995 into Regulation of Ministry of Environment No. 14 year 2013 related to hazardous waste symbol. The field visit to hazardous waste storage in Tangar Estate, Sungai Seruyan Estate and Sungai Rungau Mill show that the existing hazardous waste symbol has been adjusted to the new regulation.
- Decree of Kalimantan Tengah Governor No. 45 year 2014 issued on 6 November 2014 on District Minimum Wage and District Minimum Sectoral Wage of Seruyan District year 2015. Within the decree, it is regulated the District Minimum Wage is IDR 2,010,000 and District Minimum Sectoral Wage for agriculture is IDR 2,115,500. The decree valid from 1 January 2015. The observation result shows the unit management has paid the worker wage complied with the decree. Based on interview with sortation supervisor, the sortation worker in Sungai Rungau Mill and Head of Gender Committee of Sungai Rungau Estate and Tangar Estate, the basic salary payment and extra hour payment has conformed to the applied regulation.

Status: Comply

2.2

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

PTBAP has used the land as permitted in land use title and building title covering 20,180 Ha consisting of:

- Land use title No. 17 dated 18 March 2008 for 20,152.79 Ha
- Building use title no. 3 dated 28 July 2003 for 20,700 m²
- Building use title no. 4 dated 28 July 2003 for 53,900 m²
- Building use title no. 5 dated 28 July 2003 for 72,200 m²
- Building use title no. 6 dated 28 July 2003 for 72,100 m²
- Building use title no. 7 dated 28 July 2003 for 53,200 m²

PT BAP always monitors and maintains the legal boundary poles. The monitoring is conducted by each estate every 3 months. Based on monitoring result on December 2014 and March 2015 known that all poles (32 poles) in Tangar Estate and all poles in Sungai Rungau Estate are in good condition. The field visit to land use title pole BAP 030, BAP 034, BAP 035, BAP054, BAP 064 and BAP 065 show that all pole is well maintained and in good condition.

Based on analysis over map of area statement known that all area is effective and planned for plantation and suitable for palm oil plantation. There is no indication of unoccupied area due to land conflict. It is conformed to the interview result with the estate manager that informs there is no conflict with the local community. Based on information of PT. BAP known that there is no process of land leasing since the plantation started in 1994.

Based on interview Head of Village, Village Secretary, Village Representative Assembly of Sebabi Village and Head of Sungai Rungau Raya Village, known that there is no land conflict with mining company within the company area.

The company has had the procedure of land conflict resolution No. SOP/SPO/SMART/LH-04 dated 1 July 2010 and checked by Division Head of Environment and Sustainability Department. The procedure intended to guarantee harmonic communication between surrounding community with the company especially regarding to land ownership and land

conflict resolution in regard to applied regulation and statute. The procedure explains the structural resolution mechanism.	
Status: Comply	
2.3	
Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.	
<p>The interview with company management revealed that all current owned area gained from forest area release and by the time of land clearing there was no community land and no customary land. Within Decree of land use title No. 16/HGU/BPN/97 stated that based on minute of B Committee of Kalimantan Tengah Province No. 01/PPTB/1996 dated 10 July 2996 known that the land origin from state land (released forest area) and on the proposed land for land use title, there is no community occupied area and there is no objection from stakeholder, therefore B Committee concluded the proposal of land use title is accepted.</p> <p>Based on interview with head of Village, Village Secretary, Village Representative Assembly of Sebabi Village and Sungai Rungau Raya Village known that there is no customary land of the surrounding customary community within the company area.</p>	
Status: Comply	
PRINCIPLE #3 Commitment to long-term economic and financial viability	
3.1	
There is an implemented management plan that aims to achieve long term economic and financial viability.	
<p>PT BAP has a long term plan for period of 2014-2024 that describing FFB production, processed FFB, CPO production, PK production, OER, KER, inflation, CPO price, PK price, PKO price, production cost. For year 2015, PT BAP plans to receive 458,374 tonnes of FFB, producing 111,090 tonnes of CPO with OER of 23.14% and producing 26,659 tonnes PK.</p> <p>Based on planting year data from the estates (5 estates), the first planting year was in 1996 and the last planting year was in 2005 (refer to basic information in table 1.6.1) and has not conducted replanting yet. The company explains that PT BAP has rule to conduct replanting which is SOP/SMART/MCAR/II/TA-PRP Rev 0.0 year 2002. Point 2.2.1 explains the criteria to conduct replanting is as follow:</p> <ol style="list-style-type: none"> a. age of plantation is more than 25 year b. average tree diameter is above 13 m c. annual production is less than 14 tonnes per ha d. number of stand is less than 100 trees per ha 	
Status: Comply	
PRINCIPLE #4 Use of appropriate best practices by growers and millers	
4.1	
Operating procedures are appropriately documented and consistently implemented and monitored.	
<p>Document review during surveillance 2 assessment shows that PT Binasawit Abadipratama has owned procedure and work instruction of palm oil plantation best management practices covers land clearing until harvesting. The procedure and work instruction was developed by Management Committee Agronomy and Research (MCAR) in 2012. The procedure and work instruction is about planning on new area planting, replanting, nursery, new land clearing, planting activity, replanting, pest and disease control, weed control, manuring, maintenance of immature plantation, preparation of harvesting, harvesting, loading and transport of FFB and rainfall monitoring using Ombrometer.</p> <p>The company has complete SOP No. 04-09/MCMD-SOP/438 revision over palm oil processing into CPO and PK in Palm Oil Mill legalized by Edwin Ng (Chairman of MCMD) valid from 1 September 2010. SOP covers FFB receiving station, sterilization activity, threshing station, press station, clarification station, substation of oil recovery tank, nut and kernel station, boiler and engine room, water treatment, final effluent and storage tank cleaning. There is also available the SOP No. PT TN-SMLM/SOP/07 dated 1 May 2012 on transporting CPO and PK production.</p>	

The interview with spraying conducted by auditor in block Q16 Division IV Tangar Estate and block M31 Division I Sungai Rungau Estate shows that the SOP has been socialized to employee especially field workers during the morning briefing. Spraying workers and the supervisor can explain well about the working procedure referring to the SOP. For example, how to use the working tool safely, the proper wearing of PPE, pesticide mixing and washing pesticide that is environmentally safe.

The company has checked operational activity to evaluate the consistency in procedure implementation. The evaluation was conducted in form of operational internal audit (OIA). The internal audit was documented by each management unit. For example:

1. Tangar Estate: there was an audit on 5 to 12 July 2014 (audit report No. 31/VI-TNGE/14).
2. Rungau Estate: there was an audit on 1 to 8 July 2014 (audit report No. 30/VI-TNGE/14).
3. Rungau Mill: there was an audit on 13 to 19 November 2014 period of semester II 2014.

The internal audit was conducted by OIA routinely each semester. The internal audit result will be an evaluation for unit head on site as a tool to improve operational performance. Further, the internal audit result become an evaluation and performance valuation of unit head and the staff by top management.

During the field observation and document review, auditors record some evidence in form of operational activity documentation in mill and estate. The daily activity documentation is recorded in Supervisor book for harvesting, tree maintenance and road maintenance. The harvesting supervisor book provides information on harvested block, name of harvester, piece work basic, absent and working performance (hectare of harvesting area and number of working day). Despite, there is a book of harvesting that documented result of harvesting for each harvester in each block and harvesting collection point. Meanwhile, for FFB processing in mill, recorded in detail of all information related to processing activity. For example, total of FFB accepted, total of overnight FFB, total of processed FFB, stock of CPO and Kernel, CPO extraction rate and kernel, quality of oil (FFA, dirt and moisture), dispatch of CPO and kernel, processing hour and throughput. Records of operational both in mill and estate are detail documented every day and recapitulated monthly for any purpose such as employee payroll, report of realization and progress of maintenance and harvesting and others.

Based on FFB receiving record that is showed to the auditor, filed observation and interview with mill staff known that Rungai POM does not accept FFB from the third party including other estate under Sinarmas Group in Kalimantan Tengah.

Status: Comply

4.2

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

Some efforts conducted by the company to optimize the production result regarding the applied procedure are:

1. The company conducted land clearing by no zero burning method. One of the evidence of zero burning implementation is a clause within the working agreement with the contractor that mentions land clearing is conducted by mechanical technique without burning.
2. The company has applied fertilizer to get the maximum result. For example, the manuring is based on SMARTRI recommendation. For example, urea application in plant of 1997 planting year with dose of 0.750 kg/tree in Tangar Estate is applied as regulated.
3. The maintenance of soil cover crop to reduce transpiration (maintaining the soil humidity). For example, the planting of *leguminosae* and the maintenance of fern (*Nephrolepis bisserata*). It is always warned to all spraying workers not to spray the plant in morning briefing
4. The use of organic ingredient to develop soil fertility. For example, the use of EFB for marginal soil with dose of 40 ton/ha/year and for area without agrochemical application such as riparian area is applied EFB for the dose of 60 ton/ha/year. Meanwhile, the treated effluent application dose is 375 m³/ha/year. It is in accordance with manuring procedure and SMARTRI recommendation.

Ensuring the correct and accurate nutrient needed by soil in order to gain optimum palm oil production, the company has routinely analyzes leaves in all estate operational area. The activity is conducted by SMARTRI. The soil sample is

conducted once in 5 year on tree with 3 year, 8 year, 13 year, 23 year and a year before replanting. The last soil sample was issued by SMARTRI on 24 March 2014 (No. Ref. 021/TANAH/AL/ANLZ/03/14) and Rungau Estate on 25 February 2014 (No. Ref. 015/TANAH/AL/ANLZ/02/14). The tested parameter are water percentage, texture, pH of H₂O, pH of KCL, C organic, N total, C/N ratio, P, K, Mg, available P and cation exchange capacity and base cation exchange.

Leave analysis is conduct annually. The leave analysis result shows that the analysis was conducted on 16 August 2014 in Tangar Estate and on 19 August 2014 in Rungau Estate. The analyzed parameters are N, P, K, Mg, Ca, B and Cl. The conducted soil and leave analysis contributes for SMARTRI to redevelop its manuring recommendation for each block.

The company has documented fertilizer use well. There is a manuring record for each estate on Semester I year 2015 (January - 18 May) in the manuring data of:

- Rungau Estate: it is recorded the use of Urea, MOP, TSO, Rock Phosphate, Dolomite, Kieserite powder, Kieserite granular, Borate and CuSO₄.
- Tangar Estate: it is recorded the use of Urea, MOP, TSP, Rock Phosphate, Dolomite, Kieserite powder, Kieserite granular, Borate, CuSO₄ and DAP.

POME Application

- Tangar Estate: up to June 2015, there was the application of POME as much as 54,454 m³ (268 Ha). The POME is sourced from Semilar Mill. Application including application I and II
- Rungau Estate: up to May 2015, there was POME application as much as 122,520 m³ (429.41 Ha) sourced from Rungau Mill

EFB application

Rungau Estate: EFB application plan for semester I is 239.28 Ha (14,357.04 ton). The realization till May 2015 is 188.87 Ha (11,332.20 ton). The area for EFB application are Division I, II and V. All EFB application substitution is applied with the dose of 60 ton/Ha.

Tangar Estate: The EFB application plan for semester I is 541.70 Ha (72,000 ton) with supplement dose of 40 ton/Ha. The realization is 227 Ha (9,095 ton) that is applied in Division II, III and V. Meanwhile for substituted area planned for 98.48 Ha (13,611 ton). Until May 2015, there is a realization for 76 Ha (4,578 ton). The applied area is in Division III, IV, V and VI.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

PT Binasawit Abadipratama has had a map of semi detail soil survey that is documented by PMNP Department. Some soil survey maps with scale of 1:50,000 for each estate are:

1. Rungau Estate: No. Reg. 5271601/PMNP/VII/2009. Topography characteristic is dominated by flat and wavy.
2. Tangar Estate: No. Reg. 141/202/PMNP/III/10. Review by LSC in 2010 indicated mineral soil and peat for 39.14 ha. The topography tends to be flat, wavy and undulating.
3. Terawan Estate: No. Reg. 472/202/PMNP/VIII/09 with topography characteristic of flat, wavy and undulating and type of soil is mineral and sand.
4. Bukit Tiga Estate: No. Reg. 1367/202/PMNP/XII/11 with topography characteristic of flat and wavy. Soil type tends to mineral and sandy mineral.
5. Sungai Seruyan Estate: No. Reg.5331601/PMNPVII/2009. Topography characteristic tends to be flat, undulating and wavy. Soil type tends to be sand, mineral and sandy mineral.

Based on the review over semi detail soil survey above, land with peat category is located in Tangar Estate (soil type *typic haplosaprist*) for 39.24 Ha or 0.88% from total area of Tangar Estate. Regarding that classification, the company has conducted peat land management based on SOP of Peat land Management. Some treatments to peat land has been conducted such as monitoring on water gate and piezometer since 2009. Monitoring record of piezometer in 2015 that is conducted weekly showed that the water level is in normal level. The company has added monitoring instrument in a

form of subsidence pole to measure the reduction of surface water level in area that is categorized as peat land area (OFI No. 1).

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

The land management action for particular slope especially the one that indicated to have more than 15% slope is by maintenance of terrace construction and frond stacking surrounding plant circle, weeding surrounding plant circle and interrow and by letting wild plant growing to prevent erosion such as *Nephrolepis bisserata* and an effort to plant woody plant along the river. It is conducted in regards to prevent erosion and land degradation

In general, from document analysis known that the road maintenance in PT BAP has been conducting well. The reference for road maintenance is handbook of Sinar Mas Best Agricultural Practices for Palm Oil especially in chapter IV on road and bridge. The realization of road maintenance is recorded as below:

Tangar Estate:

1. Hardening road in 2015. The hardening road plan with laterite for volume of 13,326.28 m3. The realization till June 2015 is as much as 8.662,08 m3.
2. The hardening map 2015. There is a record of maintenance and fixing activity of broken road on a particular spots.
3. The map of allocated work and the use of hour meter road grader recorded that till May 2015 there is has been used 674 HM to conduct mechanic road maintenance.

Rungau Estate

1. Data of road hardening in 2014. Road hardening plan for 15,418 m3 with the realization of 15,422.11 m3. In 2015 planned 7,925.50 m3 with realization of 3,357.02 m3 of hardening road.
2. The realization of hardening road in 2015 showed the location of hardened road. For example, the main road M/L 40 till 53.

Based on field observation conducted in Rungau and Tangar Estates, all road and bridge in main road and collection road are in good condition. The drainage system is well set therefore the road can be used in all weather condition (all weather road).

The company has determined the marginal land classification in category of sandy soil and HCV area (riparian area). Therefore, there are some company's strategies in managing marginal the land, such as:

1. Applied EFB with dose of 40 ton/Ha/year as a supplement beside of inorganic fertilizer.
2. There is no agro chemical application in riparian area for both fertilizer and pesticide. Applied EFB application for 60Ton/Ha/year
3. Maintaining the soil humidity by not doing plant spraying that can protect land cover for example *Nephrolepis bisserata*.
4. The planting of erosion preventing plant type of Guatemala Grass and woody plant. For example in riparian area of Sungai Rungau Estate, Sungai Serindu Estate, Sungai Rungau Estate and Sungai Merah in Tangar Estate.

Status: Comply

4.4

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

PT BAP has practised to maintain the quality and surface water availability consistently which consists of:

- The planting of plant erosion barrier. Based on plant erosion barrier monitoring in December 2014 known that there was planting activity of Vertiver grass in Sungai Rungau Estate Block M36, M38, M29, J29, I28, I30, J19 and 120. The monitoring result shows the survived one is 411 clumps.
- The woody planting. The field observation in Block X61, Tangar Estate known there is *Angsana* and bamboo

tree.

- Conducting protection on riparian area that is not planted with palm oil in Sungai Estate. The field visit in Blok O30, Sungai Rungau Estate shows that the riparian area is still naturally covered.
- The bamboo planting. Field visit to SRGE, Block N35 and Tangar Estate, Block X61 shows there is bamboo grow with other woody plant.
- The prohibition to use agrochemical within \pm 50 m. Field visit to SRGE, Block N35 and Tangar Estate Block N63, Tangar Estate shows that there is X red paint on the palm oil tree that can be applied with agrochemical and fertilizer. Interview result with spraying worker in Tangar Estate and Sungai Rungau Estate revealed the worker has understood the spraying prohibition along the riparian area with distance of 5 trees from the edge of the river or on the tree that has been X red signed.
- The river water quality is tested every 6 month. There are the result of river water test result in 4 locations (Sungai Rungau Hulu-BTGE, Sungai Rungau Hulu-TNGE, Anak Sungai Rungau Hulu, and Sungai Rungau Hilir) that was taken on September 2014. The last test result on January 2015 informs that among 27 test parameters there are 2 parameters of COD and BOD that do not comply with the environmental threshold. The evaluation result of the two parameters that is not complied to the regulated threshold shows that the noncompliance is caused by external factor before river water flow into PT BAP plantation area. The parameters of COD and BOD of the river water that is not complied with the standard quality of river BOD and COD. Despite, the sample was taken during dry season and the river water was not flowing.
- No disposal of effluent into the water stream. Based on field visit, the effluent that is treated in WWTP before applied to palm oil plantation area. t to Sungai Mill revealed that effluent is treated in WWTP.

PT BAP has monitored effluent quality that is applied for land application monthly. Test result since May 2014 – March 2015 shows that the quality of BOD and COD of effluent are complied with the regulated standard environment quality.

Sungai Rungau Mill has monitored the mill water consumption. There is the result of monitoring and evaluation of water consumption. For example:

Description	January 2015	Feb 2015	March 2015	Apr 2015	May 2015
Processed FFB	36,896.45	30,874.26	37,395.60	38,655.90	37,643.34
M ³ air/ Ton FFB (actual)	1.18	1.28	1.19	1.16	1.16
M ³ air/ Ton FFB (budget)	1.14	1.14	1.14	1.14	1.14

Field visit to WTP shows that all flow meter are well functioned and in good condition. The WTP Officer will record the water use based on water flow daily. Result of water consumption evaluation in 2015 shows that water consumption is over the budget. It is caused by the flushing of 2 resin softener unit and increased water consumption since there was employee training.

Sungai Rungau Mill show the evaluation of water use in 2013. Based on monitoring of water consumption known that the water used was over the budget. The evaluation result informed that the over use of water is in line with the water taken by Bumiharjo Bulking to operate boiler and warm up storage tanks in bulking. Despite of that, the water used is a bit over the budget caused by so many request of water addition to emplacement to hold events and other suppliers. Based on the evaluation **non conformity no. 2014.01 with minor category is closed.**

Minor 4.4.3	Status: non conformity no. 2014.01 with minor category is closed.
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4.5
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.

The integrated pest management is stated in mature upkeep budget 2015. Some programs are: pest and disease detection with 6 cycle within a year, 4 times of pest and disease census within a year, twice a year of pest and disease spraying year, twice a year of caterpillar egg picking, twelve times in a year of host plant planting, 4 times in a year of

wildlife pest census attack, twice in a year of rat poison application, once in a year *Tyto alba* nest construction and twelve times of maintenance within a year.

The company has a good commitment to improve the use of pest natural predator as part of integrated pest control. One of natural predator development is the reproduction and the construction of barn owl box as a mechanism to control rat. Each estate has reproduction area that has been running and success in developing barn owl. For example, the reproduction area in block M 23, Division I, Rungau Estate. The reproduction area is aimed to supply the need of barn owl in Rungau Estate. Currently, there are 75 boxes in Rungau Estate, to control rat pest in area of 3,073.15 Ha. Meanwhile, in Tangar Estate, there has been 62 barn owl boxes for an operational area of 4,445.15 Ha. Ensuring the barn owl activity that has been introduced in barn owl boxes, the company has a procedure of boxes monitoring at least once a month. The monitored parameter are the existing of barn owl in the boxes, left food, sign of reproduction such as egg or owlet etc.. The field visit in Block M23, Division I, Rungau Estate shows that there is a barn owl boxes as a nest for barn owl.

There is a record of integrated pest management training that is held by SMARTRI Sub Station PSM 6 and 6A, Kalimantan Tengah on June 4, 2015 in Sport Hall of Rungau Estate. The event was attended by 69 employees from all estates in Kalimantan Tengah Region (Terawan Estate, Sungai Rungau Estate, Bukit Tiga Estate, Seruyan Estate and Tangar Estate).

Status: Comply

4.6

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

Based on the document review, the pesticide used by the company has been registered in the list and still valid the permitted circulation period by Pesticide Commission of Ministry of Agriculture, Indonesia Republic. The toxicity data of the used pesticide is recorded in monthly pesticide toxicity data recapitulation.

The company has had a policy on the use of pesticide aimed to minimize the pesticide application year by year. For example, the pesticide application for controlling weed in plant circle and inter row in immature plantation area will be reduced when the age of plantation has been in mature stage. The dosage of pesticide in plant circle and interrow in immature area is as much as 0.375 liter/Ha and will be reduced into 0.25 liter/Ha in mature plantation area. Along with the growth of height and canopy width that enlarge the canopy coverage, the weed growth is getting less, therefore, the applied herbicide dose is getting less as well.

The company has the commitment to reduce the agrochemical type 1A, 1B and paraquat. The commitment is stated in the policy of paraquat use issued by Agronomy Vice President of PT BAP dated 1 March 2010. The document mentions that the company commit to always control the environmental aspect and prevent the environmental impact and creating the safe working environment for all employee regarding to the use of paraquat agrochemical.

Despite of the policy commitment above, the company has showed the reduction of paraquat use mentioned in the Memorandum of President Director No. 044/PD/IX/2014 dated 21 November 2014. The memorandum is addressed to the estate top management to reduce the use of paraquat as much as ±30% by 2015 and stop the use of paraquat in 2018. Paraquat merely used to control *Noxious ferns*.

Data of paraquat and Brodifacoum use for the last 3 years is as follow:

Year	Paraquat used (liter)		Brodifacoum used (kg)	
	SRGE	TNGE	SRGE	TNGE
2012	630.79	961.09	-	-
2013	910.34	503.44	-	-
2014	860.00	747.02	101.99	-
2015 (May)	40.80	68.97	-	-

The above data informs that there is a quite high use of paraquat in Sungai Rungau Estate. Based on the Head Unit of Sungai Rungau Estate explanation and document review, the high level of paraquat use is regarded to the larger application area. For example, hectare in 2012 was 1,604 Ha and in 2013 there is a carried-over work, therefore, the working area is increased into 3,192 Ha and in 2014 the working area is increased to 3,335 Ha. In 2015. Based on the

memo of President Director there is a weed census that will be controlled into 162.94 Ha. The company has an opportunity to evaluate the use of paraquat each year to ensure there is a decreasing trend of paraquat use (**OFI No. 2**).

In regards to paraquat use policy, the company has an effort to reduce the use of paraquat and sending its spraying workers and supervisors to training of limited pesticide applicator that is held by Plantation Agency of Kotawaringin Timur District on 25 May 2012 and 12 March 2015 in Sport Haal of Sungai Rungau Estate. Some sample of spraying certificate of team member from Sungai Rungau Estate has been showed to the auditor.

Regarding pesticide application, the assigned officer has understood the working procedure of pesticide application. Further, there are some criteria those has been determined to ensure the safety work of pesticide use, which among of them are:

- Material Safety Data Sheet (MSDS) socialization to all assigned pesticide application officer every morning during the morning briefing. MSDS sheet has been located in storage facilities for working equipment, agrochemical warehouse, vehicle for transporting applicator team's equipment and supervisor's handbook.
- The use of appropriate PPE. For example, gloves, mask, eyeglasses, helmet, apron and boot. Observation over the spraying team in Mandang and Semilar Estates shows that all team member have been used the appropriate PPE.
- All pesticide applicator has joined training of limited pesticide use held by Plantation Agency of Kotawaringin Timur District.
- Tangar Estate: training of first aid by doctor of Kalimantan Tengah 2 Region in 29 May 2015 taking place in Hall of Eka Tjipta Elementary School of Tangar Estate attended by 24 people consisting of supervisors.
- Rungau Estate: first aid training by doctor of Kalimantan Tengah 2 Region in 4 June 2015 taking place in Sport Hall of Runga Estate attended by 23 people consisting of field supervisors, office employee and daycare staff.

Field visit to Tangar Estate and Sungai Rungau Estate shows that unit management has provided a place for washing and storing all pesticide containers. Ex pesticide container is washed and stored in storage before returned to pesticide producer. Based on document review and interview with the estate operational staff, there is a record of pesticide application by air that has been conducted by the company until nowadays.

The company has conducted specific medical checkup of cholinesterase for pesticide operators twice a year. The latest specific medical checkup was conducted on 12 December 2014, Semester II year 2014 to 24 employees (spraying workers, supervisors, warehouse chief, and warehouse clerk) and all result is normal. Based on interview with company doctor, until the surveillance 2 assessment conducted, the medical checkup especially for semester I year 2015 will be conducted by end of June 2015 and semester II is planned by December 2015.

Status: Comply

4.7

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

The policy on OHS is renewed on 1 November 2013 and authorized by Primary Director of PT SMART. As an evidence of its commitment. PT SMART Tbk. Determine and will implement OHS policy through communicate the policy and OHS management system to all employees and concerned stakeholders ensuring they understand the obligation related to company operational, obey all statue, regulations and other provision related to OHS. It is aimed as well to ensure the implementation of OHS management system as part company operational; identifying, evaluating and controlling the working risk in all activity within company working environment by approach on continuous improvement therefore there is no accident and disease resulted from work; managing and monitoring OHS management system indicator and conducting continuous improvement to elevate the OHS management performance. Based on interview with workers in Sungai Rungau Estate and Tangar Estate known that OHS policy was socialized routinely through safety briefing or morning briefing for employees.

Based on interview with General OHS Expert from unit management, the Hazard Identification, Risk Assessment and Risk Control (HIRARC) was developed by secretary of OHS Guiding Committee and Division head with the support from worker representatives. The HIRARC is evaluated when the fatal accident happen. HIRARC is socialized to all employee in every safety briefing informing the type of hazard and its preventive action. The unit management has showed the document of HIRARC in Tangar Estate, Sungai Rungau Estate and Sungai Rungau Mill period of 2015 for all activity in

mill and estates. Based on interview with the boiler officer in Sungai Rungau Mill known that HIRARC document has conformed with all activity in the station.

The company puts efforts on giving safety work such as:

- Training of the use of fire equipment conducted on 6 March and 30 April 2015 in Tangar Estate
- Training on emergency response in 30 April 2015
- Training on boiler SIO on 11-13 March 2015

Further, the appropriate protection equipment if provided for worker in working location to cope with operational risk such as:

- The provision of first aid kit box in Sungai Rungau Mill's emplacement as many as 1 boxes and 28 bags.
- First aid boxes in division office, daycare, school and parking area in Tangar Estate.

Based on field observation in Tangar Estate, Block P 36 to all harvester, known that PPE has been wear as regulated and all worker has understand the consequent of indiscipline PPE use beside the risk OHS. The worker will get reprimand from the supervisor if not wearing the PPE as regulated and will be asked to wear the PPE.

Sungai Rungau Mill has got emergency response team organization. Based on interview with SPO Officer of Sungai Rungau Mill, the officer explains that there is flow chart of emergency response covering fire, hazardous and poisonous material spillage and accident. Emergency equipment owned by mill are simple fire equipment, hydrant and first aid box that located in high risk area. Field visit in Sungai Rungau Mill shows that emergency response equipment is in good condition and well function.

Based on interview with spraying supervisor in block Q61, Division 4, Tangar Estate and harvesting supervisor in Block P63, Division 4, Tangar Estate, they have understand the mechanism of first aid that has to be conducted if there is a working accident. The supervisor has been equipped with first aid kit and have attended first aid training. The worker has understand the function of first aid kit contains as a tool to do first aid in working accident. Moreover, the trained supervisor is bringing first aid kit. Record of safety work been kept and evaluate periodically.

PT BAP has showed the payment receipt of Worker's Social Security Agency of Manpower for April – May 2015 that is equipped with list of all employee in membership of Worker's Social Security Agency of Manpower for working accident insurance. Based on interview with spraying worker in Block Q1 and harvesting worker in Block P 63, Division 4, Tangar Estate mention that they have been registered as members of Worker's Social Security Agency of Manpower. Meanwhile, for daily freelance worker, the company has given insurance organized by the company. It is supported by circular letter No.009/HR PSM 6/01/11 from Director to all Division Head of PSM 6, Regional Controller and Production Controller dated 3 January 2011 on working accident insurance and death insurance for daily worker. PT BAP is endorsed to consult with District Worker's Social Security Agency of Manpower regarding the payment for working accident insurance for daily worker (**OFI No. 3**).

The unit management has showed evaluation over compensation (insurance) for worker suffered hearing interference due to high noise level in working area. The company has given mutation letter for the suffered worker from boiler station to thresher station and give medical treatment and medical checkup in Murjani Sampit District Hospital. The company has reported the case to Manpower Social Insurance. Based on the explanation, **the non-conformity 2014.02 with minor category is closed.**

The unit management also shows the evaluation over the periodic medical checkup for high risk worker. Based on periodic medical checkup on December 2013, there was a case of hearing interference caused by noise of worker in Sungai Rungau Mill (clarification station, engine room, nut & kernel, press, boiler) and worker of Sungai Seruyan Estate (lawnmower operator and water engine operator). The company has evaluated result of worker's medical check up and evaluated the HIRARC. Based on the explanation, **the non-conformity 2014.03 with minor category is closed.**

All working accident has been recorded using Lost Time Accident (LTA) method, for example in Sungai Rungau Mill, the frequency rate (FR) in May 2015 is 5.85 and severity rate (SR) in April 2015 is 19.23. The SR and FR were drafted by OHS expert and approved by Chief of OHS Guiding Committee on 4 June 2015.

Minor 4.7.1	Status: non conformity 2014.02 with minor category is closed.	
Minor 4.7.2	Status: non conformity 2014.03 with minor category is closed.	
4.8		
All staff, workers, smallholders and contractors are appropriately trained.		
<p>The unit management has had a program of OHS Training for year 2015. The program is developed by OHS Guiding Committee Secretary and approved by Head of OHS Guiding Committee. Despite of the program, the unit management has drafted matrix of personal competency identification. Based on interview with SPO Officer the identification is referred to the employee need in compliance with employee's position and job description.</p> <p>The unit management has documented the record for each worker, for example the maintenance supervisor of Division IV, Tangar Estate (NIK 10029) explains that the attended training are the application of limited pesticide, sprayer maintenance training, application, calibration and first aid training.</p>		
	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.		
<p>PT BAP has owned Environmental Impact Assessment Document (ANDAL) and Environmental Management and Monitoring Plan for its estate and mill in Sub Districts of Danau Sembuluh, Seruyan Tengah and Hanau, Kotawaringin Timur District, Kalimantan Tengah Province. The document has been approved through Decree of Agriculture Ministry, Republic of Indonesia No. 015/ANDAL/RKL-RPL/BA/VIII/1997 dated 7 August 1997 covering 17,780 Ha of scope of Environmental Impact Assessment Document, environmental impact management and monitoring plan and the construction of mill with capacity of 60 Ton FFB/hour.</p> <p>PT BAP has managed and monitored environment in compliance with company's AMDAL Document. The environmental management and monitoring plan implementation is reported once per semester to the concerned agency. The last environmental management and monitoring plan implementation semester 2 (July – December) year 2014 was sent to Environmental Agency of Seruyan District on 16 March 2015 and Environmental Agency of Kalimantan Tengah Province on 17 March 2015.</p>		
	Status: Comply	
5.2		
The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced		
<p>PT BAP has conducted HCV identification in 2011. There is no HCV change in PT BAP since the previous assessment of surveillance 1. The managed HCV area of 1,503 Ha consists of riparian area, water catchment area and reservoir, valley with secondary forest and grave yard.</p> <p>PT BAP has managed the HCV area and protected the RTE species consistently, for example:</p> <ul style="list-style-type: none"> The riparian management (the border pole maintenance, spraying border maintenance, direct socialization, maintenance of HCV area signboard, rehabilitation, maintenance of rehabilitation plant and HCV security). It refers to criteria 4.4. The endangered RTE species management by direct socialization, maintenance of HCV signboard and protected flora and fauna, HCV security). Based on field visit to Pondok 2 and TNGE office; Sungai Rungau Riparian Area, Block C30 SRGE shows there is signboard of protected species. Public consultation result with worker and community revealed as well that they have understood on prohibition of protected species hunting and having protected species as pet. 		

- The management of water source (direct socialization, maintenance of HCV and type of protected flora and fauna signboard, HCV area security). Field visit to Block N63 TNGE shows that area surrounding the water source has been installed with signboard, signed "X" with red painting on palm tree that must not sprayed and manured. There is also fence installed on water source area.
- The management of grave yard (direct socialization, maintenance of HCV and type of protected flora and fauna signboard, HCV area security). Based on field visit to Block N24, SRGE shows that there is information board regarding HCV.
- The HCV monitoring (monitoring on HCV attribute, monitoring on HCV area condition, monitoring on RTE species, monitoring on HCV area rehabilitation. PT BAP is able to provide report for semester 1 and semester 2 year 2014. Based on report period of July – December 2014 known that the type of met species is not different from the previous period (January – June 2014).
- Installing signboard in wildlife route track. Field visit in SRGE and TNGE shows that there signboard mentions "be aware, wildlife route, 20 km/hour maximum speed" in HCV area that is fragmented by road construction.

Applied indiciplinary actions for worker who catch, harm or collect RTE species are regulated in Internal Office Memo from MD Services & Project No. 1231/M-Int/MDSP-VIC/XI/11 dated November 25, 2011 on the policy of zero tolerance to endanger RTE wildlife.

Status: Comply

5.3

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

The unit management has identified all waste product and pollution source from the operational of estate and mill. Identification of waste and pollution source is conducted and further is managed and controlled as regulated in applied regulation and provision. Field visit and interview result with workers in Sungai Rungau Estate, Tangar Estate and Sungai Rungau Mill show the waste is managed complying impact identification, for example:

- Used oil waste, used filter and hazardous contaminated rag from workshop is kept in hazardous waste storage.
- Domestic waste is collected in garbage bin and then dispose to landfill. Field visit to block R 61, Division 4 Tangar Estate shows that the domestic waste has been disposed to landfill.
- Used pesticide pack is washed in specific place and then kept in hazardous waste storage.
- The polluted pesticide water from pesticide containers washing is reused as solution for pesticide.

PT BAP has owned permitted hazardous waste storage in regards to:

- Decree of Head of Seruyan District No. 298/2011 dated 23 September 2011. There is 1 permitted location which is Sungai Rungau Mill
- Decree of Head of Seruyan District No. 313/2012 dated 22 June 2012. There are 5 permitted locations which are Seruyan Estate, Terawan Estate, Bukit Tiga Estate, Rungau Estate and Tangar Estate.

Hazardous waste is stored in permitted hazardous storage and then sent to legal collector of PT Maju Jaya Asri Utama. The newest minute of handover of hazardous waste is available. The last handover is conducted on 9 April 2015 from OT BAP to PT Maju Asri Jaya Utama detailed 2,496 liter (12 drums) of used oil, used oil of 640 A (11 drums), rag for 220 kg (1 drum), used oil filter 306 pieces (2 drums). The auditor observes the hazardous waste of Sungai Rungau Mill, Sungai Rungau Estate and Tangar Estate, where the storage has been completed with hazardous waste symbols, limited access to assigned officer, spillage trap is available, and the officer is equipped with PPE, proper ventilation system. The assigned officer monitors the incoming and outgoing waste to and from the storage and ensuring waste is sent to the legal collector within 90 days. Based on interview with environmental staff and SPO Officer, the handover to the collector is held in permitted hazardous waste in Sungai Rungau Estate for all estate and for mill is handed over in permitted hazardous waste in Sungai Rungau Mill.

The field visit shows that the domestic waste is collected in landfill, such as in Block R 61, Division R 61, Division 4, Tangar Estate where the location of landfill is far away from emplacement and water source. Despite of that, the waste bank in Pondok 1 Sungai Rungau Estate is intended to reduce inorganic waste such as plastic, glass and can waste. Meanwhile, sludge is managed as effluent for land application in estate. Field visit (Sungai Rungau Estate) to knapsack washing place, used pesticide containers and polluted water from washing knapsack is collected in basin and reused for

spraying activity. Based on field visit on operational activity in Sungai Rungau Mill, known that the waste management is conducted by collecting and separating between organic, inorganic and metal solid waste. The organic and inorganic waste is placed in landfill and hoarded, meanwhile the metal waste is collected in specific place and then distribute to special collector to be reused. Effluent is controlled and managed using WWTP for land application. The management process of effluent generated from FFB process is recorded, controlled and documented.

Based on field visit to Polyclinic of Tangar Estate and Sungai Rungau Estate, there is a closed garbage bin of sharp and non-sharp medical waste. Regarding the extermination company medical waste, the company collaborates with Sultan Imanudin Hospital in Pangkalan Bun and the last deliver is on April 2014. According to the company doctor explanation, the hospital is no longer accept company medical waste. Until the assessment is conducted, the company is storing medical waste from April 2015 (over the maximum allowed storing period which is 90 days) and is looking for the third party to collaborate in collection and extermination of infectious medical waste (OFI No. 3)

Status: Comply

5.4

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

Sungai Rungau Mill has used the renewable energy to reduce the use of fossil fuel. The analysis result shows that by using renewable energy, it can save the use of fossil fuel for average of 3.4 litre/Ton FFB.

Status: Comply

5.5

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

Since surveillance 1 until surveillance 2 known that there is no land clearing or replanting. Conducting the land clearing, PT BAP referred the activity to procedure/working instruction of Technical Palm Oil Agriculture, SOP No. SOP/SMART/MCAR/IV/TA-PLB about new land clearing. The SOP is valid since 12 June 2012. The document mentions the purpose of the procedure is preparing new land clearing for palm oil planting based on zero burning principal in compliance with technical agronomy. The document explains the stages of process on new area clearing are block clearance, road construction, drainage construction, land preparation of ex grassland area (chemical system), land preparation of ex secondary mineral forest (slashing, cutting down, stake for staking line, mechanical stacking, slashing line) and terrace construction (contour terrace, individual terrace).

Alongside, there is a record of fire simulation as follow:

- Tangar Estate: the last simulation was conducted on 28 April 2015 located in yard of Pondok 2 Tangar Estate with the agenda of emergency response simulation (earth quake, land fire and emplacement fire). The activity is followed by 78 participants from all division in Tangar Estate.
- Rungau Estate: the last simulation was conducted on 15 April 2015 located in emplacement yard of Pondok 1, Rungau Estate with the agenda of emergency response simulation (earth quake, land fire and emplacement fire). The activity is followed by 45 participants from all division in Rungau Estate.
- Rungau Mill: the last simulation was conducted on 17 February 2015 with training agenda and simulation on the use of fire equipment and emergency response. The event was attended by 25 participants consists of all emergency response team and mill's staff

Status: Comply

5.6

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

PT BAP – Sungai Rungau Mill has conducted GHG measurement for the period of January – December 2014 using palm GHG calculator. The calculation result shows that the GHG emission sourced from:

1. ESTATE:
 - Fertilizer (mineral) manufacture and transport
 - N₂O from fertilizer (mineral and organic) application

- Fuel consumption.

2. MILL

- POME.
- Fuel consumption.

The calculation of PT BAP's GHG (Sungai Rungau Mill) has been submitted to RSPO secretariat through email on 8 June 2015.

In minimizing GHG emission, the unit management conducted:

- The use of fertilizer and herbicide as recommended dosage. It has been explained in criteria 4.2 and criteria 4.6.
- Using renewable energy. It is explained in criteria 5.4
- The engine machine (emission source) periodically, for example:
 - Based on cleaning working department process on Sunday, 31 May 2015 there was ashes cleaning on boiler dust collector no 1 and 3; the ashes cleaning on cooling grate boiler no 1 and 3; cleaning on impeller boiler 1 and 3; the cleaning on ash hopper boiler 1 and 3 on 09.00 – 19.00.
 - Based on emission reduction on generator no.2 and generator no.4 known that on 18 May 2015, was conducted oil replacement, fuel filter replacement, oil filter lube replacement, water filter replacement and replacement of air filter. Interview result with generator operator in Sungai Rungau Mill shows that the maintenance is routinely conducted by unit management.

Status: Comply

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

6.1

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

PT BAP owns Study Report of Social Impact Identification of PT BAP's Palm Oil Mill and Estate (Danau Seluluk Sub District Seruyan District, Kalimantan Tengah Province). The study was conducted by Environment Department of PT SMART Tbk. and drafted on March 2012/ The study was covered positive and negative aspects and impacted community involvement. Social management and monitoring plan was drafted by involving the participation of impacted community in regards to company an mill operations. There are evidence of community involvement in collecting field data which among of the evidence are:

- Attendance list of information through questionnaire delivery to Sebabi Village Community, taking place in Sebabi Mosque on 22 May 2012.
- The attached filled questionnaire by Villagers (respondents)
- Pictures of data collection.

Based on the interview result with the company management known that the company has routinely administer RSPO socialization annually, including the socialization of social management and monitoring. The RSPO socialization are as below:

- Worker In Tangar Estate on 2, 3, 4 February 2015
- for partner/contractor on 6 January 2015 taking place in Meeting Room of Tangar Estate.
- For contractor of Sungai Rungau Estate was held on 13, 16 February 2015
- For worker of Sungai Rungau Estate was held on 13 and 16 February 2016
- For staff of Sungai Rungau Mill state was held on 21 October 2014 for RU

The drafting of Social Impact Management and Monitoring year 2015 has been socialized and consulted to Rungau Jaya Village on April 2015 and documented in Implementation of social impact in 2014 on June 2014.

The company has had the implementation of social impact monitoring form revision 2014. The detail information is as below:

- Community restless related to Rungau POM smoke pollution that disturbing the community, source of smoke impact generated by mill during processing period, the effort to manage the impact through maintenance of equipment that generates smoke, maintenance on duct collector, boiler and generator performance.
- The worry of the community regards to boundary canal that has no warning signboard, source or security and safety impact of people in the surrounding area of boundary canal located, management activity on monitoring of the warning board installation once a month, developing integrated maintenance program with erosion control plant and monitoring on signboard maintenance every 3 months.
- The restless community in regards to slide land outside land use title area due to boundary canal construction, source of impact is the 2-3 m area left on side of boundary canal is tend to slide and mix with soil that has been dug as border, the management is by erosion control plant planting.

The report of Environmental Management and Monitoring Plan, Semester 2 year 2014 of PT BAP has delivered to Environment Agency of Seruyan District on 16 March 2015, Head of Environment Agency of Kalimantan Tengah Province on 17 March 2015, and Ministry of Environment on 17 March 2015. The Land Application Management and Monitoring Report, third quarter year 2014 to Environment Agency of Seruyan District on 16 March 2015. In general, the report of environmental management and monitoring plan has covered all environmental aspects required by Environmental Impact Analysis Document. Based on consultation with District Environment Agency of Seruyan District, considered the company has reported the actual condition of the company.

Status: Comply

6.2

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

PT BAP has procedure on Communication and Consultation (SOP/SMART/UMUM/SAD VI/004) that is issued on 1 July 2014. The communication and consultation procedure explains the user on the communication and consultation handling related to implementation of principle and criteria of Sustainable Palm Oil (SPO) in each operational area of PT SMART Tbk companies. The procedure contains guidance in planning and implementing communication and consultation among stakeholders. The procedure is equipped with mechanism of implementation, communication response and information delivery to stakeholder and flow chart explaining the detail steps of activity actualization and related document. Consultation responsibility with the community is the responsibility of Manager in each estate as the PIC. There is a stakeholder list and contact person of PT BAP that covered information on structural position, institution, address, phone number and name of officer. The list was composed in March 2015.

Based on interview with Head of Rungau Raya Village, explained that the company has attended the Village Development Planning Deliberation in 2015 that is conducted annually. According to the explanation of Corporate Social Responsibility (CSR) Department, the document result of Village Development Planning Deliberation becomes one of foundations to draft CSR program.

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.

PT BAP has procedure of complaint and grievance handling (SOP/SMART/SIGS-CSR/SADV/II/003) issued on 1 July 2014. The procedure explain the guidance to complaint and grievance reporting and the further step of its handling in regard to the implementation of SPO principle and requirement in each operational area of PT SMART Tbk.'s palm oil companies. The procedure is as a guidance to manage and resolve complaint and grievance sourced from existing problem with land out of the company. The procedure covers the handling mechanism on complaint and grievance including person in charge (PIC) on each complain submission process, complaint delivery mechanism, reporting chart and further taken action.

There is a complaint and objection record in book of complaint and objection based on the written complaint received or the one in the complaint box. Based on the tracking back on incoming letter handbook and suggestion box in Tangar Estate, Sungai Rungau Estate and Sungai Rungau Mill till 31 May 2015, known that there is no complaint nor objection

from external stakeholders. The interview with Head of Rungau Raya Village and Sebabi Village shows that there is no complaint coming from community.

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.

PT BAP has its procedure on land compensation that has been revised till surveillance 2. Land compensation procedure no. SOP/NP/SMART/VII/D&L002 applied since 1 July 2010. The procedure scope is all activity related to process and compensation mechanism for land compensation within the location permit/land right processed by the company.

Based on PT BAP management information, there is no more land leasing since 1994 and there is no land dispute nor conflict over private land right lost and traditional right within the area under company management.

Interview result with the Head of Village, Secretary Village, Village Representative Assembly of Sebabi Village and Head of Rungau Raya Village explains that there is no land dispute within the company area. The similar opinion is stated by company management that there is no land conflict nor land claim within the company area.

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.

The Governor Decree of Kalimantan Tengah Province No. 45 year 2014 determined the Minimum District Wage and Minimum District Sectoral Wage of Seruyan District year 2015 by 6 November 2014. The decree enacted the minimum district wage is IDR 2,010,000 and the minimum sectoral district wage for agriculture industry is IDR 2,110,500,-. The Head of District Decree applied from 1 January 2015. The observation result on wage record shows that the unit management has paid the worker in compliance with the decree. Based on interview with the foremen and sortation worker in Sungau Rungau Mill and Chief of Mandiri Worker Union of Sungai Rungau Estate and Tangar Estate, known that the payment of basic salary and overtime payment has been in accordance with the applied regulation.

The unit management has a cooperative agreement between PT BAP and Mandiri Worker Union of PT BAP, Kalimantan Tengah Region 2 period of 2014 – 2016. The worker union has been registered in Tourism, Transmigration and Manpower Agency of Seruyan District based on the decree no. 560/836/DISNAKERTRANSPAR/VII/2014 dated 7 July 2014 and valid for 2 years since it is signed by both parties and registered in the concerned institution.

Based on observation in emplacement of Tangar and Sungai Rungau Estate, the unit management has provided emplacement, clean water that sourced from well, health facility in form of estate polyclinic, education from kindergarten until junior high school and general facilities such as praying building, sport facility, daycare, employee hall, smart house, school transportation and multifunction hall.

The location of PT BAP is located in Rungau Raya Village, Seluluk District where the access to get proper and enough food with the reasonable price is available and easily accessed. The distance between employee emplacement location with the closest market is ± 3 Km. Moreover, based on interview with the worker, known that the company does not limit the worker or merchant from outside conducting transaction in employee emplacement. Based on interview with the gender committee executive known that there is an applied program of vegetable and medical plant gardening in the back yard of each employee. It helps the workers providing their family's need of vegetables.

Status: Comply

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.

The freedom for union is regulated in circular letter no. 020/HR PSM6/01/11 authorized on 3 January 2011. The circular letter state that the company gives a freedom for its employee to associate and gather. The language used in circular letter is Indonesian language. There are three worker unions which are (1) mandiri worker union of Sungai Rungau is registered in Tourism, Transmigration and Manpower Agency, Seruyan District No. 560/1633/NAKTRAN/X/2011 dated 21 October 2011. The board of organization is available. There is an internal meeting and owned articles of organization and bylaws (2) Bipartite Cooperative Institution of Tangar Estate has been registered in Manpower, Transmigration and Tourism Agency of Seruyan District no. 560/458/Disnakertranspar/IV/2015 dated 15 April 2015, the board of organization is available. There was an internal meeting and has article of organizations and bylaws; (3) Mandiri Worker Union of Sungai Rungau Mill has been registered in Manpower, Transmigration and Tourism Agency of Seruyan District No. 560/698/Disnakertranspar/VI/2013 dated 26 July 2013, the board of organization is available. There was an internal meeting and owned article of organizations and by law.

The interview result with Head of Tangar and Rungau Estates's Worker Unions explains that the company does not treat its employee discriminatively starts from the recruitment and by the time of working in all type of work. Besides that, the interview results shows that there is no prohibition for the worker to join the worker organization. It is explained by the worker in daycare that the company does not act discriminatively to women worker. If there is a sexual harassment to women then it will be reported to the Gender Committee and further settled down.

Status: Comply

**6.7
Children are not employed or exploited.**

The company has regulated the policy on allowable age of worker recruited and the policy has been complied by the workers. The document review that is stated in Cooperative Working Agreement clause 4 point 2 on the worker recruitment. The company set the minimum allowable age for worker candidate in the company as regulated in applied manpower regulation. Based on employee data, there is no worker under 18 year old. On field visit to Tangar Estate found the signboard of prohibition of work for children under 18 year old and no children under 18 year old who are working on estate operational. Interview result with worker in Tangar Estate, Sungai Rungau Estate and Sungai Rungai Mill, shows that the worker understand the minimum age that is allowed to work.

Status: Comply

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

The antidiscrimination policy explained that the circular letter no. 034/HR OPS/01/11 dated 3 January 2011 on the implementation of industrial relation in PT BAP and the company regulation period of 2014 -2016. The circular letter and the company regulation explain the industrial relation without discriminate ethnic, religion, race and sexuality in all work type should be in place.

The interview with Head of Tangar and Rungau Estates working union explains that the company does not treat its employee discriminatively starts from recruitment and by working for all type of work. It is informs as well by the PT BAP worker that the company does not discriminate women worker. If there is a sexual harassment to women then it will be reported to the Gender Committee and further settled down.

Status: Comply

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

PT BAP has own the policy to prevent all sexual abuse and sexual harassment. The company policy on sexual harassment prevention stated in circular letter from Director with Ref. No. No.118/HR.PSM06/08/2011 on all Unit Head dated 1 August 2011 on the policy of prohibition on doing sexual harassment with the penalty of indiscipline act till the employment termination. The interview result with the Gender Committee of Tangar Estate and Board of Gender Committee of Sungai Rungau Estate informs that there is no case of sexual harassment reported to Gender Committee. The routine gender committee activity is socialization on sexual harassment and submission mechanism if there is a sexual harassment. The interview result with women worker in Sungai Rungau Estate and Tangar Estate shows that the

worker has understood the existence of gender committee and the policy regarding women right protection.

The policy on worker reproductive right, especially for women has been implemented through menstrual leave and pregnant leave. Based on interview with company doctor, board of gender committee and spraying worker in Sungai Rungau and Tangar Estate, known that the women worker get menstrual leave, pregnant leave, breastfeeding leave and childbirth leave as regulated. It has been socialized together with the other gender committee programs such as socialization on sexual harassment prevention.

The unit management has a specific complaint mechanism respecting to the anonymity of gender committee forum that has been socialized to the worker. The unit management has showed the conducted activity note of socialization on sexual harassment prevention and committee gender that held on 15 April 2015 in Pondok 1 and was attended by employee who live in Pondok 1. The socialization topic is the function of committee gender as a forum to receive complaint from women worker if there is a sexual harassment and then further reported to Unit Head for problem solution.

Status: Comply

6.10

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

Based on the interview and document review with the mill operational staff both mill and estate, known that the company does not buy any FFB from third party.

PT BAP has a cooperation with the third party (local contractor) to support the operational activity. For example, the FFB transport contract No. 016/SRGE/LKL/03/15-ATBS between the company and the contractor for FFB transport Division III. Within the working agreement states the requirement and condition of the work followed by the right and obligation of both parties including the value of the work and payment system. It is mentioned in 10 clause within the contract. The invoice was submitted every date 25 every month by enclosing the detail of payment and weighbridge card from mill. The agreement has been understood and agreed by both parties proven by the both parties signature with stamp duty in the contract.

Based on interview with the local contractor, known that the payment has been delivered on time. It means during the cooperative agreement between the company and the contractor, there has not been any payment delay out off the agreed date yet. The document observation shows one of payment evidence in form of billet gyro on 29 May 2015 for work on April 2015. Therefore, it is concluded that the agreed payment has been conducted on time regarding the working agreement letter.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

The interview result shows that the CSR program is based on the recommendation of SIA valuation in 2012, Village Development Planning Deliberation, program and community request. PT BAP has a document of Village Development Planning Deliberation result for Sebabi, Asam Baru and Rungau Raya Villages. The result of interview with Head of Rungau Raya Village explained that at the event of Village Development Planning Deliberation, the company was invited and attended the event; the result was handed over. There is a document review on social impact management and monitoring plan for palm oil plantation of PT BAP year 2014.

Based on field visit to Sebabi Village and Rungau Raya Village and interview result with Head of Village, Village Representative Assembly and Village Secretary, explained that the company has paid attention to estate surrounding community. For Sebabi Village among others are road hoarding for 5 km, scholarship for elementary student and massive medication and for Rungau Raya Village, there are the electric installation for 386 houses year 2014 and assistance for worship facility. The relation between company and the community is harmonic and no friction. Interview result with CSR Division, it is explained that the CSR program realization is focused on Sungai Rungau Estate.

Based on legal document review and interview with PT BAP management, Head of Village, Village Representative Assembly and Village Secretary of Sebabi Village and head of Rungau Raya Village known that there is no smallholder

under PT BAP coaching.	
	Status: Comply
6.12	
No forms of forced or trafficked labour are used.	
Based on interview with Unit Management (Human Resource Staff) and document review, known there is no illegal traded worker nor enforced worker in any form. Auditor has interviewed the maintenance worker, Division 3, Sungai Rungau Estate, known that there is no enforcement in any form to sign the working contract agreement. Within the contract is explained that the work position, salary that conforms with minimum district wage/minimum district sectorial wage, premium, allowance, benefit, leave of absence and added information it is in prohibition period with certain period. The contract is presented in Bahasa Indonesia and easily understood.	
	Status: Comply
6.13	
Growers and millers respect human rights	
The policy on human right respect is stated in Social and Community Engagement Policy that is issued on 10 November 2011 point 6 on the respect in human right. Social and Community Engagement Policy has been socialized to: <ul style="list-style-type: none"> • Worker of Tangar Estate on 2-4 February 2015 • Partner/Contractor on 6 January 2015 • Worker of Sungai Rungau Estate on 13 and 16 February 2015 • Worker of Sungai Rungau Mill on 20 April 2015 	
	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.	
PT BAP does not expand the plantation area and does not open new area since surveillance 1 (May 2014). Based on the planting year range, known that the planting year area 2005, 2006 and 2007. For the planting year of 2005, known that the land clearing was conducted before 1 November 2005. It is revealed from the minute of inspection of land clearing work that explains the last land clearing was conducted on August 2005. Meanwhile, for planting in 2006 and 2007 were supplying planting.	
	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.	
PT BAP does not expand the plantation area and does not open new area since surveillance 1 (May 2014). Based on the planting year range, known that the planting year area 2005, 2006 and 2007.	
	Status: Comply
7.3	
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	
PT BAP does not expand the plantation area and does not open new area since surveillance 1 (May 2014). Based on the planting year range, known that the planting year area 2005, 2006 and 2007. For the planting year of 2005, known that the land clearing was conducted before 1 November 2005. It is revealed from the minute of inspection of land clearing work that explains the last land clearing was conducted on August 2005. Meanwhile, for planting in 2006 and 2007 were supplying planting.	
	Status: Comply

7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
PT BAP does not expand the plantation area and does not open new area since surveillance 1 (May 2014). Based on the planting year range, known that the planting year area 2005, 2006 and 2007.		
	Status: Comply	
7.5		
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
PT BAP does not expand the plantation area and does not open new area since surveillance 1 (May 2014). Based on the planting year range, known that the planting year area 2005, 2006 and 2007.		
	Status: Comply	
7.6		
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.		
PT BAP does not expand the plantation area and does not open new area since surveillance 1 (May 2014). Based on the planting year range, known that the planting year area 2005, 2006 and 2007.		
	Status: Comply	
7.7		
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
PT BAP does not expand the plantation area and does not open new area since surveillance 1 (May 2014). Based on the planting year range, known that the planting year area 2005, 2006 and 2007.		
	Status: Comply	
7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
PT BAP does not expand the plantation area and does not open new area since surveillance 1 (May 2014). Based on the planting year range, known that the planting year area 2005, 2006 and 2007.		
	Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1		
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.		
The unit management of PT BAP monitor and evaluate their activities routinely and developing and implementing action plan that give a chance for continuous actual improvement on main operation, for example:		
<ul style="list-style-type: none"> • Environmental Aspects: Unit management of PT TN and PT BAS has waste management. The program is waste bank program where the program is a government recommended program. The pilot project has been conducted for example in Sungai Rungau Estate where the employee has separated organic and non-organic waste from emplacement. Non-organic waste is collected in the pointed location to be reused or sell to waste collector. • Production aspect: The unit management has conducted internal audit routinely in term of operational activity evaluation to evaluate the consistency of procedure implementation. • Social Aspect: The unit management gave continuous social assistance in form of community development and CSR program for village surrounding the company. 		
	Status: Comply	

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module D) CPO Mills – Identity Preserved Requirements
D1	Definition
D.1.1	<p>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.</p> <p>SOP SCCS PT BAP-SRUM/SOP/28 dated 1 June 2015 among others explains:</p> <ul style="list-style-type: none"> • Definition of supply chain, IP, dispatch, SPN, SPP, Weighbridge computerized, certified product, TBS, supply chain management certification, product and raw material • IP is a supply chain model that physically separated and produce product based on certified product only.
	Status: Comply
D.2	Explanation
D.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Unit management of Sungai Rungai Mill has documented annual CPO and PK production and it can be shown to auditor; the estimation produced CPO and PK production of Sungai Rungau Mill that is explained in annual RSPO report.</p>
	Status: Comply
D.2.2	<p>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).</p> <p>The unit management has registered on the IT platform the information on:</p> <ul style="list-style-type: none"> • Member Name: PT. Binasawit Abadipratama - Sungai Rungau Palm Oil Mill • Account ID: RSPO_AC1000001184; • Member ID: RSPO_PO1000001155;
	Status: Comply
D.3	Documented procedures
D.3.1	<p>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:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; 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 SOP on RSPO SCCS Model Identity Preserved (PT BAP-SRUM/SOP/28) dated 1 June 2015 composed by document controller, checked by Mill Manager and approved by Production Controller. The procedure covers RSPO SCCS referred to RSPO SCCS 21 November 2014 and RSPO SCC Standard Module D CPO Mills: Identity Preserved, 21

November 2014 and SOP of Palm Oil Mill Processing, PT SMART 2013.

The personnel involved are mentioned in part 3 of the procedure who are security, weighbridge clerk, Mill/Estate/KCP Assistants, Administration Head, Production Controller and Support Department.

During the field visit, the traceability personnel, Head of Administration, Security and weighbridge officer can explain the received certified FFB according to the scope of SCCS model.

It is explained, in accordance with the socialization set by the management of PT BAP SRUM that since 1 May 2014, PT BAP, Sungai Rungau Mill states that Sungai Rungau Mill has implemented SCCS system SG (currently it is changed into IP since RSPO SCCS standard of SG change into IP)

Status: Comply

D.3.2

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

It is explained in point 6.1 on raw materials and point 6.4 on the raw materials processing SOP SCCS PT BAP SRUM/SOP/28 dated 1 June 2015. Stated that the declaration of Sungai Rungau Mill Management Representatives on 1 May 2014 that the model SCCS is effectively applied since 1 May 2014. The company is able to show that the received FFB is in accordance with the certified FFB supplier list and processed into CPO and PK. The daily production report and processed FFB balance sheet shows that CPO Mill has mechanism and documented in SCCS Module IP.

Status: Comply

D.4

Purchasing and goods in

D.4.1

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

Document of certified FFB and non-certified FFB is verified through FFB reception that is received by mill (point 6.1.1) where FFB source is identified to be in accordance with the supply list determined by the company and signed by Mill Manage on 10 April 2014. P BAP has computerized system to record FFB that is weighed and within in has been designed able or not able accepting certified FFB and non-certified. The system determines that certified FFB comes from PT Binasawit Abadi Pratama consisting of Sungai Rungau Estate, Seruyan Estate, Tangar Estate, Terawan Estate and Bukit Tiga Estate. Documentation is conducted based on FFB delivery letter and weighbridge card.

Sungai Rungau Mill has documented certified and non-certified FFB daily. Since gained RSPO certificate ASA-1 (26 August 2014) until surveillance 2 assessment (6 June 2015) known that all received FFB is RSPO certified FFB as much as 341,773.74 Ton.

Interview result with weighbridge officer shows that all worker has been trained SCCS. It is explained that computer system can identify the status of FFB received by input the location of FFB coming from (Block, Division and Estate)

Status: Comply

D.4.2

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

PT BAP, Sungai Rungau Mill has procedure of RSPO certified product reporting, document no, PT BAP-SRUM/SOP/26 that is authorized by Production Controller dated 1 June 2015. The procedure explains:

- Job description and responsibility of Head of Administration, Unit Head, Production Controller and Support Department
- All supplier is recorded in accordance with the certification status. For supply chain report of segregation and IP, the daily report can be used since all operational is certified. Meanwhile for supply chain of MB, the report must separate certified and noncertified.
- Administration Head drafts the three monthly report of mass balance based on received daily report.
- For RSPO certified product, if the projection of certified production is bigger that the claimed certified product then

the company must inform the concerned RSPO certification body and RSPO IT System/e-trace. The communication will be assisted by Certification Section, EHS Department (Support Department) after getting information from Unit Head and Sales Department.

Since gained RSPO certified on annual surveillance assessment 1 (26 August 2015) known that there is no RSPO certified product production not more than projected which are:

- FFB: 341,773.74 ton (projection: 542,853.20 Ton)
- CPO: 79,343.61 Ton (projection: 129,144.78 Ton)
- PK: 19,800.61 (projection: 30,888.35 Ton)

Status: Comply

D.5 Record keeping

D.5.1

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

Sungai Rungau Mill has recorded its RSPO certified FFB and RSPO certified product dispatch that is compiled monthly. Since certified RSPO at ASA 1 (28 August 2014) until the audit of surveillance 2 (6 June 2015) known that:
 Certified FFB received: 341,773.74 Ton
 Certified CPO dispatch: 5,670.12 Ton
 Certified PK dispatch: 2,753.30 Ton

Status: Comply

D.6 Processing

D.6.1

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

Document review and field visit shows that since certified RSPO at ASA 1 (28 August 2014) until the audit of surveillance 2 (6 June 2015), Sungai Rungau Mill has only conducted RSPO certified FFB processing.

Interview result with CPO transporting contractor shows that each incoming transporting vehicle is checked by security ensuring the vehicle is clean. If there is any dirt then it has to be cleaned up first before loading Sungai Rungau Mill product.

Status: Comply

D.6.2

The objective is for 100 % segregated material to be reached

Sungai Rungau Mill has SOP of SCCS PT BAP-SRUM/SOP/2 8 dated 1 June 2015 that among of it is about:
 6.4. Processing: implementing the requirement of supply chain RSPO IP model, the mill must ensure 100% from separated product and prevent the contamination. The quality of supply chain from segregation to IP is possible by the increase record is not conducted by the current available stock at that time. The steps of supply chain model is:

- Ensuring the old stock on supply chain model is empty and the buried tank is in empty condition.
- Conducting CPO tank washing, kernel storage bin washing and transport tank
- Buried tank, KSB is ready to use to load processed product by increasing the supply chain model.
- Storage tank and truck were labelled IP to differentiate with other product facilities

Document review and field visit shows that since certified RSPO at ASA 1 (28 August 2014) until the audit of surveillance 2 (6 June 2015), Sungai Rungau Mill has only conducted RSPO certified FFB processing.

Status: Comply

3.3. Conformity Checklist of Certificate and Logo Use

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

3.4. Summary of RSPO Partial Certification.

<p>Management unit(s)observed: Jakluay POM (PT Tapian Nadenggan, Kalimantan Timur) supply base: Jakluay Estate (JLYE), Pantun Mas Estate (PMSE), Bukit subur Estate (BSRE), and Long Buluh Estate (LBLE).</p> <p>Date: 11 February 2015.</p>		
2.1	<p>There is compliance with all applicable local, national and ratified international laws and regulations.</p>	X or√
	<p>The company has owned the mechanism to evaluate the obedience to law and regulation related to the palm oil plantation to SOP of regulation and other provisions (SOP / SPO / SMART / LH-03). The SOP was issued by EHSD (Environment Health and Safety Department) on 1 July 2010. It explains the identification and verification over the relevant regulation once per semester.</p> <p>The unit management has complied with the Indonesia regulation, such as:</p> <ul style="list-style-type: none"> • Building use title decree of JLYM: 164-520.2-44.9-2008 PT Tapian Nadenggan; 10.29 ha certificate of building use title JLYM no. 01 year 2008. • Plantation Business Permit of Mill for JLYM: Head of Kutai Timur District Decree no. 500/675/Eko.2-VIII/2009 PT Tapian Nadenggan : 80 ton/hour. • Decree of land use title for LBLE, JLYE, PMSE: No. 128/HGU/BPN RI/2009 : PT Tapian Nadenggan : 11,503.48 ha. • Land use title certificate no. 68,69,70,71, & 72 year 2009 • Plantation business permit of LBLE, JLYE, PMSE: no. 188.4.45/160/Eko.1-X/2012 PT Tapian Nadenggan : 11,703 ha. • BSRE location permit: <ul style="list-style-type: none"> - No. 525.26/K.269/HK/V/2011 : PT Tapian Nadenggan : 6,683 ha. - No. 525.26/K.113/HK/II/2013: PT Tapian Nadenggan : 6,683 ha. - No. 525.26/K.452/HK/V/2014: PT Tapian Nadenggan : 6,683 ha. • Plantation business permit: Decree of Kutai Timur's Head of District no. 188.4.45/121/Eko.1-XII/2011 PT Tapian Nadenggan : 6,683 ha. • LBLE permit location: <ul style="list-style-type: none"> - No: 525.26/K.552/HK/VIII-2011 : PT Tapian Nadenggan : 560 ha. - No: 525.26/K.878/HK/XII-2012 : PT Tapian Nadenggan : 560 ha. - No. 525.26/K.451/HK/V/2014 : PT Tapian Nadenggan : 560 ha • Plantation business permit: Decree of Kutai Timur's Head District of no. 525.26/K.552/HK/VIII/2011 PT Tapian Nadenggan : 560 ha. • Land use title a of LBLE and PMSE: on progress 	
	Status: comply	
2.2	<p>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</p>	X or√
	<p>The unit management has the land right as stated in Decree of National Land Agency of Republic of Indonesia no. 128/HGU/BPN RI/2009 on behalf of PT Tapian Nadenggan for an area of 11,504.48 ha. The decree is divided into 5 certificates which are land use title no. 68,69,70,71, and 72 year 2009. The area covered within the land use title is LBLE, JLYE and PMSE.</p>	
	Status: comply	
6.3	<p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</p>	X or√
	<p>PT Tapian Nadenggan has SOP and work instruction on palm oil culture technique, Sosial And Community Engagement Policy (SCEP). The company also has SOP on complaint and grievance for internal and external parties (SOP / NP / SMART / XII / MCAR001) dated 1 July 2010 and it is socialized to the concerned stakeholder on 5 November 2015. The company has owned mechanism of land dispute as well. The document number is SOP / SPO / SMART / LH-04 dated</p>	

	1 July 2010 and legalized by Environment & Sustainability Division, Head Office Management.	
	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.	X or√
	PT Tapian Nadenggan has SOP and work instruction on palm oil culture technique, Sosial And Community Engagement Policy (SCEP). The company also has SOP on complaint and grievance for internal and external parties (SOP / NP / SMART / XII / MCAR001) dated 1 July 2010 and it is socialized to the concerned stakeholder on 5 November 2015. The company has owned mechanism of land dispute as well. The document number is SOP / SPO / SMART / LH-04 dated 1 July 2010 and legalized by Environment & Sustainability Division, Head Office Management.	
	Status: comply	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	X or√
	HCV identification has been conducted. Bukit Subur Est, Bukit Subur KKPA, Pantun Mas KKPA : 23-28 July 2010. Jakluay Est, Pantun Mas Est. : 20- 24 August 2011. Long Buluh ESt, Jakluay KKPA, : 10-15 February 2012. NPP audit has been conducted by PT Mutuagung Lestari on 19 August 2013	
	Status: comply	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	NPP verification has took place by Mutuagung Lestari and uploaded on RSPO website 6 June 2014.	
	Status: comply	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	The company has land compensation procedure SOP / NP / SMART / VII / D & L 002 dated 1 July 2010. The SOP explains the task and responsibility, socialization steps, identification negotiation, compensation payment and documentation of land compensation payment. The SOP explains compensation based on the agreement and dialog that involves the community regional government.	
	Status: comply	

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 Surveillance-1 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.1	Minor 4.4.3	<p>Monitoring over water utilization per ton FFB</p> <p>Company has showed water utilization record for FFB processing activity inside and outside (domestic) mill's location for each ton FFB; however company still can't present the evidence of its effort to maintain water source, like proof on water utilization evaluation by comparing the utilization with the applicable standard, which is 1.2. Liter/Ton TBS.</p>	Mill	Minor	S2	Company must present the compensation receipt (insurance) over work accident for its personnel.	<p>Root Causes: The record is not enclosed with its evaluation and compared to the applied standard (budget)</p> <p>Corrective Actions: Conducting evaluation if there ia water utilization that over the budget.</p> <p>Preventive Actions: Adding evaluation column into the record of water utilization.</p> <p>Verification of auditor : Sungai Rungau Mill has showed evaluation on the water utilization in 2013. Based on monitoring of water use known that the water use is over the budget. Evaluation result identified that the over water use caused by Bumiharjo Bulking source water from Sungai Rungau Mill to operate the boiler to warm up storage tanks in bulking. Beside of that the drain of water to mill emplacement is a bit over the budget since many request for extra water for celebration in employee house and supply to other unit. Based on that</p>	Closed	June 10 th 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							explanation the non-conformity 2014.01 is closed.		
2014.2	Minor 4.7.1	Insurance for work accident No sufficient proof over compensation/ insurance for personnel who have hearing impairment because of noise in work place.	Mill & Estate	Minor	S2	Company must present the evaluation proof over periodic medical examination for personnel in each station and for high risk personnel	<p>Root Causes: There is no follow up yet from the medical checkup. And it has neem investigated whether the condition is not normal from the medical checkup result including disease caused by work.</p> <p>Corrective Actions: Followed up by check up to otolaryngology specialist doctor in Murjani Hospital. And if there is abnormal result then it will be reported to Worker Social Security Agency of Manpower</p> <p>Preventive Actions: All abnormal medical checkup will be followed up by the existing procedure. When it is known Occupational Disease then it will be reported to Worker Social Security Agency for insurance claim.</p> <p>Verification of auditor : The company has given mutation letter for Sungai Rungau Mill Worker (clarification station, engine room, nut and kernel. Press and boiler) and boiler station to thresher, then conduct medication and medical check up to Murjani District Hospital, Sampit and has</p>	Closed	June 10 th 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>been reported to Worker Social Insurance.</p> <p>Based above explanation, the non-conformity 2014.02 with minor category is closed.</p>		
2014.3	Minor 4.7.2	<p>Periodic medical examination for high risk personnel</p> <p>Based on periodic medical examination in December 2013, there are some case of hearing impairment because of noise in work place at Sungai Rungau Mill (clarification station, Engine Room, Nut & Kernel, Press, Boiler) and at Sungai Seruyan Estate (operator for grass cutter machine and operator for water pump), however no evidence over effective evaluation to protect personnel from operation negative impact.</p>	Mill & Estate	Minor	S2	<p>Company must present the evidence over periodic participatory social impact management and monitoring for sustainable improvement.</p>	<p>Root Causes: There is no evaluation after medical checkup.</p> <p>Corrective Actions: Conducting evaluation after medical check up</p> <p>Preventive Actions: Conducting management review for high risk station to Occupational Disease.</p> <p>Verification of auditor: The company has evaluate HIRARC especially station with noise danger from the medical checkup result of Sungai Rungau Worker (clarification station, engine room, nut and kernel, press, boiler) and Sungai Serutan Estate (lawnmower operator and water pump engine operator).</p> <p>Based on that explanation, the non-conformity 2014.03 is closed.</p>	Closed	June 10 th 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.4	Minor 6.1.1	<p>Participatory social impact management and monitoring Company present periodic social impact management and monitoring. However, this record not presents the evidence over participatory social impact management and monitoring to anticipate community restlessness, such as community's restlessness over the absence of plasma plantation scheme in Selunuk and Sebabi village and jealousy over social gap between original community and transmigrate community.</p>	Mill & Estate	Minor	S2	Company must ensure the provision of sufficient clean water facility for its personnel.	<p>Root Causes: There is not yet evidence of social impact monitoring by community involvement</p> <p>Corrective Actions: Documented the meeting and communication with community when conducting social impact.</p> <p>Preventive Actions: Enclosing monitoring form by the time conducting the meeting and communication with community and conducting social program based on social impact monitoring document.</p> <p>Verification of auditor : The implementation and monitoring on social impact has been conducted participatively or in coordination and consultation with surrounding estate to anticipate community restlessness.</p> <p>Based on that explanation, the non-conformity 2014.04 is closed.</p>	Closed	June 10 th 2015
2014.5	Minor 6.5.1	<p>Provision over sufficient clean water facility Company has provided sufficient clean water facility, which comes from well and pond's water in personnel housing facility. Company also conducts examination over water quality in health</p>	Estate	Minor	S2	Company must provide training for its entire personnel that inline with the requirement to implement supply chain certification system, in this case sales unit	<p>Root Causes: There is no claim of evaluation evidence over tested parameter of clean water test result has been complied with the applied regulation.</p> <p>Corrective Actions: Ensuring the evaluation of clean water</p>	Closed	June 10 th 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		laboratory of Kotawaringin Timur district. However, no sufficient evidence on examination parameter result and standard parameter that inline with the applicable regulation.				personnel.	<p>test result has been complied with the regulation.</p> <p>Preventive Actions: Each clean water test is conducted based on the applied regulation.</p> <p>Verification of auditor: The company has conducted well water test in each emplacement by testing it in PT MAL laboratory, the result was issued on 3 February 2015 and the company has evaluated the test result. The evaluation concludes that the test result has complied with the applied regulation threshold. Overall, all clean water source of PT BAP is safe for daily consumption. Part of employees using refill water for drinking water, meanwhile, the well water and water from the basin are used for bath, wash and toilet. Based on the above explanation, the non-conformity 2014.05 with minor category is closed.</p>		
2014.6	Point 6.1 SCCS Version Nov 2011 (Modul D)	<p>Training Company has presented the evidence over SCCS supply chain model training implementation on 28 – 30th April 2014 with an agenda and SCCS module. The entire key personnel in mill and estate attended this training. For instance: Production Controller, Mill</p>	Mill	NC	30 days	Company should be able to present justification over time bound plan that in line with RSPO certification system.	<p>Root Causes: SCCS has not scheduled a formal training some personal Division Sales (Sales) and IT, particularly with respect to the handling of sales in the SIP / BAP.</p> <p>Corrective Action: Do-RSPO SCCS training on May 21,</p>	Closed	May 30 th 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		Manager, Traceability Officer, SPO Unit coordinator, EHSD Certification Section, foreman, Security, Lab, Process I, weighing clerk, however there is no evidence that key personnel from sales unit have understand the segregation supply chain model.					<p>2014 in Jakarta attended by 18 people from Division Sales and IT (a list is present). Training is conducted in two sessions i.e. at. 09:00 to 12:00 and 1400-17.00 with training materials and simulations RSPO SCCS-Etrace delivered by personal who have received training-RSPO SCCS (there are training materials). Documented evidence of training SCCS.</p> <p>Preventive Actions: Made scheduling periodic training for understanding the material SCCS. (The scheduled training plan 2014).</p> <p>Verification of auditor:</p>		
2014.7	RSPO Certification Systems Point 4.2.4 (Minor)	<p>Implementation over Time Bound Plan</p> <p>There is evidence over <i>time bound plan</i> revision for Golden Agri Resources Ltd, especially for 6 company entities. However, no sufficient evidence to justify the revision over <i>time bound plan</i>.</p>	GAR	Minor	S2	Company must present the compensation receipt (insurance) over work accident for its personnel.	<p>Root Causes: There are changes in the certification plan (time-bound plan) are included in the group of GAR subsidiary established by the Top Management.</p> <p>Corrective Action: Sustainability Division Head of PT SMART, Tbk issued a Memorandum No. 169/EL/SMART-RSPO CB/VII/2014 dated July 7, 2014 regarding the explanation of changes in time bound</p>	Closed	July 10 th 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>RSPO 2014 and Memorandum No. 170/EL/SMART-RSPO CB/VII/2014 dated July 7, 2014 regarding the explanation of changes in time bound RSPO 2013. Justification In The memorandum stated time bound plan changes are decided by the Top Management and related preparedness unit Mill and Estate in dealing with the certification audit</p> <p>Preventive Actions: The company will be consistently monitoring Time Bound Plan and immediately inform the Certification Body if there is a change Time Bound Plan.</p> <p>Verification of auditor :</p>		

3.5.2 Identification of Findings, Corrective Actions and Observations at Surveillance-2 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		There is no non-conformity raised during surveillance 2 assessment.							

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1.	4.3.4	The unit management has a chance to add subsidence pole instrument to measure the decrease of soil surface in the area categorized as peat land (observation)
2.	4.6.4	The unit management has a chance to apply pesticide of paraquat each year to ensure there is a decrease trend in paraquat use.
3.	4.7.6	The unit management is endorsed to re-consult with local Worker Social Security Agency of Manpower over the daily worker's working accident insurance
4.	5.3.3	The unit management is endorsed to collaborate with licensed medical hazardous waste collector.

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1.	-	The company commitment to implement sustainable palm oil.
2.	-	Efforts to conducted and ongoing improvement is done as a series of continuous improvement.
3.	-	Person in charge in each division is competent.
4.	-	There is a proper facility and equipment.
5.	-	The company has waste banking system.

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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Plantation Agency of Seruyan District Positive issue:</p> <ul style="list-style-type: none"> The company has good relation with the plantation agency The company has met its obligation in a mandatory report, for example plantation business progress report, fire report etc. The company (Rungau Mill) does not receive FFB from the third party. <p>Negative issue:</p> <ul style="list-style-type: none"> The company has not reported the plantation business progress report of the first quarter 2015. 	<ul style="list-style-type: none"> The company has a commitment to keep the good relation with the plantation agency The company has a commitment to fulfil its reporting obligation regarding the applied regulation Currently, the company management policy is no FFB supply from third party for Sungai Rungau Mill The company has reported the plantation business progress report of first quarter of 2015 on 10 April 2015 received by Mr. Mitra. 	<p>It is conforming criteria of 1.1; 2.1 and 6.2.</p>
<p>Environment Agency of Seruyan District Positive issue:</p> <ul style="list-style-type: none"> The company has a good relation with Environment Agency of Seruyan District The company consistently reports its environmental management in environmental management and monitoring plan, hazardous waste balance sheet report, fire report, and land application report. There is no complaint on environmental pollution issue on land, water course nor air from local community to PT BAP so far 	<ul style="list-style-type: none"> The company commits to keep a good relation with Environment Agency of Seruyan District The company commits to fulfil its reporting obligation referring the valid statute and regulation. Currently, the company put an effort to prevent environmental pollution. The environmental management is conducted in regards to the valid statute and regulation added by company procedure on environmental management. 	<p>It has been suited with criteria of 1.1; 2.1; 5.1; 5.3 and 6.1.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> At the moment, the previous environmental document on behalf of PT Sumber Indah Perkasa into PT Binasawit Abadi is in transition process. The document has been approved by Environmental Agency of Seruyan District and is in process of Legal Bureau of Seruyan's Head of District Environmental document of PT Binasawit Abadi Pratama for environmental impact analysis, environmental management and monitoring effort and environmental management and monitoring plan was burnt when there was fire on Environmental Agency of Seruyan District. The company is asked to resend the environmental document copy to Environment Agency of Seruyan District. <p>Negative issue:</p> <ul style="list-style-type: none"> Regarding medical hazardous waste management (infectious waste), the company has not informed its cooperation with the third party in hazardous waste management especially medical waste (infectious disease) 	<ul style="list-style-type: none"> The company has changed the name of Sungai Rungau Mill from PT Sumber Indah Perkasa into PT Binasawit Abadi Pratama. Until current, there is no official request form Environment Agency of Seruyan District on document copy of environmental impact analysis, environmental management and monitoring effort and environmental management and monitoring plan those were burnt during the environment agency on fire. The company is considering the cooperation on medical waste extermination to the licensed hospital. At the moment, the cooperation with Dr Imanudin Hospital of Pangkalan Bun is postponed since their license is expired and soon processed it to local environment agency. 	
<p>Manpower, Transmigration and Tourism Agency of Seruyan District</p> <p>Positive Issue:</p> <ul style="list-style-type: none"> The company has a good relation with Plantation Agency The company has complied its reporting obligation, for example, annual report of company manpower status, guiding committee of OHS report etc. The company has involved the Manpower, 	<ul style="list-style-type: none"> The company has a commitment to maintain a good relation with the District agency The company commits to conduct its reporting obligation regarding the applied government regulation The company has been in cooperation with Manpower, 	<p>It has been matched with criteria of 1.1; 2.1; 4.7 and 6.5.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Transmigration and Tourism Agency of Seruyan District in training related to company's worker skill especially for boiler operator, forklift operator etc.</p> <ul style="list-style-type: none"> The company has implemented the minimum wage payment year 2015 regulated by local District Government <p>Negative issue:</p> <ul style="list-style-type: none"> There is no record on working accident that is reported in 2015 The company has not shown the update progress of Worker Social Security Agency of Manpower both for permanent worker nor daily worker. 	<p>Transmigration and Tourism Agency of Seruyan District for all training the certificate is issued by Ministry of Manpower</p> <ul style="list-style-type: none"> The worker payment is accordance with the circular letter of District Government (Decree of Minimum Sectoral District Wage) PT BAP has reported working accident to Manpower, Transmigration and Tourism Agency of Seruyan District every quarter within OHS Guiding Committee Report. For 2x24 hours reporting Manpower, Transmigration and Tourism Agency, the company has sent a letter to Head of Manpower, Transmigration and Tourism Agency of Seruyan District asking how the mechanism since there is an obstacle with far distance of company location. However, there is no reply yet. The worker has been registered in Working Social Insurance therefore, automatically re-registered as Worker Social Security Agency of Manpower. For daily labour, all cost of working accident, if it is happened, is the responsibility of the company 	
<p>Mandiri Worker Union</p> <ul style="list-style-type: none"> The company does not ban its employee for union The Mandiri Worker Union Function is as a connector between worker and management There is no child worker issue (< 18 year) in the company The company has given the worker's right such as salary, 	<ul style="list-style-type: none"> The company has treat its employee in accordance with the valid regulation The complaint mechanism has been owned by the company The company has specialized RSPO to the worker and the worker understand the necessary activity for RSPO 	<p>It has been conformed with criteria of 1.1; 2.1; 4.7; 4.8; 6.3; 6.5; 6.6; 6.7 and 6.8.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>feast day incentive, social insurance etc.</p> <ul style="list-style-type: none"> The salary paid to the worker has been in accordance with Minimum District Sectoral Wage of Seruyan Estate. The company has socialized RSPO issue to the worker There is no discrimination within the worker recruitment. Currently the company prioritizing local worker with skill as required by the company. There is no complaint from worker until today. The facilities given to workers such as emplacement has been in proper condition. If any broken, it will be reported and repaired. The permanent worker has been registered in Worker Social Security Agency The training is given by the company as required in work type. For example, Head of Warehouse is given first aid training and how to mix poison. There is an assistance by SPM of complaint from non-permanent daily worker 	<p>compliance</p> <ul style="list-style-type: none"> The company conducts training for employee routinely regarding their competency There is no discrimination on recruitment nor treatment accepted by the worker The company has guards its asset well including the public facility 	
<p>Local contractor for FFB transport</p> <ul style="list-style-type: none"> There is a 3 months cooperation agreement with the company The cost has been agreed by both party The worker has been registered in Worker Social Security Agency as agreed in the contract The contractor has provided PPE such as helmet, shoes and glove their worker 	<ul style="list-style-type: none"> The company has made a contact agreement of FFB transport for 3 month period. After it is over, if the contractor is evaluated as proper then the contract will be extend for the period as needed by the company The pricing is the agreement of both parties by calculating the distance to mill, fossil fuel price, cost of FFB loading and unloading etc. The contractor's workers has been registered to Worker Social Security Agency of manpower since the worker's turn over is quite high (temporary worker) 	<p>It has been in accordance with criterion of 6.10.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> The company has paid the contractor on time in accordance with the contractor's work result. 	<ul style="list-style-type: none"> The payment time is as agreed by both parties. The contractor sends the invoice of FFB transport cost routinely 	
<p>Head of Village, Village Secretary and Head of Village Representative Assemblby of Sebabi Village, Danau Selunuk Sub District, Seruyan District.</p> <ul style="list-style-type: none"> Number of Villager, Sebabi Village is 513 people, 147 families. Sebabi Village is inhabited by local people of Dayak Ngaju Ethnic. All Villager is moslem The company has responded promptly if the Village Apparatus requests information or support. The response is given written and oral. The aid accepted by community among others are road hoarding for 5 km, scholarship for elementary students and massive medical treatment The community request addressed to the company are: <ol style="list-style-type: none"> Cataract patients's medical treatment The construction of mosque (roof, floor wudhu facility) Partnership in developing palm oil plantation, for example smallholder etc.. In 2000, there was a plan to develop smallholder plantation bu the community did not want it because they were afraid if their land will be taken over by the company. At that time, in Sebabi Village has been formed Mitra Usaha Cooperative Unit, Sungkup Sejahtera Farmer Group and there was 1000 ha of area available. In 2014, the company has socialized the protected flora and fauna. Type of protected fauna found in sorrounding village is Orang utan. The company has given advice to community not to hunt protected flora and fauna. 	<ul style="list-style-type: none"> The company has given aid named CSR. If there is any request out off the CSR program, it is still be served under company management agreement. The company has socilaized the HCV to the community in order the community can actively participate in sustaining environment 	<p>It has been in accordance with criteria of 1.1; 2.3; 5.1; 5.2; 6.1; 6.4 and 6.10.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> • Within the company area, there is no mining activity, no land conflict and no customary land. • There is no pollution caused by company operation both from esatate or mill • Around 95% of Villager works in the company as non-permanent daily worker. The non permanent daily worker does not want to be permanent worker because they can not follow the company regulation. Beside of that, if they become a permanent worker, they can not work on their owned cultivation land. They work as they like. The villager who works in the company does not feel there is any discrimination. The wage payment is in accordance with the regulation and no complaint from the concerned worker. 	<ul style="list-style-type: none"> • The environment management is in accordance with the regulation and company procedure in order not to prevent environmental pollution. • There is no land conflict with Sebabi Village, no customary land and no mining area in company plantation area • The company routnely employs worker from Sebabi Village to improve village community welfare 	
<p>Head of Rungau Raya Village, Danau Selunuk Sub District, Seruyan District</p> <ul style="list-style-type: none"> • Number of Rungau Raya Villagers is 8,864 people, 4000 families, 34 RT and 9 RW. Administratively, the company workers live in Rungau Raya Village, therefore, the Villagers number is high. Rungau Raya Village is lived by Dayak Tribe for 25% and Java and Batak Tribe for 75%. • There is no mining, land conflict, land claim and customary law within company area • There is no pollution as an impact of company operation both mill and estate • .The company must be aware of community group named on Dayak Misik. This group intents to claim company land in Seruyan District. This group asked the riparian area to be customary area. The village appartus strickly not support 	<ul style="list-style-type: none"> • There is no land dispute with Rungau Raya Village, no customary land and no mining area within the company area • The environment management is in accordance with the applied regulation and company procedure intended not polluting the environment • Dayak Misik Group does not get any support from the surrounding community, however, the company prevent the group not to occupy company's HCV area 	<p>It has been in accordance with criteria of 1.1; 2.3; 5.1; 5.2; 6.1; 6.4 and 6.10.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Dayak Misik and its activity</p> <ul style="list-style-type: none"> • The relation between company and community is harmonic and no friction • The compay existing is helping the economy development of the community. There are an opportunity of work and the opportunity of new business. • The received aid by the community that is given by the company for example, the electric installation of 386 houses in 2014, the worship facility etc. 	<ul style="list-style-type: none"> • The company has a good communication with Rungau Raya Village therefore there is no conflict with the community • The company routinely employs the worker from Rungau Raya Estate to improve Villager's welfare • The company routinely conducts CSR program therefore it is expected that the community of Rungau Raya is improving. 	

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.

Signed on behalf of:

PT Binasawit Abadipratama
Head of Environmental Department

Mutuagung Lestari
Lead Auditor



Ismu Zulfikar
Monday, June 15th 2015



Ardiansyah
Monday, June 15th 2015

Appendix1. List of Stakeholder Contacted in the RSP0 Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Contact	Date of Contact
1	Rungau Raya Village	Rungau Raya Village	-	Interview	June, 9 th 2015
2	Sebabi Village	Sebabi Village	-	Interview	June, 9 th 2015
3	National Land Agency, Seruyan District	Kuala Pembuang, Seruyan District	Phone: 081348087670 (Mr. Bambang) Phone 081349047225 (Mr. Poly)	Interview	June, 9 th 2015
4	Manpower, Transmigration and Tourism Agency of Seruyan District	Kuala Pembuang, Seruyan District	Phone. 081251562456 (Ibu Jariyah)	Interview	June, 9 th 2015
5	Forestry and Plantation Agency, Seruyan District	Jl. Rimba Raya No. 55, Kuala Pembuang 74212	Phone. 0538- 21011, HP: 081352722049 (Maryoso) Email: binus.dishutbunsry@gmail.com	Interview	June, 9 th 2015
6	Environmental Agency , Seruyan District	Jl. A Yani, Kuala Pembuang, 74212	Phone . 0538-2707456, HP: 0811520611 (Primermen) Email: bpha_blhkabseruyan@yahoo.co.id	Interview	June, 9 th 2015
7	Sawit Watch Indonesia	Jl. Taman Sempur Kaler No.28, Bogor. Jawa Barat. 16129	Telp : 0251-8352171 Fax : 0251-8352047 Email : info@sawitwatch.or.id	Questionnaire	June, 1 st 2015
8	<i>Aliansi Masyarakat Adat Nusantara</i>	Indonesia	rumahaman@cbn.net.id	Questionnaire	June, 1 st 2015
9	WWF Indonesia	Indonesia	wwf-indonesia@wwf.or.id	Questionnaire	June, 1 st 2015
10	Mandiri labour union Sungai Seruyan Estate	PT BAP	-	Interview	June, 9 th 2015
11	Gender Committe Sungai Seruyan Estate	PT BAP	-	Interview	June, 9 th 2015
12	Mandiri labour union Terawan Estate	PT BAP	-	Interview	June, 9 th 2015
13	Gender Committe Terawan Estate	PT BAP	-	Interview	June, 9 th 2015
14	Local contractor	Sebabi Village	-	Interview	June, 9 th 2015

Appendix 2. Assessment Program

Date	08 – 12 May 2015				
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR			
		ARD	APP	DH	DN
Monday, 08 May 2015					
09.15 – 11.00 11.00 – 14.30 15.00 – 16.00 16.00 – 17.00	JAKARTA → PANGKALANBUN PANGKALANBUN → SITE OPENING MEETING Verification review of previous visit non-conformance (ST-2 and ASA-1) RSP0	✓	✓	✓	✓
Tuesday, 09 May 2015					
08.00 – 12.00	<ul style="list-style-type: none"> • Stakeholders consultation to Related Government Institution (Seruyan District Government and local NGO) • Stakeholders consultation to Nearest village and community leader Field Observation TANGAR ESTATE: <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, best agricultural practices, Worker Welfare • Worker facilities (housing, health clinic, clean water, etc) and Land Fire facilities, Storage, Legal boundary. 			✓	✓
12.00 – 14.00	BREAK	✓	✓	✓	✓
14.00 – 17.00	<ul style="list-style-type: none"> • Clarification of Public Consultation and field observation • Stakeholders consultation to Labour union (SPSI), Gender Committee and local contractor 	✓	✓		✓
Wednesday, 10 May 2015					
08.00 – 12.00	Field Observation SUNGAI RUNGAU ESTATE <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, best agricultural practices • Worker Welfare (payments, complaint mechanism) • Hazardous Waste Material (LB3) and Hazardous Material (B3) management • Legal operational • Conservation Area • Worker facilities (housing, health clinic, clean water, etc) and • Land Fire facilities, Storage, ect. 	✓	✓	✓	✓
12.00 – 14.00	BREAK	✓	✓	✓	✓
14.00 – 17.00	Field Observation SUNGAI RUNGAU MILL: <ul style="list-style-type: none"> • WWTP, WTP Hazardous Waste Material (B3) management and Warehouse. • Supply Chain. • Operational, OHS 	✓		✓	

Thursday, 11 May 2015		ARD	APP	DH	DN
08.00 – 12.00	Completion of checklist clarification/ follow up for outstanding audit issues	✓	✓	✓	✓
12.00 – 14.00	BREAK	✓	✓	✓	✓
14.00 – 15.30	Audit finding discussion and preparation	✓	✓	✓	✓
15.30 – 17.00	CLOSING MEETING	✓	✓	✓	✓
17.00 – 20.00	SITE → PANGKALAN BUN				
Friday, 12 May 2015		ARD	APP	DH	DN
08.00 – 09.00	PANGKALAN BUN → JAKARTA	✓	✓	✓	✓