

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

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

Plantation : Ladang Panjang POM, PT Bahari Gembira Ria
Management/Owner : subsidiary of Sime Darby Plantation Sdn Bhd
Plantation Name : Ladang Panjang Estate
Location : Ladang Panjang Village, Sungai Gelam Subdistrict,
 Muaro Jambi District, Jambi Province, Indonesia
Certificate Code : **MUTU-RSPO/019**
Date of Certificate Issue : 09 July 2012 **Date of License Issue** : 09 July 2015
Date of Certificate Expiry : 08 July 2017 **Date of License Expiry** : 08 July 2016

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-03	21 - 24 April 2015	Sandra Purba (Lead Auditor Witnessed), Taufik Margani (Lead Auditor Witnessing), Andi Pratama Pasaribu, Entin Hendartin	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-03	26 June 2015

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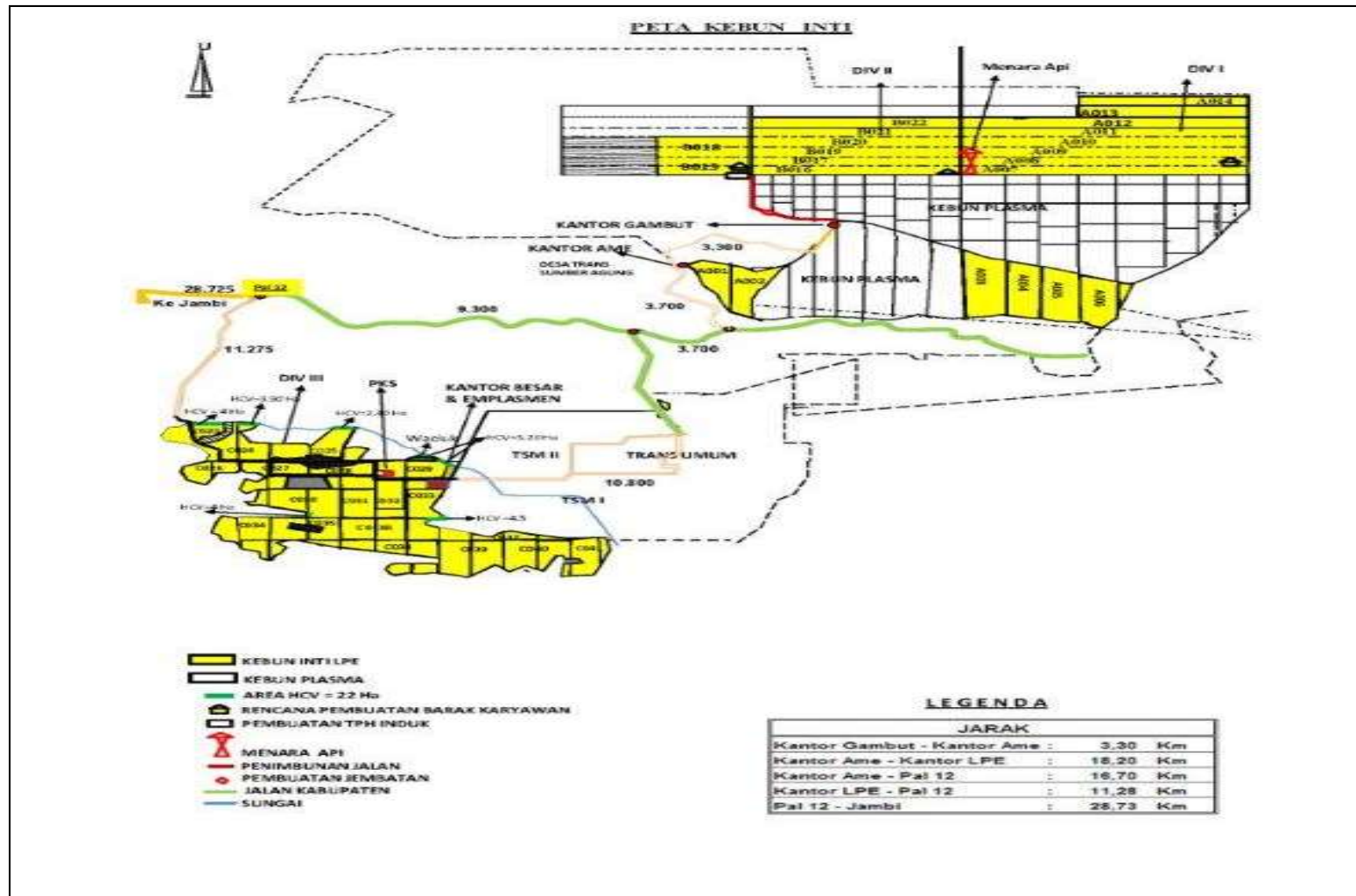
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Figure 1. Location Map of PT Bahari Gembira Ria



Figure 2. Operational Map of PT Bahari Gembira Ria



Abbreviations Used

AMDAL	:	Analisis Mengenai Dampak Lingkungan (<i>Social and Environmental Impact Assessment</i>)
APAR	:	Alat Pemadam Api Ringan (<i>Fire Extinguisher</i>)
APD (PPE)	:	Alat Perlindungan Diri (<i>Personal Protective Equipment</i>)
B3	:	Bahan Beracun and Berbahaya (<i>Hazardous Material Waste</i>)
BLHD	:	Badan Lingkungan Hidup Daerah (<i>District Environment Body</i>)
BOD	:	Biological Oxygen Demand
BPN	:	Badan Pertanahan Nasional (<i>National Land Agency</i>)
CD	:	Community Development
CPO	:	Crude Palm Oil
CSR	:	Coorporate Social Responcibility
HACCP	:	Hazard Analysis Critical Control Point
HCV	:	High Conservation Value (Nilai Konservasi Tinggi)
HGU	:	Hak Guna Usaha. (<i>Land Use Permit</i>)
IUP	:	Izin Usaha Perkebunan. (<i>Plantation Operation Licence</i>)
IPAL (WWTP)	:	Instalasi Penyaluran Air Limbah (<i>Wastewater Treatment Plant</i>)
JAMSOSTEK	:	Jaminan Sosial Tenaga Kerja (<i>Social Assurance of Labor</i>)
K3 (OHS)	:	Keselamatan dan Kesehatan Kerja. (<i>Occupational Health and safety</i>)
KLH	:	Kementrian Lingkungan Hidup (<i>Environment Ministry</i>)
LC	:	Land Clearing
LPE	:	Ladang Panjang Estate
LPF	:	Ladang Panjang Factory
LUT	:	Land Use Title
OER	:	Oil Extraction Rate
P2K3	:	Panitia Pelaksana Keselamatan and Kesehatan Kerja (<i>Occupational Health and safety Guiding Committee</i>)
PHT	:	Pengendalian Hama Terpadu (<i>Integrated Pest Management</i>)
PK	:	Palm Kernel
PKO	:	Palm Kernel Oil
PKS (POM)	:	Pabrik Kelapa Sawit (<i>Palm Oil Mill</i>)
PP	:	Peraturan Pemerintah (<i>Government Regulation</i>)
POM	:	Palm Oil Mill
RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan (<i>Environmental Management Plan/ Environment Monitoring Plan</i>)
PSD	:	Plantation Services Departement
PSQM	:	Plantation Sustainability and Quality Management
SOP	:	Standard Operating Procedure
SP	:	Serikat Pekerja (<i>Worker Union</i>)
SPK	:	Surat Perjanjian Kerja (<i>Minutes of Agreement</i>)
TBS (FFB)	:	Tandan Buah Segar (<i>Fresh Fruit Bunches</i>)
UKL/UPL	:	Upaya Kelola Lingkungan/ Upaya Pemantauan Lingkungan (<i>Environmental Management Efforts/ Environmental Monitoring Efforts</i>)

1.0	SCOPE of the CERTIFICATION ASSESSMENT								
1.1	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	Organisation name listed in the certificate	PT Bahari Gembira Ria, SIME DARBY Plantation Sdn Bhd.							
1.2.2	Contact person	Mohamad Pirabaharan							
1.2.3	Organisation address and site address	Head Office : No.2, Plantation Tower, Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301 Liason Office : The Plaza Lt. 36 JI MH Thamrin Kav. 28-30 Jakarta 10350							
1.2.4	Telephone	+62-21-29926000							
1.2.5	Fax	+62-21-29922686							
1.2.6	E-mail	mohamad.pirabaharan@simedarwin.com							
1.2.7	Web page address	www.simedarwin.com							
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM)							
1.2.9	Registered as RSPO member	07 September 2004 (1-0008-04-000-00)							
1.3	Type of Assessment								
1.3.1	Scope of Assessment and Number of management unit	Palm Oil Mill and supply base <ul style="list-style-type: none"> • Ladang Panjang Palm Oil Mill and Ladang Panjang Estate 							
1.3.2	Type of certificate	Single							
1.4	Locations of Mill, Plantations and Area Statement								
1.4.1	Location of Mill								
	Name of Mill	Location	<table border="1"> <thead> <tr> <th colspan="2">Coordinate</th> </tr> <tr> <th>Latitude</th> <th>Longitude</th> </tr> </thead> <tbody> <tr> <td>S 1° 04' 33"</td> <td>E 103° 47' 34"</td> </tr> </tbody> </table>	Coordinate		Latitude	Longitude	S 1° 04' 33"	E 103° 47' 34"
Coordinate									
Latitude	Longitude								
S 1° 04' 33"	E 103° 47' 34"								
	Ladang Panjang	Ladang Panjang Village, Sungai Gelam Sub District, Muaro Jambi District, Jambi Province, Indonesia							
1.4.2	Location of Supply Base								
	Name of Supply Base	Location	<table border="1"> <thead> <tr> <th colspan="2">Coordinate</th> </tr> <tr> <th>Latitude</th> <th>Longitude</th> </tr> </thead> <tbody> <tr> <td>S 1° 49' 35" – 1° 40' 24"</td> <td>E 103° 45' 52" – 103° 55' 44"</td> </tr> </tbody> </table>	Coordinate		Latitude	Longitude	S 1° 49' 35" – 1° 40' 24"	E 103° 45' 52" – 103° 55' 44"
Coordinate									
Latitude	Longitude								
S 1° 49' 35" – 1° 40' 24"	E 103° 45' 52" – 103° 55' 44"								
	Ladang Panjang Estate	Ladang Panjang Village, Sungai Gelam Sub District, Muaro Jambi Region. Jambi Province							

1.5	Description of Area Statement		
1.5.1	Tenure		
	<ul style="list-style-type: none">State	a. 1,202.04 Ha. Based on Land Use Rights (HGU) No. 4 Year 2003. b. 2,178.16 Ha. In publishing process of HGU	
	<ul style="list-style-type: none">Community	- Ha	
1.5.2	Area Statement		
	<ul style="list-style-type: none">Total area	3,380.20	Ha
	<ul style="list-style-type: none">Mature area	2,851.34	Ha
	<ul style="list-style-type: none">Immature area	-	Ha
	<ul style="list-style-type: none">Mill dan emplashment	53.81	Ha
	<ul style="list-style-type: none">Infrastructure (Nursery & Road)	99.86	Ha
	<ul style="list-style-type: none">Unplantable area	375.87	Ha
	<ul style="list-style-type: none">HCV	1,799.71	Ha
	* Areal Statement 2015		
1.6	Planting Year and Cycles		
1.6.1	Age profile of planting year		
	Planting Year	Hectarage (Ha)	
		Ladang Panjang Estate	Total
	1997	361.63	361.63
	1998	381.49	381.49
	1999	171.40	171.40
	2000	556.30	556.30
	2001	130.66	130.66
	2002	80.00	80.00
	2003	790.53	790.53
	2007	107.86	107.86
	2009	271.47	271.47
	TOTAL		2,851
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 (%)
	Ladang Panjang Factory	30	136,062.94	29,357.66	21.58	5,597.23	4.11
	<i>*Source: Mill Production Data on April 2014 – March 2015</i>						
1.7.2	Description of Certification Scope of Supply Bases						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Ladang Panjang Estate	3,380.20	2,851.34	47,839.74	17	47,839.74	100
	TOTAL	3,380.20	2,851.34	47,839.74	17	47,839.74	100
	<i>*Source: Production Data on April 2014 – March 2015</i>						
1.7.3	FFB description from other source						
	Name of source	Organisation		Location	Supplied to Mill FFB (tonnes/year)		
	Plasma BGR (Air Merah Estate) KUD Manggar Jaya (875 SH), KUD Karya Maju (448 SH), KUD Marga Jaya (636 SH), KUD Karya Mandiri (541 SH) and KUD Mitra Inti Sumber Makmur (415 SH)	Scheme Smallholders of PT Bahari Gembira Ria		Muaro Jambi (5,797.00 Ha)	88,369.72		
	TOTAL				88,369.72		
	<i>*Source: Production Data on April 2014 – March 2015</i>						
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 * (tonnes/year)		Actual certified product ** (tonnes/year)		
	• FFB Production		46,892.31		38,590.62		
	• CPO Production		10,361.00		7,846.79		
	• Palm Kernel (PK) Production		1,923.00		1,542.37		
	<i>*) Certificate Claim July 9, 2014 –July 8, 2015</i>						
	<i>**) Actual certified product July, 9 2014 – April 21, 2015</i>						
1.8.2	Estimate of certified FFB Claim						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Ladang Panjang Estate	3,380.20	2,851.34	54,944	19.27		
	<i>*Sources budget production data on period April 2015 – March 2016</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 (%)

	Ladang Panjang Factory	30	54,944	12,088	22.0	2,472	4.5
	<i>*Sources budget production data on period April 2015 – March 2016</i>						
1.9	Other Certifications						
	ISO 9001:2008		-				
	ISO 14001: 2004		-				
	OHSAS 18001:2007		-				
	ISCC		-				
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit		Supply Base	Time Bound Plan	Location	Status	
	Mill	Time Bound Plan					
	Sekunzir. PT. Indotruba Tengah	Certified 2010	Sekunzir	Certified 2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified 2010	
			Seruyan	Certified 2010		Certified 2010	
	Manggala. PT. Tunggal Mitra Plantations	Certified 2010	Manggala 1	Certified 2010	Rokan Hilir District – Riau	Certified 2010	
			Manggala 2	Certified 2010		Certified 2010	
			Manggala 3	Certified 2010		Certified 2010	
	PT. Sime Indo Agro	Certified 2010	PT. Sime Indo Agro	Certified 2010	Sanggau District –West Kalimantan	Certified 2010	
	Teluk Siak. PT Aneka Inti Persada	Certified 2011	Teluk Siak	Certified 2011	Pekanbaru, Siak District – Riau	Certified 2011	
			Pinang Sebatang	Certified 2011		Certified 2011	
			Aneka Persada	Certified 2011		Certified 2011	
	Sungai Pinang. PT. Bina Sains Cemerlang	Certified 2012	Sungai Pinang	Certified 2012	Musi Rawas District – South Sumatera	Certified 2012	
			Bukit Pinang	Certified 2012		Certified 2012	
	Sukamandang. PT. Kridatama Lancar	Certified 2011	Sukamandang	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified 2011	
			Sapiri	Certified 2011		Certified 2011	
			Baras Danum	Certified 2011		Certified 2011	
			Kuala Kuayan	Certified 2011		Certified 2011	
	Pematang. PT. Teguh Sempurna	Certified 2011	Pematang	Certified 2011	Seruyan and East Kotawaringin District – Central	Certified 2011	

				Kalimantan	
		Kawan Batu	Certified 2011		Certified 2011
		Hatan Tiring	Certified 2011		Certified 2011
		Batang Garing	Certified 2011		Certified 2011
Alur Dumai. PT Lahan Tani Sakti	Certified 2011	Alur Dumai	Certified 2011	Rokan Hilir District – Riau	Certified 2011
Teluk Bakau. PT. Bhumireksa Nusa Sejati	Certified 2011	Teluk Bakau	Certified 2011	Indra Giri Hilir District – Riau	Certified 2011
		Nusa Perkasa	Certified 2011		Certified 2011
		Nusa Lestari	Certified 2011		Certified 2011
Mandah. PT. Bhumireksa Nusa Sejati	Certified 2014	Mandah	Certified 2011	Indra Giri Hilir District – Riau	Certified 2011
		Rotan Semelur	Certified 2011		Certified 2011
Angsana Mini. PT Sajang Heulang	Certified 2011	KKPA-1 PT.SHE	Certified 2013	Tanah Bumbu District – South Kalimantan	Certified 2013
		Pantai Bonati	Certified 2011		Certified 2011
Angsana. PT Ladangrumpun Suburabadi	Certified 2011	Angsana	Certified 2011	Tanah Bumbu District – South Kalimantan	Certified 2011
		Gunung Sari	Certified 2011		Certified 2011
		KKPA-4 PT.SHE	Certified 2013		Certified 2013
Mustika. PT Sajang Heulang	Certified 2013	KKPA-2 PT.SHE	Certified 2013	Tanah Bumbu District – South Kalimantan	Certified 2013
		KKPA-3 PT.SHE	Certified 2013		Certified 2013
		KKPA-5 PT.SHE	Certified 2013		Certified 2013
Gunung Aru. PT Bersama Sejahtera Sakti	Certified 2011	Gunung Aru	Certified 2011	Kotabaru District – South Kalimantan	Certified 2011
		Gunung Kemas	Certified 2011		Certified 2011
		Laut Timur	Certified 2011		Certified 2011
		Pantai Timur	Certified 2011		Certified 2011
Bebunga. PT. Langgeng Muaramakmur	Certified 2011	Sungai Cengal	Certified 2011	Kotabaru District – South Kalimantan	Certified 2011
		Bebunga	Certified 2011		Certified 2011
		KKPA Sungai Cengal	2014		2014
Pondok Labu. PT Paripurna Swakarsa	Certified 2012	Binturung	Certified 2012	Kotabaru District – South Kalimantan	Certified 2012
		Pondok Labu	Certified 2012		Certified 2012
		Rampa	Certified 2012		Certified 2012
		Sesulung	Certified 2012		Certified 2012
Selabak. PT Swadaya Andhika	Certified 2012	Selabak	Certified 2012	Kotabaru District – South Kalimantan	Certified 2012
		Randi	Certified 2012		Certified 2012
		Sangkoh	Certified 2012		Certified 2012
		Lanting	Certified 2012		Certified 2012
Rantau. PT Laguna Mandiri	Certified 2012	Rantau	Certified 2012	Kotabaru District – South Kalimantan	Certified 2012
		Matalok	Certified 2012		Certified 2012
Betung.	Certified	Betung	Certified 2012	Kotabaru District	Certified 2012

PT Laguna Mandiri	2014	Sekayu	Certified 2012	South Kalimantan	Certified 2012
Ungkaya. PT Tamaco Graha Krida	Certified 2012	Ungkaya	Certified 2012	Morowali District – Sulawesi Tengah	Certified 2012
		Plasma TGK	2015		2015
Ladang Panjang. PT Bahari Gembira Ria	Certified 2012	Ladang Panjang	Certified 2012	Muaro Jambi District - Jambi	Certified 2012
		Plasma BGR	2015		2015
Rantau Panjang. PT Guthrie Pecconina Indonesia	Certified 2012	Rantau Panjang	Certified 2012	Musi Banyuasin District – South Sumatera	Certified 2012
		Bumi Ayu	Certified 2012		Certified 2012
		Karang Ringin	Certified 2012		Certified 2012
		Napal	Certified 2012		Certified 2012
		Mangun Jaya	Certified 2012		Certified 2012
		KKPA Sungai Pinang	2015		2015
Blang Simpo. PT Perkasa Subur Sakti	Certified 2013	Tamiang (PT PPP)	Certified 2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified 2013
		Batang Ara ((PT PSK))	Certified 2013		Certified 2013
		Blang Simpo-01 (PT PPP)	Certified 2013		Certified 2013
		Blang Simpo-02 (PT PPP)	Certified 2013		Certified 2013
MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2020	Sanggau District – West Kalimantan	2020
		MAS 1	2020		2020
		MAS 1	2020		2020
Lembiru. PT Sandika Nata Palma	Certified 2014	Lembiru	Certified 2014	Ketapang District – West Kalimantan	Certified 2014
		Awatan	Certified 2014		Certified 2014
		Pelanjau (PT BAL)	2014		2014
		Sungai Putih (PT BAL)	2014		2014
		Baturus (PT BAL)	2014		2014
<p>Sime Darby has achieved 39 management units in Malaysia and 21 Management Units in Indonesia RSPO certified. There was change of the Time Bound Plan under Sime Darby cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani Kelapa Sawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTUAGUNG has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard.				
<p>The company is not able to show the plan implementation which ensures that the BGR scheme smallholder shall be certified within 3 years referring the RSPO certification system on clause 4.2.3 and attachment 4.2.2. See NC CAR number 2015.16</p> <p>Verification on June 19th 2015</p> <p>The company has shown the attempts to certify all scheme smallholders. The evidence is in form of the socialization of the RSPO implementation to BGR village cooperative unit on May 26th 2015. It was attended by 12 participants. The company is also processing the scheme smallholder certification proposal to the top management. Furthermore, the company has composed RSPO Project Schedule Activity of PT BGR to scheme smallholder for period of 2015. The future programs are the socialization, RSPO overview, composing the RSPO team project, start documentation</p>					

	and review, training, internal audit and pe/main assessment (it is planned to be conducted on December 2015). NC is closed and it shall be observed on the next surveillance.
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2.0	ASSESSMENT PROCESS
2.1	Assessment Team
	<ol style="list-style-type: none"> 1. Sandra Purba (Lead Auditor Witnessed). Bachelor of Forestry Science, majoring in Forest Production Technology, Agriculture Faculty. She has work experience working in palm oil plantation. Has attended and participated training such as : OHS expert training, ISPO auditor training, ISO 19011 training, ISO 14001 training, ISO 9001 training, RSPO Awareness IHT, ISO 22000 – 2009 IHT training, RSPO lead auditor training and ISO 14064 vericator/validator training. She is now working at the certification body. 2. Taufik Margani (Lead Auditor Witnessing). Bachelor of Science in Forestry, majoring in Forest Management. Specialist in Ecology and Environmental. He has led several audits for Sustainable Forest Management in Indonesia (under LEI- Indonesian Ecolabel Institute and FSC- Forest Stewardship Council) and he is a Lead Auditor for FSC chain of custody and Forest Management. Other experience: He is IRCA Lead auditor IRCA registered for Environment Management System and Quality Management System. Since 1999 he has been working for independent certification body and has conducted Environment Management System audits in Indonesia and Malaysia. Currently he is the General Manager of Management System Certification, for the second surveillance he Assessing the QMS, Environmental System. Social aspect, supply chain and conservation. 3. Andi Pratama Pasaribu (Auditor). Bachelor of Agriculture from the Department of Agribusiness, Faculty of Agriculture, Jember University. Has attended several training such as: Auditor for Indonesian Sustainability Palm Oil (ISPO) training, Awareness RSPO, Awareness ISO 22000, Lead Auditor ISO 9001:2008 and High Conservation Value. Previously worked as an operational staff in private oil palm plantations. Currently worked as an auditor at Certification Body. In Surveillance 3, he focused on Best Management Practices aspects. 4. Entin Hendartin (Auditor). Doctor in the Forestry Science, Bogor Agriculture University. She was working as a lecture in Bandung Institute of Technology. She is now working as independent auditor at the certification body. The participated trainings are the ISPO lead auditor, PHPL training, ISO 9001 and ISO 14001. She has followed several estate certification system audit as auditor. She is now conducting assessment on the aspect of social and manpower.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-3	Number of auditors participating: 4 Auditors Number of days for ASA-3 at the site: 4 days Number of working days for ASA-3 at the site: 16 working days
2.2.2	Detail process of assessment
ASA-3	<p>The Surveillance-3 was conducted by measuring the sufficiency of implementation with the consistency done by the PT Bahari Gembira Ria (BGR) to the 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 / E for CPO Mill)</p> <p>The assessment was conducted in three methods:</p> <p>Methods I is document review, aiming to observe the sufficiency of types or substances from required documents;</p> <p>Methods II is <i>interview</i>, aiming to obtain more detailed information and cross check the information; dan</p> <p>Methods III is field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results Surveillance-23 delivered by the auditor MAL to the management unit and the results are the subject will be verified at the next assessment phase (<i>Surveillance-4</i>). All information</p>

obtained was recorded in Check List of PT Mutu agung Lestari (MUTU) and part of assessment report. Please find **Appendix 2** for the assessment program.

2.2.3	Locations of Assessment
ASA-3	<p>Surveillance Scope-3 is Ladang Panjang Mill and Ladang Panjang Estate. The sampling location is done by using the formula $(0.8 \sqrt{Y})$, Y is number of estate that is in the PT BGR. Total sampling at PT BGR is one (1) estate that is Ladang Panjang Estate. Then, in order to balance the information the auditor also visited villages around PT BGR.</p> <p>Division 3, Ladang Panjang Estate</p> <p>Location 1. Chemicals Store, Fertilizers Warehouse and Oil Tank. Field observations to the warehouse of chemicals, fertilizers and oil that is known that the company has implemented a policy of OHS. PPE and OHS were provided in adequate number, fire extinguisher is available too. Based on interviews, it was known that the attendant had an ability to explain their duties and responsibilities, training has been conducted and so does regular medical examination.</p> <p>Location 2. Traction. Based on field observations, it was noted that the means OHS has been completed and environmental management has been conducted in accordance with the regulations. Results of interviews indicated that officers were trained and able to explain their duties and responsibilities.</p> <p>Location 3. Firefighters equipments. Performed simulations in fire extinguishers, all the equipment in standby. Interview with the emergency response team showed that the implementation of emergency response scenarios in the event of emergencies has been carried out in accordance with the SOP.</p> <p>Location 4. Hazardous Waste Temporary Store. Field observations in Hazardous Waste Temporary Warehouse, noted that the company has implemented a policy of OHS. PPE and OHS were provided in adequate number, fire extinguisher is available too. Based on interviews, it was known that the attendant had an ability to explain their duties and responsibilities, training has been conducted and so does regular medical examination.</p> <p>Location 5. Best Spraying System. Field observations to home of BSS, noted that the company has implemented a policy of OHS. PPE and OHS were provided in adequate number, fire extinguisher is available too. Based on interviews, it was known that the attendant had an ability to explain their duties and responsibilities, training has been conducted and so does regular medical examination.</p> <p>Location 6. Employee Housing. Observations were made on the employee housing, employees facility has been provided, clean water for domestic was obtained from the mill. Daycare was provided for working employees. Management of domestic waste is well done and it has been done a routine simulation in case of emergency.</p> <p>Location 7. Clinic. The field of observations in clinic were noted that the company has provided adequate facilities for employee medical services. The clinic has been registered as a health facility of Labour Social Assurance. Drug in-out flows were performed with the FIFO method, there are no expired drugs, medical waste is managed in cooperation with third parties.</p> <p>Location 8. Garbage dump. Position of garbage dump is more than 500 meters from employees housing, free access and no flooding.</p> <p>Location 9. Boundary Poles. Observations on pole 10 (block C033), pole 5, pole 4, pole 3 (block C023), pole 2 (block C02) and pole 1 (block C029). All poles in good condition and well maintained. Numbers can be seen clearly, there are no planting in outside poles.</p> <p>Location 10. HCV No. 1 (Block C023) and HCV No. 5 (Block C029). Observations on areas of HCV are known that the company has managed it. . The type of HCV is riparian area; marking of spray area boundaries and the management of vegetation enrichment types.</p> <p>Location 11. Boundary Poles No 1, which borders between Div II (Block 15) Kebun Ladang Panjang and other plantation (PT Exen). Boundary Poles were in a good condition and well maintained.</p> <p>Location 12. Boundary Poles No 2, which borders between community area and Div II Kebun Ladang Panjang. Boundary Poles were in a good condition and well maintained</p> <p>Location 13. Boundary Poles No 6, which borders between Div II (Block B022) Kebun Ladang Panjang and other estate (PT. Makin Group). Boundary Poles were in a good condition and well maintained</p> <p>Location 14. Sumber Agung Village. Interview with the head of Sumber Agung village, District S Gelam, Regency Muaro Jambi. Discussions and interviews on the impact of plantation activity and POM PT. BGR, the</p>

	<p>culture and the culture of the surrounding community, communication and consultation procedure, the implementation of CSR, the identification of land conflicts or disputes between citizens and enterprises, cooperatives activities related to scheme smallholders (plasma) with the company or PT. BGR ,</p>
Location 15.	Fertilization activity in block B018 Division II. Observations on the implementation of fertilization in accordance with the SOP of fertilization. Fertilization Personnel can demonstrate an appropriate application of fertilizers doses, targeted and effective. Fertilization Personnel were able to explain rules of fertilization, the use of PPE and payroll system.
Location 16.	Harvesting activity in the block B022 Division II. Observations and interviews with foremen and harvesting personnel related to harvesting procedures, OHS aspect, and payroll system and harvesting incentive. Results of interview, it is known that harvesting personnel have understood, demonstrate and execute instructions of harvesting in accordance with procedures, use of personal protective equipment (PPE) and understand the calculation of salaries and harvesting incentive.
Location 17.	Applications / spraying herbicide (Block B021 Division II). Observations and interviews with the foreman and spraying personnel related to work instructions of herbicide application, the use of personal protective equipment, understand the restriction symbols of herbicide application in riparian , conservation area and able to demonstrate better ways of working in accordance with procedures established by the company.
Location 18.	Monitoring the surface water level of peat (Block B018 and B016 Division II). Observation of yard stick, peat subsidence and peat piezometers. Both of these tools are well maintained and monitored regularly
Location 19.	Installation of Owl's Nest (Block B051 Division II). Observations installation progress of owl nest as rat natural predator.
Location 20.	Harvest (Block C033 Division III). Observations and interviews with foremen and harvesting personnel related to harvesting procedures, OHS aspect, and payroll system and harvesting incentive. Results of interview, it is known that harvesting personnel have understood, demonstrate and execute instructions of harvesting in accordance with procedures, use of personal protective equipment (PPE) and understand the calculation of salaries and harvesting incentive.
Location 21.	Installation of Owl's Nest (Block B051 Division II). Observations installation progress of owl nest as rat natural predator. Currently the installation of nest owl covers 1: 25 Ha.
Location 22.	Applications / spraying herbicide (Block C038 Division III). Observations and interviews with the foreman and spraying personnel related to work instructions of herbicide application, the use of personal protective equipment, understand the restriction symbols of herbicide application in riparian , conservation area and able to demonstrate better ways of working in accordance with procedures established by the company.
Location 23.	Applications of empty fruit bunch (Block C035 Division III). Observations of empty fruit bunch application in order to improve soil fertility. The application process was in accordance with established procedures.
Location 24.	Application of palm oil liquid waste (Block C028 Division III). Observation activities of LCKS implementation to the flat bed in accordance with the procedures and be monitored in order to prevent environmental pollution.
	Ladang Panjang Factory
Location 25.	The process of (factory). Field observations on FFB processing activities ranging from acceptance to delivery of CPO (despatch). OHS policy implementation has been carried out, among others, warning o OHS, PPE and fire extinguishers facilities. Environmental and waste management has been done well.
Location 26.	WWTP. Field observations were made in the area of wastewater management plant, enrichment planting has been carried out, flow meter was well function.
Location 27.	Location of Palm Oil Mill. Implementations of supply chain ranging from FFB vehicle enter the weighbridge. Loading ramp, FFB processed, storage of CPO and PK Storage, until Dispatch CPO and PK.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
	<p>The public consultation is conducted with the methods follow:</p> <ol style="list-style-type: none"> 1. Public announcement in PT Mutuagung Lestari (www.mutucertification.com) website 14 days before the assessment. 2. Conducting direct visit and interview with the locals of the nearby village on April 22nd 2015. 3. Conducting meeting with the company internal stakeholders (employees, labour union and gender committee). 4. Conducting interview and field visit to the agencies in Mauaro Jambi District (forestry and plantation agency, manpower agency, national land agency and environment agency) on April 22nd 2015. 5. Correspondence with NGOs such as WWF and sawit watch. <p>All the feedback of the result of public consultation have been informed to PT BGR and it has been clarified. The result of public consultation can be seen on attachment 1.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1.</i>
2.4	Determining Next Assessment
	The next visit Surveillance-4 will be planned between April to June 2016.

3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Ladang Panjang Factory – PT Bahari Gembira Ria (Sime Darby Sdn Bhd Group) operation consisting of one (1) mill and four (1) oil palm estates. During the assessment, there were eight (8) nonconformity were assigned against Major Compliance, six (6) nonconformity were assigned against Minor Compliance, one (1) nonconformity were assigned against Supply Chain Requirement For CPO Mill, November 2014, one (1) nonconformity were assigned against Certification System and three (3) opportunities for improvement were identified.

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.		
The management unit regularly reports to the relevant agencies as part of the provision of information related to the activities of the company, for example:		
<ul style="list-style-type: none">Report of environmental management and monument plan, second half of 2014. There was a receipt from the District Environmental Office of Muaro Jambi district dated 15 April 2015 on behalf of Dadang Adan, Environmental Office Muaro Jambi on April 15, 2015 on behalf of Elfira Evi.P2K3 report first quarter 2015 to the Head of Social Department of Labor and Transmigration Muaro Jambi. There is a receipt of the relevant agencies dated April 2, 2015.		
Estate:		
During 2014 there were as many as 92 incoming mail and mail out as many as 407. And in 2015 (up to April) there are 9 incoming mail and 88 outgoing mail. Incoming mail contains most of the requests for assistance.		
POM		
During 2014 there were as many as 31 incoming mail and 2015 (up to April) as much as 12 letters. The letter entered most of the lists of requests for assistance.		
Most among the letters in the form of requests for information, for example, a letter from District Environmental Agency (BLHD) No. S.213 / BLHD.4 / II / 2015 dated 9 February 2015 concerning Follow-up of Findings Development and Supervision. The management unit to give a response to the letter is accompanied by evidence of the improvements made through letter No. 176 / LPF-Ex / BLHD / II / 2015 dated February 28, 2015 regarding response to Finding of BLHD Team, Jambi Province to PT. BGR.		
The interview with the manager of POM, it was known that management unit always try to respond to requests for information from the parties in accordance with the applicable provisions in the company. The Company has determined the shelf life of a document that is set in the control record No. Policy 301 / BGR-DOC-02/11, which includes a validity period and destruction of records.		
	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.		

PT BGR issued a memorandum related to a list of documents that can be accessed by the public as approved by the chairman of SoU 21, No. 01 / BGR / 04/15 dated 21 April 2015. The Memorandum addressed to the entire staff of PT BGR, PSQM Staff Department, government and stakeholders. Documents that can be accessed by the public, namely: LUT, SIUP / Plantation Business Permit, Licensing, High Conservation Value Areas (HCVA), Social Impact Assessment (SIA), Waste / Applications, EIA, Environmental management and monitoring report , OHS, Employee Data, Data of FFB production, Production Data of CPO - PK, data of Hazardous Material, specifications of factory machines, Details of complaints, Sustainable Plantation Management Guidelines (SPMS), public summary of the certification assessment report, human rights policy, and negotiation procedures.

The management unit showed evidence of dissemination of public access to documents on April 22, 2015 in the village of Trimulya Jaya, which was attended by village communities of Trimulya Jaya, Jaya Mingkung village, the village of Sumber Agung, and Petaling Jaya Village, RT 26 RW 04 Ladang Panjang. In addition management unit also showed evidence of socialization of Public access to document on April 22, 2015. The socialization was attended by 57 employees.

Status : Comply

1.3

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

The management unit show business ethics policy Policy No. 440 / HRM-COC / 07 were approved by GM, SGM, HPO, and GHPI on 24 May 2007. The management unit develops business ethics by taking into account the expectations of stakeholders towards the company and how to enforce the ethics including monitoring, reporting and penalties for violations of the code of conduct. Commitment in interacting with stakeholders is a major concern and the company became part of the company's business ethics, as well as the creation of added value. On the document stakeholder and its expectations spelled out in detail.

The management unit showed socialization evidence for Code Of Conduct, on 22 April 2015. The socialization was attended by 57 employees.

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.

The management unit showed evidence of compliance with legal requirements, such as sending regular reports of Hazardous Waste to the Chief Environmental Agency Muaro Jambi district. In accordance with the Decree of the Head of Integrated Service Agency, Muaro Jambi District No. 09 / Kep.Ka.BPTSP / XII / 2014 dated December 22, 2014 and No. 02 / Kep.Ka.BPTSP / VI / 2014 dated June 30, 2014 on Temporary Storage Permit of Hazardous waste at PT BGR.

Based on interview with spraying officer in division I LPE on previous assesment, its know that the PPE, uniforms are stored in personnel's house. This is not inline with Permenaker No.03 in 1986 regarding occupational health and safety requirements in pesticide management plance. **See NCR 2014.01**

Verification on 3 July 2014

BGR has made Block Spraying System house to store spraying tools in division 1 and 2. The presented evidence can be accepted and fulfilled the requirement.

BGR has the list of law and regulation's requirement that should be complied, however there are some regulations that haven't been stated on this list, such as government regulation No 27 in 2012, government regulation No. 50 in 2012, and PerMenLH No. 14 in 2013. **See NCR 2014.02**

Verification on 3 July 2014

Updating the latest regulation into list of law. The presented evidence can be accepted and fulfilled the requirement.

Based on the review of the document there is a mismatch on the application of regulations, as follow:

- Management unit did not provide enough evidence related to Plantation Business reporting in every six months to the Ministry of Agriculture, addressed to the Director General of Plantation, the Indonesian Ministry of Agriculture in accordance with the second part of his article) Decision of the Integrated Service Agency of Muaro Jambi District related to Plantation Business Permit of PT. BGR No. 503/02 / BPTS / 2014 dated January 31, 2014.

- Based on interviews with officials in the workshop division 3 is known that the company has not made fulfillment of the Labor Agency Regulation (Permenakertrans) No. 2 of 1982 on welder qualifications that have not received training in order to obtain a certificate of competence for the welder.

Non - Conformance CAR No. 2015.1**Verification dated 27 April 2015**

The company has shown evidence of improvement by transferring the plantation welder on behalf of Yosi to the maintenance of roads division by Decree 98 / BGR-INTI / PEG / IV / 2015 dated 23 April 2015.

Verification of date of June 1, 2015

The Company has demonstrated evidence of delivery LKUP report to the institution that is the Regent of Muaro Jambi through Plantation Office Muaro Jambi. Report submitted on January 20, 2015 with number of letter 012 / BGR / UM / PSD / I / 15.

Non – Conformance Completed

The company has been updating and implementing relevant regulations to operational activities, such as OHS and employment:

- The Company has registered all its employees into the program Labour Health Assurance.
- The Company has established cooperation with Assurance Agency by registering clinic PT BGR become one of the health facilities.

The management unit has not been able to show evidence that it has provided information of updated and relevant legal requirements, for example:

- Law No. 37 of 2014 on the Conservation of soil and water.
- Forestry Ministry Regulation (Permenhut) No. 60 of 2014 on the classification of the river watershed.
- Environmental Ministry Regulation (Permen LH) No.07 of 2014 concerning environmental losses due to the pollution or environmental damage.

See Non - Conformance No. 2015.2**Verification dated on June 1, 2015**

The company has shown evidence of improvement in the form of an evaluation document about compliance to the laws and regulations, the document has been covering the latest regulatory updates that are relevant to the operations of oil palm plantations and processing. For example:

- Law No. 37 of 2014 on the Conservation of soil and water.
- Forestry Ministry Regulation (Permenhut) No. 60 of 2014 on the classification of the river watershed.
- Environmental Ministry Regulation (Permen LH) No.07 of 2014 concerning environmental Losses due to pollution or environmental damage.
- REGULATION OF THE MINISTER OF ENVIRONMENT AND FORESTRY No. P.89Menlhk-II / 2015.

Non – Conformance Completed.

The management unit has not been able to show evidence of a mechanism to ensure compliance to implemented regulations.

See Non-Conformance No. 2015.3**Verification, June 1, 2015**

The company has shown evidence of improvement in the form of document for an evaluation of compliance to applicable regulation, which explains the basic rules, the indicators related to the RSPO and the status of fulfillment. But the company has not shown evidence of a mechanism to ensure the implementation of the regulations.

Non-Conformance Uncompleted.

The company has been trying to make some adjustments to the existing regulations. For example adjustments to Jambi Governor Decree No. 554 / Kep.Gub / Dinsosnakertrans / 2014 dated October 30, 2014 on the Establishment of Provincial Minimum Wage (UMP) 2015 with effect from January 1, 2015. Against this, the GM HRM has issued a memorandum No: 032 / HRM-13 / I / 2015 dated January 19, 2015 on wages SKU Daily and Monthly Salary Structure 2015 PT Bahari Gembira Ria

of Rp. 1.75275 million / month, the previous Rp. 1,540,000 / month.

Major 2.1.1	Status: Non compliance No. 2015.1 with Major category is closed	
Minor 2.1.2	Status: Non compliance No. 2015.2 with minor category is closed	
Minor 2.1.3	Status: Non compliance No. 2015.3 with minor grade still open	

2.2

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

Companies can show evidence of land use rights as follows:

- Land Use Title (LUT) Certificate No. 4 In 2003 covers 1202.04 Ha in Ladang Panjang Village, valid until May 6, 2038, published on May 6, 2003 by the Head of the District of Land Office Muaro Jambi District area of 1202.04 ha. Measure letter dated 14-04-2003 No.04 / Muaro / 2003 with an area of 1202.04 ha.
- LUT was still processed an area of 2178.16 hectares.
- The release of Menhut region no. 73 / KPTS-II / 21 996 covering an area of 14.349 ha (s Parit - S Kumpeh Subdistrict Jambi Luar Kota, but BGR can only covers 2178.16 ha. (Cadastral map BPN June 4 yr 2007).
- BGR has sent a letter to the National Land Agency of Jambi Province No. 071 / BGR / UM / PSD / III / 2014 dated March 5, 2014 on the submission of application for completeness requirements of LUT covers + 2178.16 Ha.
- The BGR has processed a letter to the four villages those are included in the area of 2178.16 hectares, related to the support or approval to extend the period of LUT of PT BGR from head of village dated October 23, 2014 for Sumber Agung Village Sub District Sungai Gelam, Arang-Arang Village dated 25 April 2014, Gambut Jaya Village dated May 9, 2014 and Parit village on 22 April, 2014.
- BGR is waiting process for B committee that was communicated to Jakarta on last month of April 2015. It was still waiting for the response of the relevant agencies.
- Stages of LUT were still in the process and BGR has a target as soon as the end of the year will be completed. Note: The kadastral map have been already made on June 4, 2007 covering an area of 2,178.3 hectares. Those were made by Head of Survey of Measurement and Mapping Division and Mapping Office of National Land Agency Prov Jambi.
- IUP No. 503/02 / BPTSP / 2014 dated January 30, 2014 cover an area of 3,382.04 ha with LUT cover area of 1,202.04 ha and kadastral 2,180 ha and is not authorized with an area of 374 ha, also kadastral.
- Then in Plantation Business Permit contained a statement that 20% of the total area of cultivated plantation area is for the construction of community estate. As in implementation BGR explains that more than 20% the government has provided land for plasma and it has been built since 1993.
- Plantation Business Permit mentioned that palm oil mill capacity is 45 Tons FFB / hour.
- There is a provision in Plantation Business Permit related to plantation development obligations periodically 6 months to Regent of Muaro Jami cq Head of District Plantation Agency - actual and monthly reported.
- The total cultivated area is 3,380.20 hectares.

Based on the results of consultation with the agency of plantation District Muaro Jambi that the company has to have legal ownership documents for a period of time and the use of land in the form of the LUT and Plantation Business Permit. Companies need to explain (personal communication from the relevant agencies) implementing the provisions in the document PBP No. 503/02 / BPTSP / 2014 dated January 30, 2014 part 2 item g) which states that the company is obliged to pursue the construction of the estate for community covering about the lowest 20% of the total area of companies estate (covering an area of 3,382.04 ha). (OFI # 2015.01).

The Company has established and performs the poles maintenance. In a document of program and poles maintenance realization in 2014-2015 there were a total of 36 poles, consists of 10 Boundary Poles in the divisions III and still in process of the committee B as many as 26 poles, with details Div I 20 poles, Div II 6 poles. There is a maintenance monitoring of Boundary poles in Ladang Panjang Estates year 2014-15. It was known that all of those poles were in good condition.

Field observations to Boundary Poles Div III, Poles 1 and poles 10 directly adjacent with Transmigration Independent Organization (TSM) and Poles 2, 3, and 4 adjacent to local community estate (plasma) of Trimulyo Village. Samples of poles in div II consists of supporting poles 1, 2 and 3 (Poles of National Land Agency out of the current kadastral recognized by the community that borders to Parit Village and poles 6 borders to Arang-Arang Village. Samples of Div I consists of poles 7 and 8 are bordered by PT MKI, poles 9 and 10 border to the PT BAM, poles 1 and 2 directly adjacent to trans of Gambut Jaya

village and poles 2 and 3 directly adjacent to the village of Sungai Gelam.

Div I and II is currently in processing of LUT by map handover minutes meeting (BPN) Jambi) November 19, 2007 (kadasteral) covering an area of 2,178 ha. Based on the field note that the poles of observation sampling are well maintained and becoming clearly visible in the field. The boundary between the areas of corporate governance clearly bounded by a ditch (canal); and including observed sample poles as mentioned above.

Information about the company (Chairman of SOU), no land disputes for all divisions I, II, and III. The last occurred in Div II in 2008 that was public demand for plasma. But after that until now no issues occur. The area controlled by BGR did not expand the area that is an area of 3380.20Ha include in 2851.34 Ha planted area.

The results of interviews with a sample village border to the BGR area, those are Sumber Agung Village and Petaling Village. It was mentioned by Sumber Agung village leaders and community leader of Petaling village, that it never happens dispute over land rights in the area of the company and the community; as well as other villagers.

Based on interviews with representatives of management, which refers to a map of the working area of PT BGR that there is vacant land in the area of Div II as stated in LUT (include in poles of National Land Agency), which claimed an area of approximately 400 ha (Parit Village and Arang-Arang village). Meetings were held with the head of Arang-Arang and Parit village in February 2014 explained that the two villages will release the area at a price of 8 million per ha. Results of the meeting were submitted to the center office (Jakarta Office). The condition of the area is now planted with oil palm and rubber by the community. The head office stated that does not need to be compensated and welcome the community to cultivate the land. That was a part of company effort to overcome a potential conflict. But the company has not been able to show evidence of the action taken in accordance with the SOP of document Conflict Resolution PK Rev 0 April 2 2009. **See Non-Conformance NCR No. 2015.04.** Currently PT BGR does not manage the land according to the recommendations of Jakarta Head Office .

Verification of date of June 1, 2015

The company has shown evidence of improvement in the form of evidence for resolution of the land which has been occupied and is still in the process of LUT located in Div II area of approximately 400 hectares. Documents shown is a letter from EM Ladang Panjang Estate to GM PSD Letter No. 239 / BGR-INT / VII / 2014 dated July 16, 2014 on previous petition responses letter No. 190 / BGR-INT / V / 2014, the letter explained that EM Ladang Panjang have informed the PSD related to the land which has been occupied and is still in the process of LUT in order to be added to the core area, and requests for information about the status of the land.

Associated with that, GM PSD has responded to the letter on August 6, 2014 by letter No. 099 / PSD.JKT / 08:14, the letter explains that relates to the addition of a core area of 400 hectares of land to be taken out of the land occupation in Div II, GM PSD said that today the area still belongs to the Arang-Arang village and Sei Gelam Village and there is no final decision of Pemda Muaro Jambi yet, so over the area, that was recommended not to do compensation. **Non-Conformance Completed**

Based on interviews with community leaders in Petaling Village. It was known that the area of PT BGR has been clearly established in accordance with LUT and people already know and understand the areas of PT BGR. Based on the interview, it was known that there is no konflik between rural communities included in the operational area of PT BGR because both sides already know the boundaries of the core area of estate and the one belonging to the community, including smallholders.

Based on interviews with village that was taken by sampling, representing by the village of Sumber Agung and Petaling Village. It was mentioned that never happened escalation of conflicts in the area of BGR with society or with other parties, even there was never any violence by the BGR (plantation and palm oil mill).

Major 2.2.4

Status: Non compliance No. 2015.4 with Major category is closed

2.3

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

Based on interviews with management representatives noted that there is no claim on an area which is managed by PT BGR. Map created based on the map of LUT and for Div III and cadasterals maps by National Land Agency for Div I and Div III.

According to company information that is land in the area of PT BGR is forest land previously. The land clearing was conducted prior to 1991 for the management of oil palm; and Div I and Div II for Transmigration community, Div III Ladang Panjang Village, any native newcomer from Jambi Sebarang (rubber and oil palm land management). There is no area in plantation PT Bahari Gembira Ria that is in occupied of the traditional rights (customary rights) so that there is no written agreement associated with that issue. There is no plantation area of PT Bahari Gembira Ria is claimed as community land. Based on interviews with village that was chosen by sampling and represented by the village of Sumber Agung and Petaling village submitted that it never happened case or conflict over land rights, including customary or legal rights recognized in the area of BGR, with society or with other parties, it did not even exist violence by the BGR (plantation and palm oil mill).

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.

The Company has had long-term planning documents at least 3 years in the future in the Final Budget document 2014-2015 and Projection 2016 - 2019. In a estate special document, it was provided planning data related to employment positions, the position of the building, the wages, the analysis of the needs of the FFB transport unit, the elimination of fixed assets, hectare statement, the estate cost summary, fertilization, production (CPO and Kernel) and yield. As for the plant parameters are targeted, those are, the FFB, CPO production, PK, yield (OER and KER) and the estimated cost per tonne of CPO.

PT Bahari Gembira Ria has a replanting plan that will be conducted in 2016 -2030 in the form of Long Range New Planting Programme. The first replanting will be carried out in the 1997 block of the plant in Division III Ladang Panjang, cover area of 211.08 ha (mineral soil). Some considerations for replanted consideration, as follows, productivity, plant age, and height of the tree. The first replanting activities will be implemented in 2016.

Status: Comply

PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS

4.1

Operating procedures are appropriately documented, consistently implemented and monitored.

The Company has a series of procedures of operations, start from land clearing to processing and despatch of CPO. Agronomist working procedures listed in the SOP of agronomy reference manual for Palm planting No. Policy; 110 / EST-ARM / 13 which consists of 18 chapters / sections concerning technical of cultivation for palm plantation, released based on memorandum of Head Plantation Upstream Indonesia on 01 September 2013. As these chapters are, plant material, breeding techniques, replanting, land preparation, plant density, age at harvest, field maintenance, fertilization, canopy management, water management in coastal areas and planting on peat, ablation, standard of maturity, crop rotation, collecting fruit bunch, plant protection, weed control, planting of legume cover crops and recording rainfall.

Working procedure of processing at the factory was set in SOP of Palm Oil Processing System No. Policy 110 / POD-FAC / 07 which was passed by the Factory Manager and GM Mill Area. The contents of the SOP comprise 2 volumes of documents. The first volume of palm oil processing: the basics of processing palm oil, palm kernel oil and hoarding control of wastewater treatment in plants, water treatment and laboratory analysis. While the second volume of that SOP describes the plant administrative procedures and workflow of documentation.

To monitor and ensure operations run in accordance with established procedures, there is an internal audit mechanism. For example:

1. Plantation advisory (PA) Ref No. : Minamas / LPE / 02 / 12-13 which was held on 24 to 26 June 2014. It was held regularly in every semester.
2. Mill advisory (MA) Ref No: Minamas / LPF / 002 / 14-15 on 13 to 16 March 2015. Conducted regularly in every semester.
3. Audit Environment Safety and Health (ESH) on 16 April 2015 conducted by the audit team of the Ministry of Regional PSQM Sumsel Jambi. That was routinely carried out once a year.

All operational activities of PT. Bahari Gembira Ria, either daily or monthly, were recorded in the Estate/POM Monthly Report, For example:

- Monthly Report of POM Ladang Panjang includes comments of manager, reception of FFB, production data, quality and

loss of production, costs of production, housing and employees, inventory and costs recapitulation.

- Estate Unit Reports of Ladang Panjang in order to records operational activities, those are: contains a map of the estate (area of operation), the area of statement, organizational structure, the number of workers and dependents, building data / infrastructure, FFB production data, rainfall data, the data of productive plant, data of seed, costs of production, capital, etc. as well as the manager's comments about the problems found in the estate. The report is updated every month.

Ladang Panjang Factory get supplies of FFB from smallholders PIR-TRANS as a company foster. The form of a cooperation agreement between the company and the farmers registered in the cooperation agreement on the development of oil palm plantations. In the agreement, on the first point of Article 6 stated that the entire FFB estate production is sold to the company. There are several village cooperatives (KUD) belonging to the company in such cooperation. The agreement document noted that:

1. Letter of Cooperation Agreement between PT. Bahari Gembira Ria with KUD Marga Jaya No. 134 / BGR / SPK / IV / 1994 on April 30, 1994 with an area of 850 ha.
2. Letter of Cooperation Agreement between PT. Bahari Gembira Ria with KUD Manggar Jaya on 7 November 1997 with an area of 850 ha.

Status: Comply

4.2

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

The Company strives to perform plant maintenance activities in order to achieve the results as much as possible in accordance with the procedures set forth in the Reference Manual of Agronomy. Some ways include:

1. The process of land clearing which is in line with the principles of maintaining the availability of soil nutrients to carry out land clearing without burning so that will not damage the microorganisms in nature.
2. Sampling soil and leaf tissue in order to be able to determine the actual condition of nutrients contained in the soil and plants. Based on these data will be determined dose of fertilizer needed.
3. Application of appropriate fertilization, right dose, right on target and on time.
4. The addition of organic matter of the soil by using the plant product. Such as empty bunch and palm oil effluent.
5. Application of appropriate IPM emphasizes biological control to maintain the balance of the ecosystem.

The Company has documented the use of fertilizer that has been applied. For example, data on the use of fertilizer in the first half (July 2014 - December 2014) and second semester (January - February 2015) that are stated the realization of ZA fertilizer application, Urea, MOP / KCl, RP, Kieserite, Dolomite and HGFB. Basic of fertilizer application is fertilizer recommendations that have been set by Minamas Research Centre (MRC). Fertilizer recommendation is determined based on the study of soil and leaf testing conducted on a regular basis. Soil testing conducted once in 5 years while the leaf sample testing done routinely every year. The last leaf sample testing carried out on 28 May 2005. The parameters measured in the activities of leaf analysis are Ash, N, P, K, Mg, Ca, Mn, Cu, Fe, Zn and B. The last Analysis of soil was held in November 2014. The parameters measured in the test sample is a soil pH, organic C, total N, C / N ratio, total P, total K, Cu, Zn, B, Fe, Base Sat and CEC.

To improve soil fertility, company also utilizes organic fertilizers derived from plant waste that is empty fruit bunch and palm oil effluent (POME). Recommended Application Dose of empty bunch of applications of MRC is 30 tons / ha. Based on field observations in block C035 Division III, there was the application of empty fruit bunch with U-shape method. While POME application contained in block C027 and C028 Division III with recommendation 550 liters / tree / year.

Status: Comply

4.3

Practices minimise and control erosion and degradation of soils.

Based on the results of the study of documents and field visits, it was known that PT BGR that has areas with marginal land. It is peat soil. Report of Peat depth survey was held on 12 to 16 December 2012. The report measured the composition of the peat depth, maturity level of peat, peat soil chemical characteristics (pH, organic C, total N, C / N ratio, total P, total K, Cu, Zn, B, Fe, Base Sat and CEC. the conclusion of the report is PT. BGR with an area of 2,853.84 Ha consist of 1,156.15 hectares (41%) of mineral land and 1,697.69 ha (59%) are peatlands (Histosol) with depth > 3 meters. Listed peatland distribution map has been identified.

Based on the land survey documents conducted by Param Agricultural Soil Surveys in November 2008. Data of semi-detailed soil map legend shows that the class of slope is choppy (undulating 4-12%) and ramps (level 0-4%).

The Company already has a recording program and the realization of road maintenance plan 2014 - 2015. For example, road maintenance program Division III in March as 8,300 meters, and it has been 8,300 meter realization. Meanwhile realization road maintenance in Division II is the access canal maintenance because the Second Division is peat areas. Realization of canal maintenance in March 2015 along 225 m in block B015 and 225 m in block B016. Realization of canal maintenance are documented each month and recapitulated every year.

Water management program of peat water surface that has been done by PT.BGR are:

- Water management in the form of a ditch with a water gate. For Division II, there are 5 water gates in April 2015.
- Drain flushing was planned every month. Based on field observations in canals that were passed during field visits to Division II, cannals conditions are relatively clean and can be passed with good transportation tool.
- Measurement of yard stick (water level) performed regularly (once in a week). There are 5 stick sin Division II. Monitoring is done every day, for example the measurement on March 18, 2015 at the Division II block B018 height: 2 cm;
- Measurement of Pizzo meter is done once in a month. Division II has 56 units Pizzo Meter. Results of monitoring in March 2015 on the block B17 with a height of 29 cm.
- Based on interviews with the management of peat subsidence measurements in every year. Division II has a 1 pole of subsidence and Division I has two poles of subsidence. There were Peat Subsidence Observation Data Division I and Division II in January 2014 with the results:

NO	Block	Early Installation Date (M)	Early Thickness (M)	Thickness in this month (M)	Subsidence in this month (M)
1	A004	Januari 2012	4,66	4,66	0,04
2	A009	Januari 2012	10,28	10,24	0,04
3	A015	Januari 2012	5,86	5,82	0,04

The data of the measurement shows the number recorded on the ASA-2 assessment so far.

The company owns area in Division I and II with the oldest year of planting, those are 2003 (9 years) and 2000 (14 years old). This indicates that these plants are still in the productive age and have not entered the replanting age (25 years and above). Thus, the company has no replanting plan in the near future (at least 5 years in the future).

Several attempts were made by the company for the activities of water management, as follows:

- Maintain the water level at the level of 50-70 cm below the soil surface. Measurements were made with the installation of yard stick in some positions that represent the area. There are 6 yard sticks in Division II. Oneis in B018 Division II.
- Regular Drain Flushing Program of subsidiary and collection were conducted onece in 3 years. It aims to accelerate the flow of water during the rainy season and the dry season water supplies.
- Program of canal maintenance was carried out on a daily basis in order to ensure smooth transportation of FFB and operational in the field.

Based on the field visit, peat management has been in accordance with the procedures and it was also conducted observations and measurements of piezometer, yard stick and subsidence poles that were done regularly.

Status: Comply

4.4

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

Several efforts made by companies to protect water sources, as follow:

- Perform marking on the area of the buffer zone: Based on field trips on the Terantang River, Block C029, Division III, LPE has found signs of prohibiting to spray, on the tree were marked in the form of a circular yellow paint.
- Installation of warning signs about the ban on fish poison and cutting down trees in the buffer zone: There are notice boards area of HCV and prohibition in HCV area, such as in Divisi III, Block C029.
- Dissemination of a ban on using chemical on riparian was conducted in every morning assembly: based on interviews with spraying personnel in Block C038 Division III is known that personnel have understood the instructions and work

instructions of spraying, and they can explain the limitations of spraying (areas that should and should not be sprayed, such as a buffer zone and source / water flow.

PT Bahari Gembira Ria already has policy is to avoid contamination of chemicals (pesticides and fertilizers) in buffer zone area and the flow of water (eg ditch) by not conducting pesticide spraying and fertilizing around the region. Determination of riparian Buffer zone along 50 meters.

To maintain the availability and quality of surface water, BGR has done:

1. Maintain the natural conditions around the riparian area.
2. Installation of warning signs about the ban on fish poison and cutting down trees in the buffer zone.
3. Perform marking on the area of the buffer zone.
4. Maintenance manuals on c ferns (ferns), located at the left and right canal.
5. Conduct utilization of liquid waste on land and do not dispose of liquid waste into the river.
6. Dissemination related to a ban on using chemical on riparian was conducted every morning assembly.
7. Perform testing water quality, ground water and also water used for workers.

The company has conducted testing the quality of water used by employees and the public at regular intervals. Tests carried out by the Regional Environmental Laboratory UPTB, Regional Environmental Agency Jambi Provincial Government (LP-413-IDN). For example, in the upstream and downstream Terentang river included in the operating areas of the company, employees wells in estate residential and factories as well. Parameters measured were TDS, turbidity, color, iron, F, Cl, Mn, NO₃, NO₂, pH, SO₄, Hardness, KMnO₄ with reference to regulations of Health Ministry Regulation (Permenkes) No. 416 1990. Based on observations of document, all parameters tested remained below the threshold that is safe for consumption and safe for the ecosystem.

Testing of liquid waste was carried out regularly every month. Tests carried out by the Regional Environmental Laboratory UPTD, Regional Environmental Agency Jambi provincial government with No. Accreditation LP-413-IDN. The Company shows the test results of wastewater, period of May, June and July 2014 that includes the parameters pH, BOD, COD, Oils and Fats, Cadmium, Cuprum, Lead and Zink. Based on the study documents noted that the test results are in accordance with the quality standards required in the Environmental Ministerial Decree No. 29 of 2003.

Water usage data for processing at mills recorded properly every day in the document "Water Supply Allocation Transit" which was recorded by the operator of water treatment, with details as follows:

- Total water consumption budget for the period May 2014 to March 2015 is 267 199 m³
- Total actual FFB processed is 123 829 tonnes
- Total actual water consumption is 170 098 m³
- Actual water per FFB is 1:37 m³ / ton

Unit of management evaluate water usage and compared to the budget. Results of the evaluation showed an average use of water / ton FFB still below the budget set by the company.

Status: Comply	
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4.5

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

The Company has established an integrated pest management program 2014 - 2015. The program consists of:

1. Cencus Activities of integrated pest management (consisting of census caterpillar fire / bag, horn beetles, mice, termites and rats were carried out routinely every month. The results of pest census in July 2015 to April 2015 showed that there was no pest attack which was above the economic threshold.
2. Program of the owl's nest construction (barn owl box) with hectar cover 1: 20 (1 unit BOB to 20 Ha). During audits, there are 24 units BOB in Division II cover of the area of 666 ha (hectares cover 1: 27 Ha). There are 9 units BOB in process of development program in 2014-2015 so the cover area is 1: 20. Division III contained 38 BOB which was attached to the areal of 1,152.53 hectares (ha cover 1: 30). Program years 2014 - 2015 the construction of 20 units, bringing the total to 58 units (HC 1: 20).
3. Planting and maintenance of host plant, types of *Turnera subulata*, *Casia cobanensis* and *Antigonon leptosus*. it was done routinely every month.

4. Implementation of the trunk injection to anticipate UPDKS pests.

The company always improves the competence and capabilities of employees in term of effort to integrated pest management. One of them is the implementation of a training / IPM training. There are recordings of IPM implementation on January 5, 2015 in block C029 Division III with integrated pest management materials, functions of beneficial plant and procedures of IPM census. While implementation in Division II on March 4, 2015.

Status: Comply

4.6

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

Based on the observation of the document, the pesticide used by the company is the one with the active ingredient of isopropyl aminaglifosat, methyl melsulfuron, trichlopyr, fipronil and acephate. Entire pesticides used have been registered in the pesticide list of the Ministry of Agriculture, Pesticide Commission and it has valid permission.

PT Bahari Gembira Ria recorded the use of chemicals to control weeds / pests / diseases of plants by stating the type of chemicals used the area that was applied and the amount of use per hectare. Eg pesticide application records in division II on April 2015 with active ingredient isopropyl aminaglifosat, amounted to 1018.52 liters with an application area of 1981.44 liters. In the previous assessment, BGR can't present the applicable permit for some agrochemical like Meta Prima, Agenda and Lancer. **See NCR No 2014.03**

Verification on 3 July 2014

BGR has presented the distribution permit for some agro chemical type, like Meta Prima (RI.01030120081897); Agenda (RI.04110119971366); Lancer (RI.01010120041979). The presented evidence can be accepted and fulfilled the requirement.

PT Bahari Gembira Ria has a policy not to use the herbicide of paraquat and replace it with another, according memo from Head Plantation operation (Memo POD-UM-128 / X / 2008, dated 4 November 2008) .However based documents in and out of the warehouse items, it was not found warehouse inventory out that is related to type of paraquat since 2009. Similarly, the class 1A and 1B pesticides WHO. Thus, it can be concluded that the company no longer uses pesticides classes 1A and 1B WHO as well as paraquat in its operations. Pest control of mice was completely done by maximizing owl.

Based on the observation of documents and interviews with operational staff, the company did not conduct the application of pesticides from the air.

The Company has made several attempts to minimize the risks and negative impacts of the application of pesticides. Some of these efforts include:

1. The use of personal protective equipment (PPE) to minimize the risk of spraying personnel exposure to hazards of pesticide. For example the use of masks, rubber gloves, apron, and so forth. There is a handover note of PPE that was implemented routinely.
2. The provision of supplementary food to reduce exposure of pesticides in the body by drinking milk every day. Milk provided each day before leaving for work.
3. Routine health examination of employees that expose to chemicals was conducted in each semester. The parameters examined, as follows, the examination of the lungs, hearing, urine, eye and blood. Final examination results showed that all employees in good health and able to continue the work as a pesticide applicator.
4. Training in the use of pesticides that are held in each division. For example, training in the use of pesticides on April 22 in Division II at the office of the division and dated April 21, 2015 in the office division III. Related training materials about the importance of PPE, home BSS, HIRAC, description and type of herbicide and active ingredients as prescribed, target weeds, HCV and maintenance of spray equipment.
5. First aid training on 22 April 2015 at the office of the third division with the aim to train foremen in handling First Aid Emergency.

The management unit has a cooperation agreement of Hazardous waste transportation with CV Anggrek No. 011 / PRJ / CV.AGR-PTBGR / II / 2015 dated January 28, 2015. Wastes of packaging were last transported by CV Anggrek on February 14, 2015 with Number of Manifest 000 052 JTR, as weigh of 3, 2 kg of contaminated packaging.

In the previous assesment, BGR can't present the evidence that hazardous waste collector (PT. Dame Alam Sejahtera) for used pesticide package has had the permit from related institution. **See NCR No. 2014.04**

Verification on 3 July 2014

BGR has proved that PT DAS has had the recommendation for transporting hazardous waste including the contaminated used pesticide package from ministry of environment that inline with letter No. B-11185/Dep.IV/LH/PDAL/10/2013 on 8th October 2013. The presented evidence can be accepted and fulfilled the requirement.

Based on the study of document on the hazardous waste balance of the former agrochemical packaging note that the residual waste that is recorded in Temporary landfill of hazardous waste, those are Kenlon 11 pieces, 31 pieces Metaprima, Kenlon 73 pieces, 79 pieces Audit, Metaprima 436 pieces and Medaly 503 pieces. The results of interviews with the management unit known that pesticide packaging waste washed / cleaned, then sent to Temporary landfill of hazardous waste in POM of Ladang Panjang, and then transported by a licensed transporter (CV Anggrek).

Have been conducted a medical examination for sprayers personnel, in collaboration with hospitals of Raden Mattaher dated March 14, 2015 the number of employees are 5 people, for example on behalf of Sorta with the results of the examination light restriction and light obstruction for spirometry and normal to physical examination. The Company has evaluated the results of spirometry and continues consultations to lung specialist. The company can show the results of the examination and pulmonary expert consultation. The Company has conducted periodic medical examinations for sprayer personnel including a physical examination, blood and spirometry, but the company has not made cholinesterase examination (blood chemistry) to sprayer personnel. **See Non-Conformance CAR No. 2015.5**

Verification dated 27 April 2015

The Company has drawn up a plan of employee health examination (spraying personnel) type of cholinesterase, the company showed evidence of the progress of plan realization by conducting gradually checking in each week, in collaboration with the laboratory of Prodia. It has been conducted an examination of four personnel on April 23, 2015. The examination result was available for example on behalf of A Muklis checked on 23 April 2015 by the results of 8121 U / L (normal). Based on the evidence, **Non-Conformance CAR No. 2014.5 completed.**

The Company has established a policy of protection of Women Worker's Reproductive Rights May 9, 2013, the contents as follows:

1. Giving D1 must be examined in the clinic by doctors and nurses, and awarded based on the results of the examination of doctors and nurses.
2. Giving D2 Calculated based on the final administration D1 by medical personnel. D2 leave provisions, are
 - With a 7.5-month gestation during 1.5 months.
 - After giving birth during 1.5 months.
 - Maternity leave due to miscarriage will receive 1.5 months after a miscarriage / pregnancy
3. For pregnant women workers
Women are known to be pregnant, in accordance with the rules and reinforced by examination of doctors and nurses, the workers of the pregnant woman can not do the work related to the use of chemicals, such as spraying and fertilizing.
4. For working women who have just given birth / breastfeeding for 6 months should not be doing work related to chemicals eg sprayers and fertilizer. After 6 months of breastfeeding, there will be doctors and nurses examined to determine whether the worker is still breastfeeding or not, then decision can be made whether the worker is allowed to do work related to chemicals.
5. Women workers must be protected from sexual abuse and domestic violence by her husband. Policy signed by the Chairman SOU 20.

As the implementation company has set the policy to monitoring schedule for pregnant and lactating mothers for fertilizer and sprayers personnel. It was available the results of the monitoring period July 2014 s / d in June 2015. Based on the study of documents. There are 2 employees who are breastfeeding as stated on the doctor's examination / medical personnel. The company has moved to another spraying job that is not related to chemicals.

Based on field visits and interviews, it is known that spraying personnel have gained sufficient training and have earned a specific medical examination. Based on field visits also noted that the company does not employ pregnant and lactating women in doing work related to chemicals.

Status: Comply

4.7

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

OHS policy endorsed by the CEO of Minamas Plantation dated August 27, 2010 which explains that the Plantation Upstream Indonesia is committed to improving the safety and health include staff / employee, contractor and visitor / guest through the an effective Occupational Health and Safety Management, which focuses on such things as following:

1. Formulate, establish and implement the Occupational Safety & Health Systems.
2. Staff / Employees are trained in accordance with the competency / expertise in the field of work.
3. Run the Act, Government Regulations and Rules set by Plantation Upstream Indonesia related to Safety and OHS as well as the cultural code of conduct set out in operational Plantation Upstream Indonesia.
4. Continuously improve the performance of OHS.

Based on the company policy reference o OHS , it has compiled OHS programs include:

- Preparation to implement OHS (HIRAC and risk assessment, review and update the MSDS, the allocation of equipment and the need of OHS, allocation PPE requirements, allocation of medical and clinical needs, promotion of OHS).
- Program activation of OHS (Application of PPE, periodical medical examination, meeting program of OHS, Inspection of OHS, inspection of OHS equipment, environmental and hazardous waste control , records and reports of OHS, control of issues and work permits, adm of OHS, occupational health programs, communication programs to the threats, training programs, audit.

Realization of the programs that have been carried out, as follows:

- a. Examination of the employees in the form of physical check up, audiometry, spirometry and cholinesterase check up for plantation and the factory workers are done every year. Eg for audiometry as many as 17 people on April 6 with the results of six of them have lost the ability to hear in the right and left ear, the company has conducted an evaluation of the examination results and recommended for re-examination to hospitals Raden Mattaher. For example, examination on behalf Kuswanto with the results of his right ear and left ear had lossed the ability of hearing. Re-examination has been carried out on 17 April 2015 against Kuswanto with normal examination results.
- b. Based on a visit to the warehouse Div 3 and workshop of Div 3, factory workshops and factories, it was known that the company has completed the appropriate PPE and equipment of OHS in the field. Interviews with appointed Emergency First Aid Personnel, it was known that the personnel can explain it.

The Company has had a SOP of identification, assessment and control of hazards No. policy: 7301 / PSQM-ESH / 11, dated July 7, 2011 which was signed by GM, Head in Charge and PSQM. In the procedure described the stages of identification and risk assessment. Results of analysis and risk assessment explain the type of work, the dangers, the impact, the level of risk (EPR), risk control, risk level after controls and PIC, for example tree spraying activity, the danger posed is slipping and falling, the impact bodily injury and spilled toxic, low to medium risk level, risk control use of PPE, the level of risk after controlling LM, PIC assistant and foreman. Interviews with employees in the field, for example in workshops and in warehouses it is known that the employee can explain the risks of each individual job.

In OHS program, it has been included the training programs such as in-house training, external training, in the job training, prevention firefighters and emergency simulations. The Company has established program and schedule OHS training for employees, as follows:

- Understanding and introduction of OHS, planned in jan 2015.
- OHS management system was planned in February 2015.
- Hirac and risk assessment was planned in February 2015.
- Introduction of PPE was planned in January 2015.
- APAR and Hydrant was planned March 2015.
- Health and Emergency First Aid were planned April 2015.
- Handling of emergency response was planned in June 2015

There are reports on the realization of OHS training, as follows:

- a. Minutes of simulation training and socialization of emergency on March 24, 2015 the number of participants were 20 people.
- b. Training of PPE utilizing and Harvesting SOP was done on March 4, 2015 with 18 participants.
- c. Training related to the competence of paramedics, for example Hiperkes certificate on behalf of Andri Irawan, A.Md.KEp

issued by the minister of Indonesia dated September 2014, certificate No. 17 966 / PM-I / 14.

Interviews with employees in the field, for example in factories with grading personnel, WTP Personnel and WWTP personnel known that the employee has received training related to OHS and the environment.

The Company has identified those who responsible for the implementation of OHS program, the company can show GCOSH structure that has been approved by the Social Service, labour, and transmigration agency, District Muaro, as follows:

- Decree No. KEP.566 / 50 / Sosnakertrans to GCOSH Ladang Panjang Estate, consisting of the Chairman Bustanudin, Secretary: Muhammad Roni, assisted with 3 people in the emergency response section, 12 people in the environment and social sections, 7 people in the training section, 4 people in the medical section, 2 people in documentation and administration section. Secretary of GCOSH already have become an expert in OHS, and already have OHS certified on behalf of M. Roni No. Reg. 2033 / PK3 / AJ / 15/2012 / PO dated June 11, 2012 issued by the Ministry of Labour, RI.
- Decree No.: Kep.566 / 37 / Sosnakertrans on the validation P2K3 (GCOSH) Ladang Panjang POM dated March 6, 2014. Details committee: Chair: Poltak Nainggolan, Secretary: Panahatan S assisted with fire ighter section, chemical section, education and training section, section of pressure vessels and machinery, electrical section, environmental health section, transport and workshop section. Secretary on behalf of Panahatan S. He has skill about OHS, and has a certificate No. Reg. 5234 / PK3 / AJ / 31/2013 / P0 dated May 27, 2013.

The meeting to discuss the OHS issue has been scheduled every month for POM and every 3 months for Estate, companies can show evidence of a meeting, as follows:

- a. Meeting P2K3 (GCOSH) LPF of the period Jan, Feb. and March, for example, the period of March to discuss about the complete checklist of Fire Extinguisher (APAR), Hydrant and First Aid box. The meeting was held on March 3, 2015, attended by 12 participants.
- b. Meeting report of LPE period Jan and April 2015, for example, a meeting in April to discuss about the effectiveness of P2K3 (GCOSH) structure, the use of PPE, update board occupational accidents and unsafe electrical installations in housing. It was attended by 14 participants.

The Company has submitted quarterly reports P2K3 (GCOSH) activities regularly to Disosnakertrans Kab Muaro Jambi, Estate's report was delivered on 2 April 2015 with a letter No. 01 / P2K3 / I / 2015 and POM's report was sent on April 12, 2015. There is a copy of the quarterly repor. SOP of preventing and fire fighting with Document No. 7311 / BGR-ESH / 10 and SOP for Procedures of Emergency Response Exercise with Policy No. 7313 / BGR-ESH / 10 is still consistently implemented.

The Company has had recording procedure of occupational accident data number of document PKM dated March 4, 2010 which was signed by manager of LPE and manager of LPF and PJS, Manager of Smallholder (Plasma). The procedure is explained about objectives, scope, definitions, and procedures. In the procedure, it was explained that all types of accidents should be documented, accidents insvestigation should be done in 2x24 hours, and the officer in charge reported every month, and fill board of occupational accidents at the end of each month. The Company has conducted training for OHS personnel who has been appointed, the training is done by a company doctor dr. Waluyo on 9 September 2014, attended by 7 participants. It is available training materials, attendance and photos of activities. OHS training for field personnel (foreman) was conducted on 22 April 2015, attended by 16 participants.

Based on interviews with employees, for example in the warehouse Div 3, workshop div 3, factory workshops and factories, it was known that the company has to understand the emergency procedures of fire and occupational accidents. Interviews with appointed P3K (First Aid Emergency) Personnel known that the officer can explain the procedure well.

The Company has included all employees in the social security program (occupational accident insurance), the company can show payment evidence of the employees' social security, for example:

- Plasma employees' social security payments for the period from March 2015 conducted on 6 April 2015, covers 53 personnel, paid through Bank Central Asia dated March 5, 2015.
- Payment of social security for Ladang Panjang Estate cover 446 personnel, paid through BCA dated 6 April 2015.
- Social security payments for employees of the plant are done through Bank BNI on March 20, 2015, it covered 111 personnel.

Interviews with employees in the field ,it was noted that the company has registered its employees to participate in social security and BPJS, and employees have been getting health facility through company's clinic.

The Company has conducted monitoring of occupational accidents in the Plantation and Factory, the report informs, about, the date, the name of the victim, the accident location, the number of accidents, lost work days, the category of an accident and the cause of the accident. Based on the document study, it is known that there are no accidents that occurred between the period January - April 2015.

Status: Comply

4.8

All staff, workers, smallholders and contract workers are appropriately trained.

The management unit of PT BGR through HRM SIME DARBY has had a training program every year that was adjusted to the needs of each division within the company. Beside that, the company also has a training program to meet the provisions of the regulation, as well as documenting and evaluating the training program that has been developed and implemented.

Management unit showed evidence of training records for all employees, either estate employee or mill employee in all level. The information contained in the records: Name of employees, NIP (Officer Identity Number), Position, Title of training, time, place, instructor and certificate. Examples of employee training records: Sutrisno (Assistant Process) have joined the training and seminars:

- Technical Assistance and Evaluation of Candidates for OHS Expert, Central Kalimantan Province in Palangkaraya, 4 - 7 November 2008.
- Technical Training of Fire Prevention, Fire Fighting and Rescue, in July 2010 in Minamas Factory.

In addition to employees, according to Acting Manager of Plasma, PT BGR has the training and socialization programs for farmers, including quality socialization of FFB and technical of palm oil cultivation, Farmer groups that follow the training and socialization among KUD Manggar Jaya, Jaya Mingkung Farmers Group III, IV, II, X, VI, V, IX, XI, farmer groups of Sidomulyo, KUD Karya Mandiri, KUD Marga Jaya, and KUD Mitra Inti Sumber Makmur.

The Company has also conducted training for contractors who partner with PT BGR, for example training to contractors with no SPK: SPK 09 / BGR-SPK / LPE / I / 2015, Jangkos Transportation Works, has been getting briefings related to FFB transport, turn on the lights while driving cars, put up nets, have driving license / vehicle registration, and check the condition of the car before it is driven.

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 mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

PT BGR has had the document of EIA (Environmental Impact Assessment) and RKL / RPL (Environmental Management and Monitoring Plan) which has been approved by the Governor of Jambi No. 304 / KEP.GUB / BAPEDALDA / 2007 dated August 2, 2007, covers an area of 4000 hectares of primary estate, the plasma area of 6000 hectares, and Palm Oil Mill (POM) with a capacity of 45 ton FFB / hour. Management and environmental monitoring is conducted by PT BGR in accordance with the directives approved in EIA document.

However, based on a document review, it was found that:

- The management unit of PT BGR can demonstrate the impact reduction plan in accordance with the recommendations EIA document and Environmental Management and Monitoring Plan) but it has not been able to show the document of negative impact reduction plan, scheduling and PIC in implementation that is integrated into the management plan in accordance with the reference document of EIA and SIA. **See Non-Conformance CAR No. 2015.6**
- The management unit has not been able to provide evidence of evaluation for monitoring plan and implementation of participatory negative impact reduction. That should be done at least every 2 years. **See Non-Conformance CAR No. 2015.7**

Verification in June 1, 2015

The company has shown evidence of improvement in the form of questionnaires plan and evaluation of social impact towards

8 villages (20 questionnaire per village), the recapitulation of the questionnaire, questionnaire analysis, program of management impacts per 2015 (those are socialization, environment and nature conservation programs, community services public education facilities), and the report of the realization of the social impact reduction such as photos and minutes events. The company also showed the appointment of 12 officer who responsible for the prevention social impact on May 8, 2015. **Based on the document review, it was stated that Non- Conformance CAR No. 2015.6 and CAR No 2015.7 completed.**

Minor 5.1.2

Status: Comply

Minor 5.1.3

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.

HCV assessment has been carried out for the plantation area of PT BGR, HCV assessment carried out by consultants Pollito which is located in Jakarta. Document review was carried out on the identification of HCV areas. That explains the presence of HCV habitats and species protected by Government Regulation No. 7 In 1999, CITES, and / or IUCN. Based on the outcome document of identification of HCV area BGR, consisting of:

- ✓ HCV 1.1: important areas for the conservation of soil and water (Buffer zone Terentang River) and animals area in block A001.
- ✓ HCV 1.3; 1.4; and 2.3: an important area for the protection of unique species, located in Block A001;
- ✓ HCV 4.1: important area for the control of water resources and flood control (River of Terentang);
- ✓ HCV 5: Essential area for fulfilling basic needs of local communities (River of Terentang).

Protected species present in the work area of BGR, consisting of: 9 species of mammals, including tigers root (*Felis bengalensis*), gibbon (*Hylobates syndoctylus*), porcupine (*Hystrix branchyura*); 5 species of birds, those are king prawns (*Alcedo atthis*), and the black eagle (*Ictinaetus malayensis*).

The Company has developed a management plan for the area of HCV in 2014-2015 in accordance with the recommendations contained in the report of the identification of HCV. Programs that will be done by the company in managing HCV, as follows :

- The socialization of HCV introduction to the public and employees.
- Training for the management of HCV was conducted for HCV Personnel.
- Management of the buffer zone.
- Monitoring of the existence of flora and fauna were programmed every 3 months.
- Water management was conducted in May 2015.
- Planting crops in the area of HCV is planned in October 2014, December 2014 and February.
- 9 Personnel have responsibility in structure of HCV management

In a report on the realization of HCV management plan explained that:

- a. At HCV 1-1: riparian areas along Terentang River 12.50 Ha have been established chemical management limit of 50 m from the edge of the river with yellow paint in block C023 (2:50 ha), C025 (2.90 Ha) and C029 (3:20 ha); vertiver grass planting to reduce erosion area of 0:02 ha; planting of bamboo forest , in area of 0.77 ha; planting timber types bulian, jati and meranti in area of 0.77 Ha.
- b. At 1-2 HCV has been done buffer zone management of 18.6 ha area.

Training of employees has been carried out on a regular basis, companies can show evidence of training HCV and protected species period of 2015, for example:

1. It has been done socialization of HCV to HCV personnel and employees on March 15, 2015, attended by 9 participants.
2. It has been conducted HCV socialization to the public around the plantation on April 15, 2014, attended by 20 participants.
3. Dissemination of HCV and protected species found in the area of PT BGR was carried out on January 20, 2015 to employees that involved 12 participants.
4. At the time of assessment ASA-02 is known that workers in Division I, LPE showed that workers do not know about the protected species in estate. **Non- Conformance CAR No: 2014.05.**

Verification July 3, 2014

PT BGR has shown evidence of HCV socialization areas and protected species that was carried out on 23 and May 24, 2014

in Division 1 and 2 LPE. At 3 ASA assessments, it has been conducted interviews with workers at the division 2 and division 3, the entire personnel who were interviewed could explain the types of protected species in plantations. **Non-Conformance CAR No.2014.05 completed.**

The Company has conducted annually evaluation on HCV management program, companies can show evidence of management's evaluation plan period of the year 2013/2014, there were the results of the evaluation, for example the loss of forest plants that were planted in the buffer zone as a result of flooding and theft. In the period 2014/2015 program have included the security by conducting routine patrol and perform inserts in case of loss due to flooding.

All HCV areas of PT BGR comes from the release of forest area by the Minister of Forestry Number: 73 / Kpts-II / 1996 dated February 27, 1996 on the release of Some Forest Zone, Located in Forest Group Parit River – Kumpeh River, Jambi province covering 14 349 ha for cultivation of oil palm plantations through PIR Transmigration on behalf of PT Bahari Gembira Ria.

Status: Comply

5.3

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

Hazardous waste in the form of waste filters, oil, batteries, cloth rags, pesticide containers are stored in a licensed warehouse of hazardous waste, and then sent to a licensed collector. temporary storage licensed of hazardous waste owned by PT BGR, set by the Head of the Integreate Service Agency, District Muaro Jambi No. 09 / Kep.Ka.BPTSP / XII / 2014 dated December 22, 2014 and No. 02 / Kep.Ka.BPTSP / VI / 2014 dated June 30, 2014 on Temporary Storage Licensed of Hazarous Waste in PT BGR. Period of validity of license for 5 years since enactment. PT BGR has worked with CV Anggrek as last collector of hazardous waste. CV. Anggrek already have permits to transport Hazardous Waste based on the letter of recommendation, Environment Minister Decree No. B-3816 / Dep.IV / LH / PDALs / 04/2014 April 14, 2014 and Permit transportation of Hazardous waste from the Transport Ministry Decree No. 2165 / AJ.309 / DJPD / 2014 / 150710679BB dated May 2, 2014.

Hazardous waste of PT BGR that are transported by CV. Anggrek, based on shipping manifest, dated by February 14, 2015 are:

- Number of Manifest AJR No. 000051 for majun former transporting as much as 2 kg.
- Number of Manifest AJR No. 000 052 for the transport of 3.2 kg contaminated packing material as much as 3.2 kg.

The results of interviews with the management unit known that pesticide packaging waste were washed / cleaned, then sent to Temporary Landfill of Hazardous Waste in POM Ladang Panjang, and then transported by a licensed transporter (CV Anggrek). On the balance sheet of hazardous waste that goes to Temporary Landfill that were recorded : 11 the former packaging of Kenlon dated March 3, 2015, the former packaging of Metaprima 20 pieces dated March 5, 2015, the former packaging of Kenlon 42 pieces, Audit 6 pieces, 357 pieces Metaprima, Medaly 167 pieces each on March 27, 2015. Packaging is from Division I, II and III.

Waste management unit has sent the medical waste to Jambi Arafah Islamic Hospital (RSI Arafat Jambi) with certain fee agreed upon by both parties, there are several examples of letters received from RSI Arafat medical waste, such as delivery receipts of medical waste from RSI dated 11 April 2015 as much as 5.5 kg at a cost Rp192.500.

PT BGR has shown evidence of a cooperation agreement between PT BGR with RSI Arafat Jambi with No. 47 / BGR-SPK / LPE / V / 2014 and No. 241 / INF / MCC / DIR-RSIA / V / 2014. Term of the agreement for two years from the date of May 16, 2014 until May 16, 2016, and can be renewed automatically.

Buildings of temporary landfill of hazardous waste located in the area of the plant that has been equipped by the facilities in accordance with the recommendations in the Licensed of hazardous waste temporary landfill from the Head of the Integrated Service Agency Muaro Jambi No. 09 / Kep.Ka.BPTSP / XII / 2014 dated December 22, 2014, for example, Temporary Landfill has a circulation air, has a lighting system, fire extinguisher, Eye wash / shower, tanks to collect any spillage of hazardous waste, First Aid box, log book, the balance of the waste, label and symbol of hazardous waste.

Status: Comply

5.4

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

PT BGR has conducted some monitoring and calculation of energy efficiency, including:

- Monitoring the use of renewable energy, that is shell and fiber as fuel boiler, for example: in February 2015: the use of shell 521 381 Kg and the use of fiber 1.39035 million Kg. Processed FFB = 8.68969 million Kg; CPO = 2,551,912 Kg.
- Perform calculations of energy efficiency per tonne of CPO, for example: February 2015: 0.10 Kwh / Kg CPO = 0:06 Kwh / Ton CPO.
- Monitoring the use of diesel fuel for operational purposes, for example: The use of diesel fuel for the generator at the plant in February 2015: 25 272 liter = 5.65 kWh / liter; Budget = 18,116 liters of diesel = 6.12 Kwh / liter.
- Monitoring KWH Turbine and generator for the years of 2014-2015.

Average use of turbine and generator compared with a budget was less efficient, this is due to high usage of generators, because Processed FFB was 24.36% under budget.

The management unit establishes an action plan from the evaluation that has been carried out, those are:

- Determination of the efficiency of diesel fuel using with a target (budget) 5.69 KWh / Ltr.
- Conduct monthly monitoring to achieve the target in accordance with the operating hours of the generator.
- Coordinate with estate in order to maximize delivery of FFB to POM so that the use of turbines will be maximizes.
- Perform preventive action against the boiler in order to be maximized and no damage to the turbine steam supply.

Status: Comply

5.5

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

In Land clearing the company does not undertake burning practices. Land Clearings of PT BGR were carried out in 1996. The company has had a no-burn policy on operational activities. In a memorandum of Head Plantation Upstream Indonesia dated August 7, 2014 No. M-077 / HPUI / VIII / 2014 has been explained that the company does not perform combustion in any form, and should implement zero burning in all the activities Minamas plantations.

The Company did not conduct burning during land clearing. Companies can show Cooperative Agreement of land clearing, in the cooperative agreement has been explained that land clearing is done mechanically.

Status: Comply

5.6

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

Based on the assessment of emissions and pollution from mill operations. The management unit has conducted several activities such as identifying sources of pollution and emissions, and the emissions reduction plan and implement the plan, such as:

- Air quality. Based on the results of air quality assessment in the boiler (total particulate, SO₂, NO₂, HCL, CL₂, NH₃, HF, H₂S, Mercury / Hg, Arsen / AS, Sb, Cadmium / Cd, Zinc / Zn, Pb, opacity and flow rate) and generator (SO₂, NO₂, CO, dust particulate, opacity and flow rate), it was known that results still meet quality standards based KepMenLH No. Kep-7 / MenLH / 2007. The results of ambient air quality measurements (SO₂, CO, NO₂, O₃, Particulate Dust, Pb, CH₄) is still below the quality standards established by Government Regulation (PP) No. 41 of 1999.
- Noise: Noise level outside the factory still meet quality standards of the noise level, or example the employee housing area of 45.0 dB (KEP.MenKLH No. KEP-48 / MENLH / XI / 1996), in Station Boiler Factory as 84.2 dB, Machine Room Station 90.8 dB, 87.5 dB in Kernel Station, Station of Clarification 77.8 dB and in the workshop / garage of 58.1 dB.

Things have done by the company to control air quality, ambient air, and the noise :

- Perform engine maintenance schedule on a regular basis, for example: changing of oil generators and oil of turbine, repair the boiler. Including repair the rostar door, temple body conveyor distonir fuel, boiler body casing, replace plate form, the installation of flint, cleaning ash / crust inside the boiler (Once in a week), and the boiler inspection was carried out once in a week.
- Provision of PPE such as ear plugs,
- Install silencers in the engine unit and,

4. Planting trees around the mill.

Reports of pollutant and emissions are significant in plantation and POM operations, summarized in the report of Environmental Management and Monitoring Plan that are submitted routinely to relevant agencies such as BLHD, District Muaro Jambi, and BLH Jambi Province. Results of the pollutants and emission assessment of emissions contained in the annex in report of Environmental Management and Monitoring Plan. There is evidence of Report of Environmental Management and Monitoring Plan in second half of 2014, submitted to BLHD Muaro Jambi and BLH Riau Province on 15 April 2015.

Status: Comply

PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS

6.1

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

The management unit has conducted a social impact assessment (SIA) in collaboration with Polito, but hasn't yet to show a record of the meeting with the parties, eg: FGD with the parties and interviews result. **See Non-Conformance CAR No. 2015.8**

Verification, June 1, 2015

The company has shown evidence of improvement in the form of questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaire per village), the recapitulation of the questionnaire, questionnaire analysis, program of management impacts per 2015 (those are socialization, environment and nature conservation programs, community services public education facilities), and the report of the realization of the social impact reduction such as photos and minutes events. In addition the company also shows the minutes of socialization and submission of documents of general procedures for conflict resolution, land claims, the handling of public complaints and grievances of employees, for example in the village Trimulya held on May 13, 2015, attended by 4 participants. The company also showed the appointment of 12 officer who responsible for the prevention social impact on May 8, 2015. **Based on the document review, it was stated that Non-Conformance completed.**

Regard to Major indicators 6.1.1, the management unit has not been able to show evidence that the assessment has been carried out with the involvement of the parties in accordance with the reference document of SIA. **See Non-Conformance CAR No. 2015.9**

The management unit has not shown evidence of documentation related to the monitoring of the impact reduction plan that has been done, consulting and PIC in the implementation in accordance with reference document of SIA. **See Non-Conformance CAR No. 2015.10**

The management unit has not shown any evidence that the review of the plan has been carried out with the participation of all affected parties by a minimum of 2 years in accordance with the reference document SIA. **See Non - Conformance CAR No. 2015.11**

Verification of June 1, 2015

The company has shown evidence of improvement in the form of questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaire per village), the recapitulation of the questionnaire, questionnaire analysis, program of management impacts per 2015 (those are socialization, environment and nature conservation programs, community services public education facilities), and the report of the realization of the social impact reduction such as photos and minutes events. In addition the company also shows the minutes of socialization and submission of documents of general procedures for conflict resolution, land claims, the handling of public complaints and grievances of employees, for example in the village Trimulya held on May 13, 2015, attended by 4 participants. The company also showed the appointment of 12 officer who

responsible for the prevention social impact on May 8, 2015.

Based on the document review, it was stated that Non- Conformance CAR No. 2015.9, CAR No. 2015.10 and CAR No 2015.11 completed.

The company has noticed the smallholder's farmers that have cooperation through socialization and / or training provided. The training / socialization provided to farmers including the following: Explanation of oil palm harvest (in Bunga Selasih XIII and X) on 8-9 September 2014, a fire Fighting in Kel. Tani Mingkung Jaya II, X, B and VI, Moco Warni B and Sri Rejeki I , Harapan Sempurna VIII, Sido Maju on 23-26 Sept 2014, settlement of land issues in Sejahtera (KUD Karya Mandiri) on November 13, 2014, caterpillar pest control - and KUD (Cooperative Village) Marga Jaya and KUD Mitra Inti Sumber Makmur on February 17 to 18 2015, Fertilizing and pest in Unit Mingkung Jaya V on 27 March 2015, the socialization of the FFB quality in Kel. Tani Mingkung Jaya V on 7 and 9 April 2015, cultivation of palm oil trees, stand by emergency response, OHS and handling of chemical waste in The KUD Karya Mandiri on 20 April 2015. However, regard to the impact on smallholders (plasma) as a result of the activities of the company both estate and palm oil mill that the company has not been able to show the impacts identified and follow-up to the scheme of smallholders. **Non-Conformance NCR No. 2015.12**

Verification of date of June 19, 2015

The company has shown evidence of improvement in the form of evidence of consultation with the village surrounding. The participants are members of cooperatives village, those are the village of Gelam River, S Agung Village, Mingkung Jaya Village, and Petaling Jaya village. Consultation was held on June 6, 2015, attended by 17 participants. List of attendee and photo of activities were available. **Non-Conformance completed.**

**Major 6.1.1
Major 6.1.2
Major 6.1.3
Minor 6.1.4
Minor 6.1.5**

Status: Comply

6.2

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

Communication and consultation procedure is owned by the company as a reference for the response and follow up on feedback or complaints that arise. Procedure has been implemented by the company by providing feedback to the community.

This procedure provides the way of the company in delivering feed back to all parties (especially community) by involving the internal management of the company. The public is given an opportunity to respond in transparent way. For example the cost of construction of plasma plots to all the community through a letter of invitation and the meeting for comment and approval. Then it was approved by the community (This event occured in second semester of 2014 is October 8, 2014 at the Society Sumber Agung and S Gelam). The procedure has been disseminated to the public, for example socialization conducted in January 2015 in the village of Sumber Agung and socialization in KUD / Plasma, for example in KUD Karya Mandiri on November 13, 2014.

Company officer responsible for executing the procedures of communication and consultation is an estate and POM operational management unit, Head of Department and also the relevant departments in accordance with SOP 006 / BG-KKM / II / 11, dated February 10, 2013 point II. The officers were appointed by the SOU Manager of PT BGR and Agronomy Department Manager.

There is a list of stakeholders that was compiled and updated example: Sidomukti Village (Div III). Bp. Kadiyono Kadesh; Parit Village and Arang-Arang village; Environmental Agency of Muaro Jambi; and that were identified more than 60 stakeholders. List of stakeholders was created to ensure affected parties can provide input on the organization (input from stakeholders). Complaints over the impact of activities that occur are recorded in the outgoing and incoming mail in accordance with the subject; and responded but in this case there has been no complaint identified. To increase system, companies need to determine how to ensure the list of stakeholders has been updated and well maintained as the updating review period for the list of stakeholders **(OFI # 2015.03)**

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.

Based on interview with the village of Sumber Agung and community leaders of Petaling village that there are no conflicts or controversies or complaints that occur between community and the company.

The Company has a public complaints procedure (SOP: 005 / BGR-PKM / II / 11 dated 11 April 2013). Based on interviews with representatives of Sumber Agung village, it was known that the company has not been able to show clearly understood system between communities and PT BGR, if there are complaints in the community, they directly submit complaints to the company by mail and / or orally. **Non - Conformance NCR No. 2015.13**

Verification of June 1, 2015

company shows socialization minutes and submitted document of general procedures related to solution to the conflict, land claims, the handling of public complaints and grievances of employees, for example in the village Trimulya held on May 13, 2015, attended by 4 participants. Petaling Jaya village conducted it on May 25, 2015, attended by 6 participants. **Non-Conformance completed.**

Based on interviews with the company and villagers (eg Sumber Agung Village, Petaling Village and Trimulya Jaya Village (Acting head of village), including with government agencies (Plantation Office, Environment Agency, Labour agency and National Land Agency), noted that there is no disagreement identified with the parties, either internal or external of the company.

Major 6.3.1

Status: Comply

6.4

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

The company showed Land acquisition Procedure No. 343 / PSD-OKUP / 11 dated 23, 2012, the land acquisition process of occupied or compensation as follows:

- Claims.
- Form an inventory team consisting of the company, department of PSD, agronomy, division of measuring from sub district and associated one including the land owner.
- Ensuring land ownership file and make sure it by visiting the field (location).
- Measurement.
- Negotiations.

Records for the overall process set out in the SOP should be stored, those are revelation letters, compensation map, ID card, compensation receipts and photo of documentation, inventory results (data of growing crop and land, signed by many parties including the farmer) for people who are entitled to compensation, including the letter of land release (last).

In the SOP was explained that the basis of calculation based on attachment inventory of land, plant and other businesses, in order to conduct land acquisition for PT BGR. Results of inventory inform about location, village, subdistrict and so on. Then, the negotiation is done in the form of money or other forms of related party. The compensation was paid in order to release the land and obtain land rights. The calculation and compensation mechanisms consider the condition of the land and culture or local community where all the data is formed in a team that involves many parties including the land owner.

The company in oral explanation states that it already has been published already land activities in the form of a compensation map. Publication aims to explain the legitimacy of the compensation process and usually published in the local village head's office. However this publication is not regulated in SOP Procedure Acquisition of land occupation No 343 / PSD-OKUP / 11 dated February 23, 2012. **See Non-Conformance NCR No. 2015.14.**

Verification, June 1, 2015

The company has shown evidence of improvement through documents of land claim settlement scheme, the scheme has

explained the stages of completion of the land claim cases ranging from source cases (people, group of communities and individuals) to the stage of completion of such consultation, and the legal path or perform realization / payment.

The company has shown evidence regard to the publication of the activities of land that has been negotiated in the form of a compensation persil map.

However, the company has not shown evidence regard to the publication of the activities of land that has been negotiated in the form of a compensation persil in accordance with SOPs (SOP Procedure Acquisition of land occupation No. 343 / PSD-OKUP / 11 dated February 23, 2012)

Auditor Response, 19 June 2015

The company has sent evidence of improvement in the form of a memorandum document between GM Estate Jambi, south sumatra and Sumatra Plasma No : 04 / GM-Manager / VI / 2015 dated June 17, 2015 which describes the mechanism of the publication of the land data that has been compensated will be done in 2 ways those are:

- a) Delivered through socialization to society
- b) Inform on the information board at the village office.

Non-Conformance Completed

Major 6.4.3	Status: Comply
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6.5

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

The company pays the salary of employees based on the rule of Government in district Muaro Jambi No. 560.6 / Sosnakertrans November 5, 2014. The minimum wage set for 2015 amounting to Rp. 1.710.000, - with a working time of 7 hours / day. Stated in Jambi Governor Decree No. 554 / Kep.Gub / Dissosnakertrans / 2014 regarding the determination of the minimum wage. By decree of the regent and the governor SK companies have issued Memorandum of General Mnager HRM 032 / HRM-i3 / I / 2015 dated January 19, 2015 related to wage of daily SKu and monthly salary structure. SKU daily wage was set to Rp. 1,752,750, - / month and monthly basic wage of SKU was increased by Rp. 212 750, - / month. Based on SK monthly salary structure, it is known that the lowest wage is Rp. 1,786,150, -.

Companies can show a list of employees' wages, for example, wage payment period in March 2015, informing NIK (Employee Identity Number), Name, P1 + M (Permit and absent), wages, premiums, overtime, social security benefits, rice, gross wages, cuts of a small salary, and wages paid. Based on the documents review, it was noted that the wages of the employees had been paid in accordance with the applicable regulations. There are examples of employee paychecks, for example, payslips of employees with NIK 0000037218 with the total wages earned Rp. 3,074,179, - and the basic wage of Rp. 1,934,650, -.

There is a Collective Labour Agreement (CLA) between Sumatra Plantation Company Cooperation Agency (BKS-PPS) with the Central Board of the Federation of Agricultural and Plantation Union SPSP, effective from 14 November 2012 until 13 November 2014 as stated in the decision of the Director General of Industrial Relations and Workers' Social Security by Number: 191 / PHIJSK-PPKAD / PKB / XII / 2012.

- The scope of the Social Security program:
 - Accident Insurance (JKK)
 - Life Insurance (JK)
 - Old Age Security (JHT)
 - Health Insurance (JPK)
- Document of Collective Labour Agreement (CLA) Year 2012-2014, Article 50 of the Social Security Program:
 - Accident Insurance (JKK)
 - Life Insurance (JK)
 - Old Age Security (JHT)

Premiums of Social Security for each of the above-mentioned program are borne by employers and employees in accordance with the provisions of Law No. 3/1992 on Social Security and the Implementation Regulations.

Companies can show examples of direct labor agreement between the workers and the company, which describes the types of jobs, wages, placement and hours of work every day. For example: Local employment contract No. POM / LPF / SPK-LKL /

CEC / IV / 2015/194 in article 1 explains the term of the agreement, Article 2 on working hours and salaries, article 3 of the additional benefits, Article 4 related to social security for workers, Article 5 of duties and responsibilities, Article 6 of the expiry of a work contract. Related to facilities and infrastructure and public facilities for the employees, PT BGR is still consistent, in accordance with ASA 2. All facilities include housing, clinics, schools (kindergarten), daycare, sports facilities, school buses, clean water and house of worship.

The Company has ensured that employees have an access to adequate food source with an affordable price. The company showed evidence of vehicle request as transportation for personnel to do monthly shopping, For example on 8 April 2015 to the date of usage 12 April 2015. The Company also has documented the locations that became the source of decent food and affordable prices that describe the distance from the location from the employee housing. Based on the Decree No. 91 / BGR / SK / IV / 2015 there are three locations: Monday Market in Petaling Village with 4 km distance market, Tuesday Market in the village of Simpang Pramuka with 20 km distance and a Saturday market in the village of Ladang Panjang with 5 km distance.

Based on field visits and interviews it is known that the company had made a payment of wages in accordance with applicable regulations, the facility has been adequate and sufficient, then employees can easily access resources of decent food at reasonable prices.

Status: Comply

6.6

The employer respects the rights 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.

Company policy that gives freedom to workers to organize are stated within 5 points of Sustainable Plantation Management Guideline No. 724 / TQEM-SPMS / 09 dated April 1, 2010, signed by the CEO (Chief Executive Officer) .there is a Decree No. 17 / PC F.SPPP-K.SPSI / Ma.Jambi / III / 2012 regarding Ratification / announcement of Composition and Board of Personnel for the Federation of Agriculture and Plantation workers of Indonesia (PUK F.SPPP-SPSI) PT Bahari Gembira Ria service period 2012 -2017 with the core sturictural composition Suyanto (Chairman), Nitemo Gulo (Secretary), Sudarsono (Treasurer).

The company has stored and maintained every minutes of a meeting between unions and management representatives of the company. The company can show the minutes of the meeting, for example:

- Minutes of workers union board meeting, discuss about monthly dues, improvement / addition of an employee's home, health. Meeting held on July 10, 2013, that was attended by 16 members of workers union.
- Minutes of the Meeting of January 10, 2014 with a discussion of alternative referral hospitals. Meeting was attended by 16 members of workers union.

Status: Comply

6.7

Children are not employed or exploited.

Memorandum from Head Plantation of Operations Minamas POD-UM No. 121 / VI / 2010 dated June 7, 2010 regarding child protection policy; including Point 6 states the prohibition for using underage labor according Labour Law is still valid. The results of document review related to employee data on April 2014, it was not found employees aged less than 18 years old at the time of recruitment. The company can show the data of employees who inform the name, place and date of birth, occupation, NIK (Employee Identity Number), education, status, date of work started, the basic salary, the information about age of the employee. Based on a review of documents and field observations, noted that the company does not undertake exploitation against under age children.

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 Company has had policy about Social Platantion Company Sime Darby in 2011 stated that Each employee must be treated fairly in matters relating to recruitment, promotion, restrictions and conditions of employment without regard to personal issues such as race, degrees, ethnicity, gender, skin color, physical (defects / incomplete), membership

organizations, political views, religion or age. Contained in the Code of Sustainable Plantation Management Policy No. 724 / TQEM-SPMS / 09 regarding social policy point 1 that all staff / employees should be treated properly and fairly in matters relating to recruitment, promotion and job description without depending on the race, degrees, ethnicity, gender, skin color, imperfections (defects), sexual orientation, membership organizations, political views, religion and age. There was a documents regard to grade increasing grade and documents of work rotation and mutations that do not distinguish workers based on groups, race, ethnicity, nationality, and religion.

The company can show the data of employees who inform the name, place and date of birth, occupation, NIK (Employee Identification Number), education, status, date of work started, the basic salary, the age of the employee. Based on the review of documents, noted that the company does not discriminate in terms of recruitment and career promotion.

Based on field observations and interviews with workers in the field, noted that the company does not discriminate employee upon recruitment and in terms of career path.

The Company has had the employee recruitment procedure Document No. 431 / HRM-RCT / 07 dated May 24, 2007 which was signed by the HRM GM, SGM and HPO, the SOP has explained that:

- Staff of RTD check form of labor requirements in accordance with the qualification of personnel.
- Manager of HRD verify man power planning to consider requests from departments and assign employees who are asked whether taken from internal or from outside the company.
- Staff of HRD look for employees in accordance with the qualification of existing databases and perform a selection.
- Staff of RTD make the selection from an external in accordance with the required qualifications.
- After passing the test, Prospective employees will be passed on to perform medical tests.

Based on interviews, known that demonstration of recruitment procedure can be done. Companies can show examples of vacancy publications, the advertisement informs the type of position, qualifications and administrative requirements that must be completed.

Status: Comply

6.9

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

PT BGR has established guidelines policy implementation Gender Policy No. 301 / BGR-ENV-03/11, which has the goal to develop a gender policy and specific policies to prevent sexual harassment in the workplace, improve the implementation capacity of the workshop for the women workers in order to ensure the effectivity of policy implementation, implement gender sensitivity training workshop for assistants and managers to ensure the effectiveness of policy implementation, and develop grievance procedures to ensure the effectiveness of policy application.

Additionally PT BGR also has a Gender Policy Committee approved by Mr. Mohd Ghazali Yahaya (Head Plantation upstream Indonesia) in April 2011, Its policies include:

- Trying to prevent sexual harassment and other forms of crimes against women workers, workers and communities.
- Establish special procedures and mechanisms for complaints and grievances that can be accepted by all parties associated with gender.
- Provide sufficient training and development for staff or employees in order to raise awareness, ability and understanding of gender policy.
- Provide an opportunity for women to improve leadership at every level.
- Ensure women participate effectively in the decision-making process with an active role as a member of various committees that have been established, such as occupational health and safety committee.
- Establish gender committees to implement and monitor the gender policy.

Implementation of the policy:

- Management Unit of Ladang Panjang Estate formed a gender committee on 12 January 2015 by board members as follows: Chairman (Junaida), Secretary (Afifah) and Treasurer (Nurwati), Section of handling complaints (Yuslindawati, Tursina, Lilian Wahyuni, Lia and Syriac), Section of OHS and Welfare (Lismiyati, Yuli, Kartini, Mismaryati, Triyanti), and Social Section (Yani Budiarti, Sri Hartati, Ida Rosmina, Sri Widiarti, Tugiyati, Mass).

- Based on interviews with the committee of gender, and some employees in the estate and plant it is known that they understand the policy of harassment and sexual assault, as well as understand how the flow of complaints and sanctions for violations of the policy. According to gender management committee, gives enough space for the committee to conduct the activities.
- The management unit has had a policy on reproductive rights through social policy No. Policy 724 / TQEM-SPMS / 09 at point 4 which states that the Company develop and implement policies to protect women workers from sexual harassment and crime and protecting the rights related to women reproduction.

The management unit showed evidence of reproduction protection such as menstruation leave, maternity leave and transfer chemical workers who are breastfeeding, for example: an employee Tri Yanti (SKU Chemist) Division III get a certificate to get menstruation leave (H1) of Paramedical clinic (Andri Irawan) on February 16-17, 2015. Based on the results of the payroll, it was known that no payroll deductions to the employees concerned.

The management unit has a special mechanism for complaints such as sexual harassment and violence contained in the Guidelines Implementation Committee on Gender Policy Document No. KP / 02 dated March 2, 2013. The results of internal evaluation in the period from April 2014 until January 2015 not recorded any reports or complaints from employees on the subject of sexual harassment or violence, either in estate or POM.

Status: Comply

6.10

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

FFB price is to follow the prices set by the Department of Plantations every 2 weeks. FFB prices published in office of KUD (Cooperative Village) in smallholder area in the area and also in POM area of PT BGR. Based on interviews with smallholder in Petailing Village and Sumber Agung Village payments conducted by the company to the farmers in every 11th in each month and paid in accordance with the provisions and payment is made through the cooperative village.

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There is an agreement that was agreed with the farmers who deliver to POM. The agreement regarding the development of both plasma submitted by farmers and the one in accordance with the provisions of Regulation of Agriculture Ministry Regulation (Permentan) related to the PIR Transmigration. Both parties still agree (agreement) whereby the company will cultivate a palm oil to produce and obtain certification of property rights; while for the farmer is obliged to return the investment for the construction of estate and sends FFB to the company. The agreement is valid up to 25 years from planting. the average age of the plant is started in 1993/1994 for the old one and 1997/1998 youngest, it was spreaded on 6 KUD namely:

- KUD manggar Jaya, Sumber Agung Village
- KUD Karya Maju, Gambut Jaya Village
- KUD Nargab Jaya, Petaling Jaya Village
- KUD makarti, Sidomukti Village
- KUD Karya Mandiri, Trimulya Village
- KUD Mitra Inti Sumber Makmur, Mingkung Jaya Village

Based on interviews with smallholder in Petailing Village and Sumber Agung Village payments conducted by the company to the farmers in every 11th in each month and paid in accordance with the provisions and payment is made through the cooperative village.

Status: Comply

6.11

Growers and millers contribute to local sustainable development where appropriate.

Based on the results of interviews with people in Trimulya Jaya Village, Sumber Agung Village and Petailing Village that contributions were made and responded relative fairly well, eg regular activities to provides teachers for every village in the month of July 2014 until March 2015, the assistance of heavy equipment to repair broken roads in July 2014, October 2014, Jan. 2015 and April 2015, and there are village financial assistance in every month.

Efforts done by the company to increase farmer productivity (plasma) is through socialization and / or training provided. The trainings that have been conducted include in:

- Explanation of oil palm harvest (in Bunga Selasih XIII and X) on 8-9 September 2014.
- a fire Fighting in Kel. Tani Mingkung Jaya II, X, B and VI, Moco Warni B and Sri Rejeki I , Harapan Sempurna VIII, Sido Maju on 23-26 Sept 2014.
- Settlement of land issues in Sejahtera (KUD Karya Mandiri) on November 13, 2014.
- Caterpillar pest control - and KUD (Cooperative Village) Marga Jaya and KUD Mitra Inti Sumber Makmur on February 17 to 18 2015.
- Fertilizing and pest in Unit Mingkung Jaya V on 27 March 2015.
- The socialization of the FFB quality in Kel. Tani Mingkung Jaya V on 7 and 9 April 2015.
- Cultivation of palm oil trees, stand by emergency response OHS and handling of chemical waste in The KUD Karya Mandiri on 20 April 2015.

Based on interviews with smallholders in Petailing Village and Sumber Agung Village, it was known that coaching has been done through socialization / training conducted by the company to the smallholders (tenants) in order to Enhancing productivity.

	Status: Comply
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6.12

No forms of forced or trafficked labour are used.

Management unit showed decree letter related to hiring employee in the estate and POM, for example, hiring employee as Estate Supervisor, based on Work Agreement No. 46 / BGR / SKK / VII / 2010 of the date of July 24, 2010 by the Estate Manager, in the work agreement has clarified the rights and obligations of the both parties (the company and the employees concerned).

Based on interviews with Estate Supervisor, it is known that the person concerned:

- Apply in person to PT BGR.
- There is no compulsion to do certain jobs and positions.
- Employees who are concerned to understand their rights and obligations in the work in accordance with labor agreements.
- Since the beginning, they work on the PT Bahari Gembira Ria both the POM and Estate (not in any company even though one group Minamas / Sime Darby).

Based on interviews with senior assistant of estate and POM, it was known that the Labour Agreement Letter was read by the employees before signed, so that the position / positions, duties and responsibilities have been conceived and executed in accordance with the agreed conditions.

Based on a review of documents on a list of labor, it is known that the company does not have the foreign labor. Company have SOP of permits for foreign labor Policy No. 371 / ADM-PTA / 08 dated March 13, 2008. Procedures include:

1. Handling Plan for Utilization of Foreign Workers.
2. Handling Recommendations for Purpose Work Visa Application.
3. Limited Stay Visa.
4. Handling Limited Stay Permit Card, Foreign Control Books And Multiple Exit Recently Permit.
5. Payment of Expertise and Skill Development Fund.
6. Handling Permit Hiring of Foreign Workers.
7. Handling Certificate of Foreign Labor.
8. In special circumstances permit for foreign workers can be done by using the services of a consultant who has been approved by the Division Head.

	Status: Comply
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6.13

Growers and millers respect human rights.

The management unit showed human rights policy as stated in social policy endorsed by Mohd Ghazali Yahaya (Head of Plantation Upstream Indonesia in December 2011).

Social Policy:

"Each employee must be treated fairly in matters relating to recruitment, promotion, restrictions and conditions of employment without regard to personal issues such as race, degrees, ethnicity, gender, skin color, physical (defects / incomplete), membership organizations, political views, religion or age".

Unit Management showed evidence of socialization of Human Right Policy on April 22, 2015. The socialization was attended by 57 employees. The results of interviews with the management unit are known there is no discrimination in the labor recruitment, both discrimination based on ethnicity or religion. All employees are entitled to a promotion, it is not limited to certain groups. Any employee who has a good performance and loyal will get a positive assessment from the employer and potentially gain promotion to the higher position.

Status: Comply

PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS
7.1

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

Environmental impact assessments of PT BGR were prepared and approved in June 2005 which covers an area of 20 551 ha (backup) with a core area of oil palm plantations by 4,000 ha and 6,000 ha area of smallholdings and mill capacity of 45 tons of FFB per hour. This document was put in the form of guide and document of environmental monitoring and management including monitoring social impacts as a result of operational activities PT BGR both estate and mill. Then PT BGR create documents of HCV identification activity reports and social impact assessment conducted by independent institutions (PT Pollito) in January 2010 which identifies the impact of operational activities at the mill community stakeholders around the concession area. This identification results then became guide for the company to manage the environmental and social impact that will be set out in the schedule and program.

For the affected villages (direct impact village are Petaling (Div III), Sidomukti (Division III), Mingkung Jaya (Division III), Trimulya Jaya (Division III), Ladang Panjang (Division III), Sumber Agung (Division I & II), Gambut Jaya (Division I & II) and Gelam River (all Division); it was identified and conducted interviews (questionnaire) for the management of environmental and social impacts.

During the assessment there is no development of new oil palm plantations and carried out exploitation and management of the existing gardens.

The Company has conducted environmental monitoring and management regularly in every 6 months in the form of monitoring reports, including social and environmental management. The last report of Environmental Management and Monitoring Plan (per semester) - Semester II 2014 Date 15 April 2015.

The agreement is valid up to 25 years from planting. the average age of the plant is started in 1993/1994 for the old one and 1997/1998 youngest, it was spreaded on 6 KUD namely:

- KUD manggar Jaya, Sumber Agung Village
- KUD Karya Maju , Gambut Jaya Village
- KUD Nargab Jaya, Petaling Jaya Village
- KUD makarti, Sidomukti Village
- KUD Karya Mandiri, Trimulya Village
- KUD Mitra Inti Sumber Makmur, Mingkung Jaya Village

This cooperation is in the form of a partnership that is not managed by the core or the management of company but the companies involved to develops the smallholder (plasma).

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.

The Company has conducted semi-detailed soil survey. That was conducted by Param Agricultural Soil Science in 2008 and a mapping of estate operational areas through the identification of HCV initiated by Pollito (HCV Consultant accredited). In two of these documents, there are several maps related to the suitability of land (soil type map), topographic maps, and so forth. Field observations indicate, there have infrastructure such as roads, bridges, canal transportation in the area of peat along with the means of monitoring the water levels that were well maintained.

Based on a chronological document o land clearing indicated by estate operational staff, land clearing after first take over implemented on 26 August 2005. The first nursery was held on June 1, 2005 was preceded by the arrival of sprouts on 12 May 2005. The first planting to the field (transplanting) held on February 1, 2007. The total planting year 2006 is 10.85 Ha, while planting year 2009/2010 covering 271.47 ha.

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.

The management unit showed Land Use Classification Map 2005, it was known land use cover in the form of mono culture and vacant land. Based on proxy RSPO has a coefficient of 0.

The company has conducted analysis of changes in land utilization in the occupied plantation areas. Companies showed land clearing hystory for oil palm cultivation since November 2005. Based on the study document is known that conducted land clearing did not indicate a change to the status of HCV in the plantation areas and there is no land clearing in primary forests. The management unit has shown a report of Land Use/Cover change Analysis and Compensation Liability for Sime Darby Plantation in accordance with the template of RSPO. It has shown evidence of delivery of reports via email on December 5, 2014, responded by the RSPO (Compensation Excecutive) on January 13, 2015 stated that the reviewer will process LUC report.

Based on a chronological document o land clearing indicated by estate operational staff, land clearing after first take over implemented on 26 August 2005. The first nursery was held on June 1, 2005 was preceded by the arrival of sprouts on 12 May 2005. The first planting to the field (transplanting) held on February 1, 2007. The total planting year 2006 is 10.85 Ha, while planting year 2009/2010 covering 271.47 ha.

The Company has developed a management plan for the area of HCV in 2014-2015 in accordance with the recommendations contained in the report of the identification of HCV. Programs that will be done by the company in managing HCV, as follows :

1. The socialization of HCV introduction to the public and employees.
2. Training for the management of HCV was conducted for HCV Personel.
3. Management of the buffer zone.
4. Monitoring of the existence of flora and fauna were programmed every 3 months.
5. Water management was conducted in May 2015.
6. Planting crops in the area of HCV is planned in October 2014, December 2014 and February.
7. 9 Personnel have responsibility in structure of HCV management

In a report on the realization of HCV management plan explained that:

- At HCV 1-1: riparian areas along Terentang River 12.50 Ha have been established chemical management limit of 50 m from the edge of the river with yellow paint in block C023 (2:50 ha), C025 (2.90 Ha) and C029 (3:20 ha); vertiver grass planting to reduce erosion area of 0:02 ha; planting of bamboo forest in area of 0.77 ha; planting timber types bulian, jati and meranti in area of 0.77 Ha.
- At 1-2 HCV has been done buffer zone management of 18.6 ha area.

HCV assessment has been carried out for the plantation area of PT BGR, HCV assessment carried out by consultants Pollito which is located in Jakarta. Document review was carried out on the identification of HCV areas. That explains the presence of HCV habitats and species protected by Government Regulation No. 7 In 1999, CITES, and / or IUCN. Based on the outcome document of identification of HCV area BGR, consisting of:

- ✓ HCV 1.1: important areas for the conservation of soil and water (Buffer zone Terantang River) and animals area in block A001.
- ✓ HCV 1.3; 1.4; and 2.3: an important area for the protection of unique species, located in Block A001;
- ✓ HCV 4.1: important area for the control of water resources and flood control (River of Terentang);
- ✓ HCV 5: Essential area for fulfilling basic needs of local communities (River of Terentang).

Protected species present in the work area of BGR, consisting of: 9 species of mammals, including tigers root (*Felis bengalensis*), gibbon (*Hylobates syndoctylus*), porcupine (*Hystrix branchyura*); 5 species of birds, those are king prawns (*Alcedo atthis*), and the black eagle (*Ictinaetus malayensis*).

Status: Comply

7.4

Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.

Basically SOP planting between mineral and peat lands tend to be the same. But there are additional to SOP of manual reference for agronomy of Oil Palm Planting No. Policy; 110 / EST-ARM / 13 last revised on 1 September 2013 on section 10 related to the Management of water in Coastal Zone And Cultivation In Peat. The document explains that:

1. The condition of the water table (underground water level in the plantation at coastal areas or peat will increase in the rainy season, the effect of the tide, the variation in soil types and micro reliefs cause difficulty at the time of harvest and stress on crop moisture in the long dry conditions . Therefore, peatlands and coastal areas requires the construction of a drainage system.
2. The optimum water level in coastal areas / peat as in the following table:

Type of soil	The Optimum Water Level
Non-acid sulphate	60 – 90 cm below the soil surface
Acid sulphate	45 – 60 cm below the soil surface
3. Flushing against acidic water canal. Needs to be done flushing of the water suspended shortly after the dry season in a long time, in order to neutralize the toxicity and high acidity. This rinsing should be done during the rainy season.
4. Monitoring of the water table (underground water level). Need to be made a level markers in every interval of 400-800 m in the main channel and branch channels.
5. Irrigation in areas with high humidity.

Status: Comply

7.5

No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.

The Company does not undertake the land clearing of a new area that is not required evidence of communication and consultation with the community.

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.

During the assessment there is no development of new oil palm plantations and carried out exploitation and management of the existing plantation. Based on interviews with community of Sumber Agung Village, Petaling Village and government agencies (NLA, Plantation Agency and EA) as well as the company itself, it was known that there is no identifiable community land compensated in the area of BGR. However, the company has a compensation procedure.

Status: Comply

7.7

No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.

In Land clearing the company does not undertake burning practices. Land Clearings of PT BGR were carried out in 1996. The company has had a no-burn policy on operational activities. In a memorandum of Head Plantation Upstream Indonesia dated August 7, 2014 No. M-077 / HPUI / VIII / 2014 has been explained that the company does not perform combustion in any form, and should implement zero burning in all the activities Minamas plantations.

The Company did not conduct burning during land clearing. Companies can show Cooperative Agreement of land clearing, in

the cooperative agreement has been explained that land clearing is done mechanically.

Status: Comply

7.8

New plantation developments are designed to minimise net greenhouse gas emissions.

The management unit has identified sources of carbon emissions from the operational of plantations and POM, PT BGR has a total carbon emissions by 27.522,02tCO₂-e. The management unit has been conducted classifying of fifth highest emission source categories, those are effluent treatment (79.95%), Boilers (11.54%), synthetic fertilizer (4.88%), electricity usage for process (2.44%), vehicles (0.62%), machinery (0.38%), electricity for the building (0.11%), vehicles (0.06%).

The management unit of PT BGR has plans to minimize greenhouse gas emissions for plantations and POM operation, for example through planting activities around the plant, maintenance of plant machinery and vehicles, completed with schedules and treatment required for maintenance, minimize the use of synthetic fertilizers, minimizing the use of electricity-fueled fossils and so on. However, the management unit has not been mapped areas with high carbon stock in the new plantation development plan.

Status: Comply

PRINCIPLE 8: COMMITMENT TO CONTINUAL 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 continual improvement in key operations.

Related to sustainable corrective actions related to the social impact, the company has conducted monitoring and taking the measurements on the affected parties in order to be managed. It was done through socialization and or training provided to the tenant farmers who are mostly located around the core areas eg:

- Explanation of oil palm harvest (in Bunga Selasih XIII and X) in September 2014
- Fire fighting and caterpillar pest control in Kel. Tani Mingkung Jaya II, X, VI in February 2015,
- Fertilization and pest in Unit Mingkung Jaya V in March 2015.

The company carries out internal audits of RSPO that was explaining the adherence to the principles and criteria of the RSPO. Based on a review of documents on internal audit reports is known that the company has made compliance with any findings that emerged during the internal audit carried out.

Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>The Company already has a mechanism of FFB acceptance in the product supply chain system procedure (SOP-026 / BGR / 12), which regulates the identification of raw materials and final products, related to the application of SCCS supply chain model S Mass Balance (MB). Raw materials (FFB) should be able to identified origin of primary plantation and smallholdings. Treatment of Mass supply chain system was in balance.</p> <ul style="list-style-type: none"> – Separating document of weigh ticket for FFB that have been RSPO certified and have not yet RSPO certified. – In the production daily report included the certified and uncertified CPO and kernel production quantities. – Make a summary report every three months related to the production of the certified and uncertified CPO and kernel. <p>Companies can show examples of certified and uncertified FFB weigh ticket:</p> <ul style="list-style-type: none"> • SPB RSPO and Weigh RSPO: SPB No. 482: 2524 from the supplier E482, dated 22-04-2015 of LPE Division III Block C026 (year of planting 1998) and block C027 (year of planting 1999), no vehicle BH8086GL, as driver name Suyanto 360 bunches (7,168 kg). • SPB and weigh ticket from non-RSPO: SPB No. 87 / IV / KUD / 2015 from farmer groups HS IV, dated April 22, 2015, Vehicle Number BH8414MG, Year of planting 1995, the number of bunches 657 (8,920 kg), driver name : Mara, there are stamp NON RSPO Certified.
	Status: Comply
E.2	Explanation
E.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>Estimation of Tonnase CPO and PK has been set by POM (in accordance with the plantation budget that produce FFB) and differentiated between the core (certified) and uncertified that was shown in the period of March 2015 till February 2016 are:</p> <p>Core (LPE)</p> <ul style="list-style-type: none"> - FFB : 54,994,344 kg - Extraction of CPO : 22.5 % - Extraction of PK : 4.5 % - CPO : 12,418,48 tons - PK : 2,529,71 Tons - <p>KUD (Village Cooperative Unit)</p> <ul style="list-style-type: none"> - External FFB 103,327.05 Tons - Extraction of CPO : 22.5 %

<ul style="list-style-type: none"> - CPO: 35,589 tons. - Extraction of PK : 4.5 % - PK: 7,276 tons. 	
	Status: Comply
E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	
POM Ladang Panjang has fulfilled all the registration and reporting requirements for supply chain model. Company can show ID Number of account for the registration and reporting on behalf of the Group Sime Darby Sdn Bhd via RSPO IT Platform.	
	Status: Comply
E.3	Documented procedures
E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: <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. 	
<p>The Company has a product supply chain system procedure (SOP-026 / BGR / 12) to identify the raw materials and end products so that will be able to know the relationship of raw material and product quality in order to easily perform product resulted. The person in charge for the implementation of this requirement is:</p> <ol style="list-style-type: none"> 1. Factory Manager responsible for storing / maintaining the entire document, recording the usage of all raw materials, supporting materials used in the production process and the quality of the final product. Verify the status of products delivered to the buyer according to invoices, delivered orders, sales contract and along with buyer sign the minutes of the product shipments. Provided adequate training on supply chain certification requirements to all staff involved in the supply chain stages from receipt of raw materials, production processes, storage and delivery of POM products to buyers. 2. Assistant PSQM responsible for checking the quality of FFB in the factory and make daily recapitulation of FFB quality inspection. To supervise the delivery and loading / unloading of palm and also witnessed in writing minutes of CPO and palm kernel delivery. Conduct analysis and quality testing of raw materials and products at all stages of the production process in plant. Store, maintain, distribute the results of the analysis and testing of the raw material quality and products to related parties. 3. Assistant / senior assistant / manager bulking / logistics is responsible for the transportation of CPO and palm kernel products from the factory to a bulking station / third parties. Handling and storage of CPO and palm kernel in the area of bulking station / third parties <p>Based on the document review , it was found that:</p> <ul style="list-style-type: none"> - SCCS Procedure (SOP-026 / BGR / 12) adopted by the company and has not been adjusted to the standard of RSPO SCCS 21 November 2014 - Procedure of products supply chain system (SOP-026 / BGR / 12) does not explain the mechanism of information delivery if there was an excess of product to the certification institution. See Non-Conformance CAR No. 2015.15. <p>Verification on 15 June 2015 The Company has demonstrated its revised SOP SCCS and has been adapted to the new standard reference (SOP / 4.1 / KP). Non-Conformance completed</p> <p>Training of RSPO SCCS understanding and implementation was last conducted in 23 April 2015 that include all the existing personnel in POM and also for all CPO subcontract transporter (Pelita and CV. Empat Zheed) and for the FFB transporter is using</p>	

its own transporter.	
	Status: Comply
E.3.2	
The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	
<p>In the procedure of product supply chain system (SOP-026 / BGR / 12), it was set the admissions process, the process and documentation of certified and non-certified FFB.</p> <p>Treatment of Mass Balance supply chain system.</p> <ul style="list-style-type: none"> – Separating document of weigh ticket for FFB that have been RSPO certified and have not yet RSPO certified. – In the production daily report included the certified and uncertified CPO and kernel production quantities – Make a summary report every three months related to the production of the certified and uncertified CPO and kernel. <p>The Company already has a mechanism of FFB acceptance in the product supply chain system procedure (SOP-026 / BGR / 12), which regulates the identification of raw materials and final products, related to the application of SCCS supply chain model S Mass Balance (MB). Raw materials (FFB) should be able to identified origin of primary plantation and smallholdings. Treatment of Mass supply chain system was in balance.</p> <p>Companies can show examples of certified and uncertified FFB weigh ticket:</p> <ul style="list-style-type: none"> • SPB RSPO and Weigh RSPO: SPB No. 482: 2524 from the supplier E482, dated 22-04-2015 of LPE Division III Block C026 (year of planting 1998) and block C027 (year of planting 1999), no vehicle BH8086GL, as driver name Suyanto 360 bunches (7,168 kg). • SPB and weigh ticket from non-RSPO: SPB No. 87 / IV / KUD / 2015 from farmer groups HS IV, dated April 22, 2015, Vehicle Number BH8414MG, Year of planting 1995, the number of 657 bunches (8,920 kg), driver name : Mara, there are stamp NON RSPO Certified. <p>- There is a daily data report of FFB admission on 21 April 2015, which informed estimation and actual, FFB chunk, percentage and BJR, percentage of bunch and freshness of FFB. The documents described in the receipt report of plant per per hour, FFB source separated between core (certified) and KUD/ Village Cooperative (Non Certified). There is also information no lorry, driver, No. DO, no toket, date and time sent, received time, date and time of entry weigh, date and time of weigh out , enter the weigh heavy, entry weigh, out the weight, net weight.</p>	
	Status: Comply
E.4	Purchasing and goods in
E.4.1	
The site shall verify and document the volumes of certified and non-certified FFBs received.	
<p>The Company has verified each incoming FFB both from the core (certified) and from plasma (non-certified). Each incoming FFB truck submits coupon explaining certified and uncertified. FFB certified and uncertified source recording have been separated since the early start of the delivery from estate and weighing. Companies can show examples of certified and uncertified FFB records:</p> <ul style="list-style-type: none"> • SPB RSPO and Weigh RSPO: SPB No. 482: 2524 from the supplier E482, dated 22-04-2015 of LPE Division III Block C026 (year of planting 1998) and block C027 (year of planting 1999), no vehicle BH8086GL, as driver name Suyanto 360 bunches (7,168 kg). • SPB and weigh ticket from non-RSPO: SPB No. 87 / IV / KUD / 2015 from farmer groups HS IV, dated April 22, 2015, Vehicle Number BH8414MG, Year of planting 1995, the number of 657 bunches (8,920 kg), driver name : Mara, there are stamp NON RSPO Certified. 	
	Status: Comply
E.4.2	
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	

The Company has recorded FFB production data from the main estate and farmers / other sources. Recording is done in daily, monthly, quarterly and yearly basis. Companies can show estate production data, the period July 2014 till April 2015, as follows:

- Main Estate (LPE): FFB at 38,590,620 million Kg, supplies to POM 38,590,620 million Kg (34.92%).
- KUD (Village Cooperative) : FFB amounted to 68,183,830 million Kg, the supply to the POM at 68,183,830 million Kg (65.08%).
- Plant: Processed FFB amounting to 104, 774 ,450 kg with a capacity of 30 tons / hour, output of certified CPO amounted to 7,846,787 kg, CPO Non Certified amounted to 14,616,774 kg, CPO extraction of 21, 44%. Products of certified kernel 1,542,368 kg and Uncertified PK 2,871,376 kg with the extraction of 4:20%

Document review indicates that the product claims was still smaller than the claims in certificate.

Status: Comply

E.5 Record keeping

E.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.**
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.**
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)**

The Company has recorded FFB production data from the main estate and farmers / other sources. Recording is done in daily, monthly, quarterly and yearly basis. Companies can show estate production data, the period July 2014 till April 2015, as follows:

- Main Estate (LPE): FFB at 38,590,620 million Kg, supplies to POM 38,590,620 million Kg (34.92%).
- KUD (Village Cooperative) : FFB amounted to 68,183,830 million Kg, the supply to the POM at 68,183,830 million Kg (65.08%).
- Plant: Processed FFB amounting to 104, 774 ,450 kg with a capacity of 30 tons / hour, output of certified CPO amounted to 7,846,787 kg, CPO Non Certified amounted to 14,616,774 kg, CPO extraction of 21, 44%. Products of certified kernel 1,542,368 kg and Uncertified PK 2,871,376 kg with the extraction of 4:20%.

Companies can show examples of product sales for MKS and IKS with label claims of Mass Balance:

- Sales of palm oil products to PT Synergy Oil Nusantara, sales contract No. 00 280 / BGR / KTR-MKS / LOK / II / 2015 of 300.000Kg CPO on February 28, 2015. In the invoice listed the name of the buyer, the buyer's address Jl. Raya Pelabuhan Kabil KM 12.5 Kabil, Batam, no sales contract, no DO (00301/00280/02/15 / L-BGR-MKS) and it has been stamped that indicates the product is certified RSPO Mass Balance.
- Sales of the product of palm kernel core for 250.000kg, the buyer on behalf of PT Kurnia Tunggal Nugraha, Sales Contract No. 00109 / BGR / KTR-IKS / LOK / I / 2015 dated January 9, 2015. Invoices have included the buyer's address in Jl. WR Supratman No. 75 Pasar Jambi - Jambi. DO haulage No. 00115/00109/01/15 / L-BGR-IKS.

The company can show the list of buyers for Crude Palm Oil and Palm Kernel Mass Balance Certified product, period July 2014 till April 2015, for example, buyers of products in July 2014, August 2014, Jan. 2015 and February 2015 are described in the following table:

No	Loaded Date	Buyer	Quantity (kg)
1	17 July 2014	PT Synergy Oil Nusantara (PT SON)	1,801,224
2	14 August 2014	PT SON	900,000
3	18 August 2014	PT SON	1,499,696
4	30 August 2014	PT SON	1,600,000
5	28 January 2015	PT SON	1,500,538
6	14 Feb 2015	PT SON	1,000,760
	28 Feb 2015	PT SON	1,000,549

Pal Kernel: List of PK buyer who has a contract with PT BGR is PT Kurnia Tunggal Nugraha and PT Budi Nabati Perkasa.

Status: Comply

E.5.2
In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.

The Company does not have the KCP and / conducted outsource to independent oil crushers. The Company sells produced palm kernel core to the buyer. The company showed evidence of palm kernel core sales amounted 250.000kg, the buyer on behalf of PT Kurnia Tunggal Nugraha Sales Contract No. 00109 / BGR / KTR-IKS / LOK / I / 2015 dated January 9, 2015. Invoice buyers have included an address Jl. WR Supratman No. 75 Pasar Jambi -Jambi. DO haulage No. 00115/00109/01/15 / L-BGR-IKS.

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-3	BGR has logo and certificate approval/permit from	√
	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-3	BGR, Ladang Panjang Factory uses RSPO logo on its employee uniform referring the guideline.	√
	Status: Full Compliance	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-3	The Company does not use the logo both on-product and off-product within the scope of PT. Bahari Gembira Ria	√
	Status: Full Compliance	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-3	The certificate and logo handling and usage conducted by BGR, Ladang Panjang Factory referring the guideline of the RSPO Guidelines Communication and Claims	√
	Status: Full Compliance	

3.4. Summary of RSPO Partial Certification.

Name of organization : PT Mitra Austral Sejahtera		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	PT Mitra Austral Sejahtera is compliance with applicable laws and regulations.	√
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	PT Mitra Austral Sejahtera has demonstrated land use and not legitimately contested by local communities. The company's land acquisition process has been in accordance with the prevailing regulations	√
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	PT Mitra Austral Sejahtera has documented system for dealing with complaints and grievances, which is implemented and accepted by all parties. There is a Communication Procedure No. Policy 501/MAS-KOM-03/11 dated 8 April 2011 implemented through the Mail Box, Email, Announcements, posters, brochures / pamphlets and meeting / briefing, etc. To resolve complaints / disputes associated with land, the company has prepared a Compensation Negotiation Process Mechanism No Policy 501/MAS-Doc 01/11 dated 8 April 2011, which contains a flowchart of (derasa) compensation payment process through a amicable discussion and meetings with Muspika (Task Force).	√
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 Mitra Austral Sejahtera has a Compensation Negotiation Process Procedure No. Policy 501/MAS-Doc 01/11 dated 8 April 2011, which contains a flowchart of compensation payment process (Derasa) through amicable discussion and meeting with Muspika. The pricing of compensation is based on the Minutes of Agreement on Compensation (Derasa) Pricing dated December 8, 2005 as agreed by PT MAS, Community Leaders and KUD managers, acknowledged by Sub-District Chiefs (3 Sub-districts). Socialization was held on December 9, 2005 and attended by 35 representatives of related groups.	√
	Status:	
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√
	PT Mitra Austral Sejahtera has not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values. Based on the company's Plantation Concession issued through Decision of Land Agency Head of Sanggau District No. 400-56/IL-1999 dated January 8, 1999 on the Granting of Extension Concession the Purposes of Palm Oil Plantation located at Parindu, Bonti, Hulu and Kembayan Tayan sub-districts in the name of PT Mitra Austral Sejahtera with a total area of 20,000 hectares of 30,000 hectares reserved area, the concession of PT MAS is located within Other Use Area (APL) in accordance with the Spatial Plan of West Kalimantan Province The company management has declared to the community that the company will preserve and will not cultivate palm oil crops in areas that have been identified as HCV (MAS-3 Estate's Statement Letter dated May 1, 2011).	√

	Local people / Indigenous Figures joined in Satlak were directly involved in the identification process of areas where palm oil planting is not allowed in accordance with the agreement.	
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√
	<p>Available EIA documents as approved by the Central EIA Committee letter the Department of Forestry and Plantations, No: 242/Menhutbun-II/2000, on March 23, 2000.</p> <p>The company has conducted studies of social impact, but until the implementation of Stage-1 is still in draft form. SIA mentioned in the draft document;</p> <p>a. Positive Impacts</p> <ol style="list-style-type: none"> Direct Impacts <ul style="list-style-type: none"> Significant local people are employed by the company. Emergence of livelihood sources. Increased revenue sources and incomes of the villagers. Increased productivity, value and status of land (impact of KKPA plasma development). Increased accessibility and mobility of people, goods and services. Public's positive perception to the company. Indirect <ul style="list-style-type: none"> The increasingly growth of local businesses Increased cash flow and fund circulation in the surrounding villages. Increased purchasing power of the local people. <p>b. Negative Impacts;</p> <ol style="list-style-type: none"> Direct impacts; <ul style="list-style-type: none"> Reduced size of public lands, Public's negative perception to the company, Dispute/conflict Indirect impacts and Accumulation <ul style="list-style-type: none"> Clean water problem, Impaired traditional value system of mutual cooperation, <p>- Change in lifestyles of rural people.</p> <p>Based on the Plantation Development Realization Report of the socialization of new land opening has been conducted in July to September 2010 for Bonti and Kembayan Sub-districts, and unit has done socialization of new land opening in March 2011 (Sedae, Canal, Mua, Kampuh, and Tapa sub-villages).</p> <p>Based on interviews with residents of RT Pinsam the company's new plantation opening process also involved te Satlak Team consisting of Sub-village Chiefs, Indigenous leaders, KUD Sekayam Jaya Manager and Village officials as officers who perform verification of the land to be opened.</p>	√
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√
	<p>There is a Land Compensation Negotiation Process procedure No. 501/MAS-Doc 01/11 dated 8 April 2011 in which contains a flow chart of compensation process involving amicable deliberation and meetings with Muspika (Task Force).</p> <p>Documented process and agreement of land acquisition for new plantation area are maintained in MAS 3 Estate's office and RSPO secretariat office in MAS 1 Estate.</p>	√

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.
3.5.1 Identification of Findings, Corrective Actions and Observations at *Surveillance-02* Assessment

CAR No	Ref Std	Finding	Grade	Area	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
2014.01	Major 2.1.1	Compliance over the applicable and related regulation's requirement Based on interview with spraying officer in division I LPE, its know that the PPE, uniforms are stored in personnel's house. This is not inline with Permenaker No.03 in 1986 regarding occupational health and safety requirements in pesticide management plance.	Major	Estate	23 July 2014	Company should be able to present its compliance evidence toward the applicable regulation.	Root cause: There is no BBS house. Corrective action: BGR has made Block Spraying System house to store spraying tools in division 1 and 2. Preventive actions: BSS house has been provide, and personnel from Division I & II have been stored their PPE and uniform in this BSS house. Auditor conclusion: The presented evidence can be accepted and fulfilled the requirement.	Closed	3 July 2014
2014.02	Minor 2.1.1	Information regarding law and regulation's requirement that should be complied BGR has the list of law and regulation's requirement that should be complied, however there are some regulations that haven't been stated on this list, such as government regulation No 27 in 2012,	Minor	PT BGR	S-3	Company must be able to present list of regulation and law's requirement that should be fulfilled, like national regulation, regional and local regulation.	Root cause: Not yet updated to list of law/ regulation Corrective action: Updating the latest regulation into list of law	Closed	3 July 2014

CAR No	Ref Std	Finding	Grade	Area	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
		government regulation No. 50 in 2012, and PerMenLH No. 14 in 2013.					Preventive actions: actively seek latest regulation, which related to plantation activity. Auditor conclusion: The presented evidence can be accepted and fulfilled the requirement.		
2014.03	Major 4.6.1	Registered and licensed agrochemical BGR can't present the applicable permit for some agrochemical like Meta Prima, Agenda and Lancer.	Major	Kebun	23 July 2014	Company should be able to present the evidence that the entire agrochemicals in PT. BGR are registered and licensed.	Root cause: Distribution permit over the agrochemical is already expired. Corrective action: BGR has presented the distribution permit for some agro chemical type, like Meta Prima (RI.01030120081897); Agenda (RI.04110119971366); Lancer (RI.01010120041979) Preventive actions: Conducting coordination with Purchasing Jakarta and agrochemical supplier. Auditor conclusion: The presented evidence can be accepted and fulfilled the requirement.	Closed	3 July 2014

CAR No	Ref Std	Finding	Grade	Area	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
2014.04	Major 4.6.4	Agrochemical waste is disposed in accordance to regulation. BGR can't present the evidence that hazardous waste collector (PT. Dame Alam Sejahtera) for used pesticide package has had the permit from related institution.	Major	PT BGR	23 July 2014	Company should be able to present the evidence that hazardous waste collector has had the permit from related institution.	Root cause: PT. DAS not sending the permit letter for collecting hazardous waste Corrective action: BGR has proved that PT DAS has had the recommendation for transporting hazardous waste including the contaminated used pesticide package from ministry of environment that inline with letter No. B-11185/Dep.IV/LH/PDAL/10/2013 on 8 th October 2013. Preventive actions: Conducting coordination with collector regarding the permit issue. Auditor conclusion: The presented evidence can be accepted and fulfilled the requirement.	Closed	3 July 2014
2014.05	Minor 5.2.1	Socialization over protected species Based on interview with personnel in division I, LPE its known that personnel have not understood the existence of protected wildlife in plantation area.	Minor	Estate	S-3	BGR should be able to present the evidence that personnel have understood the protected wildlife.	Root cause: Lack of socialization for personnel regarding the protected wildlife. Corrective action: BGR has presented the evidence for socialization on HCV area and protected wildlife, which was conducted on 23 rd and 24 th May 2014	Closed	3 July 2014

CAR No	Ref Std	Finding	Grade	Area	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
							<p>in Division 1 and 2 LPE.</p> <p>Preventive actions: Conducting regular socialization on HCV.</p> <p>Auditor conclusion: The presented evidence can be accepted and fulfilled the requirement.</p>		

3.5.2 Identification of Findings, Corrective Actions and Observations at Surveillance-03 Assessment

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
2015.1	Major 2.1.1	<p>Liabilities / observance of regulatory requirements</p> <ul style="list-style-type: none"> The Company has already shown obedience towards the obligations and legal requirements. However, they found not enough evidence in reporting every six months to the Ministry of Agriculture Plantation, addressed to the Director of Ministry of Plantation Gen. Affairs in accordance with article 2 parts ia) Decision of the Integrated Service Agency of Kab Muaro related to Plantation Business Permit PT BGR No. 503/02 / BPTS / 2014. dated January 31, 2014. Based on interviews with personnel in the workshop div 3 is known that the company has not made fulfillment of the Labpur Ministry Regulation (Permenakertrans) No. 2 of 1982 on welder have not received training to obtain a certificate of competence welder. 	Major	Estates & POM	21 June 2015	Companies must have a record of compliance to legal requirements regarding evidence of reporting every 6 months for the plantations business to the Ministry of Agriculture of Republic of Indonesia in accordance with IUP PT BGR No. 503/02 / BPTS / 2014. dated January 31, 2014	<p><i>Root Cause:</i> The company identified group of welder in the estate.</p> <p><i>Corrective action:</i> The Company has transfered the estate welder on behalf of Yosi to the maintenance of roads by Decree 98 / BGR-INTI / PEG / IV / 2015 dated 23 April 2015</p> <p><i>Preventive action:</i> The company will send welder for training for certified welder</p> <p><i>Auditor Response:</i> Verification, April 27, 2015 The Company has shown evidence of improvement by transferring the estate welder on behalf of Yosi to the maintenance of roads by Decree 98 / BGR-INTI / PEG / IV / 2015 dated 23 April 2015</p> <p>Verification June 1, 2015 The Company has demonstrated evidence of delivery LKUP report to the institution that is the Regent of Muaro Jambi through Plantation Office Muaro</p>	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							Jambi. Report submitted on January 20, 2015 with number of letter 012 / BGR / UM / PSD / I / 15. Non-Conformance completed		
2015.2	Minor 2.1.2	Documentation for system of well maintained legal requirements The management unit has not been able to show evidence that it has provided information of updated and relevant legal requirements, for example: <ul style="list-style-type: none"> • Law No. 37 of 2014 on the Conservation of soil and water. • Forestry Ministry Regulation (Permenhut) No. 60 of 2014 on the classification of the river watershed. • Environment Ministry Regulation (Permen LH) No.07 of 2014 concerning environmental losses due to the pollution or environmental damage 	Minor	Estate and Plant	ASA-04	Unit management must be able to show evidence that it has provided a documented system that informs updated and well maintained legal requirements	<p><i>Root Cause :</i> No maximum coordination between division and departement</p> <p><i>Corrective Action:</i> Updating list of legal and requirement that relevan to mill and estates operational.</p> <p><i>Preventive Action:</i> Legal division is in responsibility to update legal and requirrements and informing to PSQM.</p> <p>Verification June 1, 2015 The company has shown evidence of improvement in the form of an evaluation document about compliance to the laws and regulations, the document has been covering the latest regulatory updates that are relevant to the operations of oil palm plantations and processing. For example:</p> <ul style="list-style-type: none"> • Law No. 37 of 2014 on the Conservation of soil and water. • Forestry Ministry Regulation 	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							(Permenhut) No. 60 of 2014 on the classification of the river watershed. • Environment Ministry Regulation (Permen LH) No.07 of 2014 concerning environmental Losses due to pollution or environmental damage. • REGULATION OF THE MINISTER OF ENVIRONMENT AND FORESTRY No. P.89Menlhk-II / 2015. Non-Conformance Completed		
2015.3	Minor 2.1.3	Mechanisms to ensure compliance towards the implemented rules The management unit has not been able to show evidence of a mechanism to ensure compliance to implemented regulations.	Minor	Estate and Mill	ASA-04	The management unit must be able to show evidence of a mechanism to ensure compliance to implemented regulations.	<i>Root Cause :</i> <i>Corrective Action:</i> <i>Preventive Action:</i> Auditor Response Verification, June 1, 2015 The company has shown evidence of improvement in the form of document for an evaluation of compliance to applicable regulation, which explains the basic rules, the indicators related to the RSPO and the status of fulfillment. But the company has not shown evidence of a mechanism to ensure the implementation of the regulations. Non-Conformance Uncompleted.	Open	

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
2015.4	Major 2.2.4	Evidence of Conflict Resolution There is an information regard to claim to land in Parit village, and arang-arang village in Div II, that is still in process to obtain LUT. This land conflict has been handled by a meeting with the parties who stated its claim at a meeting in February 2014 and the company has been reported to the Central Office this issue to head office. It is suggested not to use that land. This case is a potential conflict that had been handled by the company in order to be completed (conflict resolution). But the company has not been able to show evidence of the action taken in accordance with the SOP of document Conflict Resolution PK Rev 0 April 2, 2009. ..	Major	Estates	21 June 2015	Companies must show the conditions for conflict resolution processes that can be accepted and implemented by the parties involved .	Root Cause: Information of the status of the land has not been delivered by the head office to the management unit Corrective Action: Asking for information regarding to the status of land to head office Preventive Action: Set up the mechanism of request of information for internal between head office and units. Auditor Response : Verification June 1, 2015 The company has shown evidence of improvement in the form of evidence for resolution of the land which has been occupied and is still in the process of LUT located in Div II area of approximately 400 hectares. Documents shown is a letter from EM Ladang Panjang Estate to GM PSD Letter No. 239 / BGR-INT / VII / 2014 dated July 16, 2014 on previous petition responses letter No. 190 / BGR-INT / V / 2014, the letter explained that EM Ladang Panjang have informed the PSD related to the land which has been occupied and is still in the process of LUT in order to be	Closed with observation	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							<p>added to the core area, and requests for information about the status of the land.</p> <p>Associated with that, GM PSD has responded to the letter on August 6, 2014 by letter No. 099 / PSD.JKT / 08:14, the letter explains that relates to the addition of a core area of 400 hectares of land to be taken out of the land occupation in Div II, GM PSD said that today the area still belongs to the Sirangrang village and Sei Gelam Village and there is no final decision of Pemda Muaro Jambi yet, so over the area, that was recommended not to do compensation. Non-Conformance Completed</p>		
2015.5	Major 4.6.11	<p>Specific annual medical surveillance for pesticide operators</p> <p>The Company has conducted periodic medical examinations for sprayer personnel including a physical examination, blood and spirometry, but the company has not made cholinesterase examination (blood chemistry) to sprayer personnel</p>	Major	Estate	21 June 2015	Companies must be able to show evidence of inspection (specific annual medical supervision) in this case, it has been done cholinesterase test toward sprayer personnel.	<p><i>Root Cause :</i> Misconceptions of hospitals to request from the company to conduct health checks for employees</p> <p><i>Corrective Action:</i> The Company has drawn up a plan of employee health examination (spraying personnel) type of cholinesterase, the company showed evidence of the progress of plan realization by conducting gradually checking in each week, in collaboration with the laboratory of Prodia. It has been conducted an</p>	Closed	27 April 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							<p>examination of four personnel on April 23, 2015.</p> <p>Lab Prodia provide letter explaining that the CHE examination has been carried out and wait for the results of the examination process in the lab</p> <p><i>Preventive Action:</i> The Company will revise SPK with hospitals to include the examination of CHE to sprayer personnel</p> <p><i>Auditor Response:</i> <i>Verification, April 27, 2015</i></p> <p>The company has shown evidence of improvement so that Non-Conformance Completed</p>		
2015.6	Minor 5.1.2	<p>Reduction of negative impacts, scheduling and PIC</p> <p>The management unit has not been able to show the document of negative impact reduction plan, scheduling and PIC for implementation that is integrated into the management plan in accordance with the reference document EIA and SIA.</p>	Minor	Estate and Plan	ASA-04	<p>The management unit must be able to show the document of negative impact reduction plan, scheduling and PIC for implementation that is integrated into the management plan in accordance with the reference document EIA and SIA.</p>	<p><i>Root Cause :</i> Management unit has not conduct a social impact management in accordance with AMDAL and SIA</p> <p><i>Corrective Action:</i> Conducting social impact management according to AMDAL and SIA document</p> <p><i>Preventive Action:</i> Set a schedule and PIC for social impact management.</p>	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							<p>Auditor Response</p> <p>Verification, June 1, 2015</p> <p>The company has shown evidence of improvement in the form of questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaire per village), the recapitulation of the questionnaire, questionnaire analysis, program of management impacts per 2015 (those are socialization, environment and nature conservation programs, community services public education facilities), and the report of the realization of the social impact reduction such as photos and minutes events. The company also showed the appointment of 12 officer who responsible for the prevention social impact on May 8, 2015. Based on the document review, it was stated that Non- Conformance completed.</p>		
2015.7	Minor 5.1.3	<p>Evaluation of participatory monitoring and Implementation plans, at least once every two years.</p> <p>The management unit has not been able to provide evidence of evaluation for monitoring plan and implementation of participatory negative impact reduction. That</p>	Minor	Estate and Plant	ASA-04	The management unit must be able to provide evidence of evaluation for monitoring plan and implementation of participatory negative impact reduction. That should be done at least every 2 years	<p><i>Root Cause :</i></p> <p>Management unit has not conduct a social impact management in accordance with AMDAL and SIA</p> <p><i>Corrective Action:</i></p> <p>Conducting social impact management according to AMDAL and SIA document</p> <p><i>Preventive Action:</i></p>	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
		should be done at least every 2 years					Set a schedule and PIC for social impact management. Auditor Response Verification June 1, 2015 The company has shown evidence of improvement in the form of questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaires per village). the recapitulation of the questionnaire and, questionnaire analysis that has been done based on evidences, then Non-Conformance stated completed		
2015.8	Major 6.1.1	Social impact analysis or social impact assessment (SIA) including documented meeting notes. The management unit has provide document of a social impact assessment (SIA) , but hasn't yet to show a record of the meeting with the parties, eg: FGD with the parties and interviews result	Major	Estate and Plant	21 June 2015	The management unit must be able to show a record of the meeting with the parties.	<i>Root Cause :</i> Management unit has not conduct a social impact management in accordance with AMDAL and SIA <i>Corrective Action:</i> Conducting social impact management according to AMDAL and SIA document <i>Preventive Action:</i> Set a schedule and PIC for social impact management. Auditor Response Verification, June 1, 2015 The company has shown evidence of improvement in the form of	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaire per village), the recapitulation of the questionnaire, questionnaire analysis, program of management impacts per 2015 (those are socialization, environment and nature conservation programs, community services public education facilities), and the report of the realization of the social impact reduction such as photos and minutes events. In addition the company also shows the minutes of socialization and submission of documents of general procedures for conflict resolution, land claims, the handling of public complaints and grievances of employees, for example in the village Trimulya held on May 13, 2015, attended by 4 participants. The company also showed the appointment of 12 officer who responsible for the prevention social impact on May 8, 2015. Based on the document review, it was stated that Non- Conformance completed.		
2015.9	Major 6.1.2	Participation Evidence of Affected Parties Regard to Major indicators 6.1.1, the management unit has not been able to show evidence that the impact assessment has been	Major	Estate and Plant	21 June 2015	The management unit must be able to show evidence that the impact assessment has been carried out with the involvement of the parties.	<i>Root Cause :</i> <i>Root Cause :</i> Management unit has not conduct a social impact management in accordance with AMDAL and SIA	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
		carried out with the involvement of the parties in accordance with the reference document of SIA.					<p><i>Corrective Action:</i> Conducting social impact management according to AMDAL and SIA document</p> <p><i>Preventive Action:</i> Set a schedule and PIC for social impact management.</p> <p>Auditor Response ;</p> <p>Verification, June 1, 2015</p> <p>The company has shown evidence of improvement in the form of questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaire per village), the recapitulation of the questionnaire, questionnaire analysis, program of management impacts per 2015 (those are socialization, environment and nature conservation programs, community services public education facilities), and the report of the realization of the social impact reduction such as photos and minutes events. In addition the company also shows the minutes of socialization and submission of documents of general procedures for conflict resolution, land claims, the handling of public complaints and grievances of employees, for example in the village Trimulya held on</p>		

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							May 13, 2015, attended by 4 participants. Based on the document review, it was stated that Non-Conformance completed.		
2015.10	Major 6.1.3	Scheduling and PIC of Reduction of negative impacts, consulting with many parties The management unit has not been able to show the monitoring document of negative impact reduction plan, consulting and PIC in accordance with the reference document SIA.	Major	Estate and Plan	21 June 2015	The management unit must be able to show the monitoring document of negative impact reduction plan, consulting and PIC in implementation.	<i>Root Cause :</i> Management unit has not conduct a social impact management in accordance with AMDAL and SIA <i>Corrective Action:</i> Conducting social impact management according to AMDAL and SIA document <i>Preventive Action:</i> Set a schedule and PIC for social impact management. Verification, June 1, 2015 The company has shown evidence of improvement in the form of questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaire per village), the recapitulation of the questionnaire, questionnaire analysis, program of management impacts per 2015 (those are socialization, environment and nature conservation programs, community services public education facilities), and the report of the realization of the social impact reduction such as photos and	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							minutes events. In addition the company also shows the minutes of socialization and submission of documents of general procedures for conflict resolution, land claims, the handling of public complaints and grievances of employees, for example in the village Trimulya held on May 13, 2015, attended by 4 participants. The company also showed the appointment of 12 officer who responsible for the prevention social impact on May 8, 2015. Based on the document review, it was stated that Non- Conformance completed.		
2015.1 1	Minor 6.1.4	Evidence of the review carried out at least 2 years and involving stakeholders The management unit has not shown any evidence that the review of the plan has been carried out with the participation of all parties affected by a minimum of 2 years in accordance with the reference document SIA	Minor	Estate and Plan	ASA-04	The management unit must be able to show any evidence that the review of the plan has been carried out with the participation of all parties affected	<p><i>Root Cause :</i> Management unit has not conduct a social impact management in accordance with AMDAL and SIA</p> <p><i>Corrective Action:</i> Conducting social impact management according to AMDAL and SIA document</p> <p><i>Preventive Action:</i> Set a schedule and PIC for social impact management.</p> <p>Auditor Response Verification June 1, 2015 The company has shown evidence of</p>	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							improvement in the form of questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaires per village). the recapitulation of the questionnaire and, questionnaire analysis that has been done based on evidences, then Non-Conformance stated completed		
2015.1 2	Minor 6.1.5	Identification of impacts and follow-up at the farmer scheme The company has noticed the smallholder's farmers that have cooperation through socialization and / or training provided. The training / socialization provided to farmers. . However, regard to the impact on smallholders (plasma) as a result of the activities of the company both estate and palm oil mill that the company has not been able to show the identified impacts and follow-up to the scheme of smallholders.	Minor	Estates	ASA-04	Perusahaan harus menunjukkan perhatian khusus (tindak lanjut) yang diberikan pada dampak-dampak terhadap skema petani penggarap (plasma) berdasarkan hasil identifikasi the company must be able to show special attention to the identified impacts and follow-up to the scheme of smallholders	Root Cause : Management unit has not conduct a social impact management in accordance with AMDAL and SIA Corrective Action: Conducting social impact management according to AMDAL and SIA document Preventive Action: Set a schedule and PIC for social impact management. Auditor Reponse: Verification of date of June 19, 2015 The company has shown evidence of improvement in the form of evidence of consultation with the village surrounding. The participants are members of cooperatives village, those are the village of Gelam River, S Agung Village, Mingkung Jaya Village, and Petaling Jaya village. Consultation was held on	Closed	19 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							June 6, 2015, attended by 17 participants. List of attendee and photo of activities were available. Non-Conformance completed.		
2015.1 3	Major 6.3.1	Public Complaints Procedure The Company has a public complaints procedure (SOP: 005 / BGR-PKM / II / 11 dated 11 April 2013). Based on interviews with representatives of Sumber Agung village, it was known that the company has not been able to show clearly understood the system between communities and PT BGR, if there are complaints in the community, they directly submit complaints to the company by mail and / or orally.	Major	Estates & PKS	21 June 2015	Companies must have a system that is open to all affected parties, which must complete a clash with appropriate way, timely and effectively.	<p><i>Root Cause :</i> The SOP of complaint procedure has not been socialized yet to the village around the company</p> <p><i>Corrective Action:</i> Socializing SOP of complaint procedure to the village around the company</p> <p><i>Preventive Action:</i> Socializing SOP of complaint procedure to the village around the company</p> <p>Auditor Response</p> <p>Verification of June 1, 2015 company shows socialization minutes and submitted document of general procedures related to solution to the conflict, land claims, the handling of public complaints and grievances of employees, for example in the village Trimulya held on May 13, 2015, attended by 4 participants. Petaling Jaya village conducted it on May 25, 2015, attended by 6 participants. Non-Conformance completed.</p>	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
2015.14	Major 6.4.3	<p>Setting an open publication on the compensation procedures</p> <p>All are set in the SOP regarding the negotiation and compensation is set to be documented with evidence. The company in oral explanation states that it already has been published already land activities in the form of a compensation map. Publication aims to explain the legitimacy of the compensantion process and usually published in the local village head's office. However this publication is not regulated in SOP Procedure Acquisition of land occupation No 343 / PSD-OKUP / 11 dated February 23, 2012.</p>	Major	Estates	21 June 2015	The Company must demonstrate the procedures and the results of any negotiated agreements and compensation claims that should be documented, with evidence of the involvement of those affected, as well as open to the public	<p><i>Root Cause :</i> SOP regarding the negotiation and compensation has not been revised</p> <p><i>Corrective Action:</i> To revise SOP regarding the negotiation and compensation</p> <p><i>Preventive Action:</i> To revise SOP regarding the negotiation and compensation</p> <p><i>Auditor Response :</i> Verification, June 1, 2015</p> <p>The company has shown evidence of improvement through documents of land claim settlement scheme, the scheme has explained the stages of completion of the land claim cases ranging from source cases (people, group of communities and individuals) to the stage of completion of such consultation, and the legal path or perform realization / payment.</p> <p>But the company has not shown evidence regard to the publication of the activities of land that has been negotiated in the form of a compensation persil in</p>	Closed	19 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							<p>accordance with SOPs (SOP Procedure Acquisition of land occupation No. 343 / PSD-OKUP / 11 dated February 23, 2012)</p> <p>Non-Conformance Uncompleted</p> <p>But the company has shown evidence regard to the publication of the activities of land that has been negotiated in the form of a compensation persil map. But the company has not shown the publication mechanism (not listed in the occupational field Liberation Procedure SOP No. 343 / PSD-OKUP / 11 dated February 23, 2012).</p> <p>Auditor Response, 19 June 2015</p> <p>The company has sent evidence of improvement in the form of a memorandum document between GM Estate Jambi, south sumatra and Sumatra Plasma No : 04 / GM-Manager / VI / 2015 dated June 17, 2015 which describes the mechanism of the publication of the land data that has been compensated will be done in 2 ways those are:</p> <p>a) Delivered through socialization to society</p> <p>b) Inform on the information board at the</p>		

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							village office. Non-Conformance Completed		
2015.1 5	SCCS E.3.1	Referensi acuan standar SCCS Nov 2014 <ul style="list-style-type: none"> - The Company has a product supply chain system procedure (SOP-026 / BGR / 12) to identify the raw materials and end products so that will be able to know the relationship of raw material and product quality in order to easily perform product resulted. SCCS Procedure adopted by the company and has not been adjusted to the standard of RSPO SCCS 21 November 2014. - Procedure of products supply chain system (SOP-026 / BGR / 12) does not explain the mechanism of information delivery if there was an excess of product to the certification institution 	NC	Mill	31 March 2016	POM shall have procedures and / or written work instructions to ensure implementation of all the elements that include requirements of SCCS November 2014.	<p><i>Root Cause :</i> SOP of product supply chain system has not been revised</p> <p><i>Corrective Action:</i> To revise SOP of product supply chain system</p> <p><i>Preventive Action:</i> To revise SOP of product supply chain system</p> <p>Auditor Response</p> <p>15 June 2015</p> <p>The Company has demonstrated its revised SOP SCCS and has been adapted to the new standard reference (SOP / 4.1 / KP). Non-Conformance completed</p>	Closed	15 June 2015
2015.1 6	RSPO Certification System	The unit of certification is plant and its supply bases The company could not	NC	Estate and Plant	ASA-04	The company must be able to demonstrate the implementation of planning to ensure that all suppliers,	<p><i>Root Cause :</i> All contracted supplier (plasma) has not been agree for implementing RSPO P&C</p>	Closed With observati on	19 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
	4.2.3 and Attachment 4.2.2.	demonstrate the implementation of planning to ensure that all suppliers, in this case is the plasma farmer can be certified within 3 years. All external suppliers (plasma) in accordance with a scheme that supplies to POM, all contracted supplier must be assessed within 3 years after the first fruit supplied to certified POM.				in this case is the plasma farmer can be certified within 3 years. All external suppliers (farmers) in accordance with a scheme that supplies to POM, all contracted supplier must be assessed within 3 years after the first fruit supplied to certified POM.	<p><i>Corrective Action:</i> Conduct socialization related to the implementation of the RSPO to KUD PT BGR</p> <p><i>Preventive Action:</i> Conduct socialization related to the implementation of the RSPO to KUD PT BGR</p> <p>Auditor Response</p> <p>15 June 2015</p> <p>The company has shown evidence of efforts in the process of certification of all suppliers in this plasma, the company has shown evidence of socialization related to the implementation of the RSPO to KUD PT BGR on May 26, 2015, attended by 12 participants, and has applied for certification of the smallholdings addressed to central management. In addition the company has developed a Project Schedule Activity RSPO PT BGR for Plasma-year period in 2015, the activities to be carried out, as follows, socialization, RSPO overview, compiled RSPO project team, start documentation and review, training, internal audit, and pre / main assessment (planned December 2015)</p>		

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							BY those efforts, Non-Conformance is declared closed with the observation at the next surveillance visit.		

3.5.3 Opportunity for Improvement during Surveillance-03 Assessment

No	Ref Std	Descriptions
1.	Major 2.2.1	Implementation IUP 2nd item g). Companies need to be sure to explain (personal communication from the relevant agencies) implementing the provisions in the document IUP No. 503/02 / BPTSP / 2014 dated January 30, 2014 part 2 item g) which states that the company is obliged to pursue the construction of the estate for the public, that's about the lowest 20% of the total area of plantations managed by companies (covering an area of 3,382.04 ha).
2	Major 4.5.1	The management unit has an opportunity to improve the utilization of host plants (beneficial plant) as an early warning system against attacks UPDKS especially in peat areas directly adjacent to the plasma area.
3.	Minor 6.2.3	There is a list of stakeholders that was compiled and updated example: Sidomukti Village (Div III). Bp. Kadiyono Kadesh; Parit Village and Arang-Arang village; Environmental Agency of Muaro Jambi; and that were identified more than 60 stakeholders. List of stakeholders was created to ensure affected parties can provide input on the organization (input from stakeholders). Complaints over the impact of activities that occur are recorded in the outgoing and incoming mail in accordance with the subject; and responded but in this case there has been no complaint identified. To increase system, companies need to determine how to ensure the list of stakeholders has been updated and well maintained as the updating review period for the list of stakeholders

3.5.4 Noteworthy Positive Components during Surveillance-03 Assessment

No	Ref Std	Descriptions
1		The company's commitment to implement the principles of sustainable management of oil palm
2		Personal enthusiasm for demonstrating the RSPO standard requirements
3		Human Resources has the ability and a good understanding of sustainability standards

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



Issue from Stakeholder	Management Response	Auditor Response
<p>Department of Manpower and Transmigration (Head of Employment Section, Head of Industrial Relations Section)</p> <p>Positive aspects</p> <ol style="list-style-type: none"> 1. The management unit routinely provide P2K3 quarterly reports. The last report on the period from January to March 2015 and in April 2015 delivered through the post. 2. The management unit routinely provide employment report in accordance with law No. 7 of 1981. Estate gave employment report dated April 1, 2015 and POM on 1 February 2015. 3. The management unit did not report occupational accidents in the period 2014 - 2015 (POM currently proposed to obtain a certificate of zero accident to the Ministry of Labor). 4. The management unit has registered all employees on worker security insurance program. 5. In 2014 and 2015 are not recorded the industrial relations issues. 6. The management unit implements existing UMP / UMSK in accordance with applicable regulation. 7. There are unions and EMC (LKS Bipartit). 8. Each activity of EMC must be reported by committee to the company leader, and then company leader reported EMC activities every six months in accordance with Law No. 13 of 2003 Article 190, paragraph 1 in conjunction with Manpower Regulation No. 32 of 2008, Article 17. 9. The management unit has boilers permit, generators, and electrical installations (period of permit for each device is not the same). 10. Transmigration and Labor Agency regularly informed about the existence of OHS training program organized by a 3rd party. 11. There is no issue of employment or discrimination of workers (ethnic, racial, gender) 	<p>Maintained</p>	

<p>Negative aspects</p> <ol style="list-style-type: none"> 1. Understanding and written complaint of employees who demanded the right to an annual bonus, in 2014. But there is no legal basis such as wages and overtime, so that settlement mechanisms returned to discussion between companies and employees. 2. The management unit should implement Law No. 1 of 1970 on Occupational Safety, Labour Ministry Regulation (Permenaker) jo No. 13 of 2011 on physical and chemical factors. 3. The management unit should also implement Labor Ministry Regulation (PMP) No. 7 of 1964 on Conditions of Health Requirement, Information and Hygiene. 4. The level of adherence to laws and regulations of 80-90% because of the perfection (100%) if the company has been able to run the Government Regulation (PP) No. 50 of 2015 concerning OHS. 5. For Jambi province no one has been able to meet Government Regulation (PP) 2015 No 50 of OHS <p>Noted:</p> <ul style="list-style-type: none"> • CLA (PKB) for staff should be the same as the CLA for employees, undifferentiated. 	<ol style="list-style-type: none"> 1. For the payment of wages in accordance with Provincial Minimum Wage (UMP) and overtime refers to BKSPPS. 2. The company has done a medical check-up in accordance with a predetermined program. 3. It has been in accordance with applicable regulations. 4. The Company will evaluate the OHS implementation. 5. The Company will evaluate for implementation of OHS. 	<ul style="list-style-type: none"> • The Company has implemented a human resources management adequately, that have been described in the criteria of 6.5 - 6.8. • The application of OHS have been described the criteria 4.7
<p>National Land Agency (NLA/BPN (Head of Land, Planning, Setting Section (PPP)</p> <ul style="list-style-type: none"> • PT BGR did not have license of a new location. • No additional LUT (LUT is being processed in Center of BPN (NLA). • There is no land dispute. 	<p>LUT was still in the process and no land disputes in the community, then it will be sustained.</p>	<p>It has been explained in criterion 2.2</p>
<p>Plantation Agency (Head of Post Crop Development and Head of UTP Division)</p> <p>Positive aspects</p> <ol style="list-style-type: none"> 1. The Management Unit report LPUP management regularly. Last final report dated 30 April 2015. 2. The management unit has plasma (plasma area in 2915 (in Air Merah Village, Petaling Jaya Village). 3. It has been carrying out a partnership $\geq 20\%$. 4. The obligation to establish the plasma as much as 20% of LUT in accordance with IUP was issued by Decree of the Head of Integrated Service Agency, District Muaro Jambi No. 503/02 / BPTSP / 2014 dated January 30, 2014 letter (g) pursuing the development of community estate to the lowest area of 20% of the total plantation area 3.382,04Ha (according IUP), no need to be carried out by PT 	<p>Maintained</p> <ol style="list-style-type: none"> 1. The estate has asked information about Hazardous and Medical Waste transporter permit via phone to Bp. Irvan (081370841012) / CV. Anggrek permission letter is still in the processed to environmental and forestry offices in Jakarta with no Letter 001 / Permhn-Recommendations / IV / 2015 (April 23, 2015). 2. It's never been done / given since PT. BGR 	

<p>BGR due to Agriculture Ministry Regulation (Permentan) No. 26 of 2007 imposed on the new company while PT BGR built before 2007. Thus, the implementations of the IUP in 2014 by PT BGR have been in proper one.</p> <ol style="list-style-type: none"> PT BGR including in estate class I. There are social issues, for example the issue of credit agreement demanded by the public, but it could be completed after a recommendation from the estate of BGR that deserves to be transferred to the farmers. Company has CSR activities such as religious donations, sports, August 17, and Mass Circumcision. There are natives in Parit Village (original Jambi). <p>Negative aspects:</p> <ol style="list-style-type: none"> Understanding and issues related to disposal of clinical waste from the health ministry, but there is no settlement because there is no company or licensed transporter for medical waste. In the year of 2013, Rp. 600.000,- CSR aid was taken every three months, but throughout the year 2014 there was no aid anymore. Complaint of some people related to the noise and odor. 	<p>established.</p> <ol style="list-style-type: none"> Distance between POM and surrounding villages approximately 4 Km. POM has conducted the odor and noise test in collaboration with by Environmental Agency. 	<p>The company has conducted well waste management. See criterion 5.3</p>
<p>BLHD (Head of Enviroment Damage Section and Head of Subdivision Hazardous Waste Management)</p> <ul style="list-style-type: none"> Management Unit shall report liquid waste regularly (quarterly) and Hazardous Waste in each Semester The Company has obtained permission Temporaray Landfill of Hazardous waste and land application Management Unit reports Environmental Management and Monitoring Plan (RKL & RPL) regularly. There are no issues related to pollution. There was once oral complaints related to pollution of the river but then it was checked by BLHD, and it was found that contamination occurs due to a pertaminan pipeline leak (instead of PT BGR). The shortest distance PT BGR with the nearest village \pm 25 km. BLHD conducted training on a regular basis every three months to companies• 	<p>Maintained</p>	<p>It has been explained in criterion 5.3</p>

<p><u>Trimulya Jaya Village (Acting Head of Village)</u></p> <p>Positive aspects:</p> <ol style="list-style-type: none"> 1. The good relationship with company. 2. The company provides assistance of heavy equipment lending as much as six times in 2014, helping the process of drain flushing in the area of plasma-owned by farmer for 2 times in 2014 and 2015, that is in September 2014 and February 2015, the funding for the celebration of August 17). 3. Knowing how to communicate with management unit. The village head had phone number of plasma manager and SOU 21 Ladang Panjang. 4. There is no conflict between communities and plantation. 5. Proposal or petition submitted by village officials directly to companies, and companies directly answer when the letter was received, while the implementation of assistance conducted between 3 - 7 days. 6. Labor absorption is about 60% of the population Trimulya Jaya Village. 7. The notification of contract work and job vacancy. 8. The socialization types of fauna that can not be hunted such as a deer. <ul style="list-style-type: none"> • The cooperation in constructing of 1054 ha plasma oil palm area consisting of 392 heads of household. • The period of credits between 8-12 years depend on the agreement between farmer groups with management unit • Most people who have a MOU with PT BGR, selling FFB to another plant because it needs funds quickly to pay off debts to the Bank. Meanwhile, if sold to PT BGR, it will be paid one month later although the price is higher than other factories. • Unit management through Bina Tani to provide guidance to farmers. Type of coaching is done for example by producing good quality FFB and proper fertilization. <p><u>Negative Aspect:</u></p> <ol style="list-style-type: none"> 1. From the total of 3 meeting invitation related to Rural development submitted by Desa Trimulya Jaya to management unit, only one time which was attended by representatives of the management unit in terms of the recording of expedition letter, then the company said that will be present (in the 3rd invitation). 2. CSR program of PT BGR has not been discussed with the community. 	<p>Maintained</p> <ol style="list-style-type: none"> 1. For the level of staff at the time of the meeting there are activities that are important but representatives at the level of Bina Tani remain to join. 2. CSR was identified based on the needs and capabilities of the company. 	<p>It has been explained in criteria 6.1 – 6.4</p>
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<p>3. The plan of the impact reduction caused by plant operations have not been discussed with Trimulya Jaya Village.</p> <p>4. Waste plant ever pollute the river where people take fish (2014), but the management unit quickly responded by fixing a leaking section.</p> <p>5. Socialization of HCV has not been done.</p> <p>Expectation to Company:</p> <ul style="list-style-type: none"> • During the dry season the management unit is expected to help flush the road, as a result of truck traffic, dust fly so much, potential to cause respiratory infection. • The management unit is expected to assist in education and health through CSR programs. • Expect the MoU with PT BGR for plasma replanting activities in the future. 	<p>3. Invitation of the village haven't been received since the distance between POM to Desa Jaya Trimulya about 6 Km.</p> <p>4. No contamination from plant waste, but Pertamina pipeline leaks that pollute Terentang River.</p> <p>5. Socialization of HCV to the public through posters in any public roads of PT. BGR</p>	
<p>Gender Committee</p> <p>1. Board committees of gender are determined by employee.</p> <p>2. Dissemination of gender, sexual harassment and violence were carried out in conjunction with routine activity performed by eg gender committee on Posyandu activities on 21 in each month, recitals in the mosque.</p> <p>3. Period of the year (2014 till 2015) there has been no incoming written complaint to gender committee</p> <p>4. The company policy for gender committees: providing a meeting room and consumption for gender commission. But there is no funding specifically.</p> <p>5. If there is domestic violence usually completed at the neighborhood level, and gender committees are always invited to completion.</p> <p>6. Many women who do not want to complain because shame to have family problems.</p> <p>7. The management unit supports gender committeeby providing a meeting room and consumption and buses assistance for activities outside the company.</p> <p>8. Complaints submitted to gender committee most in verbally rather than writing and also prohibit the committee to deliver a complaint to the company.</p>	<p>Maintained</p>	<p>It has been explained in criterion 6.9</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	<p>Formal Sign-off of Assessment Findings</p> <p>Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT. Bahari Gembira Ria Management Representative</p>  <p><u>M. Pirabaharan</u> Monday, 22 June 2015</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor Witnessed</p>  <p><u>Sandra Purba</u> Monday, 22 June 2015</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Contact	Tanggal	Response	
						Yes	No
1	Department of Manpower and Transmigration (Head of Employment Section, Head of Industrial Relations Section)	Muaro Jambi		Interview	April 22, 2015	Yes	
2	National Land Agency (NLA/BPN (Head of Land, Planning, Setting Section (PPP)	Muaro Jambi		Interview	April 22, 2015	Yes	
3	Plantation Agency (Head of Post Crop Development and Head of UTP Division)	Muaro Jambi		Interview	April 22, 2015	Yes	
4	BLHD (Head of Enviroment Damage Section and Head of Subdivision Hazardous Waste Management)	Muaro Jambi		Interview	April 22, 2015	Yes	
5	Trimulya Jaya Village (Acting Head of Village)	Trimulya Jaya Village		Interview	April 23, 2015	Yes	
6	Komite Gender	Ladang Panjang Estate		Interview	April 23, 2015	Yes	
7	Kontraktor (Zuwanda) FFB and EFB Transporter	Trimulya Jaya Village		Invited for interview	April 23, 2015		No
8	Sawit Watch	Bogor		Email	April 13, 2015		No
9	WWF	Jambi		Email	April 13, 2015		No

Appendix 2. Assessment Program

DATE / TANGGAL		21 s.d 24 April 2015					
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR				
			TM	SP	AP	EH	
Selasa/Tuesday, 21 April 2015							
06.00 – 07.00		JAKARTA → JAMBI	√	√	√	√	
07.00 – 09.00		JAMBI → SITE					
09.00 – 10.00		Opening Meeting					
10.00 – 12.00		Document verfication and previous nonconformance verification (ASA-02)	√	√	√	√	
12.00 – 14.00		BREAK					
14.00 – 17.00		Document verfication and previous nonconformance verification (ASA-02)					
		Legal aspect, OHS, Concervation, labour aspect, social, SCCS	√	√			
		BMP, mill process			√		
		Environment, training and social responsibility				√	
		Continious improvement	√	√	√	√	
Rabu/Wednesday, 22 April 2015							
08.00 – 12.00		Observasi lapangan : Ladang Panjang Estate (Division 2) <ul style="list-style-type: none">Divisi 2 : Manuring, spraying, panen, IPM and Labour facilities (wages, complaint mechanism), Land Aplication			√		
		<ul style="list-style-type: none">Legal operational, Conservation Area, and Water Management at Peat Area	√	√			
		<ul style="list-style-type: none">Labour facility (housing, clinic, clean water, ect, fire fighter equipment, warehouse and workshop	√	√			
		Public consultation with agencies (BPN, BLHD, Disnaker, Disbun) and local NGO (if any)				√	
12.00 – 14.00		BREAK	√	√	√	√	
14.00 – 17.00		<ul style="list-style-type: none">Document verfication and previous nonconformance verification (ASA-02)	√	√	√	√	
		<ul style="list-style-type: none">Field visit and public consultation clarification	√	√	√	√	
Kamis/Thursday, 23 April 2015							
08.00 – 12.00		Field Observation : Ladang Panjang Estate (Division 3) <ul style="list-style-type: none">Grading, process, WTP, workshop, waste management , OHS implementation, IPAL	√	√			
		<ul style="list-style-type: none">Division 3: Manuring, spraying, panen, IPM and Labour facilities (wages, complaint mechanism), Land Aplication			√		
		<ul style="list-style-type: none">SCCS and interview with FFB & CPO Transporter	√	√			
		<ul style="list-style-type: none">Public consultation : community; labour union, dan gender comitte				√	
11.30 – 14.00		BREAK					
14.00 – 17.00		<ul style="list-style-type: none">Document verfication and previous nonconformance	√	√	√	√	

DATE / TANGGAL		21 s.d 24 April 2015					
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR				
			TM	SP	AP	EH	
		verification (ASA-02)					
		• Field visit and public consultation clarification	√	√	√	√	
Jumat/Friday, 24 April 2015							
08.00 – 10.00		Continuing document verification and previous nonconformance verification (ASA-02) and closing meeting preparation.	√	√	√	√	
10.00 – 12.00		Closing Meeting					
13.00 – 14.00		SITE → JAMBI	√	√	√	√	
14.00 -		JAMBI → JAKARTA					