

**Roundtable on Sustainable Palm Oil Certification
R S P O**

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : **Sungai Rungau Mill, PT BINASAWIT ABADIPRATAMA subsidiary of GOLDEN AGRI RESOURCES Ltd.**

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

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

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

Date of Certificate Issue : **August 26th, 2013** Date of License Issue : **August 26th, 2016**

Date of Certificate Expiry : **August 25th, 2018** Date of License Expiry : **August 25th, 2017**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	May 30 th – June 3 rd , 2016	Yudwi Wisnu Rahmanto (Lead Auditor), Bukti Bagja, Moh. Arif Yusni, Arif Faisal S.	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	29 July 2016

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FIGURE

Figure 1. Location Map of PT Binasawit Abadipratama

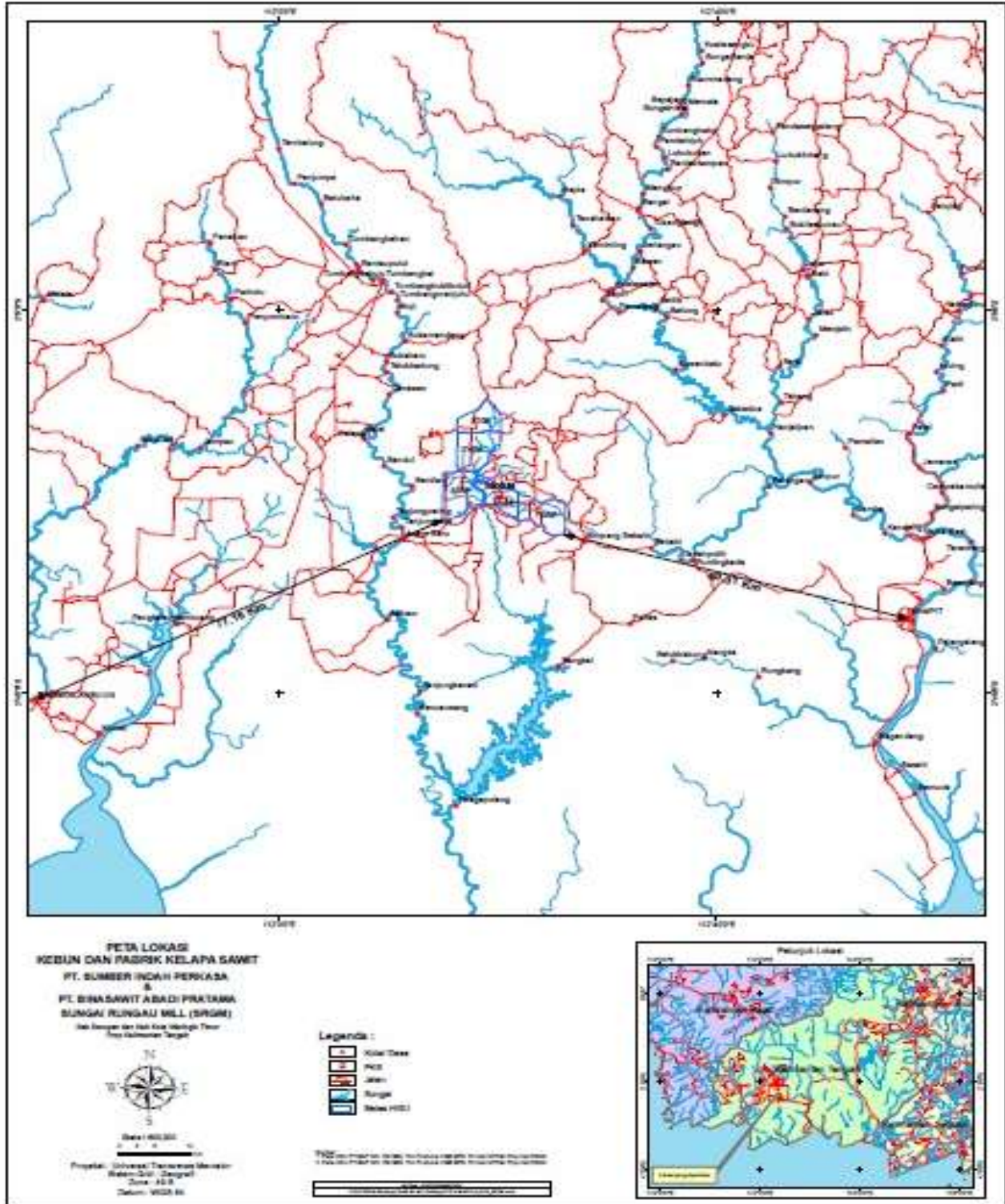
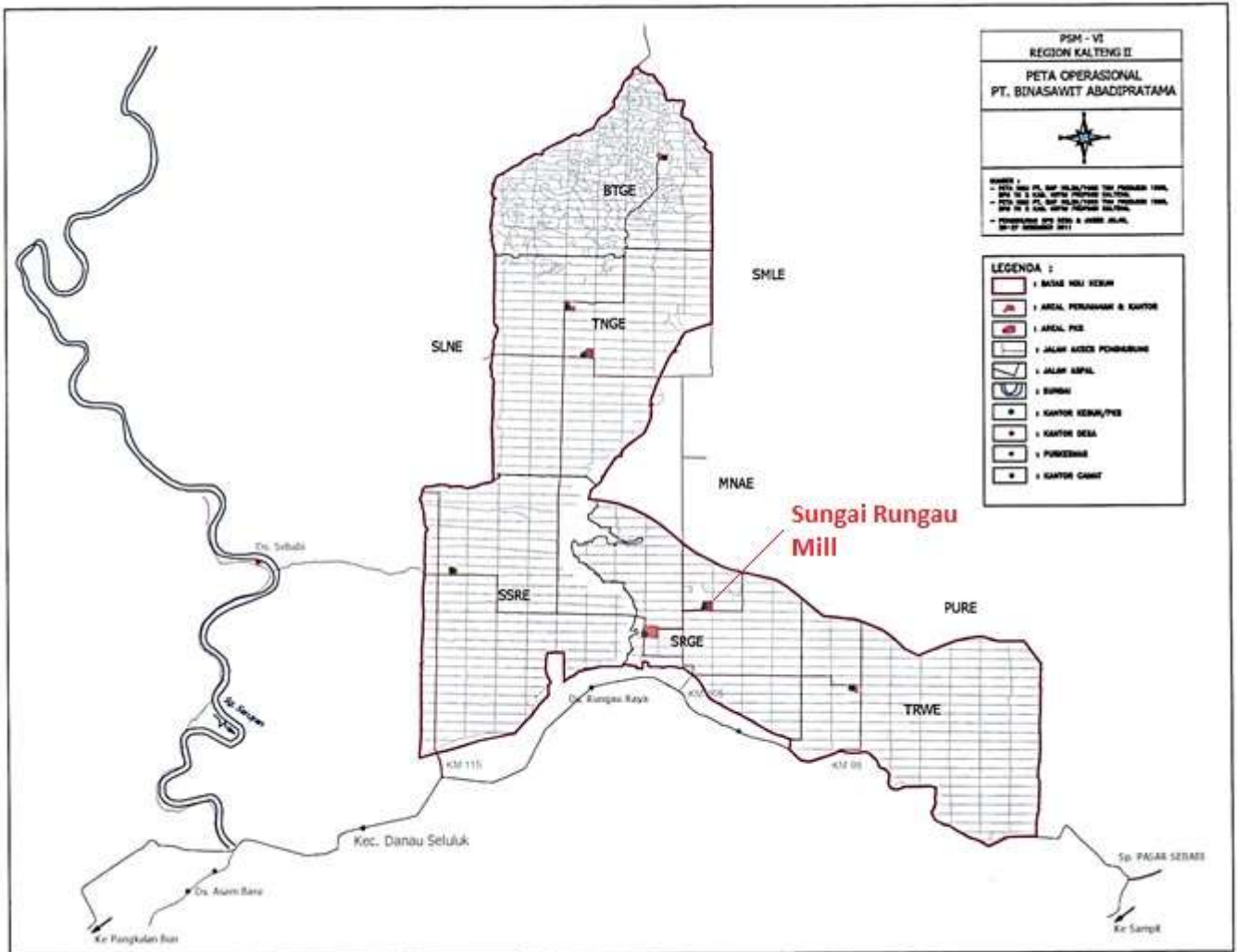


Figure 2. Operational Map of PT Binasawit Abadipratama



Glossary

ANDAL (EIA)	:	<i>Analisis Dampak Lingkungan</i> (Environmental Impact Assessment)
BOD	:	Biological Oxygen Demand
BPN	:	Badan Pertanahan Nasional (<i>National Land Agency</i>)
BTGE	:	Bukit Tiga Estate
CH	:	Certificate Holder
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior and Informed Consent
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRAC	:	Hazard Identification and Risk Assessment Control.
IK	:	<i>Intruksi kerja</i> (Work Instruction)
ISCC	:	International Sustainable Carbon Certification
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Operation Licence)
IPM	:	Integrated Pest Management
KER	:	Kernel Extraction Rate
LA	:	Land Application
LSC	:	Land and Soil Capability
LC	:	Land Clearing
MCAR	:	Management Committee Agronomy and Research
MCMD	:	Management Committee for Mill Development
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OIA	:	Operation Internal Audit
LSU	:	Leaf Sampling Unit
SOP	:	Standard Operational Procedure.
SSU	:	Soil Sampling Unit
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (Guiding Committee of Occupational Safety & Health)
PK	:	Palm Kernel
PMNP	:	Plantation Monitoring and Planning
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent

PPE	:	Personal Protective Equipment
PSM	:	<i>Perkebunan Sinarmas</i> (Sinarmas Plantation)
PT BAP	:	PT Binasawit Abadipratama
RC	:	Regional Controller
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened and Endangered
SIA	:	Social Impact Assessment
SIP	:	Sumber Indah Perkasa
SMARTRI	:	SMART Research Institute
SOP	:	Standard Operating Procedure
SRGE	:	Sungai Rungau Estate
SSRE	:	Sungai Seruyan Estate
TRWE	:	Terawan Estate
TNGE	:	Tangar Estate
WWTP	:	Wastewater Treatment Plant
VPA	:	Vice President Agronomy

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 Binasawit Abadipratama subsidiary of Golden Agri Resources, Ltd	
1.2.2	Contact person	Richard Kan	
1.2.3	Organisation address and site address	Head Office : 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 Indonesia Liaison Office : Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia Phone: +62-21-5033 8899. Fax: +62-21-5038 9999 Site Address: Rungau Raya Village, Danau Seluluk Sub District, Seruyan District, Kalimantan Tengah Province	
1.2.4	Telephone	(+62-21) 318 1388	
1.2.5	Fax	(+62-21) 318 1389	
1.2.6	E-mail	ismu-zulfikar@smart-tbk.com	
1.2.7	Web page address	www.goldenagri.com.sg	
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Department)	
1.2.9	Registered as RSPO member	31 March 2004 (1-0096-11-000-00)	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	Sungai Rungau Mill and its supply bases (Sungai Rungau Estate, Terawan Estate, Sungai Seruyan Estate, Tangar Estate and Bukit Tiga Estate).	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Sungai Rungau	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Kalimantan Tengah Province	S 2° 19' 14,16" E 112° 20' 2,97"

1.4.2	Location of Certification Scope of Supply Base						
	Name of Supply Base	Location	Coordinate				
			Latitude	Longitude			
	Sungai Rungau Estate	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, KalimantanTengah Province	S 2° 19' 43"	E 112° 18' 58"			
	Sungai Seruyan Estate	RungauRayaVillage, Danau Seluluk Sub district, Seruyan District, KalimantanTengahProvince	S 2° 18' 32"	E 112° 15' 28"			
	Terawan Estate	SelunukVillage, Seruyan Raya, Seruyan Sub district, KalimantanTengahProvince	S 2° 20' 43"	E 112° 22' 43"			
	Tangar Estate	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Kalimantan Tengah Province	S 2° 13' 45"	E 112° 17' 34"			
	Bukit Tiga Estate	Rungau Raya Village, Danau Seluluk Sub district, Seruyan District, Kalimantan Tengah Province	S 2° 11' 1"	E 112° 19' 20"			
1.5 Description of Area Statement							
1.5.1	Tenure						
	• State		HGU : 20,152.79	Ha			
			HGB : 19.75	Ha			
	• Community			Ha			
	HGU Certificate no 17/2008; HGB Certificacate No : 5/2003 (reservoir area); No: 6/2003 (mill and POME pond) and No. 7/2003 (*mill emplishment)						
1.5.2	Area Statement						
	• Total area		20,172.54 Ha				
	• Mature area		18,062.09 Ha				
	• Immature area		- Ha				
	• Tangar Mill		9.69 Ha				
	• Sungai Rungau Mill and Mill Emplishment		19.75 Ha				
	• Infrastructure & Air Strip		688.17 Ha				
	• Emplishment & Building		170.31 Ha				
	• Conservation Area (Planted)*		882.38 Ha				
	• HCV Area *		620.62 Ha				
	• Others area (unplantable)		601.91 Ha				
*HCV area comprises of secondary forest and natural vegetation.							
*All conservation area is calculated as planted area							
*Discrepancy of area 19.75 Ha from previous assessment is due to size of Building Use Right / Tittle (HGB) Sungai Rungau Miil are not included in scope of certificate							
1.6 Planting Year and Cycles							
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Sungai Rungau Estate	Sungai Seruyan Estate	Terawan Estate	Tangar Estate	Bukit Tiga Estate	Total
	1996	-	249.51	852.98	-	-	1,102.49

1997	490.48	1,667.79	883.41	333.02	-	3,374.70	
1998	621.20	1,061.53	1,283.60	1,411.72	444.54	4,822.59	
1999	582.05	1,230.82	360.73	764.61	575.77	3,513.98	
2000	933.21	-	934.81	1,046.99	84.72	2,999.73	
2001	183.31	-	-	85.34	311.26	579.91	
2004	-	-	-	148.34	415.32	563.66	
2005	71.03	-	-	178.61	796.80	1,046.44	
2006	-	-	12.38	-	-	12.38	
2007	-	-	-	46.21	-	46.21	
TOTAL	2,881.28	4,209.65	4,327.91	4,014.84	2,628.41	18,062.09	
1.6.2	New Planting area after January 2010		-				Ha
1.6.3	Planting Cycle		1 st Cycle				
1.7 Description of Mill and Supply Base							
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Sungai Rungau	80	455,620.40	102,704.32	22.54	26,554.41	5.83
	*Production data month of May 2015 to April 2016						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Sungai Rungau	3,092.90	2,881.28	80,797.00	28.04	80,797.00	100
	Sungai Seruyan	4,870.84	4,209.65	101,539.74	24.12	100,343.60	98.82
	Terawan	4,481.87	4,327.91	123,587.28	28.56	123,587.28	100
	Tangar	4,445.15	4,014.84	108,658.42	27.06	107,825.57	99.23
	Bukit Tiga	3,281.78	2,628.41	73,089.17	27.81	43,066.95	58.92
	TOTAL	20,172.54	18,062.09	487,671.61	27.00	455,620.40	93.43
	*Production data month of May 2015 to April 2016						
	**Discrepancy of total area between table 1.7.2 and table 1.5 above is due to size of Building Use Right / Title (HGB) Sungai Rungau Mill is excluded from HGU area.						
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			
	-	-	-	-			
	TOTAL			-			
	* Production data month of May 2015 to April 2016						

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 26 August 2015 to 25 August 2016 (tonnes/year)			Actual certified product 26 August 2015 to 30 May 2016 (tonnes/year)		
	• FFB Production	520,583			340,463		
	• CPO Production	121,296			76,321		
	• Palm Kernel (PK) Production	30,350			19,674		
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Sungai Rungau Estate	3,092.90	2,881.28	96,286	33.42		
	Sungai Seruyan Estate	4,870.84	4,209.65	112,161	26.64		
	Terawan Estate	4,481.87	4,327.91	127,680	29.50		
	Tangar Estate	4,445.15	4,014.84	109,525	27.28		
	Bukit Tiga Estate	3,281.78	2,628.41	75,808	28.84		
	TOTAL	20,172.54	18,062.09	521,460	28.87		
	<i>*Projected FFB production for 26 August 2016 -25 August 2017</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 (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Sungai Rungau	80	521,460	121,239	23.25	31,288	6.00
	<i>*Projected CSPO and CSPK production for 26 August 2016 -25 August 2017</i>						
1.9 Other Certifications							
	OHSAS 18001:2007	Certificate OHSAS 18001:2007 valid from 2014 upto 2017					
	ISCC	ISCC (<i>International Sustainability Carbon Certification</i>) Registration No. EU-ISCC-Cert-DE104-07781531 valid from October, 20 th 2015 to October, 20 th 2016					
	Proper	"Proper Biru" Certificate 2015					
1.10 Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	
	Mill	Time Bound Plan					
	Pangkalan Panji	2013	PT Sawit Mas Sejahtera – Sawit Mas Estate	2013	Sumatera Selatan	Certified	
	Bumi Sawit	2013	PT Bumi Sawit Permai - Bumi sawit estate	2013	Sumatera Selatan	Certified	
	Muara Kandis	2013	PT Djuanda Sawit Lestari - Muara Kandis estate and Muara Tawas estate	2013	Sumatera Selatan	Certified	

Sungai rungau	2013	PT Binasawit Abadi Pratama – Sungai Rungau estate, Seruyan estate, Tangar estate, Terawan estate, Bukit tiga estate	2013	Kalimantan tengah	Certified
Bukit Perak	2013	PT Bumi Permai Lestari - Bukit Perak estate, Bukit Permata estate	2013	Bangka Belitung	Certified
Tanjung Kembiri	2013	PT Forestalestari Dwikarya - Tanjung Kembiri estate, Tanjung Rusa state	2013	Kab. Belitung	Certified
Sungai Buaya	2014	PT Sumber Indah Perkasa - Sungai Buaya estate	2014	Lampung	Certified
		Smallholder (KKPA Gedung Aji Lama)	2014	Lampung	Certified
		Smallholder (KKPA Mesuji)	2014	Lampung	Certified
Sungai Merah	2014	PT Sumber Indah Perkasa - Sungai Merah estate	2014	Lampung	Certified
		Smallholder (KKPA Gedung Aji Baru)	2014	Lampung	Certified
Kasuari	2018	PT Sinar Kencana Inti Perkasa (Cendrawasih, Nuri, Rajawali estate)	2018	Papua	Audit stage 1
		PT Sumber Indah Perkasa (Mambruk Estate)	2018	Papua	Audit stage 1
Pekawai	2018	PT Agrolestari Mandiri (Pekawai, Sungai Kelik, Nanga Tayap, Kayung estate)	2018	Kalimantan Barat	Audit stage 1
Kenanga	2015	PT Kencana Graha Permai (Kenanga, Cempaka estate)	2015	Kalimantan Barat	Certified
Perdana	2020	PT Binasawit Abadi Pratama (Perdana, Semandau, Lenggana, Muara Dua estate)	2020	Kalimantan tengah	Audit stage 1
Kuayan	2020	PT Agrokarya Prima Lestari (Kuayan, Mentaya, Bukit Santuhai, Sapiri, Seranau, Tajur Beras, Katayang, Nahyang, Sungai Ayawan, Sungai Nusa estate)	2020	Kalimantan tengah	Audit stage 1
Belian	2018	PT Paramitra Internusa Pratama (Belian, Tengkawang estate)	2018	Kalimantan Barat	Audit stage 1
		PT Kartika Prima Cipta (Muara Tawang estate)	2018	Kalimantan Barat	Audit stage 1
		PT Persada Graha Mandiri (Kapuas Hulu estate)	2018	Kalimantan Barat	Audit stage 1
Sungai Kupang	2016	PT Sinar Kencana Inti Perkasa Sungai Kupang Estate	2016	Kalimantan Selatan	Audited

			Sungai Kupang KKPA			
	Tangar	2020	Sulin Estate, Nahiyang Estate, Katayang Estate, Sungai Nusa Estate, Sungai Ayawan Estate.	2020	Kalimantan tengah	Audit stage 1
	Golden Agri Resources Ltd has informed the Time Bound Plan progress, MUTUAGUNG has considered that Golden Agri Resources Ltd is comply with the RSPO requirement for Time Bound Plan.					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	Sungai Rungau Mill – PT Binasawit Abadi Pratama has no smallholders scheme also not received FFB from smallholders or outgrowers. All FFB process supplied from PT Binasawit Abadi Pratama.					

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-3	<ol style="list-style-type: none"> 1. Yudwi Wisnu Rahmanto (Lead Auditor) Bachelor of Forestry with Silviculture background. He worked at professional independent Certification Body as an Auditor for last 5 years and has involved in auditing activities with various certification schemes. Selected training which have been followed, such as RSPO Endorsed Lead Auditor Training Course, ISPO Auditor/Lead Auditor Course, Quality Management System (QMS) ISO 9001:2008 Auditor/Lead Auditor Course, GIS-Basic Mapping and Spatial Analysis, Timber Legality Assurance System (SVLK), Verification Organization Training C.A.F.E Practices (Starbucks) and others internal training programs. He has involved in auditing activities, such as Sustainable Forest Management by FSC FM/COC Scheme, Sustainable Palm Oil by RSPO and ISPO Scheme, Coffee And Farmer Equity (C.A.F.E Practices) Starbucks, Organic Standard (EU, NOP, JAS) for Coffee Farmers and Organic Exchange for Textile. During the assessment the auditor verified Social, Transparency and Supply Chain aspect. 2. Moh Arif Yusni (Auditor). Bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection). He has a working experience for 2 (two) years in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and Auditor / Lead auditor Management System Certification (ISO 9001-2008). Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an auditor. During the assessment the auditor verified OHS, Long Term Economic and social Welfare. 3. Bukti Bagja (Auditor). Master of Science majoring environment, Indonesia University. He had involved in RSPO assessment and HCV for GIS. The training he has followed namely ArcGIS, MAPInfo, Global Mapper, ER MAPPER, ERDAS Imagine, Indonesian Sustainable Palm Oil auditor and Awareness RSPO, and Auditor/Lead auditor Management System Certification (ISO 9001-2008). During the assessment the auditor verified Legal, Conservation Area, Land Aquisition / dispute and environment aspects. 4. Arif Faisal Simatupang (Trainee Auditor). Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has attended the RSPO Awareness Training, Indonesian Sustainable Palm Oil (ISPO) Auditor Training, Training of Management System Certification ISO 9001-2008, Training of Environmental Management System, Awareness of ISO 17021 and ISO 17065, and training of Management High Conservation Value (HCV). He has been 4 years of working experience as a Field Assistant on oil palm plantation companies in Indonesia. During this assessment the auditor verified on best management practices agronomy and mill.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-3	<p>Number of auditors : 4 auditors Number of days for ASA-03 at site : 3.5 days Number of working days for ASA-03 at site 14 Working days</p>
2.2.2	Assessment Process
ASA-3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Binasawit Abadipratama against RSPO Principles and Criteria (P&C) for the Production of Sustainable Palm Oil - April 25th, 2013 dan RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-4).</p>

Improvement of findings from main assesment findings were observed by auditors at this **ASA-3** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-3**.

The assessment program please find Appendix 2

2.2.3	Location of Assessment
ASA-3	<p>Number of units in this certification activity is two (2) estates, which supply the raw material (FFB) to one (1) palm oil mill. In conducting the assessment, the team of auditors used the 0.8√y formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one (1) palm oil mill (Sungai Rungau Mill) and two (2) estates (Tangar Estate and Bukit Tiga Estate).</p> <p>Field observation to Sungai Rungau Mill</p> <ol style="list-style-type: none"> 1. Security. Observation and interview related to FFB reception and CPO/PK delivery 2. Weighbridge. Observation and interview related to FFB reception and CPO/PK delivery 3. Grading. Observation related to FFB grading process, implementation of SOP and grading criteria and interview with workers related to labor and OHS aspect 4. Water Treatment Plant Observation and interview related to Water Treatment 5. Boiler Station Observation related to boiler Process. Implementation of SOP, interview with workers related to labor and OHS aspect 6. Generator Room Observation related to Generator room implementation of SOP and interview with workers related to labor and OHS aspect 7. Workshop Observation related to mill maintenance program and interview with workers related to labor and OHS aspect 8. Chemical storage Observation and interview related to storages of chemical 9. Hazardous waste storage Observation and interview related to handling and storage of hazardous waste 10. WWTP: All component of WWTP works well, no indication of leakage, flowmeter works well, separator from outside environment available, signboard available. 11. Land Applicaiotn in Block K24: Flat bed works well and met requirements and specification. No indication of surface water contamination. 12. Control well in Blok J25: Control well in good condition and met specification. No indication o ground water contamination from land application. <p>Field observation to Tangar Estate</p> <ol style="list-style-type: none"> 1. Post harvesting area, Division I, Block Q47. Observations related to palm oil harvesting quality on previous day harvesting area. 2. Harvesting, Division I, Block Q41 - Q44. Observations and interviews related to palm oil harvesting 3. Spraying weed, Division I, Block Q57. Observations and interviews related to weed control chemically (Herbicide Application) 4. Manual weeding riparian zone, Division I, Block R47. Observations and interviews related to weed control on riparian zone. 5. Chemical Storage. The officers have understood the procedure of pesticide waste management. Used pesticide containers are washed first, then kept to hazardous waste storage 6. Workshop. Observation and interview related to implementation of OHS aspect, waste management, and labor aspect. 7. Worker quarters of Division 5 and 6 . Observation related workers facilities 8. EFB application, Division 5 Block M 55 – M 56. Observation related EFB application. 9. HGU markers number BAP 039 Block M51 and marker number BAP 177 in Block B62: All markers in good condition, physical border has been made in the form of trenches 4 meters width. Along boundary, no indication of fire hotspot. 10. Nursery for enrichment trees in Conservastion area di Block N49: Nursery in good condition, some stocks of tree seedling available for enrichment of conservation area

11. **HCV area of Secondary forest in Block M57:** HCV area was well maintained, no indication of degradation. HCV signboards are available as well as boundary marker.

Field observation to Bukit Tiga Estate

1. **Harvesting, Division I, Block Q72.** Observations and interviews related to palm oil harvesting.
2. **Spraying weed, Division II, Block P67.** Observations and interviews related to weed control chemically (Herbicide Application)
3. **Erosion stick, Division I, Block P64.** Observations and interviews related to erosion stick installation and measurement.
4. **Worker quarters of Division I and II.** Observations and interviews related to worker facilities, organic and inorganic waste management.
5. **Chemical Storage.** Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect.
6. **Agrochemical and mixing area.** Observation and interview related to implementation of OHS aspect, environment aspect and labor aspect.
7. **Workshop.** Observation and interview related to implementation of OHS aspect, waste management, and labor
8. **HCV area of Secondary Forest in Block O74:** Conservation area was well maintained, HCV signboards available, no indication of significant destruction.
9. **HCV area of riparian buffer zone in Block O74:** Tree planting in buffer zone, markers of HCV boundary available, erosion in river banks and wall sighted.
10. **HGU markers number BAP 04, 05, 06, 07, 08, 09, 10, 11, 12, 13, 14, and 15** in Division I, Divisi II, and Divisi 4 Bukit Tiga Estate. All markers in good condition, physical border has been made in the form of trenches 4 meters width, 4 meters height along the outer HGU boundary.
11. **HGU boundary with RT 2 PDR Desa Pantap:** boundary trench as separator between HGU and community settlement. From interview with local people, there was indication of dissatisfaction of some villager on the separator trench.
12. **Conservation area in Block M75 Bukit Tiga Estate:** Conservation area in good condition, HCV signboards are available, no indication of significant destruction.

Stakeholders:

1. National Land Agency of Seruyan District
2. Environmental Agencies of Seruyan District
3. Manpower Agencies of Seruyan District
4. Plantation Agency of Seruyan District
5. Village of Sebaby, Sub-District of Batu Ampar, Seruyan District.
6. Village of Rungau Raya, Sub-District of Danau Seluluk, Seruyan District.
7. Indonesian Workers Union of Bukit Tiga Estate and Tangar Estate
8. FFB Local Contractor for Bukit Tiga Estate and Tangar Estate
9. Gender Committees of Bukit Tiga Estate

2.3 Stakeholder Consultation and Stakeholders Contacted

2.3.1 Summary of stakeholder consultation process.

- ASA-3** Consultation of stakeholders for PT Binasawit Abadi Pratama was held by:
- (1) Public notification at website MUTU (www.mutucertification.com) on May 10th 2016.
 - (2) Public consultation meeting with stakeholder (National Land Agency, Plantation Agency, Forestry Agency, Labor Agency, Seruyan District) on May 24, 2016.
 - (3) Public consultation meeting with Villages Nearby Company Area on May 31, 2016.
 - (4) Public consultation meeting with internal stakeholder on May 31, 2016.
 - (5) Public consultation meeting with eksternal stakeholder on May 31, 2016.
 - (6) Public consultation email to NGO has been sent on May 16, 2016.
- Numbers of input from stakeholders were clarified by PT Binasawit Abadi Pratama as part of this report

2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit ASA-4 will be determined one year after this ASA-3 (May 2017)

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, were assigned, two (2) nonconformities against Minor Compliance Indicators and five (5) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that Sungai Rungau Mill, PT Binasawit Abadipratama – PT SMART Tbk complied with the requirements of **RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013** dan **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)**

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.
1.1.1	<p>In order to provide adequate information to relevant stakeholder, the Certificate Holder has established procedure as per reflected in the “SOP Komunikasi dan Konsultasi No. SOP/SMART/UMUM/SADVI/004”, dated 1 July 2014. The document specifies the objectives of the document that is to manage, mechanism, communicate, (internal and external), participation, health and safety, and environment (SMK3) so that it can be understood by stakeholders effectively.</p> <p>Also, an updated list of stakeholder dated 24 March 2016 are available in place. SPO officer is a person who is responsible for regularly update the stakeholder list. During interview with villagers at Sebabi Village, Rungau Raya Village and representatives of local contractors, it confirmed that the company is open and transparent for any kind of communication from other parties. The responses given is in timely manner.</p>
1.1.2	<p>Records of requests from stakeholders are available and recorded individually at estates and mill levels in “Buku Komunikasi dan Konsultasi” that includes proposal and donation requests. Requests from the stakeholders are mainly for donation for the villages, for examples road construction and maintenance, agricultural equipment, book package, etc. In addition, other assistance such as assistance in providing fuel/diesel is also observed to be recorded.</p> <p>Nevertheless, until the date of the audit, there is no request from stakeholders for company's documents (legal, environmental and social).</p>
	Status: Comply
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.
1.2.1	<p>Interview with the staff revealed that all relevant stakeholders can access to the company's legal, environmental and social documents upon request to the Unit Head or SPO Officer. This also mentioned in the “SOP Komunikasi dan Konsultasi No. SOP/SMART/UMUM/SADVI/004”, dated 1 July 2014.</p>

<p>Chapter 2.8 Mechanism of Internal Communication and Chapter 2.10 Mechanism of External Communication. The list is available in the List of Publicly Available Documents for the following documents: Land titles/use rights; Plantation permit; Analisis Dampak Lingkungan (AMDAL) – Environmental Impact Assessment (EIA); Social Impact Assessment (SIA); Environmental Management & Monitoring reports (RKL-RPL); Corporate Social responsibility programs; Business Plan; EHS plan/program Assurance Goals; Company Policies; Complaint & dispute resolution procedures; Grievance mechanism and industrial relations; Zero burning policy; Continuous improvement plans.</p>	
	Status: Comply
1.3	
Growers and millers commit to ethical conduct in all business operations and transactions.	
<p>1.3.1</p> <p>Written policy committing to a code of ethical conduct and integrity in all operations and transactions described in Policy "Principles of Business Ethics" signed by Vice President of Agriculture (VPA), 1 August 2014. The policy explained that Certificate Holder is committed to continue practicing responsible business ethics referring to the shared values of Companies namely integrity, positive attitude, commitment, continuous improvement, innovation and loyalty as well as in accordance with the rules, SPO principles and criteria.</p> <p>Auditor has verified the implementation of briefing or socialization of company's policy to the workers during muster morning at Division 1&2 Tangar Estate.</p>	
	Status: Comply
PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS	
2.1	
There is compliance with all applicable local, national and ratified international laws and regulations.	
<p>2.1.1</p> <p>Certificate holder proves its compliance toward the applicable regulations, such as: having plantation permit, having a license for Temporary Hazardous Waste Storage and having environment impact analysis and the provision of social insurance for manpower,. The entire copy of the rules is stored in the office of each unit. Based on interviews with relevant institutions (Plantation Agency, Labor Agency, Environment Bodies and the Land Office), it is noted that the management unit has complied with the regulations related to the estate, employment and the environment.</p> <p>2.1.2; 2.1.3</p> <p>Certificate holder has a mechanism to identify, implement and evaluate the compliance with the law described in SOP of Rules and Other Requirements. This procedure has explained the PIC who is responsible for identifying the regulation and the PIC which is responsible for evaluating the rules. Based on this mechanism, the company identifies the type of legislation that must be met and classify them in a group of HCV, Labor, Environment, Licensing and OHS. All regulations is noted in the list of rules are always evaluated on a regular basis at least once a year or if there are regulatory / latest requirements referenced. The latest evaluation was conducted in May 2016 about Religious Holiday Allowance. The evaluation is done because there is the latest regulation of Indonesian Minister of Manpower Regulation No. 06/2016 dated March 8th, 2016 about Religious Holiday Allowance (Tunjangan Hari Raya). The results showed that the management unit is in compliance with the regulations relating to the activities of oil palm plantations. Besides, the auditor observed few sample for legal compliance ie :</p> <ul style="list-style-type: none"> - Land use tittle boundaries : HGU poles No BAP 039 (Block N51 TNGE); BAP 177 (Block B62 TNGE); BAP 04-15 BTGE has been comply with HGU Map and coordinates - Mill Throughput during on site audit is 78 MT/Hour, its has been comply with required permit (IUP : 80 MT/hours) <p>2.1.4</p> <p>Certificate holder has adjusted the regulation changes such as minimum wage standard changes referring the decree of Central Kalimantan Governor about sectoral minimum wage standard in Seruyan District and provided accident insurance for personnel based on the applicable regulation</p>	
	Status: OFI

2.2

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

2.2.1

Consistent with the results of previous audits, CH can demonstrate land tenure documents and chronology are:

- Location Permit from the Government of East Kotawaringin dated July 20, 1994 covering 25,000 ha
- Forest area conversion letter dated January 29, 1996 covering an area of 17 780.
- Plantation Business Permit dated February 23, 2000 for plantation with an area of 20.180 hectares and mills with capacity of 60 Tons FFB / Hour
- Land title (HGU) of PT. BAP, which is divided into two certificates: Certificates number 4 dated June 8, 1998 covering an area of 20,180 hectares, 17 HGU Certificate dated March 18, 2008 covering an area of 20,152.79 hectares.
- Land title (HGB) of PT SIP for an area of 27.21 hectares, which is valid until the year 203 for the location of Residential Buildings Staff, Employee Housing Buildings, Reservoirs, mills, and Employee Housing Buildings.

In year 2014, PT. SIP sold the mill including its WWTP and reservoirs to PT. BAP with a total area of 19.75 hectares, as shown by the agreement numbers 02, 03 and 04 dated January 20, 2015. Changes of ownership has been formally noted in the land title (HGB) document No. 5, No. 6 and No. 7 by the District Land Administration Office of Kotawaringin Timur.

In Tangar Estate PT. BAP lease some of land to PT. MKA for establishment of mill, as shown by document of:

- Permits location for Palm Oil Mill of PT. MKA with an area 21 hectares from local authority of Kotawaringin Timur District
- Building Permit number 979.3/174/KPPT/II/2013 from local authority
- Lease agreement between PT. BAP and PT. MKA dated October 10, 2011 for the HGU concession area of 21 hectares in PT. BAP.

2.2.2

Observed that CH has been maintained Land Title boundary markers, as indicated by:

- List of boundary marker location (including geographic coordinates) in accordance with the land title boundary from BPN
- Map of HGU markers location that refer to land title certificate issued in 1998 and revised in 2008.
- Record of marker maintenance report by Division Officer. Total number of HGU marker in whole HGU area is 186 stakes. All stakes are in good condition.

Field checks has been carried out by using GPS devices in Bukit Tiga Estate Division I and II, on the HGU markers number 04, 05, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15 and at Estate Tangar on markers number 039, 040, 041. All boundary markers are found in good condition. Physical separator are made in the form of trenches with a width of 4 meters and a height of 4 meters along the outer border of the estate.

SOP for maintenance of concession boundaries available in SOP document with code SOP/SMART/CERs-EHSD / SADV/II/004 regarding Maintenance of HGU / HGB boundary marker.



HGU markers are in good condition, sample for marker number 4 and 14 in Bukit Tiga Estate

2.2.3

Observed in area statement year 2016 and statement of estate managers of each estate that the entire HGU can be utilized effectively by CH. There is no indication of land dispute as has also been confirmed through consultation with and local villager from Sebabi Village and Rungau Village.

According to report of Land Title Verification Committee (Committee B) of Central Kalimantan Province number 01 / PPTB / 1996 dated July 10, 1996, it is clearly stated that the entire land comes from Conversion of State Forest Area and on the land to be awarded as HGU no private as well as objection from any parties so that the committee recommended HGU certificate to be awarded.

2.2.4

For land conflict resolution, SOP available within document number SOP/SPO /SMART/LH-04, dated July 1, 2010 and approved by the Division Head of Environment Department and the Sustainability. The procedure explained structural conflict settlement mechanism, which is aimed at securing relationships and communication between the community living around the plantation with the company in particular regarding the land ownership and land conflict resolution in accordance with applicable laws and regulations.

The SOP has been socialized and communicated to relevant stakeholder on March 7, 2012 at the River Rungau Training Center, which was attended by 27 people from the community representatives (Desa Asam Baru, Rambu Raya, Sebabi, and Sungai Rungau).

2.2.5 & 2.2.6

Public consultation during surveillance ASA-3 audit also showed that there was no indication the use of violence for any purpose within all plantation operations. Confirmation of this has been obtained through public consultation interviews with estate managers, representatives of villages of Desa Sebabi and Sungai Rungau, as well as local government of Seruyan District.

Status: Comply

2.3

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

2.3.1; 2.3.2; 2.3.3; 2.3.4

Documentation verification shows that the entire HGU area are originated from conversion of state forest area. During land clearing process, there are no private land ownership identified, as well as communal traditional / customary rights (confirmed with report of Land Title Verification Committee (Committee B) of Central Kalimantan Province dated July 10, 1996 and State Forest Area Conversion dated January 29, 1996).

In the other hands, Certificate holder has had a FPIC procedure No. SOP/SMART/SENS-CSR/SADV/II/003, describes that identification of participatory map related to legal ownership of communities are considering gender, community leader, local or transmigrant communities, ethnic groups or communal land ownership, etc.

Report of HCV and SIA (Social Impact Assessment) outlines that there are no traditional rights / customary rights or indigenous people residing around the company. This has been confirmed with the result of interviews with village heads of Sungai Rungau and Sebabi Village.

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.

3.1.1

PT BAP can show documents of corporate work plan for the long-term period of 2016 to 2019 which includes estimates of production, cost of production (plantation and mills), mills production projections (OER and KER), and other financial parameters such as profitability and revenue

3.1.2

Replanting has not been planned up to 5 (five) years because the age of the oldest plants reached 17 years (planting year 1996). The company owns oil palm cultivation Technical Guidelines No. SMA/MCAR/01/05-07, stating that replanting will be carried out if the the plant is above the age of 25 years, the trees are above 13 meters high, production per year below 14 tons/ha and the number of stand is under 100 staples/ha.

	Status: Comply	
PRINCIPLE #4 Use of appropriate best practices by growers and millers		
4.1 Operating procedures are appropriately documented and consistently implemented and monitored.		
4.1.1		
<p>Certificate Holder has documents of SOP Technical of Oil Palm Cultivation starting from land clearing up to harvesting, approved by SMD Ops and entered into force on 12 June 2012. The SOP documents among others about planning of new area planting, replanting plans, nurseries, land clearing, planting, replanting, pest and disease control, weed control, fertilization, maintenance of immature plant, preparation ahead of harvest, harvesting, loading and transportation of ffb and measurement of rainfall by ombrometer. That's SOP is available on audit site (Estate office) and written in a language that is easily understandable for workers (written in Bahasa).</p> <p>Based on a field visit of harvesting and spraying activities in Tangar Estate and Bukit Tiga Estate, and FFB processing in Sungai Rungau Mill, the activities has complied with the procedures issued by certificate holder. For example, the harvester can explain well on correct harvesting procedures that particularly relevant to the criteria for ripeness. Harvesters and pickers also explained about payment mechanism and obligation to use personal protective equipment (PPE) according to the HIRAC. Beside that, all workers has attended socialization of company policies, list of animal protected by the laws and conservation area.</p> <p>Certificate holder has a complete SOP associated with palm oil processing into CPO and PK in the palm oil mill contained in the SOP No. 04-09/MCMD-SOP/438 revisions number 4. SOP approved by Chairman MCMD and entered into force on 1 September 2010. The SOP includes standard operating procedures in POM include: FFB reception station, sterilization activities, slamming station (threshing), press station, clarification station (purification), clarification station (oil recovery tank sub station, nut and kernel station), boiler and engine room, water treatment, final effluent, storage tank washing. Certificate holder also has SOP of identification and traceability certified products, approved by Head of Upstream and entered into force on 1 July 2014.</p>		
4.1.2		
<p>Ensuring consistency of procedures implementation, the companies routinely conduct internal audit activities both agronomic and processing. It is held by the Department of Operational Internal Audit (OIA) every semester. The records of internal audit first and second semester of 2015 has been documented. Non-compliance records of internal audit has been corrected and verified by top management such as Manager, RC and VPA. At the time of assessment, the internal audit of first semester of 2016 has not been implemented. There is no revision of SOP at the ASA 3 assessment. In each SOP, there is page of document control that record the revision if any.</p>		
4.1.3		
<p>Whole activity in estate or mill documented every day in daily report. For example, harvesting report in estate contains data of harvesting blocks, hectar of area, harvesting bunches, delivered bunches, undelivered bunches, amount of loosen fruit, amount of harvester, amount of picker, total tonnage and average of bunch weight. In daily mill report also documented processing activity of received FFB, unprocessed FFB, total FFB processed, CPO and PK produced, extraction rate (OER and KER) and throughput.</p>		
4.1.4		
<p>Sungai Rungau Mill – PT Binasawit Abadi Pratama has no smallholders scheme also not received FFB from smallholders or outgrowers. All FFB process supplied from PT Binasawit Abadi Pratama.</p>		
	Status: Comply	
4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		

4.2.1

Certificate holder has SOP of Manuring (SOP/SMART/MCAR/IX/TA-PPK) to maintain soil fertility. The SOP approved by SMD Ops on 12 June 2012. Certificate Hoder has conduted soil sampling units and leaf sampling units (SSU/LSU), manuring activities, POME applications, and ground cover maintenance in accordance to maintain soil fertility. Manuring activities emphasizes on principles of timely, targeted, precise dosage and proper application.

4.2.3

SSU and LSU is conducted by SMARTRI regularly to ensure the needed elements by plants in order to have an optimum yield. SSU is conducted every 5 year for trees with age of 3, 8, 18 and 23. The last SSU result was issued on 24 March 2014 (Tangar Estate) and 19 Februari 2014 (Bukit Tiga Estate). LSU is conducted annually. The last LSU result was issued on 29 July 2015 (Tangar Estate) and 23 July 2015 (Bukit Tiga Estate). Results of soil and leaf analysis that are tested will be the basis for determining the fertilizer dosage in each estate.

4.2.2

Certificate holder has documented manuring activity first semester of 2016. Manuring activities have been completed in accordance with the fertilizer dosage recommendation. Both Tangar Estate and Bukit Tiga Estate used Urea, RP, TSP, MOP, Kieserite, Dolomite and HGF Borate. Tangar Estate applied 1.816 tones and Bukit Tiga Estate applied 1.601 tones of fertilizer in total.

4.2.4

Further, there were EFB and POME application to enrich soil fertility. EFB application with dosage of 40 tonnes/Ha year for the marginal soil (supplement) and 60 tonnes/Ha year for non – chemical area (substitution) such as riparian belt. On first semester 2016, Tangar Estate applied 6.470 tones of EFB in 161 ha as supplement, and 7.975 tones of EFB in 265 ha as substitution. Bukit Tiga Estate applied 2.003 tones of EFB in 67 ha as substitution. There is no EFB supplement application in Bukit Tiga Estate.

POME application in Tangar Estate covers 689 ha area. Application record month of January to April 2016, Tangar Estate applied 97.738 m³ of POME dose 125 m³/ha. There is no POME application in Bukit Tiga Estate.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

Certificate holder has had a map of semi detail soil survey that is documented by PMNP Department. Some soil survey maps with scale of 1:50,000 for each estate. Tangar Estate area indicated the existence of mineral soil and peat for 39.24 ha. The topography tends to be flat, wavy and undulating. Bukit Tiga Estate area indicated there is flat and wavy topography and soil type tends to be mineral and sandy mineral .type

4.3.4

Based on the review over semi detail soil survey above, land with peat category is located in Tangar Estate (soil type *typic haplosaprist*) for 39.24 Ha or 0.88% from total area of Tangar Estate. Regarding that classification, certificate holder has conducted peat land management based on SOP of Peat land Management. Some peat land management has been conducted such as building weirs, water level meter, piezometer and pole subsidence. Based on field observation in Block S55, the water table is approximately 50 cm below the soil surface. Based on measurement record, there is no peat subsidence since the instalation of subsidence pole on January 2016.

4.3.5

Certificate holder will not undertake replanting on peat area in the near future.

4.3.2

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

The land management action for particular slope especially the one that is indicated having more than 15% slope is by maintaining terrace construction and frond stacking surrounding plant circle, weeding surrounding plant circle and interrow and by letting wild plant growing to prevent erosion such as *Nephrolepis bisserata* and an measuring the erosion. The erosion rate in Tangar Estate and Bukit Tiga Estate month of Januari 2015 to April 2016 was zero.

4.3.3

In general, from document analysis known that the road maintenance in Tangar Estate and Bukit Tiga Estate has been conducting well. Heaping roads with laterite soil has done in 2015. Current road maintenance activity is carried out by road grader. Based on field observations, main roads and collection roads were in good conditions and the drainage system is well organized to ensure passable in all weather conditions.

4.3.6

Certificate holder has determined the other marginal land classification in category of sandy soil and riparian area. There are some company's strategies in managing those marginal land, such as applied EFB with dosage of 40 ton/ha/year as a supplement beside anorganic fertilizer, planting of erosion preventing plant type such as Guatemala Grass and woody plant, no agro chemical application in riparian area.

Status: Comply

4.4

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

4.4.1

Sighted Water Management Plan for mill and estate in the following record:

1. Environmental Management Plan (RKL) and Environmental Monitoring Plan (RKL) for PT. BAP, prepared in 1997. The documents are part of EIA, which contain identification of surface water (river) within plantation area, environmental management plan and environmental monitoring plan .
2. HCV management plan as part of HCV assessment document in PT. BAP prepared in year 2012 which identify rivers and wetlands within PT. SIP and PT. BAP such as: Sungai Rungau, Sungai Merah, Semandau, Serindu, and peat land in Tangar covering an area of 39.24 hectares.

Those water management plan explains that in general, surface water (river) within plantation area are not consumed by comunity, unless in prolonged drought cases like in year 2015.

4.4.2

As part of protection of surface water and wet lands, CH has identified rivers and wetlands inside plantation area. Documentation available in the EIA report and analysis of HCV containing distribution maps of the river in the area of PT. BAP. All identified buffer zone has been designated as HCV and protected areas.

Prosedure of riparian and wetlands protection available in:

- SOP Protection of river bank with document number: SOP / SPO / SMART / LH-06, dated July 1, 2010.
- SOP management area of river bank with document number SOP / SPO / SMART / LH-07, which was passed on July 1, 2010

Field observations in block O74 (a tributary of Rungau River) and Block M75 in Bukit Tiga Estate and Estate Tangar Jaya showed evidence of surface water flow protection measures and including riparian wetlands, namely:

- Determination of river buffer zone with a distance of 50 meters left-right of small river and 100 meters for large rivers. Demarcation of the border is done with the installation of boundary markers river border.
- Periodic water quality testing every three months with the parameters of environmental quality standards as stipulated in Government Regulation No. 82 in 2001.
- No chemicals application (fertilizers and herbicides) in the buffer zone area,
- Signboard of river bufferzone protection. There are 76 pieces signboard scattered throughout the area of PT. BAP
- Prohibiting the use of chemicals in the river buffer zone.
- Planting riverbank with tree species to prevent landslide and erosion. Progress of vertiver grass and bamboo plantings for 2015 are 107 clumps, planting enrichment plant as much as 2,483 trees.

4.4.3

Sighted that POME has been managed properly as described belows:

- Effluent from mill is processed in an WWTP before applied for nutrient recycling in estate.
- Daily monitoring on discharged waste water and pH of waste sent to land application. Done through Log Book recording based on flowmeter measurement and pH testing.
- Land Application Tangar Mill: Regent permission Seruyan No. 188.45 / 394/2014 dated December 1, 2014 , Block Q, R, M, N, S. PT. MKA and PT. BAP.

The quality of wastewater land application has also been monitored regularly, carried out by external laboratories (Sucofindo) and Smartri Laboratory (laboratory accreditation). Results of test has been reported reguarly every 3 months to the relevant authority. The results of recent monitoring (January-March, 2016) showed that the effluent quality met the quality standards.

Groundwater quality check carried out through monitoring ground water in control wells. There are three monitoring wells for water quality monitoring in land applicaiton (block J25) Rungau Estate, water quality monitoring in settlements (2 SRGE cottage and control in the area of non-land application (block K19).

4.4.4

Observed in Palm oil mill records of use of water for FFB processing and domesticuse (housing). Records comes from daily flowmeter reading in Water Treatment Plant station.SOP for water use monitoring available in work instruction for water treatment plant. Records of daily water use were then collected and compared with the per tonne of FFB processed to check efficiency of water use in mill.

As example, monitoring and evaluation of the use of water In January-April, 2016 are as follows:

	Jan 2016	Feb 2016	Mar 2016	Apr 2016
FFB processed	39.633,95	37.657,25	32.104,44	28.312,47
Water uses	44.800	45.720	35.972	31.622
M ³ air/ Ton FFB (aktual)	1,13	1,21	1,12	1,12
M ³ air/ Ton FFB (Budget)	1,18	1,18	1,18	1,18

Field observation showed that all instrument for measuring water usage (7 units of flow meter) in good condition and functioning. The relatively high use of water in year 2016 caused by decrease of FFB supply and increased of water consumption at housing.

Status: Comply

4.5

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

4.5.

The SOP of pest and desease describe that the pest control is carried out in an integrated pest management. Chemical control is only performed if it has exceeded the economic threshold. The IPM is stated in mature upkeep budget 2016. Some programs are routine detection and cencus, chemical and manual control, planting and upkeep beneficial plant, barn owl box monitoring, and IPM training. Based on the recapitulation of rat dan leaf eater caterpillars census month of January to April 2016, it is known that there is no leaf eater caterpillars attack, and there is rat attacks below the economic threshold. Field observations indicate there is no symptom of leaf eater caterpillars attack in the canopy, nor rat attacks on FFB platform.

Certificate holder has a good commitment to improve the use of pest natural predator as part of integrated pest control. One of natural predator development is the reproduction and the construction of barn owl box as a mechanism to control rat. Certificate holder monitoring barn owl box occupation at least once a month. The monitored parameter are the existing of barn owl in the boxes, left food, sign of reproduction such as egg or owl. Currently, there are 72 barn owl boxes (63 occupied) in Bukit Tiga Estate covering 2,628 ha planted area. Meanwhile, in Tangar Estate, there are 63 barn owl boxes (51 occupied) covering 4,014 ha planted area.

4.5.2

There is a record of integrated pest management training that is held by SMARTRI Sub Station PSM 6 and 6A, Kalimantan Tengah on April 19, 2016. The event was attended by 32 employees consisting of census operators, supervisors, and field assistants from all estates in PT BAP. Based on interviews with the pest foreman in Tangar Estate, the employee concerned have known rat and caterpillar census method, as described in training materials.

Status: Comply

4.6

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

4.6.1

Certificate holder has SOP and work instruction on weeds management, that guidance covering about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case. Based on documents verifications and observation to chemical storage has shown evidence that the used pesticides have received permission from the government. To ensure pesticide used are in accordance with the target the company conducted identification the type of weed found in operational area. Based on document verification and field observation it's known that that the herbicide being used is appropriate for the target or type of weed.

4.6.2

The Company has documented records of pesticide toxicity in the document of Monthly Pesticide Toxicity Data. The document is recorded product name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, FFB production and pesticide unit/kg. This document is constantly recorded and updated by the sustainability officer of estate each month.

4.6.3

Certificate holder has implemented integrated pest management in order to reduce pesticide usage. Based on document review and field observation, several IPM program with biological approach that has been implemented such as rat control by *Tyto alba*, and leaf eater caterpillar by planting beneficial plant such as *Turnera subulata*, *Casia tora*, *Antigonon leptosus* and *Euphorbia heterophylla*. The use of pesticides declining since the certificate holder implemented IPM.

4.6.4

On the August 2015, President Director of Smart Tbk issued a memorandum not to use paraquat in 2016. Regarding to Pesticides that are categorized as WHO Class 1A or 1B, there is Social and Environment Policy that stated minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances. Based on document review and field observation, there is no paraquat or WHO Cass 1A or 1B application.

4.6.5, 4.6.6, 4.6.7 and 4.6.9

The results of field observation and interviews in warehouse and spraying activity (In Bukit Tiga Estate 4 Sprayers and 1 supervisor (mandor), Tangar Estate 5 sprayers and 1 supervisor.), it is known that the employees have been given regular training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures including how use and handling the risks in accordance with material safety sheets. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse. The sprayer also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as mask, gloves, safety shoes, apron and googles. In addition, employees are also informed about the steps of secure work in each roll call in the morning before work.

4.6.8

Based on a review of documents and interviews with management staff, certificate holder did not perform the application of pesticides from the air.

4.6.10

According to the field observation and interview, the manager and store keeper can demonstrate the waste management system. The used pesticide containers are washed first, after that kept to hazardous waste storage, and then recorded on

hazardous waste logbook. Furthermore, used pesticide containers deliver to the licensed waste collector, and reported to Environment Agency.

4.6.11

Certificate Holder has been carrying out periodic health examinations for all employees once a year and specific medical examinations for employees who are at high risk twice a year such as workers who work with chemicals. The test results showed that all employees who work with chemicals are in healthy condition. Interview with workers known that they are never get experience of occupational injury which caused by chemical such as irritation.

4.6.12

Certificate Holder has a policy that prohibits pregnant and lactating personnel working with chemical material. Based on interview with spraying personnel in Division 2 Block P 67 Bukit Tiga Estate and Division 3 Block Q57 Tangar Estate, it is known that there was neither pregnant nor lactating female personnel who work with pesticide. Moreover, company conducts pregnancy test and examination every month. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or lactating.

Status: Comply

4.7

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

4.7.1

There is no revision over occupational health and safety policy in PT BAP. The policy has been implemented based on the applicable regulation. Field visit and interview in mill and estate revealed that the occupational health and safety has been socialized and implemented by company through Socialization with personnel during muster morning before work, Granting and utilization of PPE in estate and mill based on risk analysis and Periodic medical examination, particularly for high risk personnel. The management unit has had procedure in term of OHS such as SOP of OHS, SOP of regular medical check up, etc. furthermore, the estate and mill management unit has had work program in term of OHS.

4.7.2

The management unit has had document of risk analysis for OHS program. The document is composed to conduct identification and analysis of dangers potential that is probably happened at workplace and the recommendation to reduce the potential of work accident. According to the result of document review and field visit to mill and estate, the management unit has socialized the risk analysis document to all workers. Based on interview with the employes in Bukit Tiga Estate, Tangar Estate and Sungai Rungau Mill, obtained information that the employee has known the potential of dangers that could occure at workplace.

4.7.3

Result of field observation in Mill and Estate and interviews with personels, it is known that the management unit has provided PPE and have been given training in safe work practices. This was evidence that the personels have understood their duties and responsibilities and also can demonstrate how to work correctly and appropriately in accordance with the procedures. Furthermore based on field visit in estate and mill and interview with personnel, it is known that the management unit has provided PPE for personnel. For instance, for example the sprayer using personal protective equipment in accordance with specified hazard identification and risk analysis. In addition, employees are also informed about the steps of secure work in each morning briefing before start working. In addition, interview with spraying personnel in Division I Bukit Tiga Estate revealed that company would substitute or replace the PPE if there is a damage or broken on the old one. But the company should continue to perform disciplinary monitoring and evaluation of the use of personal protective equipment for Contractor's employees (OFI/OBSERVATION)

4.7.4

The management unit has guiding committee for occupational health and safety organization and personnel in charge on implementing the occupational health and safety program. Guiding Committee of Occupational Safety & Health Board has drafted an OHS working program and evaluates the implementation of OHS program in the field. In order to ensure that the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health

performs a monthly meeting with workers. The interview result with Manpower and Transmigration Agency in Seruyan District revealed that the management unit has submitted the guiding committee for occupational health and safety's periodic report every 3 months. The guiding committee for occupational health and safety report covers the entire occupational health and safety activity within company's operation activity.

4.7.5

Certificate Holder has a procedure for emergency response, for example Procedure of First Aid, Procedure of Handling Accidents and Work Diseases and Procedure of Emergency Preparednes. Based on field visit, company has pointed the evacuation path and concentration point in order to smooth the evacuation process in emergency situation. The evacuation path is available in office and mill and has been completed with map and other *signboards*. At the time of the field visits it is known that in the mill, warehouse, workshop and division offices have supplied First Aid box which monitored regularly. As for the operational activities in the field, supervisors was carrying first aid kits during his work in the field, and mill was also equipped with first aid kits. Based on interview with supervisor, it is known that he understood the first aid mechanism in case of emergency.

4.7.6

The management unit provided accident insurance for personnel based on the applicable regulation. The insurance such as manpower insurance is paid monthly to national social insurance for manpower/ BPJS. Meanwhile, for medical insurance, PT BAP has registered its entire personnel in manpower medical insurance/ BPJS. Based on interview with some personnel, it is known that the entire personnel have been registered in manpower medical insurance/ BPJS. Moreover, interview with contractor revealed that contractor's personnel have also been registered in manpower insurance/ BPJS.

4.7.7

Certificate Holder is consistently conducting monitoring over work accident, which reports the complete information about accident, such as the month of the accident, number of case, the accident's location, type of accidents, the impact, working hour losses, the accident cause, follow up action and result. Monitoring of work accidents performed every month and reported to the relevant agencies in conjunction with regular reports of Guiding Committee of Occupational Safety & Health.

Status: Comply	
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4.8

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

4.8.1

The company has had a training program for workers included All staff, Workers and contract workers for period of 2016 which consists of understanding the RSPO, such as hazardous waste management, welder training, first aid training, emergency response training, OHS management system, risk management, HCV, pest and disease control and SIA. The training program was developed based on training needs analysis which drafted by SPO Officer.

4.8.2

The company has had a worker training records for each unit stored in personal files. Based on interviews with workers, it is known that workers have been trained in accordance with the work being performed. Contractors has been involved in several training such as OHS and emergency responses on 6 May 2016, Minimum wage, HCV, RSPO, ISPO and ISCC standard on 16 January 2016.

Status: Comply	
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PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity

5.1

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

5.1.1.

Sighted that PT. BAP and PT SIP has adequate environmental document, as described belows:
 - Environmental impact assessment (EIA) in 2004 for Sungai Rungau Mill with a capacity of 80 tons FFB / hour, area of 27.21 Ha. The EIA document as met requirement and was approved by authority on July 8, 2004.

- Environmental Impact Assessment (EIA) prepared in year 1997 for Estate of PT. BAP with estate area of 17,780 ha and mill with capacity of 60 Tons FFB / Hour. EIA has been approved by the Minister of Agriculture of the Republic of Indonesia on August 7, 1997.

Structure and content of those EIA documents have met the requirement and regulations and have been approved by the authorities. Those EIA documents provided evidence of public consultation processes with the interested parties to identify impacts and formulating necessary mitigation measures.

5.1.2

Based on the EIA documents, CH has developed an Environmental Management Plan (RKL) as outlined in the matrix of impact management plan:

1. Management plan of environmental impacts in Sungai Rungai Mill:
 - a. Management of water quality through WWTP installation
 - b. Natural forest vegetation, wildlife protection, and river buffer zone protection
 - c. The creation of employment opportunities managed by upgrading the skills and incentives
2. Management plan of Environment Impact (RKL) in Estate of PT. SIP including:
 - a. Micro climate change from FFB processing and waste processing, mitigated through planting trees around the mill and installation of dust collector
 - b. Decrease in air quality, mitigated through planting trees, dust collector, masks for workers, and control on vehicle speed.
 - c. Increased noise, mitigated through planting trees, ear protector, setting machine
 - d. Changes in soil physical and chemical properties, mitigated through setting the time of application and improvement of fertilization techniques with empty fruit bunch or slow release fertilizer
 - e. Changes in the physical-chemical quality of surface water, mitigated through waste water quality monitoring
 - f. Increased damage to road infrastructure, managed by road maintenance
 - g. Decrease of Plankton, Benthos, Necton due to waste contamination, managed by effluent management and waste water quality monitoring prior to land application.
 - h. Increased employment and business opportunities of local people, mitigated through prioritizing local employees, the training for the community, the establishment of cooperative institutions
 - i. Increased economic (income levels) because of local manpower absorption, facilitating economic institutions, and capital aid
 - j. Increased of social unrest and potential conflicts, managed by socialization of plantation activities
 - k. Increased transmission and spread of diseases, mitigated through sanitation, supply of medicines and access to healthcare for employees and community.
 - l. Increasing of potential of traffic accidents, mitigated through installation of traffic signs and vehicles test
 - b. Increasing in work accident, mitigated through the implementation of healthy and safety standard (SMK3) and periodic medical check up.

The Environmental Management plan matrix (RKL-RPL) also provides information regarding management methods, location, period, responsible unit, and agencies involved in environmental management. The document has been reported to the local authorities on a regular basis. Provided evidence of submission of the report for the first half of 2015. However, improvement is needed as the report has not includes complete evidence of environmental management activities in accordance with RKL matrix (OFI)

A field visit in Bukit Tiga Estate and Tangar shows that the actions plan in RKL have been implemented:

- Planting trees around the mill, the river buffer zone, conservation areas and housing
- Installation of dust collector dust, masks for worker, setting the vehicle speed (max 40 km / h)
- WWTP and land application
- Road maintenance with laterite
- Employee health facility provision, medical tests, and implementation of health and safety standard (SMK3).
- Support to local economic and involvement of local business entities

5.1.3

CH has had Environmental Monitoring Plan (RPL) documents that are part of the EIA document mill. Components of RPL

is line with the environmental impact management plan in the RKL

1. Monitoring plan of environmental impacts in Sungai Rungai Mill:
 - a. Rungao River water quality, monitored in accordance with the standards of river water quality testing
 - b. Natural forest vegetation and wildlife, monitored parameters are density, composition, type and stand structure
 - c. The creation of employment opportunities, monitoring parameter is the number of local labor, employment outside the region, education and income levels.
2. Monitoring plan of Environment Impact (RKL) in Estate of PT. SIP including:
 - a. Micro climate change, monitored parameters are temperature and humidity
 - b. The decline in air quality, monitored parameters are standard emission and ambient air quality.
 - c. Increased of noise, monitored parameter are the value of the noise at a certain point
 - d. Changes in physical and chemical properties of the soil, monitored parameters are standars of soil quality
 - e. Changes in the physical-chemical quality of surface water, monitored parameter are the quality of river water and control wells
 - f. Increased of road damage / infrastructure, monitored parameter are length of damaged roads
 - g. Decrease of Plankton, Benthos, Nekton MCC due to contamination of waste, monitored parameters are the abundance and diversity of aquatic biota
 - h. Increased of employment and business opportunities, monitored parameter are the number of employees involved and the amount of effort involved
 - i. Increased of economic (income levels) monitored parameter are the income level of employees and business activities of local perple in the formal and non-formal sector
 - j. Increased of social unrest and conflict potential, monitored parameters are the case of a claim, demonstrations and public protests.
 - k. Increased of transmission and spread of diseases, monitored parameter are the frequency and intensity of diseases of employees and surrounding communities.
 - l. Increasing of the potential of traffic accidents, monitored parameters are traffic accidents
 - m. The increase in work accidents, monitored parameters are cases of work accidents

The Matrix of environmental monitoring plan provides information on monitoring methods, site, period, responsible parties, and formal institutions involved.

Nevertheless, Observation on Report of Environmental Monitoring Impelementation shows that some of the monitoring plan have not yet implemented appropriately particularly:

- Monitoring on community health has not included to all villagers, limited to the workers only that part of the communities.
- There is no evidence that social impact monitoring have conducted in participatory way.

[See Non-conformity No: 2016.01](#)

Minor 5.1.3	Status: Non-conformity No: 2016.01	
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5.2

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

5.2.1.

CH has identified HCV area and protected animals within HGU area, carried out by competent internal assessor of PT. SMART Tbk (registered in RSPO) in 2011. Adequate methodology was applied refers to the HCV Toolkit RSPO. Available evidence of social data collection and consultation with stakeholders. Identification of HCV report has been reviewed by experts HCV / Independent Consultant.

The identification results showed the presence of HCV area covering 1,503 hectares consisting of HCV 1.1, 1.3, 1.4, 2.3, 4.1, 4.2, and HCV 6, and the presence of protected species, endangered, and vulnerable, as follows:

1. 52 tree species identified from which 4 are categorized as protected species: (Keruing/Dipterocarpus grandiflorus, Asam Putar/Mangifera pajang, Ulin/Eusideroxylon zwagerii, Kayu arang/Diospyros sp.)
2. Identified wildlifes are: 12 bird species, 7 mammals species, 4 reptil species. Those categorized as endangered species are:

- Honey bird (Endangered), Cekakak Belukar (Endangered), Rat Eagle (Endangered/App II), Kangkareng hitam (Endangered/App II), Pijantung kecil (Endangered), Raja Udang (Endangered), Rangkong (Endangered/App II), Tiong emas (App II), Elang hitam (Endangered/App II), Pekaka emas (Endangered)
- Mammals: Sun bear (Endangered/App II) , long tail macaca, orang utan, Owa, Deer
- Reptile: Monitor Lizard, Cobra, Python, Senyulong Crocodile.

5.2.2

Based on HCV identification, CH has developed HCV Management and Monitoring Plan, as seen in two documents:

1. Master Plan of HCV Management and Monitoring Plan for five years period (2014-2019), which contains information: the type of activity, description of the activities, objectives, location, time plan execution, indicators, and PIC.
2. Translation of the five-year management plan into Annual HCV Management and Monitoring Plan. E.g: the most recent example is the annual HCV management plan 2016. The document describes various HCV actions plan such as (categorized into): river buffer zone protection, protection of endangered and protected species, water resources protection, traditional graveyard, periodic HCV monitoring.



a) amaran HCV,



b) pembibitan tanaman pengkayaan

Field verification in Bukit Tiga Estate Block O74 and Block M75 and Tangar Estate Block M57 and Block N49, which shows the implementation of HCV protection as follows:

- HCV area boundary marker
- Installation of HCV signboard, hunting prohibition, and wildlife protection
- Nursery of enrichment trees
- Track for primary wildlife observation for monitoring HCV
- Protection of river buffer zone as described in the previous 4.4.1 indicator

5.2.3

Policies and rules of RTE protection and management of HCV is available in:

1. Senior Managing Director Operation Mamorandum dated January 6, 2009 regarding the Watershed Protection.
2. Circular of the Vice President Agronomy PSM 6 dated March 4, 2010 Subject on Management of Watershed
3. SOP on Management and Monitoring of HCV: SOP/SMART/BCOS-EHSD SADV/002 dated July 1, 2014
4. River Bufferzone Protection in document: SOP/SPO/SMART/ LH-07
5. River Bufferzone Management in document: SOP SPO/SMART/LH-06
6. Internal Office Memo from MD Services & Project No. 1231 / M-Int /MDSP-VIC/XI/11 dated November 25, 2011 on Zero Tolerance Policy against Endangered Animal Poaching.
7. Circular of SMD Operations No. 002 / SE-SMD OPS / IX / 2010 dated 20 September 2010 concerning protected wildlife.

Community outreaching related to HCV and RTE species protection has been conducted regularly. For year 2016, has been done in TNGE:

- February 4, 2016, the socialization is done in the morning briefing Emplasment of Division 3 TNGE
- February 2, 2016 in Emपालment of Division 1 TNGE
- February 2, 2016 in Emपालment of Division 2 TNGE

The auditor team has been observed in the field through visual observation at block, housing complex TNGE and BTGE, workers interview in harvesting and spraying activities. It was clearly found that no capture, harm, collecting nor kill the RTE species

5.2.4

Derived from abovementioned HCV management plan, there is a HCV monitoring plan in PT. BAP as follows:

- Regular Monitoring on RTE speseis and HCV area condition, carried out by HCV officer of each estate.
- Annual evaluation on achievement of HCV management and RTE protection. Recent evaluation report available for year2015.

Based on the latest evaluation for 2015 it is known that there is no significant disturbance and reduction in the HCV area. However, some key species such as orangutan, sun bears, and deer were not identified in 2015. Improvement in evaluation report is needed to further investigate the cause of absence of those key species.

5.2.5

HCV area located eniterly inside concession of PT BAP. There is no indication of overlap with the traditional rights.

Status: Comply

5.3

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

5.3.1.

CH already has had a list of waste from mill and plantation activities, as seen in:

1. EIA document the mill containing the identification of the types of waste resulting from processing and estate activities. Type of waste produced mainly liquid waste, solid, and gas from processing activities
2. List of Environmental Aspects in Estate and Mills which describes the types of activities and Potential impact and waste generation. E.g.: Spraying activiteis, environmental aspects is Droplets / spillage of herbicide and pesticide packaging, Potential impacts on water and soil pollution.

5.3.2

Field observation at mill has proper chemical storage and container as follows:

1. Chemical storage at mill for chemical used in water treatment plant
2. Chemical storage at the Estate for herbicides and Pesticides and its container
3. The temporary hazardous waste (LB3) storage at each Estate (5 units), which have been approved by local authorities in 2012: Sungai Rungau Estate, Terawan Estate, Bukit Tiga Estate, Tangar Estate, Seruyan Estate.
4. The temporary hazardous waste in mills that have been permitted in 2011 by local authorities of Seruyan.

Sighted in field visit to mills that construction ans spesification of TPS B3 has met with requirement such as: protected from rain water, adequate ventilation, hazardous material symbol, watertight floor, spillage trap. Available safety equipment such as fire extinguisher dry powder type, PPE (gloves and masks), flowchart on emergency response and emergency bell.

Procedure for chemical container handling available in the following:

- Work instructions on washing and cleaning of packaging of pesticides and fertilizers. Used pesticide containers were washed 3 times (according to the MSDS) and reuse the used washing for spraying. Washing of fertilizer sack done with soaked for 30 minutes and use the water used to watering oil palm trees.
- SOP for Waste Management available in SOP Number SOP/SPO/SMART/LH-09 on July 1, 2010 which explained that chemical contaner should be returned to the Supplier.

Implementation of chemicals containers handling:

- Contract with Asri PT Maju Jaya Utama dated May 21, 2016 to the transport and disposal of LB3. The selected company has obtained permission from the Ministry of Environment in 2015 and permits for transporting LB3 in 2014.
- Logbook of LB3 in the TPS LB3 of Estate and Mill. LB3 type: used oil, filters used, used batteries, contaminated fabric
- Reporting of LB3 balance to the relevant agencies .
- Manifest of LB3 transportation by PT. Asri Jaya Maju Utama.. Latest Transportation conducted on November 18, 2015.
- Receipt of chemical container return to supplier (re-use).

- On 26 November 2015 sent to the PT. Chemical Rolimex Nusamas: 1,051 pieces erkafuron, 159 Fruit Roll-ups, and 80 Rolixon
- On May 12, 2016 sent to PT Kastraco Engineering: used bottle and used chemical container.

5.3.3

CH already has waste management and disposal plan to avoid or reduce pollution. Waste management plans and procedures are available in:

1. Waste Management SOP No. Documents SOP / SPO / SMART / LH-09 on July 1, 2010 which describes the various types of waste management measures in mill and estate categorized as liquid waste, solid, domestic, and LB3.
 - Domestic (household) waste collected and dumped into the landfill
 - Solid waste such as fiber and shell utilized as boiler fuel. E.g.: data on the use of solid waste last three months:
 - In January, shell 2,278 tonnes and 4,954 tonnes of fiber
 - In February, shell 2165 tonnes and 4,707 tonnes of fiber
 - In March, shell 1,846 tonnes and 4,013 tonnes of fiber
 - POME managed for land applications.
 - LB3 disposed by the licensed and chemical waste is returned to the supplier
 - Infectious waste / medical companies disposed to licensed third party
2. Work Instructions on Washing and cleaning of pesticides and fertilizers packaging.
3. List of Environmental Aspects in gardens and factories that explains the types of activities cause pollution, environmental aspects (pollutants and waste), Potential impact, and management directives.

Observation in Bukit Tiga and Tangar Estate employees' housing shows that domestic waste has been well managed, buried in location away from the housing and clean water sources. Observation in the knapsack wash facility of Bukit Tiga Estate and Tangar Estate showed the pesticide containers has been well handled according to SOP.

Field observation in Rungau Estate Block J25 and K24 showed that land application has been well done and no indication of contamination of water bodies.

Status: Comply

5.4

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

5.4.1

Company has conducted efficiency efforts to reduce the utilization of diesel fuel, such as by utilizing shell and fiber as boiler fuel. With the utilization of renewable energy, company saved diesel utilization amount 482,201 Liter or 78.75 % in January – April 2016.

Company has monitored the utilization of diesel fuel in Estate and diesel fuel utilization by contractor. Document review revealed that diesel fuel utilization was under company's projected budget.

Status: Comply

5.5

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

5.5.1, 5.5.2

The Company has had policies and procedures for land preparation without burning outlined in procedure of land clearing / preparation of new land which outlined the land clearing process without burning. The results of the document review, public consultation and field visits show that since ST-2 up to the ASA-3, the company did not do a new land clearing.

Status: Comply

5.6

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

5.6.1

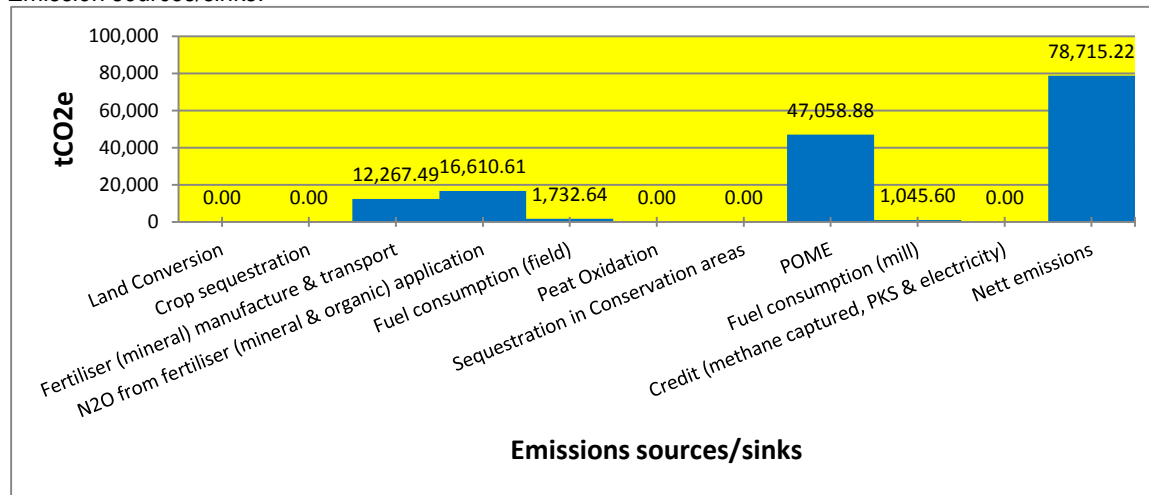
Identification of pollution and emission sources at Mill and Estates activities was evident. The source of pollution, type of pollution and its control was documented in list of environmental aspect and impact evaluation:

- boiler stack emission including particulate and soot.
- diesel electric generator emission
- POME methane emission
- Use of fertiliser
- vehicle and heavy equipment emission

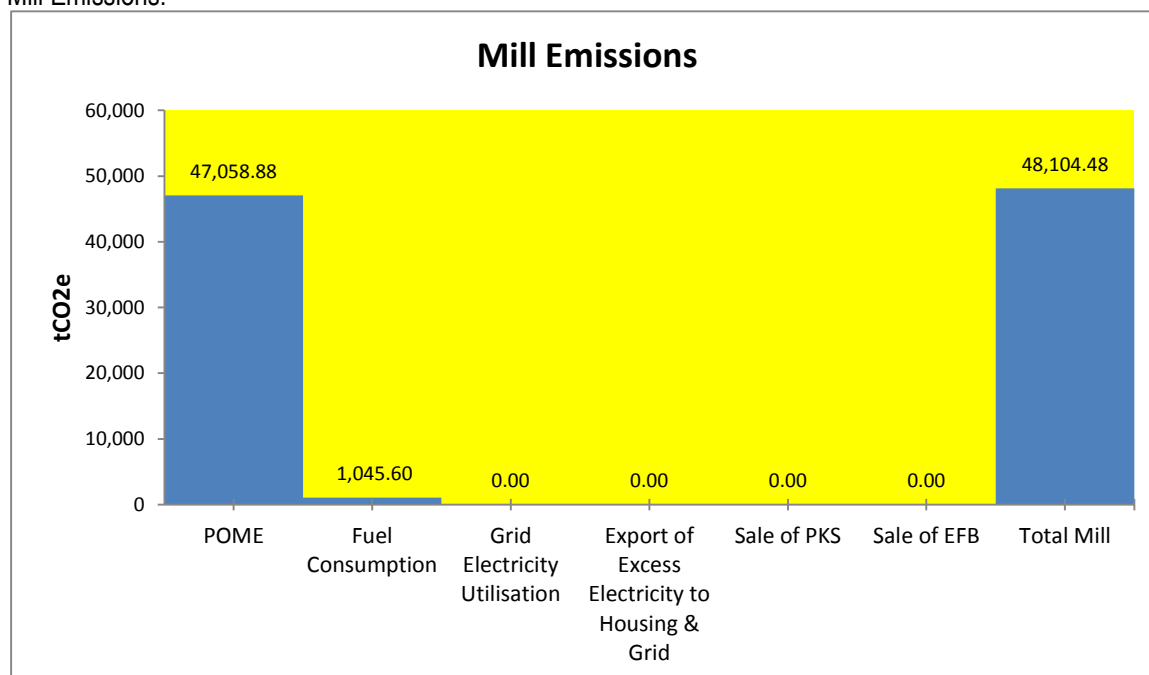
5.6.2

Identification of greenhouse gas (GHG) emissions sources at Sungai Rungau Mill and estates activities were evident. The information of GHG sources at Sungai Rungau Mill and estate was reviewed including :

Emission sources/sinks:



Mill Emissions:



5.6.3

Monitoring of emission of pollutants including green house gases was conducted through measurement of boiler, genset, operational vehicle and heavy equipment emission and recording of diesel fuel, fiber and shell use quantity. Monitoring of fertiliser, pesticide and chemical use was conducted through record of fertiliser, pesticide and chemical use quantity.

Palm GHG calculator version 2.1.1 was used to monitor the emission sources. The record of calculation from Palm GHG calculator was available. The amount of GHG emissions was documented and reported annually to RSPO Secretariat. Last reporting was conducted on 20 May 2016.

Status: Comply

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

6.1

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

6.1.1; 6.1.2

The certificate holder has conducted a survey and Social Impact Assesment (SIA) on period March 2012 and recorded in Report SIA - "Laporan Studi Identifikasi Dampak Social Perkebunan Kelapa Sawit ", by Sustainability Department. After the identification in 2012, then provides annual supervision and evaluation of social impact, and then be reviewed by management once in 2 years. During the Social Impact Assessment (2012), it appears that the assessment also includes stakeholders, community leaders figure, and related government agencies etc. through a public consultation which visible on participant attendance at SIA report.

6.1.3

Based on the SIA report and management plan period from March 2014 - March 2016, there are some positive and negative findings, those are:

Positive findings:

- Local people obtain employment opportunities,
- The road condition is maintained, the procurement and maintenance of facilities and infrastructure around the village always getting maintenance
- Increased cooperation between government, the village community and companies.

Negative findings:

- Security and Safety for workers and communities along the boundaries trench located SSRE, SRGE and TRWE.

6.1.4

The last two yearly monitoring and evaluation the social impact performed and also reviews by management is in the period of March 2012 – March 2014 and March 2014 – March 2016.

During the field observation on 31 May 2016 at boundary pole No. 14 Bukit Tiga Estate, auditor receives a direct complaint from villager who lived in boundary. He complaints about security and safety for communities along the boundaries trench due to the depth of trench. The community is located administratively in Pantap Village, Sub-District of Seruyan (northern part of Bukit Tiga Estate). Based on the last period of Management Plan of Social Impact that has been reviewed, there is no evidence of involvement for this new communities. It was indicated that management plan of social impact has not included the participation of all affected parties yet. [See Non-conformity No: 2016.02.](#)

6.1.5

There is no scheme smallholders in PT. Binasawit Abadi Pratama.

Minor 6.1.4	Status: Non-conformity No: 2016.02.	
<p>6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		
<p>6.2.1 Documented procedure for communication and consultation with public was established namely “SOP Komunikasi dan Konsultasi No. SOP/SMART/UMUM/SADVI/004, dated 1 July 2014”. Communication and consultation has considered differential access to information for male/ female, workers, villagers representative both old and new villagers including ethnics.</p>		
<p>6.2.2 The procedure designed in collaboration with local communities and other affected or interested parties, and also designed with consideration to the use of appropriate existing local mechanisms and languages. The procedure was in Bahasa Indonesia that is understood by all surrounding communities. Responsible person for receiving and repoding any communication and inquiries is Unit Head / Estate Manager.</p>		
<p>6.2.3 Stakeholder list was made and mentioned the interested party. There are 59 interested stakeholders is available in the list. Stakeholder list covers District Head, Forestry and Plantation Department, Environmental Agency, Labour, Transmigration and Social Department, National Land Agencies, Head of Sub District, Village Heads surrounding the estate and mill, Police Department, Worker Union, gender committee, NGO, local contractors, etc.</p>		
	Status: Comply	
<p>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.</p>		
<p>6.3.1 The Certificate Holder has set mechanism of complaint and grievancies procedures as documented in the “SOP Penanganan Keluhan dan Ketidakpuasan” No. SOP/SMART/SIGS/SADV//003, dated 1st July 2014. The procedure is describing how to handling complaint and grievancies. Receipt and handling of complaint from internal stakeholder (worker) was recorded appropriately within the established procedure. It was registered in the form of complaint logbook “Buku Monitoring Penanganan Keluh Kesah”. Up to the audit is performed (the period May 2015 - April 2016) there is no record of complaints from workers. The Certificate Holder keeps confidential complainer and whistleblower.</p>		
<p>6.3.2 The Certificate Holder has recorded complaints, grievancies and disputes in log book “Buku Monitoring Penanganan Keluh Kesah”. Based on the review of log book, there is no record of complaints identified. Based on stakeholder interview with Villagers of Sebabi and Rungau Raya Villages, sampled workers and local contractors, the mechanism of complaint and grievances is clearly understood. Futhermore, those parties also comment that if there is any complaint nor grievances addressed to CH, the responses given by the Cerificate Holder are in timely manner. For the last 12 months, there is no complaint have been addressed from villagers and local contractors to th company.</p>		
	Status: Comply	
<p>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.</p>		
<p>6.4.1; 6.4.2 The procedure of “SOP Ganti Rugi Tanah/Lahan (SOP/NP/SMART/VII/D&L002, dated 1 Juli 2010)” described the mechanism for identifying legal, customary or user rights and also for identifying people entitled to compensation and</p>		

determining calculation method to provide fair compensation. Evidence of Procedure Awareness was documented. It was communicated to related parties such as community leaders, and religious figures and youth leaders.

While, within the FPIC Procedure No. SOP/SMART/SENS-CSR/SADV/II/003, part 2.4 describes that identification of participatory map related to legal ownership of communities are considering gender, community leader, local or transmigrant communities, ethnic groups or communal land ownership, etc.

6.4.3

All the documents of land compensation is kept by legal department and if there is any inquiry from affected parties or relevant parties, the document can be accessed through officer/management permission.

Status: Comply

6.5

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

6.5.1

Employs wages payment is conducted by the certificate holder under the terms of Kalimantan Tengah Governor Decree No. 50 year 2015 on the sectoral minimum wage of Seruyan District for period of 2016. Based on interview with employee in Bukit Tiga Estate, Tangar Estate, Worker Union, Gender Committee known that company has paid the employees wage in accordance with applicable regulation, payment of wages has been held in accordance with the mechanism mentioned in employment contracts and labor collective agreements. Moreover, interview with contractor also revealed that they received salary no less than government regulation's amount.

6.5.2

The certificate holder can present work agreement (PKB) 2014 – 2016 between company and labor union which is endorsed by Manpower and Transmigration Agency in Seruyan Regency. The employment agreement has conformed to the applicable manpower regulation in Indonesia and has been written in understandable language for employees, All employees has had a direct employment contract with the company. The same thing is also demonstrated in contract employee. The employment contract is in a language understable and the copies are available for both parties, the workers and company. Based on the interview with employees is known that the employee has had a copy of the labor agreement and has understood the agreement.

6.5.3

The certificate holder provides facility and infrastructure for personnel welfare, such as housing, polyclinic, clean water, sport yard, education facilities, worship venue, and access to electricity. Field visit at housing in Bukit Tiga Estate and Tangar Estate shows that the facilities and infrastructures are in good condition. Based on the interview with employees mentioned that the infrastructures provided by company has been adequate and feasible.

6.5.4

Company facilitates personnel to access adequate food supply by establishing market during the payment day. Moreover, there are some markets in surrounding villages. Personnel have an issue to access good food with reasonable price. Based on field visit and interview with personnel, company does not prohibited personnel to be a vendor, like selling staple food. Subsequently, there is no difficulty to access food.

Status: Comply

6.6

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

6.6.1

There is no revision over company's policy since surveillance-2. The freedom for union is regulated in the circular letter no. 020/HR PSM6/01/11 authorized on 3 January 2011. The circular letter states that the company gives a freedom for its

employee to associate and gather. Based on interview with Head of Labor Union and, it is known that company has facilitated the establishment of worker union and personnel understand the function of worker union.

6.6.2

The company has also formed a workers union that serves to channel information from the workers to the company and vice versa. Labor unions are available in each unit and approved by Labor and Transmigration Agency Seruyan . The results of interviews with workers known that the worker has known the policy on freedom of association and workers also have known about the functioning of the unions. The meeting between the unions and the workers is conducted routinely or whenever there is a problem that must be discussed. The last meeting was held on 13 May 2016 discussing overtime and allowance

Status: Comply

6.7

Children are not employed or exploited.

Result of employees list document inspection shows that there is no employee under 18 years old. Based on field observations in POM and estate there is no employee under 18 years old. Furthermore employees also understand that minimum age for employees to be hired is 18 years old.

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.

6.8.1

Certificate Holder has possessed policy concerning antidiscrimination. Based on observation on employee list document and interview with employees, it is revealed that the hired employees have diverse educational, ethnic and religious backgrounds. Interview with village representative revealed that company opens work opportunity for local communities (in mill and estate). This can be considered as positive impact over company's existence for local communities. There is no complaint related to discrimination from local communities. During recruitment process, company conducted medical examination and the results of examination (medical records) are stored in company's clinic office.

6.8.2; 6.8.3

Document verification and interview with management employees recruitment is based on company requirement without considering ethnic, religious, racial and class backgrounds. All prospective employees have rights for employment opportunity according with their educational background and company requirement. Moreover, result of interview with employees also reveals that there is no indication of discrimination against employees. Certificate Holder is able to demonstrate evaluation of work performance assessment form of contract employee in which the assessed aspects include Discipline, Work Quantity, Work Quality, cooperation, work attitude and responsibility Assessment activity is performed once a year by each supervisor or boss.

Status: Comply

6.9

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

6.9.1; 6.9.2 ; 6.9.3

The policy related to special complaint in the company does not experience any change from previous assessment. The company has established a gender committee in each unit as an organization to manage the complaints of women workers in the event of sexual harassment and violations of reproductive rights. The interview result with the Gender Committee of Tangar Estate and Bukit Tiga Estate informs that there is no case of sexual harassment reported to Gender Committee. The routine gender committee activity is socialization on sexual harassment and submission mechanism if there is a sexual harassment. The interview result with women worker in Bukit Tiga Estate and Tangar Estate shows that the worker has understood the existence of gender committee and the policy regarding women right protection. The administrator of gender committee also stated that the company guarantees the anonymity of the reporting and the revealer of the case.

Status: Comply

6.10

Growers and mills deal fairly and transparently with smallholders and other local businesses.	
6.10.1; 6.10.2 The Certificate holder did not receive and process the FFB from other sources (external FFB). The entire FFB processed in the mill comes from company own estates. Also, there is no smallholder developed by the certificate holder.	
6.10.3 Meanwhile, the certificate holder has an agreement with other local business such as FFB transportation to support the plantation activities. Sample of contractual agreement is No: 010/TNGE/III/16/AKT TBS, dated 26 March 2016. Validity period: 1 April 2016 – 30 June 2016 and it will be renewed periodically in three monthly bases.	
6.10.4 According to interview with local contractor on 31 May 2016, all the transaction is documented in computerized system namely SAP, including the payment system. The contractor confirmed that the certificate holder paid in timely manner on the beginning of month.	
	Status: Comply
6.11 Growers and millers contribute to local sustainable development wherever appropriate.	
6.11.1 Records of certificate holder contribution to regional development were evident, among either: agreement contract, and social assistance list. CSR program was provided by the organization and deployed in to CSR program. Activity of CSR was identified by the estate/mills (Rekapitulasi Laporan Kegiatan CSR), including: repairing the village road, low-cost market, mosques renovation in surrounding villages, checks and medical for free, etc. Implemented document was recorded within photo and minutes of aid delivery. Another local business was supported for growers and mills, main supports were pertinent to procurement spare parts and vehicle maintenance. The local business is assigned and controlled by central purchasing in Head Office. Based on interview with Official of Rungau Raya village, in 2013 the certificate holder provide the electricity installation for 270 families. Also, on March 2016 there was contribution for free medical check-up for the villagers that was organized by Tzu Chi and the company.	
6.11.2 There is no smallholders scheme in PT. Binasawit Abadi Pratama.	
	Status: Comply
6.12 No forms of forced or trafficked labour are used.	
Document review and interview results with workers showed that there were no migrant labor, trafficking practices and forced labor. Employment data showed that each worker has had a working agreement which describes the tasks and responsibilities. According to interviews with workers showed that they are working on assigned section in accordance with labor agreements.	
	Status: Comply
6.13 Growers and millers respect human rights	
6.13.1 Company has a social policy and roles the community as a the respect of Companies to human rights, the rights of local communities and as a commitment to comply with the rules and regulations. This commitment is outlined in the policy, which was signed by the President Director on November 10 th , 2011. The policy contains such as : - Respect for human rights - Empowerment of local community development programs	

- Recognize, respect and reinforce the rights of workers
- Compliance with all applicable laws and regulations
- FPIC to indigenous and local communities

This policy has been disseminated to all employees and the community around the plantation. Evidence of dissemination, list of attendance of all employees and the community was sighted.

Based on field observation during muster morning at Division 1&2 Tangar Estate and information received from Worker Union and Gender committee, it is confirmed that human rights policy has been addressed by management.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441 hectares.

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.

There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441 hectares.

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.

There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441 hectares.

Available evidence of report submission to RSPO (Salahudin Yacob and Soo Chi Oi) dated December 15, 2015 regarding LUCA of 17 concessions GAR including PT. BAP. Response of RSPO on May 23, 2016.

No opening or HCV areas of primary forest in the area of PT. BAP.

Status: Comply

7.4

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

There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441 hectares.

Status: Comply

7.5

No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441

hectares.	
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.	
There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441 hectares.	
Status: Comply	
7.7	
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2006 and 2007. For 2005 crops, land clearing was done on October 29, 2004 and September 27 in Tangar Estate with a total area of 441 hectares.	
Status: Comply	
7.8	
New plantation developments are designed to minimise net greenhouse gas emissions.	
7.8.1; 7.8.2	
No land bank remains in the concession area. Plantation in PT. Binasawit Abadi Pratama was performed in 1996 up to 2007. All area has been covered in existing HGU and AMDAL.	
GHG calculation is not applicable for the plantation company that was established, please refer to Criteria 5.6	
Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity	
8.1	
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	
The unit management of PT BAP monitor and evaluate their activities routinely and developing and implementing action plan that give a chance for continuous actual improvement on main operation, for example:	
<ul style="list-style-type: none"> • Environmental Aspects: Unit management of PT BAP has waste management. The program is waste bank program where the program is a government recommended program. T the employee has separated organic and non-organic waste from emplacement. Non-organic waste is collected in the pointed location to be reused or sell to waste collector. • Production aspect: The unit management has conducted internal audit routinely in term of operational activity evaluation to evaluate the consistency of procedure implementation. • Social Aspect: The unit management gave continuous social assistance in form of community development and CSR program for village surrounding the company. • Agronomy Aspect : From January 2016 PT BAP no longer use paraquat. 	
Certificate Holder needs to anticipate potential systematic failures in the implementation of standards for their recurrence of Non-Conformities in each audit stages, particularly: environmental aspects (implementation and management of environmental monitoring) and social aspects (social impact management plan).(OBSERVATION)	
Status: OFI	

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements
D1	Definition
D.1.1	<p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p> <p>There is no change of the IP procedure.</p> <p>SOP SCCS PT BAP-SRUM/SOP/28 dated 1 June 2015 among others explains:</p> <ul style="list-style-type: none"> - Definition of supply chain, IP, dispatch, SPN, SPP, Weighbridge computerized, certified product, TBS, supply chain management certification, product and raw material. - IP is a supply chain model that physically separated and produce product based on certified product only. <p>During field observation, verification on their system and interview with sample employees at Sungai Rungau Mill, it is confirmed that Sungai Rungau Mill applied the IP system where the all FFB processed sources from own certified estates within the certificate scope.</p>
	Status: COMPLY AS REQUIRED
D.2	Explanation
D.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Estimation of Certified product is available in the RSPO Assessment Report that provided by CB, where the estimation is considering the trends of FFB produced from estates as well as OER and KER in the last 12 months.</p>
	Status: COMPLY AS REQUIRED
D.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <p>There is no changes of IT registration number for Sungai Rungau Mill on eTrace.</p> <p>The unit management has registered on the IT platform the information on:</p> <ul style="list-style-type: none"> • Member Name: PT. Binasawit Abadipratama - Sungai Rungau Palm Oil Mill • Account ID: RSPO_AC1000001184; • Member ID: RSPO_PO1000001155;
	Status: COMPLY AS REQUIRED
D.3	Documented procedures
D.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; The name of the person having overall responsibility for and authority over the implementation of these

requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.

There is no change of the IP procedure.

SOP on RSPO SCCS Model Identity Preserved (PT BAP-SRUM/SOP/28) dated 1 June 2015 composed by document controller, checked by Mill Manager and approved by Production Controller. The procedure covers RSPO SCCS referred to RSPO SCCS 21 November 2014 and RSPO SCC Standard Module D CPO Mills: Identity Preserved, 21 November 2014 and SOP of Palm Oil Mill Processing, PT SMART 2013.

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

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

Status: COMPLY AS REQUIRED

D.3.2

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

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

Status: COMPLY AS REQUIRED

D.4 Purchasing and goods in

D.4.1

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

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

PT. Binasawit Abadi Pratama
Sungai Rungau Mill

Monthly summary of sustainable FFB, CPO & Kernel
(Periode Juni 2015 - Juni 2016)

Month	FFB Received (Ton)			Total FFB Processed (Ton)	CPO Production (Ton)				Kernel Production (Ton)				Pengirri
	Sustainable	Non sustainable	Total		Sustainable	Non sustainable	Total	OER (%)	Sustainable	Non sustainable	Total	KER (%)	
26-31 Augustus 2015	6,610		6,610	6,610	1,650		1,650	24.96	454		454	6.87	1,801
Sept 2015	36,241		36,241	36,241	8,225	-	8,225	22.70	2,076	-	2,076	5.73	7,492
Okt 2015	45,851		45,851	45,851	9,807	-	9,807	21.39	2,701	-	2,701	5.89	9,510
Nop 2015	43,277		43,277	43,277	9,171	-	9,171	21.19	2,394	-	2,394	5.53	9,340
Sub Total (Kg)	131,979	-	131,979	131,979	28,852	-	28,852	21.86	7,625	-	7,625	5.78	26,341
(%)	100	-	100		100	-	100		100	-	100		100
Des 2015	41,576		41,576	41,576	9,593	-	9,593	23.07	2,361	-	2,361	5.68	9,521
Januari 2016	39,634		39,634	39,634	9,113	-	9,113	22.99	2,265	-	2,265	5.71	9,934
Februari 2016	37,657		37,657	37,657	8,707	-	8,707	23.12	2,237	-	2,237	5.94	8,924
Sub Total (Kg)	118,867	-	118,867	118,867	27,414	-	27,414	23.06	6,863	-	6,863	5.77	28,379
(%)	100	-	100		100	-	100		100	-	100		100
Maret 2016	32,104		32,104	32,104	7,070	-	7,070	22.02	2,007	-	2,007	6.25	7,002
April 2016	28,312		28,312	28,312	6,510	-	6,510	22.99	1,654	-	1,654	5.84	6,094
1-30 May 2016	29,200		29,200	29,200	6,474	-	6,474	22.17	1,526	-	1,526	5.23	6,615
Sub Total (Kg)	89,617	-	89,617	89,617	20,055	-	20,055	22.38	5,186	-	5,186	5.79	19,712
(%)	100	-	100		100	-	100		100	-	100		100
Grand Total (Kg)	340,463	-	340,463	340,463	76,321	-	76,321	67.30	19,674	-	19,674	17.34	74,432

Status: COMPLY AS REQUIRED

D.4.2

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

According to the real time data during ASA-3 audit, it was clearly confirmed that Sungai Rungau Mill does not have any overproduction of certified tonnage.

Annex on Certificate period 26 August 2015 – 25 August 2016 (Projected of Certified Products)

- FFB: 520,583 MT
- CSPO: 121,296 MT
- CSPK: 30,350 MT

Actual certified products of Sungai Rungau Mill period 26 August 2015 – 30 May 2016

- FFB: 354,010 MT
- CSPO: 76,321 MT
- CSPK: 19,674 MT

Sungai Rungau Mill have no overproduction.

Status: COMPLY AS REQUIRED

D.5 Record keeping

D.5.1

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

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

PT. Binasawit Abadi Pratama
Sungai Rungau Mill

Monthly summary of sustainable FFB, CPO & Kernel

(Periode Juni 2015 - Juni 2016)

Month	FFB Received (Ton)			Total FFB Processed (Ton)	CPO Production (Ton)				Kernel Production (Ton)				Pengiriman
	Sustainable	Non sustainable	Total		Sustainable	Non sustainable	Total	OER (%)	Sustainable	Non sustainable	Total	KER (%)	
26-31 Agustus 2015	6,610		6,610	6,610	1,650		1,650	24.96	454		454	6.87	1,801
Sept 2015	36,241		36,241	36,241	8,225	-	8,225	22.70	2,076	-	2,076	5.73	7,492
Okt 2015	45,851		45,851	45,851	9,807	-	9,807	21.39	2,701	-	2,701	5.89	9,510
Nop 2015	43,277		43,277	43,277	9,171	-	9,171	21.19	2,394	-	2,394	5.53	9,340
Sub Total (Kg)	131,979	-	131,979	131,979	28,852	-	28,852	21.86	7,625	-	7,625	5.78	26,341
(%)	100	-	100		100	-	100		100	-	100		100
Des 2015	41,576		41,576	41,576	9,593	-	9,593	23.07	2,361	-	2,361	5.68	9,521
Januari 2016	39,634		39,634	39,634	9,113	-	9,113	22.99	2,265	-	2,265	5.71	9,934
Februari 2016	37,657		37,657	37,657	8,707	-	8,707	23.12	2,237	-	2,237	5.94	8,924
Sub Total (Kg)	118,867	-	118,867	118,867	27,414	-	27,414	23.06	6,863	-	6,863	5.77	28,379
(%)	100	-	100		100	-	100		100	-	100		100
Maret 2016	32,104		32,104	32,104	7,070	-	7,070	22.02	2,007	-	2,007	6.25	7,002
April 2016	28,312		28,312	28,312	6,510	-	6,510	22.99	1,654	-	1,654	5.84	6,094
1-30 May 2016	29,200		29,200	29,200	6,474	-	6,474	22.17	1,526	-	1,526	5.23	6,615
Sub Total (Kg)	89,617	-	89,617	89,617	20,055	-	20,055	22.38	5,186	-	5,186	5.79	19,712
(%)	100	-	100		100	-	100		100	-	100		100
Grand Total (Kg)	340,463	-	340,463	340,463	76,321	-	76,321	67.30	19,674	-	19,674	17.34	74,432

Meanwhile, the summary of certified product for selling period 25 August 2015 – 30 May 2016, as below table:

Shipping Date	Seller	Buyer	Product	Program	Volume
21/11/2015	PT. Binasawit Abadi Pratama – Sungai Rungau Mill	PT. Sumber Indah Perkasa	CPO	SG	3,100
06/04/2016	PT. Binasawit Abadi Pratama – Sungai Rungau Mill	PT. Binasawit Abadi Pratama – Perdana KCP	PK	IP	999.69
11/05/2016	PT. Binasawit Abadi Pratama – Sungai Rungau Mill	PT. Binasawit Abadi Pratama – Perdana KCP	PK	IP	1,001.44
23/09/2015	PT. Binasawit Abadi Pratama –	PT. Tapian Nadenggan – Hanau KCP	PK	MB	1,009.75

	Sungai Rungau Mill				
25/09/2015	PT. Binasawit Abadi Pratama – Sungai Rungau Mill	PT. Tapian Nadenggan – Hanau KCP	PK	MB	1,019.51
23/10/2015	PT. Binasawit Abadi Pratama – Sungai Rungau Mill	PT. Tapian Nadenggan – Hanau KCP	PK	MB	1,000.62
9/11/2015	PT. Binasawit Abadi Pratama – Sungai Rungau Mill	PT. Tapian Nadenggan – Hanau KCP	PK	MB	1,005.51
29/12/2015	PT. Binasawit Abadi Pratama – Sungai Rungau Mill	PT. Tapian Nadenggan – Hanau KCP	PK	MB	23.16
11/01/2016	PT. Binasawit Abadi Pratama – Sungai Rungau Mill	PT. Tapian Nadenggan – Hanau KCP	PK	MB	1,503.17
25/01/2016	PT. Binasawit Abadi Pratama – Sungai Rungau Mill	PT. Tapian Nadenggan – Hanau KCP	PK	MB	619.44
24/02/2016	PT. Binasawit Abadi Pratama – Sungai Rungau Mill	PT. Tapian Nadenggan – Hanau KCP	PK	IP	506.62
09/10/2015	PT. Binasawit Abadi Pratama – Sungai Rungau Mill	PT. Sumber Indah Perkasa	CPO	SG	2,480.72
16/01/2016	PT. Binasawit Abadi Pratama – Sungai Rungau Mill	PT. Sumber Indah Perkasa	CPO	SG	4,995.18
30/03/2016	PT. Binasawit Abadi Pratama – Sungai Rungau Mill	PT. Sumber Indah Perkasa	CPO	SG	5,497.01
		TOTAL	CPO		16,072.91
			PK		8,688.91

Status: COMPLY AS REQUIRED

D.6 Processing

D.6.1

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

During field observation at Sungai Rungau Mill, auditor have seen that all the FFB receives and processed from 100% certified material, there is no contamination from non-certified sources, includes the FFB transport and CPO & PK storage.

Status: COMPLY AS REQUIRED

D.6.2

The objective is for 100 % segregated material to be reached

Sungai Rungau Mill has applied of 100% certified FFB to be processed and 100% produced of certified products (CSPO and CSPK).

Status: COMPLY AS REQUIRED

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

3.4 Summary of RSPO Partial Certification

Total companies observed (0.5 √Y) Where Y is the total of uncertifiedRSPO registered company The Management Unit name : PT SINAR KENCANA INTI PERKASA – Sungai Kupang Mill, Kotabaru Regency, South Kalimantan Province Date of Observation: -		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	<p>PT Sinar Kencana Inti Perkasa has had mechanism to identify, implement and evaluate the compliance with the law described in SOP of Rules and Other Requirements “Peraturan dan Persyaratan Lain (SOP/SMART/UMUM/SADV/II/002) dated 01 July 2014”. This procedure has explained the PIC who is responsible for identifying the regulation and the PIC which is responsible for evaluating the rules. Based on this mechanism, the company identifies the type of legislation that must be met and classify them in a group of HCV, Labor, Environment, Licensing and OHS</p> <p>Status: Comply</p>	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	<p>PT Sinar Kencana Inti Perkasa has had legal right as below:</p> <ul style="list-style-type: none"> - Forest release licence from ministry of forestry in 1994 - Land use title (HGU) No. 8/HGU/BPN/1996, dated 14 February 1996; No. 30/HGU/BPN/96, dated 31 July 1996; No. 28/HGU/BPN/97, dated 17 April 1997 - Plantation permit (IUP) No 188.45/440/KUM/2011, dated 28 December 2011, <p>Status: Compliance</p>	
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√
	<p>PT Sinar Kencana Inti Perkasa has had mechanism of complaint and grievancies procedures as documented in the “SOP Penanganan Keluhan dan Ketidakpuasan” No. SOP/SMART/SIGS/SADV/II/003, dated 1st July 2014. The procedure is describing how to handling complaint and grievancies.</p> <p>Status: Comply</p>	
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√
	<p>The procedure of “SOP Ganti Rugi Tanah/Lahan (SOP/NP/SMART/VII/D&L002, dated 1 Juli 2010)” described the mechanism for identifying legal, customary or user rights and also for identifying people entitled to compensation and determining calculation method to provide fair compensation. Evidence of Procedure Awareness was documented. It was communicated to related parties such as community leaders, and religious figures and youth leaders.</p> <p>While, within the FPIC Procedure No. SOP/SMART/SENS-CSR/SADV/II/003, part 2.4 describes that identification of participatory map related to legal ownership of communities are considering gender, community leader, local or transmigrant communities, ethnic groups or communal land ownership, etc.</p> <p>All the documents of land compensation is available in place and kept by legal department and if there is any inquiry from affected parties or relevant parties, the document can be accessed through officer/management permission.</p> <p>Status: Comply</p>	
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√
	<p>There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2005 and 2007. Year of planting: 1992, 1993, 1994, 1995, 1998, 2000 and 2001</p> <p>Status: Comply</p>	

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>There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2005 and 2007. Year of planting: 1992, 1993, 1994,1995, 1998, 2000 and 2001.</p> <p>While, within the FPIC Procedure No. SOP/SMART/SENS-CSR/SADV/II/003, part 2.4 describes that identification of participatory map related to legal ownership of communities are considering gender, community leader, local or transmigrant communities, ethnic groups or communal land ownership, etc.</p>	
	Status: Comply	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	<p>There is no new land clearing activities after 1 November 2005. There is only insertion (sisipan) in 2005 and 2007. Year of planting: 1992, 1993, 1994,1995, 1998, 2000 and 2001.</p> <p>The procedure of "SOP Ganti Rugi Tanah/Lahan (SOP/NP/SMART/VII/D&L002, dated 1 Juli 2010)" described the mechanism for identifying legal, customary or user rights and also for identifying people entitled to compensation and determining calculation method to provide fair compensation. Evidence of Procedure Awareness was documented. It was communicated to related parties such as community leaders, and religious figures and youth leaders.</p> <p>PT Sinar Kencana Inti Perkasa has had legal right as below:</p> <ul style="list-style-type: none"> - Forest release licence from ministry of forestry in 1994 - Land use title (HGU) No. 8/HGU/BPN/1996, dated 14 February 1996; No. 30/HGU/BPN/96, dated 31 July 1996; No. 28/HGU/BPN/97, dated 17 April 1997 - Plantation permit (IUP) No 188.45/440/KUM/2011, dated 28 December 2011, 	
	Status: Comply	

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2 Assessment

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

3.5.2 Identification of Findings, Corrective Actions and Observations at Surveillance-3 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2016.01	5.1.3	<p>Implementation of Environmental Impact Monitoring</p> <p>Implementation of environmental impact monitoring for mill and estates have not comply with SEIA/AMDAL document, particularly:</p> <ul style="list-style-type: none"> Monitoring on community health has not included to all villagers, limited to the workers only that part of the communities. There is no evidence that social impact monitoring have conducted in participatory way. 	PT. BAP	Minor	ASA-4	Certificate Holder shall provide that monitoring on environmental impact is in accordance with SEIA/AMDAL directive and Environmental Management and Monitoring Plan (RKL-RPL).	<ul style="list-style-type: none"> Root Cause: Corrective Action: Preventive Action: 	Open	
2016.02	6.1.4	<p>Involvement of Affected Parties Within Social Impact Management</p>	PT. BAP	Minor	ASA-4	Certificate Holder shall be involve the participation of	<ul style="list-style-type: none"> Root Cause: 	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		<p>Plan Review. Certificate Holder has had Social Impact Assessment Report and management plan review in two year periodic (period 2012-2014 and 2015-2016). The objective location of management plan upon the identified issues is in all estate management units, following SRUM, BTGE, SSRE, SRGE, TNGE and TRWE. During field observation on 31 May 2016 at HGU boundaries (Pole No. 14) Bukit Tiga Estate, indicated the new community lived in nearest boundary as part of affected parties from plantation operational. Based on social impact report that has been reviewed in 2 years period, there is no evidence/records that the review includes the participation of its new community as part of affected parties.</p>				all affected parties during the social impact review and the record is available.	<ul style="list-style-type: none"> • Corrective Action: • Preventive Action: 		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	4.7.3 MAJOR	Disciplinary Monitoring and evaluation of the use of personal protective equipment for employees of the Contractor. (OBSERVATION)
2	5.1.2 Minor	The quality reports on the implementation of the environment impact needs to be improved in accordance with the applicable standards. (OBSERVATION)
3	5.2.3 Minor	Certificate Holder needs to improve the quality of the HCV monitoring and evaluation to ensure the improvements of the HCV management area..
4	6.1.3 MAJOR	Certificate Holder needs to ensure the involvement of all affected parties in the monitoring of social impact management plan. (OBSERVATION)
5	8.1.1 MAJOR	Certificate Holder needs to anticipate potential systematic failures in the implementation of standards for their recurrence of Non-Conformities in each audit stages, particularly: environmental aspects (implementation and management of environmental monitoring) and social aspects (social impact management plan). (OBSERVATION)

3.5.4 Noteworthy Positive Components

No	Descriptions
1	Certificate Holder have a commitment to implement the sustainability of oil palm plantation management.
2	Achieve the SMK3 certificate for period 2014 – 2017 from Ministry of Transmigration and Manpower.
3	ISCC Certificate Number : EU- ISCC-Cert-DE104-07781531 period 20 October 2015 – 19 October 2016 by GutCert
4	PROPER Award with BLUE category in period 2014-2015 from Ministry of Environmental and Forestry.

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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>National Land Agency of Seruyan District 24th May 2016</p> <ul style="list-style-type: none"> • There is no complaint or grievances from communities/other parties related to land use title of PT. BAP 	<ul style="list-style-type: none"> • Status of land tenure of PT. BAP is clear and legal. There is no complaint/grievance from communities against the land use right of PT. BAP. 	<p>It has been verified by the auditor accordance with C2.2, 2.3, 6.3 and 6.4</p>
<p>Environmental Agency of Seruyan District 24th May 2016</p> <p>Positive Issue:</p> <ul style="list-style-type: none"> • The company has periodically reported for the environmental monitoring and management. Based on Environmental Agency data records, PT. BAP has orderly reported in timely manner. In example: report of RKL-RPL Semester II year 2015 has been reported on 16 February 2016. • The company has a good performance on implementation of Environmental Management and Monitoring, it can be seen that all the parameter of environment is under the permitted threshold. • In the last two years (2015-2016), there is no issue or grievances related to environmental contamination at PT. BAP. • Land Application permit of PT. BAP (Sungai Rungau Mill) has renewal in accordance with Regent Decree SK. Bupati No. 188.45/38/2015, dated 12 January 2015. Validity period for 5 years with a permitted area covers 1,213.7 Ha. <p>Negative issue:</p> <ul style="list-style-type: none"> • Related to Hazardous waste management handling particularly for infected medical waste, the agency giving advice the company to search and make cooperation with permitted third parties. 	<ul style="list-style-type: none"> • The company has a commitment to fulfil the regulations related to obligations of reporting in accordance with applicable laws and regulations. • The company committed to preserve the environmental are not contaminated from its activities. • The company is consistently to preserve the environmental and minimise the impact adverse by strongly managed the plantations is refer to applicable laws, regulation and procedures. • The company has a commitment to arrange all permits in timely manner, includes Land Application permit. • The company has been trying to search the permitted collector and transporter for infected medical waste with PT. Bintang Albar from Banjarmasin. However, based on information provided, this collector have not permission for medical waste transporting within Central Kalimantan area. 	<p>It has been verified in accordance with Criteria 1.1, 2.1, 4.4, 5.1, 5.3 and 5.6.</p>

<p>Social, Labour, Transmigration and Tourism of Seruyan District. 24th May 2016</p> <p>Positive Issue:</p> <ul style="list-style-type: none"> • The company has implemented the minimum wage payment year 2016 regulated by local District Government. • The company has complied its reporting obligation, for example, annual report of company manpower status, guiding committee of OHS report etc. • The management unit had a committee for OHS organization and submitted the report periodically. • In the last two years (2015-2016), there is no disputes related to industrial relationship at PT. BAP. <p>Negative issue:</p> <ul style="list-style-type: none"> • Indicates that several contractual agreement for temporary and piecerates workers have not registered to the agency. • PT. BAP have not report orderly of working accident record. • Regarding with labor employment, the company 	<ul style="list-style-type: none"> • The company commits the to fulfil its reporting obligation referring the valid statue and regulation. • The worker payment is accordance with the circular letter of District Government (Decree of Minimum District Wage). • The company commits the to fulfil its reporting all working agreement for temporary and piece-rates workers are registered in Manpower Transmigration and Tourism Agency of Seruyan District. • The company always reported working accident to Manpower Transmigration and Tourism Agency of Seruyan District, i.e working accident report 1 X 24 Hours and also report periodically in OHS report. • The management unit provided accident insurance for personnel based on the applicable regulation. 	<p>It has been verified in accordance with Criteria 1.1, 2.1, 4.7, 6.3 dan 6.5.</p>
<p>Forestry and Plantation Agency of Seruyan District 24th May 2016</p> <p>Positive Issue:</p> <ul style="list-style-type: none"> • PT. BAP is consistently submit the plantation report "LPUP" periodically every 6 months. • In last three years (2014-2016), there is no official complaint and disputes related land claim at PT. BAP concession area. • PT. BAP is routinely giving a CSR program to surrounding communities. 	<ul style="list-style-type: none"> • The company commits to submit the report routinely. • The company have a commitment that plantations concession is legally owned. • The company has commits to arrange all the permits in timely manner. • Company have CSR program and committed to 	<p>It has been verified in accordance with Criteria 1.1, 2.1, 2.2, 2.3, 6.2, 6.3 and 6.11.</p>

<p>Negative issue:</p> <ul style="list-style-type: none"> Agency giving an advice to the company to receive FFB's from individual smallholders. 	<p>implemented.</p> <ul style="list-style-type: none"> PT BAP has had a mill capacity that able to processed from own estate, so then it cannot receive FFB from smallholders/outsideers. 	
<p>Village of Sebabi, Sub-District Batu Ampar, District of Seruyan 31 May 2016</p> <p>Positive issue:</p> <ul style="list-style-type: none"> Donation given to the village is routinely held by PT. BAP, based on submission letter. The company has a good response in every submission letter which delivered from villagers. Social service as a part of CSR program of PT. BAP and partnership with Buddha Foundation of Tzu Chi was performed, such as eyes examination, cataract surgery, etc. Workers involvement from Sebabi Village as workers has been started since land clearing. There is no Land compensation for PT. BAP concession area, due to administratively no area of Sebabi village located in the plantation area. Socialization of HCV and communication procedure was held on May 2016. Orang Utan and other primate voices are oftentimes heard from across the Mentaya River to the village. However, its location if far from PT. BAP plantation area. <p>Negative issue: -</p>	<ul style="list-style-type: none"> The company has CSR program and commits to implement. If there is any proposal letter submitted to the company, then immediate responses made by management. And if it's possible to fulfilled, it will be approved. Despite of CSR Program, the company also have partnership with Buddha Foundation of Tzu Chi Indonesia with PT. SMART, Tbk and actively doing social donation. PT. BAP has empowered of local communities through the workers recruitment/vacancy as needed and competencies. Sebabi village is outside of PT. BAP concession. Socialization of HCV aspect to the villagers has been conducted by the company. The company has a commitment to protect of wildlife if presence within the concession area. 	<p>It has been verified in accordance with Criteria 1.1, 2.2, 2.3, 5.2, 6.2, 6.3, 6.8 and 6.11.</p>
<p>Village of Rungau Raya, Sub District of Danau Seluluk 31 Mei 2016</p>		

<ul style="list-style-type: none"> • There is no arising of land disputes within the last 4 years. • The socialization of fire patrol of HCV area has been held on May 2016 • In 2013 the village received assistance electrical installations for 270 homes. • Communication with the CH runs well, quickly responded to the request of infrastructure support. • Many of local contractors from the village are still cooperating and survive until now, • Sungai Rungau Mill receive FFB only from the nucleus, while the FFB from community send to another company. 	<ul style="list-style-type: none"> • The land owned by PT BAP is legal and there is no dispute over land rights. • CH has socialized HCV to the public. • CH has a CSR programe and are committed to realize the programe. • CH is committed to establish better communication with the village surrounding the CH area. • CH has empowered local communities to establish cooperation in FFB transport. • Currently, CH only received internal FFB, there is no request to receive FFB from the public. 	<p>It has been verified in accordance Criterion 1.1, 2.2, 2.3, 4.1, 5.2, 5.5, 6.2, 6.3, 6.8, 6.10 and 6.11.</p>
<p>Independent Workers Union of Bukit Tiga Estate and Tangar Estate Head of SPM</p> <p>The Indonesian workers union has been established in 2001 by Indonesian statue No. 21 year of 2000, recorded at Labour Agency in 2003. The collective labour agreements validity period is June 2014 - June 2016.</p> <p>The last meeting on March 30, 2016 and May 17, 2016 discussed the renewal of the collective labour agreements.</p> <p>No discrimination in recruiting of new employees. Several member officially involved in the wage councils on Seruyan District.</p> <p>The UMSK year of 2016 has been paid since January 2016. Labour social and health insurance are already registered.</p>	<p>The Indonesian workers union already listed in Labour Agency. Work programe of labour unions has been compliance with government regulations.</p> <p>The Company is committed to comply with applicable laws and regulations including employee salary, labour social and health insurance.</p>	<p>It has been verified in accordance Criterion 6.3, 6.5, and 6.6.</p>
<p>Gender Committees of Bukit Tiga Estate</p> <ul style="list-style-type: none"> • The gender committee has been formed since 2011. • It aimed as grievance media for women. • Socialization is done every 'yasinan' activity and 'Posyandu'. 	<ul style="list-style-type: none"> • Chairman of the gender committee already understand the function of the establishment of gender committee. • There are work programmes and organizational structure. • The employees have got the socialization of reproductive rights. 	<p>It has been verified in accordance Criterion 1.1, 4.6, 4.7, 6.5, and 6.9.</p>

<ul style="list-style-type: none"> • In Bukit Tiga Estate, manuring activity using aircraft, thus not using workers. • H-1 and H-2 leave, the annual leave of 14 days given by the company for women in accordance labour agreement. • No complaints related to women's reproductive and sexual harassment. 		
<p>FFB Local Contractor for Bukit Tiga Estate and Tangar Estate</p> <ul style="list-style-type: none"> • The contractor has 6 units of trucks and has been 15 years of cooperation with PT. BAP. • Contract agreement is valid for 3 months and renewed. Payments are always on time once a month by check at the beginning of the month. • The worker insurance is being on process in registration, constraints on the identity card from outside the area. • Working equipments and personal protective equipment provided by the contractor. 	<ul style="list-style-type: none"> • The Company has empowered local communities to establish cooperation in terms of FFB transport. • Work contract already understood both sides. The method of payment in accordance with the work contract. • Worker insurance and PPE is an obligation according to the contract. 	<p>It has been verified in accordance Criterion 4.7, 6.2, 6:10 and 6:11.</p>

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT. Binasawit Abadi Pratama
Head Of Enviromental Department

Mutuagung Lestari
Lead Auditor



Ismu Zulfikar
June 17th 2016



Yudwi Wisnu Rahmanto
June, 17th 2016

APPENDICES

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	National Land Agency of Seruyan District	Seruyan District	-	Interview	May 24 th 2016	√	-
2	Environmental Agencies of Seruyan District	Seruyan District	-	Interview	May 24 th 2016	√	-
3	Manpower Agencies of Seruyan District	Seruyan District	-	Interview	May 24 th 2016	√	-
4	Plantation Agency of Seruyan District	Seruyan District	-	Interview	May 24 th 2016	√	-
5	Village of Sebabi	Village of Sebabi	-	Interview	June 01 st 2016	√	-
6	Village of Rungau Raya,	Village of Rungau Raya,	-	Interview	June 01 st 2016	√	-
7	Indonesian Workers Union of Bukit Tiga Estate and Tangar Estate	PT BAP	-	Interview	June 02 nd 2016	√	-
8	FFB Local Contractor for Bukit Tiga Estate and Tangar Estate	PT BAP	-	Interview	June 02 nd 2016	√	-
9	Gender Committees	PT BAP	-	Interview	June 02 nd 2016	√	-
10	Sawit Watch	Bogor- West java	info@sawitwatch.or.id	Communication a Via Email	May 25 th 2016	-	√
11	Save Our Borneo	Palangkaraya – Central Kalimantan	info@saveourborneo.org	Communication a Via Email	May 25 th 2016	-	√
12	Aid Environment	Jakarta – Indonesia	muzfa@aidenvironment.org	Communication a Via Email	May 25 th 2016	-	√

Appendix 2. Assessment Program		
DATE	May 30 th – June 3 rd , 2016	
ACTUAL TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday 30th May 2016 09.15 – 11.00 11.00 – 14.00 11.00 - 15.00 15.30 – 16.15 16.15 – 17.00	Flight Jakarta to Pangkalan Bun Observation of Traceability Supply Chain at Bumi Harjo Bulking Station Travelling of Auditor team (Pangkalan Bun –Estate) Opening meeting <ul style="list-style-type: none"> • Speech (Introduction of PIC, Profile of Certified Management Unit) • Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) <ul style="list-style-type: none"> • Review of previous assessment findings • Determining of field observation 	ALL AUDITOR MR PT. BAP YWR ALL AUDITOR
Tuesday 31st May 2016 08.00 – 12.00 12.00 – 14.00 14.00 – 17.00	<p><u>Stakeholder Consultation with surrounding villagers</u></p> <p>Field observation to BUKIT TIGA ESTATE:</p> <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) • Implementation of Environmental, Conservation and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, HCV Area) • Implementation of Occupational Health & Safety Aspect • Implementation of Employment Procedure and Mechanism Aspect • Implementation of Legal Aspect (Land Ownership, Legal Boundaries) • Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) <p>Break and lunch</p> <ul style="list-style-type: none"> • Interview with Worker's Union, Local Contractor, Gender Committee. • Verification of field visit and completing checklist 	YWR AFS, MAY BBJ MAY BBJ YWR YWR ALL AUDITOR

DATE	May 30 th – June 3 rd , 2016	
ACTUAL TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<p>Wednesday 1st June 2016 08.00 – 12.00</p> <p>12.00 – 14.00</p> <p>14.00 – 17.00</p>	<p>Field observation to TANGAR ESTATE:</p> <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) • Implementation of Environmental, Conservation and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, HCV Area) • Implementation of Occupational Health & Safety Aspect • Implementation of Employment Procedure and Mechanism Aspect • Implementation of Legal Aspect (Land Ownership, Legal Boundaries) • Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) <p>Break and lunch</p> <ul style="list-style-type: none"> • Interview with Worker's Union, Local Contractor, Gender Committee. • Verification of field visit and completing checklist 	<p>AFS, MAY</p> <p>BBJ</p> <p>MAY BBJ YWR YWR</p> <p>YWR ALL AUDITOR</p>
<p>Thursday 2nd June 2016 08.00 – 12.00</p> <p>12.00 – 14.00</p> <p>14.00 – 15.30</p> <p>16.00 – 17.00</p> <p>17.30 – 21.30</p>	<p>Field visit to SUNGAI RUNGAU MILL:</p> <ul style="list-style-type: none"> • Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) • Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) • Interview with Worker's Union Mill, Contractor of CPO Transporter, Gender Committee. <p>Break and lunch</p> <p>Internal discussion by auditor team preparing for Closing Meeting</p> <p>Closing Meeting</p> <p>Travelling back (Site Location – Pangkalan Bun)</p>	<p>YWR, AFS MAY, BBJ</p> <p>YWR</p> <p>ALL AUDITOR</p>
<p>Friday 3rd June 2016 08.00 – 09.00</p>	<p>Return flights Pangkalan Bun - Jakarta</p>	<p>ALL AUDITOR</p>