

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

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

Name of Management : **Semilar Palm Oil Mill, PT Tapisan Nadenggan subsidiary of Golden Agri Resources Ltd.**
 Plantation Name : **(PT Tapisan Nadenggan) Semilar Estate, Sei Rindu Estate, (PT Buana Artha Sejahtera) Mandang Estate and Puri Estate.**
 Location : **Rungau Raya Village, Sub District of Danau Siluluk, District of Seruyan, Kalimantan Tengah Province, Indonesia**

Certificate Code : **MUTU-RSPO/028**
 Date of Certificate Issue : **22 July 2013** Date of License Issue : **22 July 2016**
 Date of Certificate Expiry : **21 July 2018** Date of License Expiry : **21 July 2017**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approve by
ASA-03	23-27 May 2016	Muardi Marwas (Lead Auditor), Rudi Ramdani, Andi Pratama Pasaribu, Dwi Haryati	Octo Nainggolan	Taufik Margani

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	24 June 2016

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Figure 1. Location Map of PT Tapan Nadenggan and PT Buana Artha Sejahtera

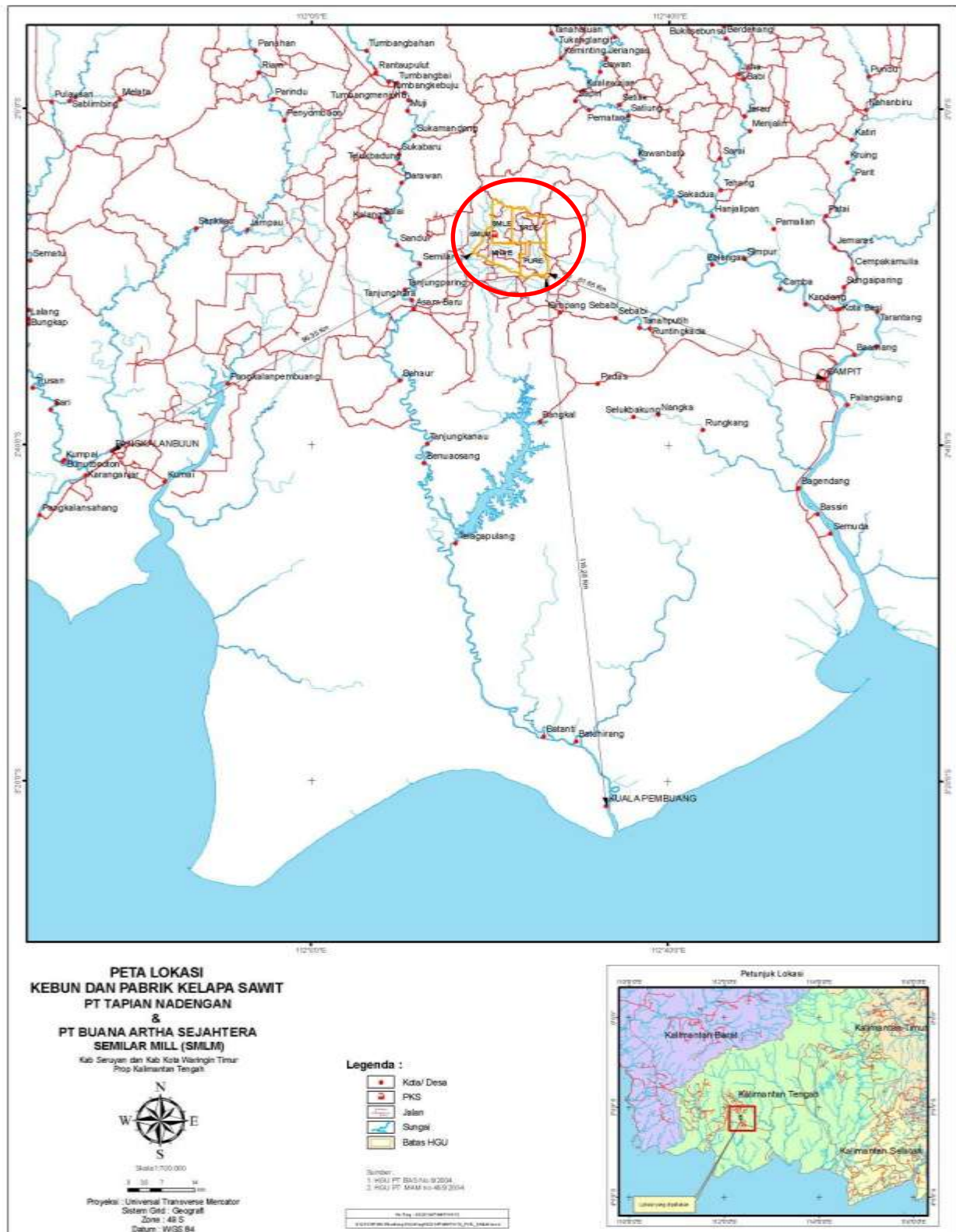


Figure 2. Operational Map of Semilar Estate - PT Tapan Nadenggan

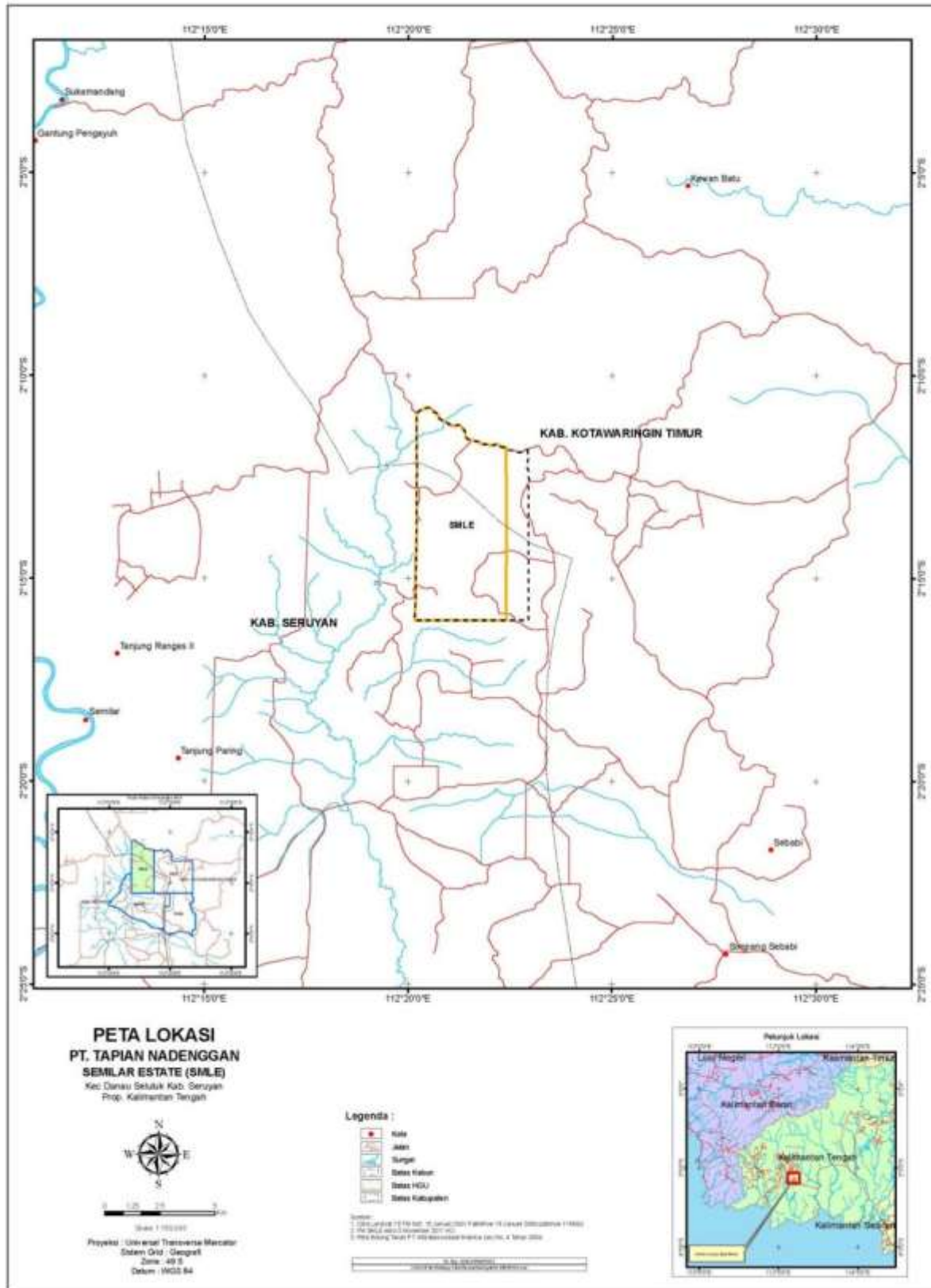


Figure 3. Operational Map of Sei Rindu Estate - PT Tapan Nadenggan

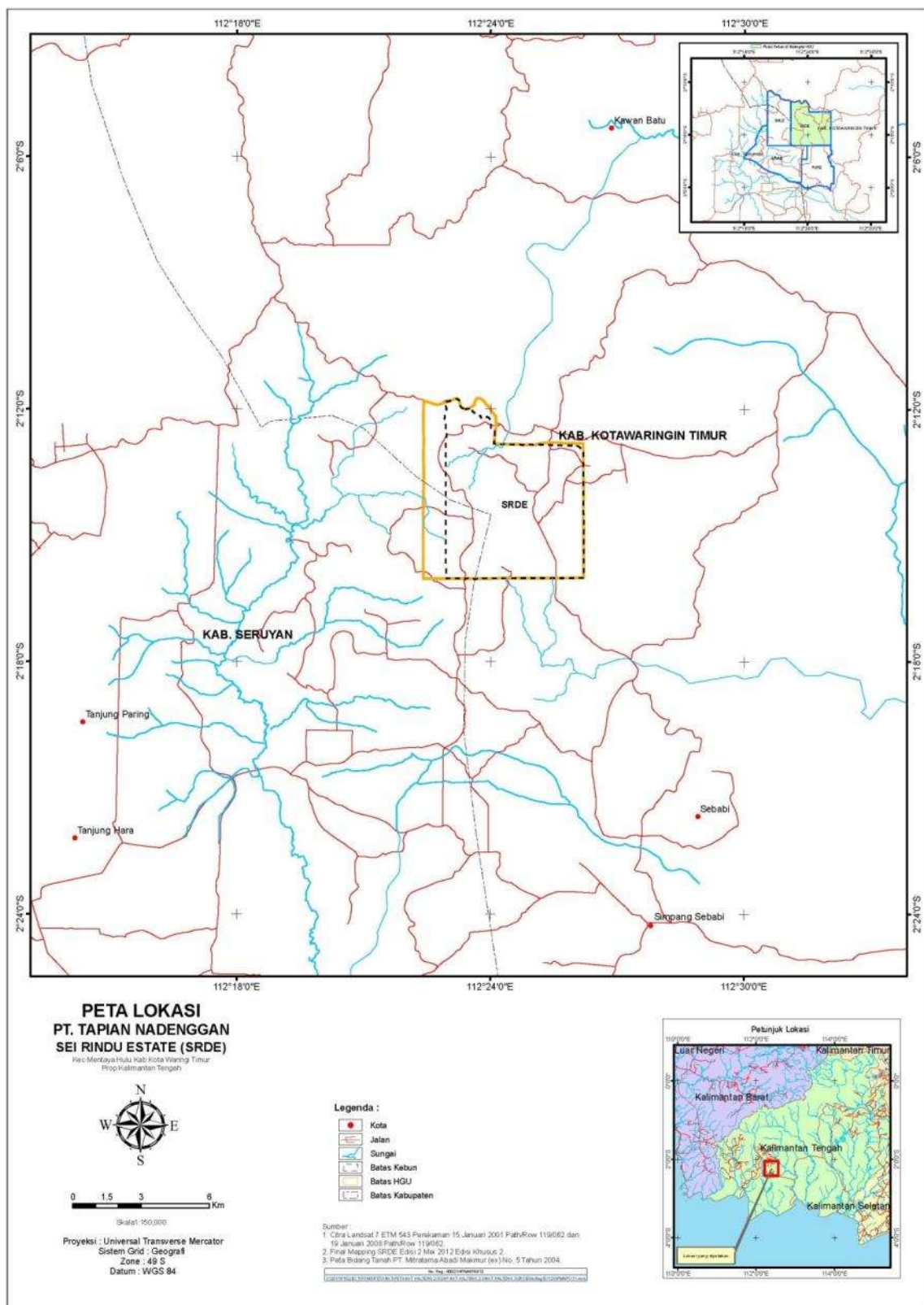


Figure 4. Operational Map of Puri Estate - PT Buana Artha Sejahtera

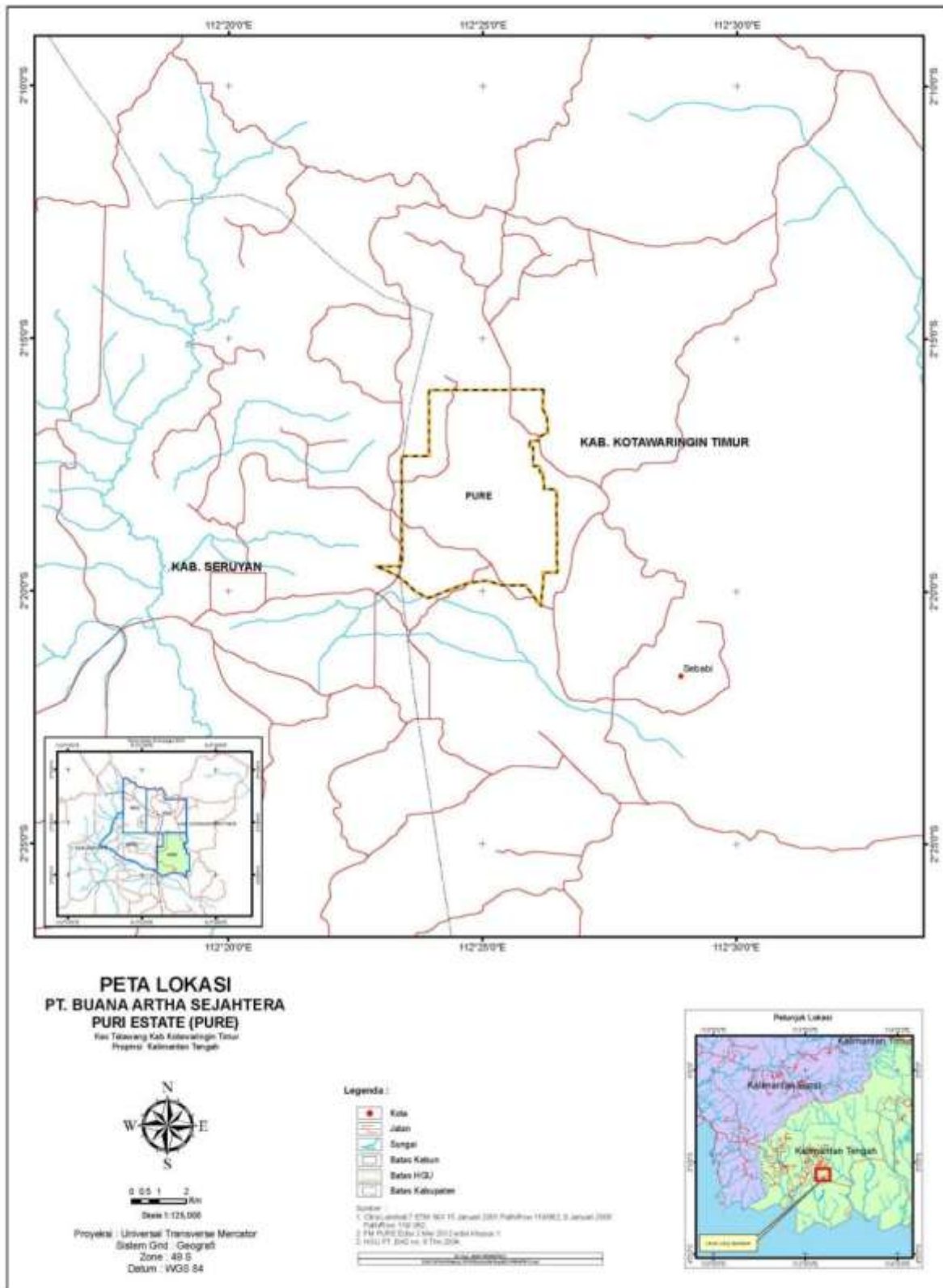
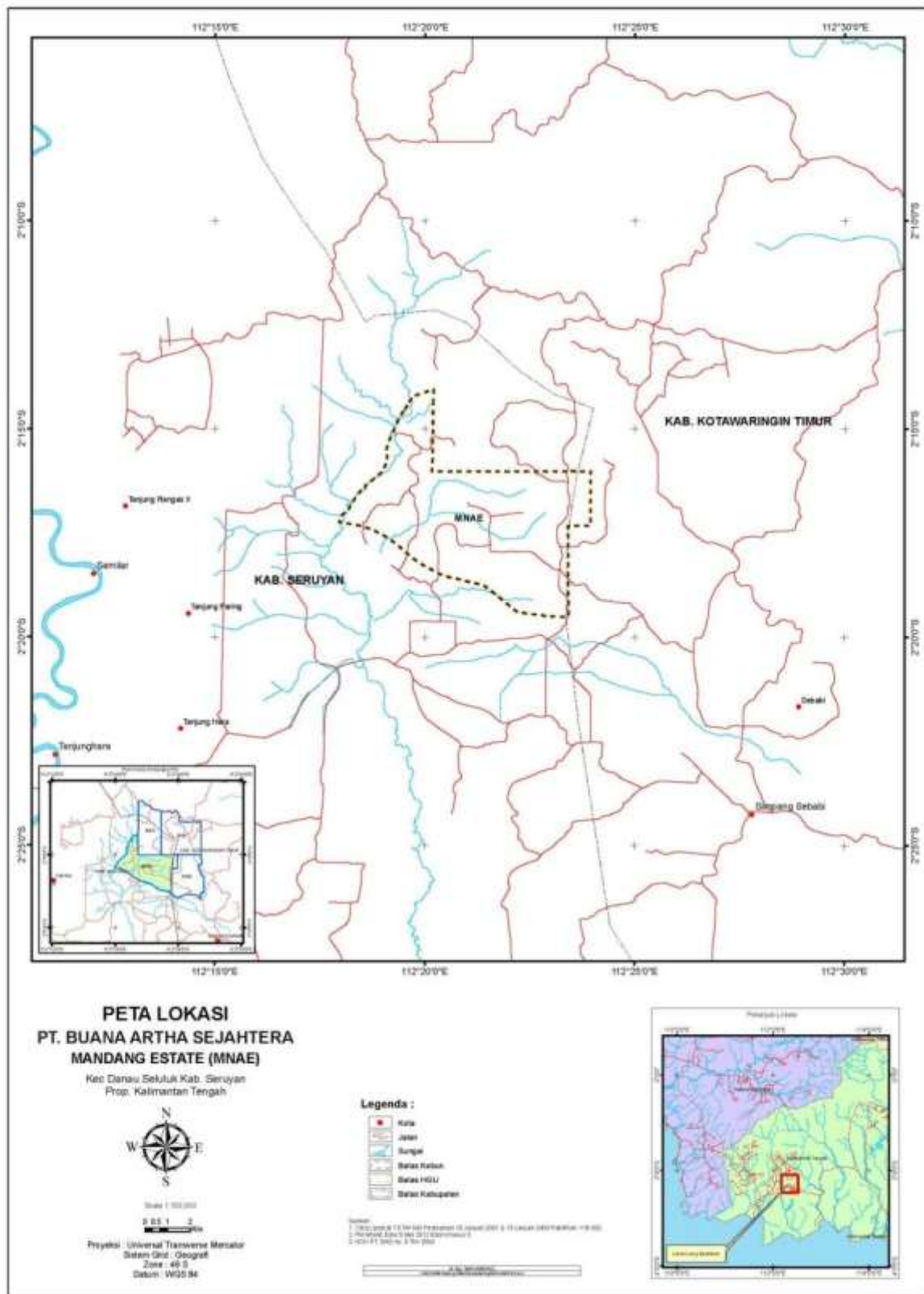


Figure 5. Operational Map of Mandang Estate - PT Buana Artha Sejahtera



Abbreviations Used

AVP	:	Assistant Vice President
BAS	:	Buana Artha Sejahtera
BOD	:	Biological Oxygen Demand
CEO	:	Chief Executive Officer
CPO	:	Crude Palm Oil
EFB	:	Empty Fruit Bunch
ENDV	:	Environment Division
EIA	:	Environment Impact Assessment
GHG	:	Green House Gases
HCV	:	High Conservation Value
HGB	:	Hak Guna Bangunan (<i>Building Use Title</i>)
HGU	:	Hak Guna Usaha (<i>Land Use Permit</i>)
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
IPM	:	Integrated Pest Management
LC	:	Land Clearing
LUCC	:	Land Use and Cover Change
MAA	:	Mill Audit Advisory
NC	:	Non Conformance
OER	:	Oil Extraction Rate
OIA	:	Operations Internal Audit
PK	:	Palm Kernel
PKO	:	Palm Kernel Oil
POM	:	Palm Oil Mill
PPE	:	Personal Protection Equipment
PSM	:	Perkebunan Sinarmas
RC	:	Region Controller
RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan. (<i>Environmental Management Plan/ Environment Monitoring Plan</i>)
SMARTRI	:	Smart Research Institute
SOP	:	Standard Operational and Procedure
FFB	:	<i>Fresh Fruit Bunches</i>
TN	:	Tapian Nadenggan
UTM	:	Universal Transverse Mercator
VPA	:	Vice President Agronomy
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • RSPO Principles and Criteria (P&C) for the Production of Sustainable Palm Oil - April 25th, 2013. • 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) 	
1.2	Organization Information		
1.2.1	Organization name listed in the certificate	PT Tapian Nadenggan – Golden Agri Resources Ltd.	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> • RSPO registered company: 108 Pasir Panjang Road, #06-00 Golden Agri Plaza Singapore. Singapore 118535. • Liaison Office: Sinarmas Land Plaza Tower 2, 30th Floor JL. MH Thamrin No 51 Kav 22 Jakarta 10350 Indonesia. 	
1.2.4	Telephone	(+62-21) 318 1388	
1.2.5	Fax	(+62-21) 318 1389	
1.2.6	E-mail	ismu-zulfikar@smart-tbk.com	
1.2.7	Web page address	www.smart-tbk.com	
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Department)	
1.2.9	Registered as RSPO member	1-0096-11-000-00, 31 st March 2011.	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Semilar Mill, Semilar Estate, Sei Rindu Estate, Mandang Estate and Puri 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
	Semilar Mill	Rungau Raya Village, Sub District of Danau Siluluk, District of Seruyan, Kalimantan Tengah Province.	N 2°14' 53.73" E 112°20' 25.55"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Semilar Estate	Rungau Raya Village, Sub District of Danau Siluluk, District of Seruyan, Kalimantan Tengah Province.	N 2°15' 06.21" E 112°20' 58.83"

	Sei rindu Estate	Tangar village, Sub District of Mentaya, District of Kotawaringin Timur, Kalimantan Tengah Province.	N 2°15'12.86"	E 112° 24'28.98"		
	Mandang Estate (PT Buana Artha Sejahtera)	Rungau Raya Village, Sub District of Danau Siluluk, District of Seruyan, Kalimantan Tengah Province.	N 2° 16'28.22"	E 112° 20'16.69"		
	Puri Estate (PT Buana Artha Sejahtera)	Biru maju village, Sub District of Telawang, District of Kotawaringin Timur, Kalimantan Tengah Province.	N 2°18' 22.06"	E 112° 25'13.39"		
1.5	Description of Area Statement					
1.5.1	Tenure					
	• State		17,088.00 Ha			
	• Community		- Ha			
1.5.2	Area Statement					
	• Total area		17,088.00 Ha			
	• Mature area		15,860.22 Ha			
	• Immature area		-			
	• Mill & emplacement		193.77 Ha			
	• Infrastructure (nursery & road)		681.31 Ha			
	• Occupation		205.96 Ha			
	• HCV		146.74 Ha			
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		Semilar	Sei rindu	Mandang	Puri	Total
	1998	-	-	16.40	-	16.40
	2000	-	-	176.35	323.19	499.54
	2001	-	-	157.95	-	157.95
	2004	-	-	106.66	-	106.66
	2005	2,998.59	-	480.77	1,202.35	4,681.71
	2006	1.010.24	3,450.02	2,945.06	655.60	8,060.92
	2007	-	290.16	822.64	733.04	1,845.84
	2008	-	-	46.22	407.04	453.26
	2011	-	-	37.94	-	37.94
	TOTAL	4,008.83	3,740.18	4,789.99	3,321.22	15,860.22
1.6.2	New Planting area after January 2010		- Ha			
1.6.3	Planting Cycle		1 st Cycle			
1.7	Description of Mill and Supply Base					
1.7.1	Description of Mill					

	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Semilar	80	355,691.22	88,673.821	24.93	21,092.48	5.93
*Production data source from 12 months before assessment (May 2015 – 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)	%
	Semilar Estate	4,288.63	4,008.83	106,192.920	26.49	106,192.920	100
	Sei Rindu Estate	3,990.60	3,740.18	94,151.790	25.17	94,151.790	100
	Mandang Estate	5,170.35	4,789.99	105,863.750	22.10	91,780.06	86.69
	Puri Estate	3,638.42	3,321.22	63,584.320	19.14	49,702.61	78.16
	TOTAL	17,088.00	15,860.22	369,792.780	23.32	341,827.38	92.43
*Production data source from 12 months before assessment (May 2015 – April 2016)							
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location			Supplied to Mill	
						FFB (tonnes/year)	
	Bukit tiga Estate (Certified)	PT. Binasawit Abadi Pratama - GAR	Rungau Jaya Village, Danau Seluluk Subdistrict, Seruyan District - Kalteng			13,030.99	
	Tangar Estate (Certified)	PT. Binasawit Abadi Pratama - GAR	Rungau Jaya Village, Danau Seluluk Sub district, Seruyan District - Kalteng			832.85	
	TOTAL					13,863.84	
	*Bukit tiga estate and Tangar estate have been RSPO certified. *Production data source from 12 months before assessment (May 2015 – 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* (tonnes/year)		Actual certified product** (tonnes/year)	
	• FFB Production			374,809		286,577	
	• CPO Production			95,576		72,274	
	• Palm Kernel (PK) Production			20,614		18,584	
	* Certificate claim data on 22 July 2015 – 21 July 2016. ** Actual claim data on 22 July – 24 May 2016.						
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)	
	Semilar Estate	4,288.63	4,008.83	115,000		28.68	
	Sei rindu Estate	3,990.60	3,740.18	110,000		29.41	
	Mandang Estate	5,170.35	4,789.99	119,000		24.84	
	Puri Estate	3,638.42	3,321.22	70,000		21.07	
	TOTAL	17,088.00	15,860.22	414,000		26.10	
	*Estimate production for 12 months.						

1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Semilar	80	414,000	104,535	25.25	23,805	5.75
	<i>*Estimate production for 12 months</i>						
1.9	Other Certifications						
	ISO 9001:2008			-			
	ISO 14001: 2004			-			
	OHSAS 18001:2007			-			
	ISCC			-			
	Others			Certificate of ISCC (EU-ISCC-Cert-DE104-07781534), 27 November 2015 – 26 November 2016			
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
	Unit Management		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, Tengawang 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 Sungai Kupang KKPA	2016	Kalimantan Selatan	Audit stage 1
	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.					
1.9.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard.					
	Semilar Mill do not receive FFB from <i>outgrower</i> .					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-3	<ol style="list-style-type: none"> Muardi Marwas (Lead Auditor). Bachelor of Agriculture Bogor Agriculture Institute. Attended RSPO and ISPO Assessment in Indonesia. He had been trained Auditor/Lead auditor Management System Certification (ISO 9001-2008), Awareness HACCP certification, training of RSPO auditor and training of RSPO Lead Auditor, ISPO Lead auditor training, awareness greenhouse gas and Witteness Distribution Quality Management Process (DQMP) APMEA. Currently he works for Independent Certification Body. During the assessment, he verified Land acquisition, Land conflict, Social, Mill and SCCS. Rudi Ramdani (Auditor). Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty of Bogor Agriculture Institute. He has working experienced more than two years as an operational staff in a private oil palm plantation company in Indonesia. Several training he has followed namely: Indonesian Sustainable Palm Oil auditor, Awareness RSPO, Management System Certification (ISO 9001-2008) training, and implementation of SMK3. During the assessment, he assets on aspect of environment and HCV. Andi Pratama Pasaribu (Auditor). Bachelor of the social economy, agribusiness a course of study agricultural university faculty of Jember. He had followed the training of auditor sustainable Indonesian palm oil (ISPO). He has experience of work for five years as an operational staff in several plantation companies in Indonesia private oil palm plantation. Currently working on certification body as independent auditors. During the assessment the Auditor verified best management practice. Dwi Haryati (Auditor). Bachelor of Agriculture, majoring in Agriculture Cultivation. She has experienced on Palm Oil Plantation as Sustainability staff. She had attended such as ISPO Auditor training, Management System Certification (ISO 9001-2008), Occupational Health & Safety Management System. During the assessment the Auditor verified transparency, occupational health & safety and social workers.
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.</p> <p>Number of days for ASA-3 at site: 5 days.</p> <p>Number of working days for ASA-3 at site: 20 Working days.</p>
2.2.2	Detail process of assessment
ASA-3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Tampilan Nadenggan & PT Buana Artha Sejahtera - Golden Agri Resources Ltd to the requirements of Principle and criteria for Sustainable Palm Oil Production on April 2013 and supply chain Requirement for CPO Mill, November 2014.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>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 ASA-4. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3.</p> <p>The assessment program please finds Appendix 2.</p>
2.2.3	Locations of Assessment
ASA-2	<p>The annual surveillance assessment 3, Auditors were conduct against Puri estate and Sei Rindu estate based sampling method $0,8\sqrt{y}$ where y is 4 supply base in Semilar Mill. The details about the field visit inform as below:</p> <p>Puri Estate</p>

1. **Harvesting (block C43 and C44 of Division IV).** Observation and interview with harvester and supervisor regarding to harvesting procedures, PPE usage, payments and incentives, policies, animal protection and conservation area.
 2. **Chemical weeding (block D35 of Division II).** Observation and interview with Pesticide applicator and supervisor regarding to the weeding-chemist procedures, PPE usage, ex-agrochemical container management and payments.
 3. **Block Z29-30 Division 1:** field observations with landfill system. Location landfills within ± 2 km from the housing.
 4. **Block 35 Division 2:** observation and interviews with Pesticide applicator the circle and path using low-volume spray equipment MHS (micron herby sprayer). Workers equipped with adequate PPE (goggles, masks, rubber gloves and fabric, fiber apron boots). Workers know how to work safely, river banks and have included periodic medical examinations and there are no complaints, No poisoning and have their wage adjustment for 2016.
 5. **Block C43-44 Division 4:** observation and interviews with harvester. Workers have adequate PPE (harvester: helmet, boots). Harvest clerk can explain the sorting FFB at Fruit collecting Point.
 6. **Barn owl box in block C44 Division 4,** observed the implementation .
 7. **Post firefighters:** observation and simulation of tank engines, firefighters use land in ready to use.
 8. **Hazardous warehouse:** hazardous management observations which the hazardous waste stored according to the type of waste, there are labeling and symbol of hazardous material, eye washer and trap facilities to prevent spills into the environment.
 9. **Chemical storage:** Field observations and interviews with warehouse clerk, hazardous symbolization, completeness MSDS and recording hazardous, health checking, mixing chemicals facility, eye washer.
 10. **Breeding of owl (Pondok II complex).** Observation of breeding owls as a biological control agent.
 11. **Employees housing complex in Pondok II Division 3 & 4.** Observation of housing facilities for employees, visit the Child Care Centre, observation of the houses of worship facilities, drinking water, vegetable gardens, organic compost application and herb gardens.
 12. **Polyclinic.** Observation of medical waste and balance sheet, interviews with doctors and medical personnel PURE (midwives and nurses) regarding the recording and monitoring of leave H1 H2, assurance employment, and medical examinations of employees.
 13. **Workshop.** Based on field observations workshop in a clean condition and provided signboard safety health facilities available such as fire extinguisher and first aid box. Based on interviews with workshop foreman, demonstrate an understanding of the procedures and means safety well hazardous waste management is adequate.
- Sei Rindu Estate**
14. **Chemical weeding, block F56 Division 2.** Observation and interview with Pesticide applicator and supervisor regarding to the weeding-chemist procedures, PPE usage, ex-agrochemical containers and payments.
 15. **Integrated pest management.** Interview with IPM officer regarding to IPM procedures, identification and pest control mechanism.
 16. **Harvesting, block E57 Division 2.** Observation and interview with harvester and supervisor regarding to harvesting procedures, PPE usage, payments and incentives, company policies, animal protection and conservation area.
 17. **Barn Owl Box, block E59 Division 2.** Observation of rat control by using owl (*Tyto alba*) as natural predator.
 18. **Erosion poles block E67 Division 3.** Observation of erosion by using erosion instrument.
 19. **Collection road E54 and E55 Division 1.** Observation of road maintenance by using road grader.
 20. **EFB application, block C54 Division 5.** Observation of EFB usage to increasing soil fertility especially in marginal area. EFB dosage was 40ton/Ha/2 year in marginal area such as sandy area.
 21. **Road maintenance, block E54 and E55 Division 1.** Observation collection road maintenance.
 22. **Hazardous warehouse:** hazardous management observations which the hazardous waste stored according to the type of waste, there are labeling and symbol hazardous waste, eye washer and trap facilities to prevent spills into the environment.
 23. **Chemical storage:** Field observations and interviews with warehouse clerk, symbolization of material, completeness MSDS and recording material, health checking, mixing chemicals facility, eye washer.
 24. **Diesel tank:** observation building diesel fuel tank with a capacity of as much as 2,900 l bundling spill.

25. **Post firefighters:** field observations emergency response equipment and simulation engine fires tank, fire extinguisher in ready to use.
26. **D66 block Tajahan River Division 3;** field observations border river management. There is a limit warning board chemicals application, sign boards "protected animals", as well as the principal limit oil spray in the form of red paint as far as five principal (± 50 m). The condition of vegetation has been planted with grass and other perennials.
27. **Workshop.** Observation hazardous waste management. Based on field observations, the condition workshop in pristine condition. There are safety health facilities such as fire extinguisher, contaminated material, has been stored in the hazardous waste storage, tubes pressurized already installed safety devices themselves.
28. **Housing of employees.** Field observations about housing conditions clean, orderly, with good on garbage disposal has been disaggregated, water drainage conditions are still good, water provided enough
29. **Policlinic.** Observation of medical waste and balance sheet, interviews with doctors and medical personnel (midwives and nurses) regarding the recording and monitoring of leave H1 H2, BPJS employment, and medical examinations of employees.
30. **Landfill number 1 and 2 (block A-48).** Landfill conditions already disaggregated only for inorganic waste only. Landfill number 1 is full and stockpiled on January 8th, 2016 and immediately made landfill number-2 new to adjacent locations, opened on January 8th, 2016. The hole made with a length of 6 m, width and depth of 4 m. Distance landfill housing far enough away about 2 km.

Tangar Estate

31. **Wells resident cottage 1 Tangar Estate:** water quality observation wells in the area of settlement workers. Water wells visually in clear conditions odorless.
32. **Monitoring well (block Q53 Tangar Estate Division 3):** observation wells in the block control wastewater applications. Water quality control wells visually in clear conditions odorless.
33. **Flat bad land applications.** Observation of palm oil effluent in flat bad.

Semilar Mill

34. **FFB grading stations:** Field observations and interviews with officers about grading and loading ramp management received at Semilar. There is a signboard explaining the FFB standard. The clerk sorting could well explain the process of grading. Semilar Mill does not accept FFB from uotsider. Workers use appropriate PPE (helmet, gloves and boots). APAR equipment in good condition and there is an emergency evacuation route.
35. **Sterilizer station:** observation of the preparatory activities FFB sterilization. APAR equipment in good condition and there is an emergency evacuation route.
36. **Thresher Station:** Auditor observed three threshers with a capacity of 40 tons / hour. Based on information and assessment of data it is known at the time of threshing operations functioned two units, one unit as a backup, as well as the verification results of threshing unit structure that only allows two units operating simultaneously.
37. **Engine room:** field observations and interviews with operators engine room. Workers equipped with adequate PPE (ear plug, earmuff, helmets, and boots). APAR equipment in good condition and there is an emergency evacuation route.
38. **Sediment traps:** observation of the mechanism of sediment trapping in the scope of Semilar mill, where the results of a sediment trap pitcher pumped to the wastewater pond.
39. **EFB and shell stations:** observation leachate management empty bunch which flowed into the sediment trap.
40. **Hazardous waste storage:** hazardous waste management observations which the hazardous waste stored according to the type of waste, there are labeling and symbol Hazardous waste, eye washer and trap facilities to prevent spills or spills into the environment hazardous waste.
41. **Chemical storage:** Field observations and interviews with warehouse clerk regarding hazardous storage, hazardous symbol, completeness hazardous MSDS and registration, medical checkup, mixing chemicals facility, eye washer.
42. **WTP Station:** observation and field interviews with WTP officials on the mechanisms of mixing chemicals in process water purification and waste management of used packaging chemicals. There is a facility triple rinse chemicals discarded packaging.
43. **Boiler:** conducting simulation of fire hydrants, where hydrants and fire hoses in good condition.

	<p>44. WWTP: field observation six ponds (multi feeding system). There are no outward leakage following environmental and flow meter to land in good condition. There is planting of tree surrounding WWTP area.</p> <p>45. Methane Trapping: Auditor observed the construction of methane trapping with a capacity of $\pm 10,000$ m3.</p>
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1	<p>Consultation of stakeholders for PT Tapan Nadenggan - Golden Agri Resources Ltd was held by:</p> <ul style="list-style-type: none"> • Public Notification at website mutucertification.com on April 30th, 2016 • Public consultation meeting with local stakeholders (Pantap Village and Biru Maju Village) on May 25th, 2016. • Public consultation with government agency Seruyan District (National Land Agency; Plantation Agency; Environment Agency, Labor Agency) on May 24th, 2016. • Public consultation with Worker Union Unit, Gender Committee and Local Contractor on May 24th, 2016. • Public consultation with NGO (Sawit Watch, Save Our Borneo and AidEnvironment) by email on May 17th, 2016. <p>Numbers of input from stakeholders were clarified by PT Tapan Nadenggan – PT Buana Artha Sejahtera - Golden Agri Resources Ltd.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1.</i>
2.4	Determining Next Assessment
	The ASA-4 will be determined one year after this assessment (Period May 2017)

3.0. ASSESSMENT RESULT
3.1. Summary of Assessment Report of the RSPO Certification

Mutuagung Lestari has conducted an assessment of Semilar Mill – PT Tapian Nadenggan and PT Buana Artha Sejahtera - Golden Agri Resources Ltd operation consisting of one (1) mill and four (4) estates.

During the assessment, there were four (4) opportunity for improvement were identified. Mutuagung Lestari found that Semilar Mill – PT Tapian Nadenggan and PT Buana Artha Sejahtera - Golden Agri Resources Ltd complied with the requirements of RSPO Principle And Criteria For Sustainable Palm Oil Production On April 2013 And Supply Chain Requirement For CPO Mill, November 2014.

Therefore Mutuagung Lestari recommends RSPO Certification of compliance is **continued**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE 1: COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
Minor 1.1.1	<p>The Company provides information regarding issues relevant to RSPO criteria to stakeholders. The company has identified the list of stakeholders in each unit operations. List of stakeholders includes head of the village, district, community / traditional leaders, gender committees, worker union, contractors, other companies and non-government organization. Updates list of stakeholders conducted if there is a change in the personal-related. Provision and update information is the responsibility of SPO Officer. Sei Rindu Estate stakeholder changes for instance in March 2016 there Danramil turnover, thus changing the list stakeholder where personal or phone number that can be reached.</p> <p>The company has the relevant procedures of communication and consultation with stakeholders in document SOP / SMART / GENERAL / SADV / I / 004. The type of information provided to stakeholders are: The number of employees and a list of basic wages of employees, value taxpayer and property tax, payment of taxes / levies, environmental documents; deed of incorporation and amendments thereto, the data area, production and fertilizer application data; evidence of tenure, report of HCV, EIA (Environment Impact Assessment), community empowerment program report, Guiding Committee Of Occupational Safety & Health, document continuous improvement program. This information can be accessed directly to the company to explain the related interests demand this information.</p> <p>The procedure explains the mechanisms of communication with stakeholders include: receipt of information to stakeholders, filling and submission of the form of external communication, consent form external communication, examination form external communication, preparation for the external communication, coordination with the departments concerned, ministry of external communications, document storage external communication. The company also has to disseminate to stakeholders, such as dissemination to stakeholders in unit Sei Rindu Estate such as Pantap village head, Kuayan Kuala sub-district police, neighborhood Association Pantap village, farmers, and staff on March 24th, 2016.</p> <p>Stakeholders have been given related socialization communications procedures, consultation, type of information, and the personal contacts that represent company in terms of communication is through the head unit respectively.</p>	
Major 1.1.2	<p>The company has procedures related to requests for information and responses. This has been regulated in the procedure of Communication and Consultation SOP / SMART / GENERAL / SADV / I / 004. The procedure is set among the stakeholders listed company, the type of information that can be provided as well as mechanisms for communicating with stakeholders.</p> <p>The mechanism of response to requests for information regarding the period of time the company set up in response to requests for information from stakeholders, namely before three weeks. The records are stored in a log book information document that</p>	

contains a set of incoming and outgoing mail. Each incoming mail has been addressed by the company in accordance with the deadline established procedures. As an example of incoming mail from the Department of Health Kotawaringin East received by the company on January 18th, 2016 No. 78 / SD & SSR / I / 2016 on recommendation socialization cancer Indonesia, and has already responded on January 20th, 2016 no.073 / PURE-BAS / I/2016. Regarding comments on socialization, the contents of the letter are invited from offices to socialize.

Based on public consultation to relevant institutions can be seen that the company has submitted mandatory reports on a regular basis for example mandatory reporting labor report, quarterly reports guiding committee of occupational safety and health, environmental management plan-environmental monitoring plan report.

Status: Full compliance

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.

Major 1.2.1

List of types of documents contained in SOP Communication and Consultation. A list of information that can be accessed by stakeholders consisting of 13 types of documents, namely: number of employees, tax number, payment of local taxes / levies, environmental documentation, the deed of establishment and its amendment, the data production, area application data, proof of land ownership, reports HCV, reports of SIA, community empowerment program report, OHSAS report, document of improvement, document RSPO audit reports, documents human rights policy.

Based on SOP Communication and Consultation that the list of documents that can be accessed are available in the estate. Then for the response to requests for information depends on the information that is requested. The information request will be forwarded to the person in charge in accordance with the SOP communication and consultation.

As described in the SOP Communication and consultation points 2.4.4.b stated that: if the requested information is not contained in the list of the information in the document list of information to stakeholders, it is necessary to top management considerations prior to the answer.

Status: Full compliance

1.3

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

Minor 1.3.1

The company has a written policy that contains a commitment to a code of integrity and ethical conduct in all operations and transaction execution. It is stated in the policy Business Ethics adopted by the Vice President of Agronomy PSM 6 on August 1, 2014 which describes the commitment to behave ethically in all transactions and business operations. This policy rests on values of integrity, a positive attitude, commitment, continuous improvement, innovation and loyalty as well as in accordance with the principle of sustainable management of oil palm plantations. In addition the company also will give strict punishment to the employee under the applicable laws on all forms of corruption and fraud in the use of funds and resources This policy has been communicated to workers at each operating unit including a third unit (the contractor). As documentation of socialization in Sei Rindu Estate on April 11th, 2016, Semilar Mill on May 26th, 2016 and dated March 14th, 2016 in Puri Estate.

Based on interviews with workers in the operational units and local contractors, a policy on business ethics was delivered in an easily understandable.

Status: Full compliance

PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

Major 2.1.1

The company has complied with applicable local, national and ratified international laws and regulations i.e.:

- Complied with land tenure and land use rights i.e. Location permit, Plantation business permit, Land Use Title progress, and tax payment.
- Complied with environment regulations i.e. regular report of environmental management and monitoring plan, Environment Impact Analysis, hazardous waste storage permit, land application permit.

- Complied with OHSAS laws such as hyperkes doctor and paramedics.
- Complied with workers welfare such as paying their wage referring the minimum wage as well as providing the insurance for the staff and workers.

The Company also show proof of tax payment for the period 2014-2015 to the surface water dispense Kalimantan tengah by Regulation No.7 of 2010 concerning local tax period January 2014 - December 2015 IDR 12.004.860.

Unit management suggested to communicated with relevant institution concerning the surface water permit which is stated in government regulation no 42 of 2008 (Point 101 ayat 1d and 2b) and No 38 of 2011 (Point 57, ayat 2e) and also local regulation No 7 of 2010. **Observation**

2.1.2 ; 2.1.3 ;

List of regulations available in Head office and units, also at Personnel in charge (Environment, Labour, OHSAS, HCV, Land acquisition). PIC is Sustainability SPO officer make a list of regulations, covers:

- 29 Land acquisition and plantation regulations
- 52 OHSAS regulations
- 13 HCV regulations
- 53 environment regulations.
- 41 Labour regulations.

The document is available at the estate office and open to all levels of management.

Minor 2.1.4

Mechanism to control and evaluate all legal requirements on SOP number SOP/SMART/UMUM/SADV/II/002 issued on July 1st 2014. The SOPs contained PIC, Laws References and form used to evaluate all regulations. Staff of Sustainability department has conducted internal audit for tracking any changes in laws and regulation and implemented it. The latest report of evaluation laws in February 16, 2016.

Changing in law and regulation since ASA2 to ASA3,

- Renewal permit application of wastewater to PT Tapian Nadenggan as follows: Head of Seruyan District No. 188.45 / 325/2015 on permit utilization of waste water from industry palm oil issued on August 7, 2015 and is valid for 5 years for the application area covering 619.47 hectares in PT Buana Artha Sejahtera and an area of 299.91 hectares in PT Binasawit Abadipratama.
- Compliance to regulations governor of Kalimantan Tengah Number 53 of 2015 about minimum wage and sectoral minimum wages districts in 2016 for District of Kotawaringin Timur, where the company applied it for workers amounted IDR 2.277.634.
- Permenakertrans 12 of 2015 regarding Electricity in Work.

Staff of environment agency, National Land Agency, labour agency, Plantation agency of Seruyan District stated unit management able to show implementation all legal requirements.

Status: Full compliance

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.

Unit management able to demonstrated Land Uses Right and Progress of Land Use Title / HGU:

A. Legal documents of PT. Tapian Nadenggan:

1. Location permit:
 - a. Location permits of National Land Agency Kotawaringin Timur District (No 1084.460.42) on October 10th 1995 for 10,000 hectare.
 - b. Several changes of location permit. The latest changes was in 2003:
 - Head of Kotawaringin Timur Degree Number 700.460.42 dated September 30th 2003 for 6,837 hectare.
 - Head of Seruyan Degree Number 500/1010/EK/2003 for 2,463 hektar.
2. Land Use Title on October 5, 2005:

- a. Land Use Title No 29 of PT. MAM (now PT Tapan Nadenggan) for 4,717.39 hectare.
- b. Land Use Title No 12 of PT. MAM for 3,561.84 hectare.

B. Legal documents of PT. Buana Arta Sejahtera:

1. Principle permits:
 - Principle permit issued by Head of Seruyan District dated January 30th 2004 for \pm 7,000 hectare.
 - Principle permit issued by Head of Kotawaringin Timur District dated February 21st 2004 for 7,300 hectare.
2. Location permit issued by of Kalimantan Tengah Governor dated April 8th 2004 for 14,300 hectare.
3. Land Use Title progress:
 - Proposal of Land Use Title on 2005 has been followed up with the cadastral process (committee B) on 2005.
 - The process of Land Use Title cannot be continued due to the regulation changes on 2005.

Most of PT. BAS located within Forest Area referring TGHK Maps (1982). Beside that Based on the Local regulation number 8 of 2003, PT. BAS located in Production area.

 - Following Government Laws UU 60 of 2012 "Tukar Menukar Kawasan Hutan", Unit management submitted proposal of exchange forest.
4. Progress of the Exchange forest area during period of 2014 – 2016 are as follow:
 - The substitution land \pm 8.133 hectare located in Katingan District. Head of Katingan District decree (522.1.1/251/II/Dishut dated March 3rd 2014) for \pm 8,133 hectare. This decree including maps and legal standing has been submitted to Forestry Ministry
 - As for the follow up action, the company was recommended by Head of Seruyan District number 500/687/EKVII/2014 dated July 10th 2014. This recommendation reporting to Kalimantan Tengah Governor after the company has substitution land in Katingan District.
 - March 2016, Governor of Kalimantan tengah endorsed the substitution land \pm 5,396 hectare in Katingan District (as Conversion Forest). Governor Kalimantan Tengah has reported to Forest and Environment Ministry (Note 525.26/262/PTSP, dated **March 28, 2016**)

2.2.2

Unit management has a Mechanism to demarcate and maintenance legal boundaries on SOP/SMART/CERS-EHSD/SADV/1/004. HGU poles maintained every 3 month. There are 56 poles in Puri Estate and 65 poles in Sei Rindu Estate.

During the ASA 3, auditors verified legal boundaries clearly demarcated and visible maintained. There is no planting out of land right use.

Sei Rindu Estate

Block A57 HGU pole No 32, visible maintained.

Block A56 HGU pole No 33, visible maintained.

Block A54 HGU pole No 34, visible maintained.

Block A53 HGU pole No 35, visible maintained.

Puri Estate

Block A41 HGU pole No 28 visible maintained.

Block A41 HGU pole No 29 visible maintained.

Block A43 HGU pole No 30 visible maintained.

Block A44/A45 HGU pole No 31 visible maintained.

Block A46 HGU pole No 32 visible maintained.

2.2.3 & 2.2.4

Previous audit, There was land dispute with Biru Maju Community.

Update progress of land conflict **(2016)**.

Based on field visit in Block A32 – A44 Puri Estate, These lands on under control of PT BAS. The resolution conflict was implemented and been approved by the parties involved. The company able to Re-maintained these areas regarding to Head of Kotawaringin Timur Decree (500/1702/Ek.SDA/X/2015, October 21, 2015).

Head of Kotawaringin Timur stated Land conflict between Biru Maju community and PT BAS was successfully resolved. Three community members (Biru Maju Village) explained that Land conflict since 2010. The company able to maintenance the land right now (2016).

Both of parties agree Plasma / smallholders will be set up as CSR program.

2.2.5

Memorandum of understanding / MoU on April 21, 2016 between Biru Maju community and unit management,

- Unit management resumed access to the estate (Block A32 – A44 Puri Estate) by company for harvesting and plantation maintenance
- No appeal of occupant
- Unit management will set up Plasma / smallholders
- Unit management will set up “Kas Desa”

2.2.6

During the assessment, No indication of the violence on the conflict resolution. In order to, the land dispute with Biru Maju community, the company has conducted persuasive dialogue, persuasive engagement, CSR Program and has established of cooperative unit.

Status: Full compliance

2.3

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

2.3.1

The company develops mechanism of Free Prior Informed Consent / FPIC on SOP/SMART/SENS-CSCR/SADV/002-social handling, and also on SOP/SPO/SMART/LH-04 land dispute handling.

2.3.2

PT Tapan Nadenggan – PT Buana Artha Sejahtera carries out a written compensation process following procedures. The payment of compensation in general is made in cash to every entitled individual or previous landowner.

During the land handover, Negotiation of compensation was involved previous landowner, villages head, community representatives and Head of sub-district.

2.3.3 & 2.3.4

In accordance with community leader of Biru Maju and Pantap village, **There is no land handover for new developing since latest audit.**

As the previous audit, There were documents of the land compensation. for example:

1. Recapitulation of compensation Sei Rindu Estate. Land compensation is 263.47 hectare (27 owners). The land compensation is divided into 11 stages.
2. Recapitulation of compensation Puri and Mandang Estate. Land compensated is 392.89 (44 land owners).

The supporting documents were the payment receipt, ID card, official record of land handover which are signed by both parties and are witnessed by the Head of village and also head of sub-district, declaration letter of the land handover.

Status: Full compliance

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.

Major 3.1.1 and Minor 3.1.2

The Company has set a long-term planning for the years 2016 – 2020. In the planning document is described the target company include production estimates (CPO and PK), operational costs (estate and mill), estimates of CPO and Kernel prices, OER and KER, hectare statement, profitability projection and other financial parameters. To ensure financial viability in long-term, the company has demonstrated to auditor's tax payments paid and local tax (collecting and utilizing surface water). Based on the document, there was no new clearing plan, replanting plan and increasing mill capacity plan for the next 5 year.

Based on the information of management, the long-term work plans are regularly evaluated every year. It is intended to maximize the potential of resources owned by the company in order to reach optimal target.

All planting use best planting material that approved by ministry of agriculture of Indonesia. The data shows that planting material has Dami and Damimas which is produced from certified breeder.

Soil survey report that conducted in 2009 shows that there was no peat land in all over area PT. Tapian Nadenggan and PT. Buana Artha Sejahtera.

Status: Full compliance

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

4.1

Operating procedures are appropriately documented, consistently implemented and monitored.

Major 4.1.1

The company has SOP-IK Technical of Oil Palm Cultivation starting from land clearing up to harvesting drafted by team of MCAR (*Management Committee Agronomy and Research*) in 2012. The SOP 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.

Based on a field visit and interviews with the harvesters in the block C43 and C44 Division 4 PURE and block E57 Division 2 SRDE, the harvesting process has complied with procedures that issued by the company. The harvesters can explain well on harvesting correct procedures. Particularly relevant to the criteria for ripeness. Harvesters and pickers also explained about payments mechanism and obligation to use personal protective equipment (PPE) according to the HIRAC. Besides that, all workers have attended socialization of company policies, list of animal protected by the laws and conservation area.

The Company also has a complete SOP associated with the processing of palm oil 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 Edwin Ng (Chairman MCMD) and entered into force on 1 September 2010. The SOP includes standard operating procedures in POM include: FFB reception station, sterilizer station, threshing station, press station, clarification station; Oil recovery tank substation, nut and kernel station, boiler and engine room, water treatment, final effluent, storage tank washing.

Minor 4.1.2

To ensure consistency of procedures implementation, the company routinely conduct internal audit both agronomic and processing. It's held by the Department of Operational Internal Audit (OIA) every semester. The records of internal audit first semester 2015 (July – August) and second semester (December) has documented. Non-compliance records of internal audit has corrected and verified by top management such as manager, RC and VPA.

Minor 4.1.3

Whole activity in estate or mill documented every day in daily report. For example, harvesting report in estate contains data of harvesting blocks, hectare area, harvesting bunches, delivered bunches, undelivered bunches, amount of loose fruit, amount of harvester, amount of picker, total tonnage and average bunch weight. In daily mill report also documented processing activity of received FFB, unprocessed FFB, total FFB processed, CPO produced, extraction rate (OER and KER) and throughput.

Major 4.1.4

Similar mill using SCCS module D which is Identity Preserved that allow the mill to received FFB from only certified area. Based on FFB received data in Semilar mill, since July 22nd 2015 until audit date in May 24th 2016, there was a FFB supplied from Tangar Estate and Bukit Tiga Estate (PT. Binasawit Abadipratama). Those estates have achieved RSPO certificate number MUTU-RSPO/029 dated August 26th 2013.

SOP reception of FFB for 3rd party in the Semilar mill is equal to the SOP acceptance of the own estate, because Semilar mill only accept 3rd party FFB of the estate in the group. Semilar mill do not have a list of contractors due to not receiving FFB of 3rd party outside of the group.

Based on field interviews in Grading station known FFB sortation mechanism and ramp management has been running well.

Status: Full compliance

4.2

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

Minor 4.2.1 and Minor 4.2.4

The company has implemented practices to optimize production rate in accordance with the established procedures, among others;

1. Sampling of Soil and leaves by SMARTRI regularly to make sure the elements that plants need in order to produce optimally. Results of soil and leaf analysis that tested will be the basis for determining the dose of fertilizer in each estate.
2. Fertilization activities that emphasizes the principles of timely, targeted, precise dosage and proper application. Besides that, there was an EFB application with dosage 40 tones/Ha/2 years for the marginal soil (supplement) and 60 tones/Ha/2 year for non - chemical area (substitution) such as riparian belt. Based on field visit, the company has applied EFB on sandy area block C54 Division 5 SRDE.
3. POME application to enrichment soil fertility. There are 619.47 Ha application areas over MNDE and 299.91 Ha in TNGE. Based on daily report of POME, the company has applied 145,385 m3 POME in 2015 and 49,238 m3 during January to April 2016.
4. Maintenance of ground cover plants to reduce evaporation (keeping the soil moisture). For example, planting legume cover crop and maintenance *Nephrolepis bisserata*. To all sprayers always informed on the morning briefing to not spraying the plant.

Minor 4.2.2

Based on documents and field visit above, it can be concluded the company has enrichment soil fertility by using organic or an-organic fertilizers. The records have well documented.

Minor 4.2.3

The Company routinely conduct a SSU and LSU. SSU conducted every 5 year for trees age 3, 8, 18 and 23. LSU conducted every year. The Parameter being analyzed in SSU were KA, N, P, K, Mg, Ca, Mn, B, Zn, Cu, Cl, Fe and Na. Meanwhile, parameter being analyzed in LSU was pH, C, N, P, K, Mg Total, P Bray 1 and KTK. The testing result might be used by SMARTRI to determine fertilizers recommendation.

Status: Full compliance

4.3

Practices minimize and control erosion and degradation of soils.

Major 4.3.1

The company able to demonstrated map of the land for each estate in PT. TN and PT. BAS in the document "Semi-Detail Soil Survey Map". Main source of information is the field survey conducted on November 11th – 17th 2008. The map presented in the scale of 1: 50,000 and are still technically allow for enlarged to a scale of 1: 25,000 for soil samples were taken from each block. The map contains a map of the land unit containing information: classification of land, texture, depth, drainage, limiting factors, rocks, and compliance information for the development of oil palm plantations. This map using projection Universal Transverse Mercator (UTM).

Minor 4.3.2

According to the soil maps, it is known that in some parts of the estate has slope of 21-40%. On the sloping land the company implements the manufacture of pickets and contour terraces, individual terrace, plant conservation.. A reference document is SOP-IK Books Technical Oil Palm Cultivation Sinar Mas, in particular in Chapter I SOP on Investment Planning New Areal with the details as follows:

- a. Appendix SOP Investment Planning New Areal No. Document LAMP / I / TA-PPA / 02-Classification of slope and Purposes terrace created on March 26, 2012. In the document explained that the slope of 21-40% to at least 3.0 m wide terrace depend on the condition of soil and soil depth. As for the slope of > 40% is not recommended to be planted.
- b. Activity contour terracing and hooves set in the document SOP / SMART / MCAR / I / TA-PPA and Work Instructions IK / SMART / MCAR / I / TA-PPA / 03-Terrace.

According to the field observations both in Semilar Estate, there are efforts related to the management area with a certain slope is terracing contours, preparation of the midrib on the lips of the porch and let *Nephrolepis bisserata* grown steadily in the block. For example there is a terrace contour on block F69 and block F70 has followed the frond stacking in the lip of contour to minimize the potential for erosion.



Figure 1. terrace contour in Block F69 SRDE

Minor 4.3.3

The company has yearly road and bridges maintenance program. During audits, there was no new road or bridges. All road and bridges well prepared. According to estate manager, main road for transported FFB, CPO and PK maintenance every 2 month. Meanwhile, collection road maintenance once a year. All maintenance roads done by manual or mechanical. Based on field visit in main road or collection road was well maintenance and drained. For example, collection road block E54 and E55 Division 1 SRDE.



Figure 2 collection road block E54



Figure 3 collection road block E55

Major 4.3.4 and Minor 4.3.5

According to semi detail soil survey report that conducted by PMNP Division on 2008 and 2009, there is no peat indicated in all company operational area. Hence, no peat management that planned.

Minor 4.3.5

The company has identified sandy and HCV area as marginal area. Hence, the company set enrichment strategy with EFB and POME application.

Status: Full compliance

4.4

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

Minor 4.4.1:

Estate has compiled water use efficiency program in 2016 as follows:

- Identify the source of water used;
- Installation of water-saving sticker;
- Socialization water savings;
- Check the condition of the water installation;
- Examination of the condition of the water sources;
- The setting-hour streaming;
- Rehabilitation surrounding water sources;
- Installation of signboard banned chemical applications around water reservoir

Semilar mill has developed domestic water use efficiency program in 2016, with details following activities:

- Identify the source of water used;
- Installation of water-saving sticker;
- Socialization water savings;
- Examination of the condition of water installations;
- Checking the condition of the water sources
- Set up water schedule; installation and recording control flow meter; installation of automated flow meter; installation of automatic valve in verifier tank; installation of the floating switches; monitoring water levels in reservoirs; Rehabilitation around the reservoir; installation of signboard "No chemical applications" around the reservoir; maximize pumping water from the river to the reservoir.

In addition, the company also has been testing the quality of surface water and clean water as specified in the document management plan and environmental monitoring plan periodically every six months, for PT Tapan Nadenggan and PT Buana Artha Sejahtera.

There are test results as follows:

- PT Tapan Nadenggan: Tajahan river water quality testing upstream and downstream, on 7 September 2015 public domain, there are parameters that exceed the threshold under Regulation 82 of 2011. The conditions at the time of sampling are dry season where water in the river state is drought.
- PT Buana Artha Sejahtera: testing the water quality of the river upstream and downstream Sei Rindu, on 6 September 2015 is known in general there are no parameters that exceed the threshold. The condition at the time of sampling is dry season where river water in a state of low tide.
- PT Buana Artha Sejahtera: ground water quality test results in monitoring wells block Q48 and Q53 on September 5, 2016, with reference to the Decree of Environmental Ministry Number 29 of 2003 is known there are no parameters that exceed the threshold.

Major 4.4.2 :

Based on identification of HCV, there is riparian area that is mapped with scale of 1: 50.000. Based on field observation to riparian area of Tajahan and Rungau known, riparian has been managed as follows:

- Red marking on palm oil tree for \pm 50 meter from the left and right of the riparian.
- Manual weeding
- Enrichment with perennials and vertiver grass in the riparian area.
- Installation of signboard "No chemical application" and a ban on fish poison.

There are reports of HCVA riparian management to be recorded, as example :

- SRDE: maintenance of riparian boundary markers HCV areas the period January-March 2016 in block P1-P26, foreman activity report dated May 15, 2016 for circle weeding manual activity in riparian area of division 3.
- PURE: report of monitoring HCV attribute, dated 7 March 2016 in block P1-P16, foreman activity report dated 2 May 2016 Division 1 block A30 for circle weeding manual on the riparian area.

The company has a mechanism on IK / SMART / BCOS-EHS6 / SADV / 004/001 about spray bunderies demarcation.

Based on field observations at riparian of Tajahan river known to have carried out the management of riparian boundary spray ban by marking in palm oil tree with red paint as far as 50 m from the river, ban hunting and poison in the riparian.

Based on the field observation known as follows:

- Wells in Pondok 1 Tangar Estate: water wells visually in clear conditions and odorless.
- Well control block Q53 Tangar Estate Division 3: observation wells in the block control wastewater applications. Water quality control wells visually in clear conditions odorless.

Minor 4.4.3:

Based on the field observation at Semilar mill known that there are six pools (multi feeding system) of WWTP with no spillage or overflow out of the pools.

The company also has regularly test the quality of effluent, which is conducted by an accredited laboratory external. There are test results of effluent to March 2016 as follows:

Parameter	Result	Unit
BOD5	2.868	Mg/l
COD	10.180	Mg/l
Ph	7,001	-
Oil & fat	10,2	Mg/l
Pb	<0,002	Mg/l
Cu	0,465	Mg/l
Cadmium	<0.001	Mg/l
Zn	0,856	Mg/l

The test based on Decree of Minister of the environment Number 29 of 2003. Based on the results of routine testing is known

that the quality of the effluent remains below a defined threshold, where the value of BOD5 of 2,868 mg / l, while the threshold for application to land is 5,000 mg/l.

PT Tapan Nadenggan (Semilar Mill) has land application permit issued by Head of Kotawaringin Timur (No. 188.45 / 325/2015) on August 7, 2015 and valid for 5 years. Land application area covering 619.47 hectares in PT Buana Artha Sejahtera and an area of 299.91 hectares in PT Binasawit Abadipratama.

The company consistently record the delivery of effluent to Mandang and Tangar Estate. There are recapitulation effluent delivery period of January-April 2016 for the following:

Month	Mandang Estate (m3)	Tangar Estate (m3)
January 2016	15.295	18.053
February 2016	10.520	11.550
March 2016	10.813	10.400
April 2016	12.610	6,434

Minor 4.4.4:

Mechanism of water monitoring explained in water management process and boiler station Procedure and also in Work Instruction for Clarifier Tank (IK-42). The Company regulatory have recapitulated the use and distribution of water, as it provided an example for the April 2016 as follows:

- FFB process : 19,602 tons.
- The water process used: 17,830.82 m3.
- Ratio of water Process used per ton actual FFB: 0.91 m3 to 0.83 m3 of budget.

The water used more than budget due to decline of FFB production. During the visits to the WTP station is known that the flow meter water that feeds water to the boiler can operate properly.

Status: Full compliance

4.5

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

Major 4.5.1

The Company has established an IPM program contained planned regarding to procedure and local policy. Based on the pest monitoring data, the major attack come from caterpillar and rat. Several program that set annually as follows:

- Early warning detection of caterpillar attack. Conducted every month. Based on the recapitulation data of Oil Palm Leaf Eaters Caterpillar pests on 2015 (January to December), there are no caterpillar attack in PURE and SRDE above an economical threshold.
- Quarter rat census. Identification by observation in FFB. Based on census data, there is no rat attack that exceed economic threshold.
- Barn owl box monitoring. Conducted every month to monitored occupancy and activity of owls. Based on monitoring documents, there are 119 unit BOB in PURE, 110 units in SRDE, 156 units in MNAE and 138 units in SMLE.
- Maintenance of beneficial plant. Conducted every month by weeding, replacing a dead plants and repaired a *Antigonon sp*

Pest and disease control has monitored every month which is responsibility of staff. The staff assisted by pest and disease supervisor and it census officer in every estate. Monitoring has documented every months. Based on recapitulation data of pest and disease attack, there was no outbreak at least a year before. All pest and disease were under controlled. The monitoring document has reported direct to estate manager as a part of evaluation for integrated pest management.

Minor 4.5.2

Through the document, known that IPM training has conducted regularly. Several training as follow:

- Comprehensive IPM training: conducted on October 3rd 2015 in Semilar Estate. It's attended by 15 staff and 56 IPM officer from each estate.
- Training of monitoring and controlling *Ganoderma boninense*: conducted March 26th 2016 in meeting room PURE and attended by 17 IPM officer.

Based on interview with IPM officer, they can demonstrate IPM procedures, identification and pest control mechanism. For example, caterpillar census, rat census and *Ganoderma sp* census. They also can describe pest and disease control very well.

Regarding to document reviewed, field visit and interview with field assistant, it can be concluded the company has implemented IPM by using biological agent. IPM activity also well documented.

Status: Full compliance

4.6

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

Major 4.6.1

Based on the observation of the document, the company uses five types of herbicides that used in operational activity in PURE and SRDE. All pesticides used has been registered and the circular license is still valid as it appears in the book of Agriculture and Forestry pesticide issued by the Directorate General of Fertilizer & pesticide Ministry of Agriculture of the Republic of Indonesia in 2016.

The company has guidance in pesticides application which documented in SOP weeds management named general instruction in safety working with pesticides/PUKBP (Doc. No. LAMP/VIII/TA-PGM/03-PUKBP). In those documents, there are several guidance about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case. Besides that, also described guidance of using paraquat dichloride.

From the pesticides usage data above, all pesticides that using by company is for weeding (herbicides). Justification of pesticides usage depends on weeding identification in field and PUKBP review. The type of weed is broad leaf, narrow leaf and wooden. Hence, herbicides that using was that herbicides as listed.

Major 4.6.2

The Company has documented records of pesticide toxicity (LD50) 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.

Major 4.6.3

Based on document review and field observation, several IPM program with biological approach that has been implemented is:

- Rat control by using owl (*Tyto alba*) as natural predator. There are 119 unit BOB in PURE, 110 units in SRDE, 156 units in MNAE and 138 units in SMLE.
- Planting and upkeep beneficial plant such as *Turnera subulata*, *Casia tora*, *Antigonon leptosus* and *Euphorbia heterophylla*.

All IPM program above implemented in order to reducing pesticide usage. Based on pest and disease monitoring document, pest attack level still under control. In fact, pesticides usage is only for weeding. To ensure reducing herbicides in weeding, the company has now using Micron Herb System which is a very low level water nozzle. Its mean very low water and herbicide usage.

Minor 4.6.4

On the August 13th 2015, President Director of Smart Tbk released memorandum No. 032/PD/VIII/2016 about the use of paraquat. In the memorandum reaffirmed that company no longer using paraquat since 2016. According to interview with spraying team PURE and SRDE, there is no paraquat application for weeding since early 2016.

Regarding to Pesticides that are categorized as World Health Organization Class 1A or 1B, the company has shown Social and Environment Policy that stated minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances. For example, Coumatetraly only applied in case of rat attack outbreak.

Major 4.6.5, Major 4.6.6 and Minor 4.6.7

The company has set several procedures related to handle, usage and application of pesticides. The procedures as follows:

- Pesticides handling procedures (SOP/SMART/LEMS-EHSD/SADV/I/002) that contain procedures of collecting,

documenting, storage, returned to vendor and rinse water usage.

- Work instruction (IK/SPO/SMART/LH-08/01) contain procedure for manage former herbicides jerry.

To reduce risk of pesticides application, the company has conducted some working procedures for pesticides applicator. For example, all pesticides applicator shall using PPE, no eat and drink during work, should not work opposite with wind flow and should not lift nozzle higher than 40 cm from ground. Regularly, all pesticides applicator also attending medical check up to ensure their fitness. All working procedures/instruction has socialized in MSDS socialization. Installation sign board in area which has been applied pesticides. Installation sign board in area that prohibition to application pesticides in riparian zone. The signs such as red cross in trees in riparian zone to reducing water pollution.

Based on field visit di central warehouse and rinse wash house in PURE and SRDE, there have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors. In addition, based on interviews with employees of spraying and fertilizing, they have already known about the ways of handling the herbicides and the function of personal protective equipment (PPE) that they use. Routinely, before starting to work also informed about the safe working procedures and obligations to using PPE by the supervisor and staff.

In PPE usage procedures, field staff monitored PPE usage and condition monthly. Further, the field staff and committee of OHS secretary also managing PPE stock at least 10% from all needs of each PPE. Based on document review, PPE usage still not specific set according to the MSDS.

OFl: the company has a chance to evaluated PPE compliances with MSDS of all agrochemical.

In pesticides application, applicator has known the work procedure of pesticides application. In addition, there is several rules to ensure safety application such as:

- Socialization of material safety data sheet to all pesticides applicator every morning before starting to work.
- Ex-agrochemical container management. According to interview with supervisor and spraying team, the jerry cannot reuse.
- Ex-agrochemical container washed and rinsed in the washing tank which is available in warehouse storage, and then returned to producer (PT. Rolimex Kimia Nusamas). Minutes of meeting on April 8th, 2016 shows that returned of 1,483 pieces Ex-agrochemical container.

Major 4.6.8

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

Minor 4.6.9

In addition, every day before start to work, supervisor and assistant manager performed briefing about how to spraying well and safely, including checked working tools and PPE to ensure the workers safe a protecting by the pesticides contaminated.

Generally, the company always reduces risk of pesticides usage to ensure the lowest risk for human and environment. Based on the efforts that shown, it can be concluding the company has minimized the risk of pesticides usage.

Minor 4.6.10

In addition to circulars which have been shown on waste management and a ban on burning and dissemination of emergency response, the company also has a Work Instruction handling packaging ex chemicals internal (IK-146, dated May 26, 2016) describing the handling by means of rinsing, washing water entered into mix tank and discarded packaging saved to hazardous waste storage, subsequently submitted to the packing material supplier of chemicals.

There are also documents the socialization of waste management on 26 April 2016 in the Pondok 1 on the management of waste, plantation waste, industrial waste and other support units, licensed hazardous storage, agrochemical packing material waste and chemicals, which was attended by residents of Pondok 1. To PURE conducted in Pondok 2 Division 4 dated February 10, 2016.

There are examples of documentation report of socialization ex packing material handling chemicals dated May 25, 2016 at Semilar mill attended by five workers consisting of managerial and operational workers.

Based on the WTP station known to be available packing material flushing facility chemicals at WTP station of Semilar mill and also in every central estate. In addition, field visits to hazardous waste storage at PURE, SRDE and Semilar mill known that discarded packaging waste chemicals including waste managed in the storage.

Field observations and interviews with WTP operator known the mechanisms of mixing chemicals in process water purification and waste management of used packaging chemicals. There is a facility triple rinse ex-chemicals container.

Major 4.6.11

The Company has conducted an annual medical specific to pesticide operator. Unit operations PURE and SRDE have an updated list of pesticide operator. The company currently has a pesticide operator who all men, there were 16 pesticide operator Puri Estate and 45 pesticide operator Sei Rindu Estate. The Company has conducted special medical examinations to the operator that the examination Cholinesterase pesticide that has been conducted in December 2015. The medical examination was carried out on 1-2 December 2015 in Puri estate for all workers spray with 26 workers with the results of six (6) employees indicated exposure to chemicals. This has been followed up by issuing a decree mutation to non-pesticide treatments work began on January 1st, 2016. Examination of cholinesterase unit Rindu Sei estate pesticide operator as many as 45 workers to a medical examination normal / healthy.

Major 4.6.12

The Company has a policy whereby all work related to pesticides should not be performed by women who are pregnant or breastfeeding. It is informed in the policies of the VPA PSM-6 on 3rd March 2010. This memorandum informs that in order to standardize the implementation of the RSPO in the PSM-6 then the worker pregnant and lactating women are not allowed to work as operator of pesticides.

Based on field visits and interviews with workers can be explained:

- All workers in Puri Estate and Sei Rindu Estate who works as a pesticide operator medically examined periodically and in particular
- There were no female workers in Puri Estate and Sei Rindu Estate who works as an operator of pesticides.
- There are no workers who are pregnant or breastfeeding at Puri Estate and Sei Rindu Estate who works as an operator of pesticides.

	Status: Full compliance	
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4.7

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

Major 4.7.1

The Company has established policies related to safety and health in the workplace. Policies have been written in a language appropriate and authorized by the chief executive on November 1st 2013. These policies include the prevention of worker health and safety risks in the workplace. Related to this policy, the company has conducted socialization in operational units such as documentation held in the unit Sei Rindu Estate on March 21th, 2016. Unit mill socialize through safety briefing before conducting operations per hour of work. Documentation of socialization has been stored properly. To be well programmed, the management unit has also established a work plan and realization Occupationally Health Safety program. The OHS work program is a plan to improve it are monitored its effectiveness through OHS Guiding Committee meeting every month.

Major 4.7.2

The Company has conducted a risk assessment of the entire operation in the field. The risk assessment has been covering for all the operational processes that exist in the mill. The unit has been documented in a document and follow-up Risk Analysis. For example:

- Sei Rindu Estate: Document Risk Analysis made the period July 2015 to June 2016. The document was made by the OHS Guiding Committee Secretary. Identification is done by considering the work routine and non-routine. For example maintenance activities such as pesticide mixing activities; type of routine activities; a source of danger exposed to pesticides; the potential impact such as skin and eye irritation, respiratory problems, or poisoned by pesticides; No form of control that note back MCAR. Attachment general indication of the safety in work with pesticides (PUKBP) (LAMP / VIII

/ TA-PGM / 03-PUKBP). D possible levels, severity 2, the risk level D2.

Document Risk Analysis been informed to the workers on July 12th to 16th, 2015.

- Puri Estate: Document Risk Analysis made the period July 2015 to June 2016. The document was made by the OHS Guiding Committee Secretary. Identification is done by considering the work routine and non-routine. Harvest activities in the form of activities such as pieces of fruit; type of routine activities; a source of danger; exposed working tool, the potential impact of such injuries; No form of control that note back MCAR and IK harvest (IK / SMART / MCAR / XIII / TA-PNN / 01) The probability D, severity 2, the risk level D2.

Follow-up of risk analysis; inform the type of activity, source / incident, impacts early risk level (D2), further risk control plan (elimination, substitution, engineering, administrative, PPE), subsequent risk analysis (level of probability, severity, and level of risk).

- Semilar Mill: Hazard Source Identification Documents, Assessment and Risk Control were created on March 22nd, 2016 for the period March 2016- March 2017. The document prepared by the OHS Guiding Committee Secretary. Identification is done by considering the work routine and non-routine. For example Sterilizer activities on boiling the FFB; a source of danger: Affected bursts of steam; potential effects: skin blister; No control: note the sterilizer work instructions, risk analysis: E2

Follow-up of risk analysis; inform the type of activity, source / incident, impacts early risk level (D2), further risk control plan (elimination, substitution, engineering, administrative, PPE), subsequent risk analysis (level of probability, severity, and level of risk). Sterilizer, exposed steam bursts, blisters, E2, the subsequent risk control plan is a routine replacement of packing sterilizer (engineering), a warning alert (administrative) and leather gloves (PPE).

Based on the field at the process plant and garden unit Puri Estate and Sei Rindu Estate, has shown a warning sign of danger, the suggestion of the use of PPE and safe work practices as implementation of hazard prevention in work activities.

Major 4.7.3

The Company through operational management unit has demonstrated efforts in providing safe work practices training for workers. Based on interviews with HSE staff, each unit has a training program that has been identified in accordance with the position and the type of work each employee. It has also been realized in accordance with the program that has been created. Training or socialization secure employment for workers has been documented.

For example:

- Socialization state emergency response explaining the flowchart handling of fire, earthquake, pesticide poisoning, hazardous material spills and accidents. This training was conducted on January 8th, 2016 given the material by the assistant to the employees of all divisions Sei Rindu Estate.
- First Aid Emergency Training performed by the company doctor on May 19th, 2016 for First Aid officers Sei Rindu Estate, Puri Estate, Semilar Estate, and Mandang Estate.

The workers were equipped with Personal Protective Equipment (PPE) is adequate according to the workplace. Operational units show proof of acceptance of PPE include:

- Division III Puri Estate dated May 16th, 2016 in the form of boots to four harvest workers.
- Sei Rindu Estate dated May 21st, 2016 in the form of a helmet, eye protection and boots to nine workers harvest and gloves to eight workers brondolan quotation.

Besides the operational unit also monitors the use of appropriate PPE and PPE conditions. This is shown by the document form of discipline inspection and monitoring PPE condition.

Major 4.7.4

Responsibility for moving the occupational safety and health program of each operational unit has been formed through OHS committee team which was approved by the department of manpower and transmigration, namely:

- Semilar Mill: Labor agency Decree No. 560/525 / KEP / DISNAKERTRANSPAR / IV / 2015 dated April 30th, 2015.
- Puri Estate: KEP.560.566 / 279 / WAS-KK / IX / TD / 2015
- Sei Rindu Estate: No.KEP.560.566 / / WAS-KK.P2K3 / IV / 2016. Date 5th April 2016.

The regular meetings between management units and employees to discuss the Occupational Safety and Health conducted every month through Occupational Safety and Health Committee meeting. This is done routinely by each operational unit that discussed the agenda related to the safety, health and welfare of workers.

Occupational Safety and Health Committee meeting discussed the theme of health and safety, such as:

- Sei Rindu Estate: Minutes of Meeting on 2nd April 2016 at 16.00 in a large office conference room to discuss the evaluation of the work program in 2016, which drove an orderly evaluation of the drive required to use PPE to avoid an accident, was attended by 18 officials and members Occupational Safety and Health Committee.
- Semilar Mill: Minutes of Meeting on 22nd April 2016 at 16.00 in the conference room to discuss the internal preparation SMLM audit RSPO and ISPO, SCCS, PPE use PPE for all discipline, sanctions for workers not using PPE, PPE usage monitoring evaluation every month. Attended by 11 officials and members of Occupational Safety and Health Committee.
- Puri Estate: Meeting with emergency response teams for implementation of emergency earthquake response simulation, simulation riots, as well as housing and land fire on March 29th, 2016, followed by all emergency response teams PURI estate, Mandang and Semilar Estate.

Minor 4.7.5.

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- Puri Estate: Meeting with emergency response teams for implementation of emergency earthquake response simulation, simulation riots, as well as housing and land fire on March 29, 2016, followed by all emergency response teams PURI estate, Mandang and Semilar Estate.

Minor 4.7.6.

Currently the workers already get the right medical care covered under accident insurance. All workers have registered accident insurance. The management unit show proof of payment and dues BPJS employment insurance, for example :

- Puri Estate:
Records of Employment BPJS payments in April 2016 were paid on May 12, 2016 to 325 full time workers.
Records of Employment BPJS payments in April 2016 were paid on 5th April 2016 to 104 daily workers contract.
- Sei Rindu Estate:
Records of Employment BPJS payments in April 2016 were paid on May 3, 2016 to 441 full and part time workers
Records of Employment BPJS payments in April 2016 were paid on 8th April 2016 to 117 daily workers contract.
- Semilar Mill:
Records of Employment BPJS payments in April 2016 were paid on May 10, 2016 to 158 full and part time workers. In the event of an accident on the employee, the employee will receive medical care from the company and be able to get compensation under employment accident insurance policy (BPJS Employment).

Minor 4.7.7

The company shows the calculation of accidents that have been recorded using metric LTA (Lost Time Accident). For example :

- Sei Rindu Estate: Frequency Rate in April 2016 was 4.88 and Severity Rate in April 2016 was 30.89.
- Puri Estate : Frequency Rate in April 2016 was 0.0 and Severity Rate in April 2016 was 1.14
- Semilar Mill: Frequency Rate in April 2016 was 1,542 and Severity Rate in April 2016 is 0.000.

The results of field visits:

- Grading operators using appropriate PPE (helmet, gloves and boots). APAR equipment in good condition and there is an emergency evacuation route.
- Display warning of the occupational safety and healthy installed in the location that is easily seen and read by workers.
- Chemicals warehouse clerk has to get regular health checks, the implementation of this as one of the occupational safety and health program has been implemented.
- Symbol MSDS has been set up in accordance with the products in the chemicals storage.
- Label and symbol hazardous material is well seated in the temporary storage of hazardous waste.
- Hydrant and a fire hose station boilers in well-preserved condition.

Status: Full compliance

4.8

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

Major 4.8.1

The Company maintains a list of staff, employees and contract workers through KTU. The training program covers aspects RSPO principles and criteria made by the company to increase the competence of workers. Prior to determining the program, the company identifies training needs plantation and mill that includes aspects of RSPO principles and criteria such as Industrial hygiene, ergonomic and health training, licensed welder, operator licenses pressure vessel and air vapors, aircraft operators lift transport, general safety health experience, training high toxic pesticides, first aid emergency, fertilization, integrated pest management and more.

Minor 4.8.2

Training records are available to all workers, for example :

- Wheel loader operator Semilar Mill process has been getting heavy equipment operator training organized by the Manpower District Seruyan and safety health providers at Semarang on 20th until 25th September 2012 in Rungau River Training Centre.
- Pesticide applicator Puri Estate has been trained in the use of high toxic pesticides on May 26th, 2012.
- SPO Officer Sei Rindu Estate have received training include building self-confidence, permit training, working positive actions, HCV training and socialization ISCC, effective briefing and Environmental Management Plan.
- Unit shown personal files for records of employee training, the document informing the name, job title, Employee Identification Number, title, training and completion of training.

Status: Full compliance

PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY

5.1

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

Major 5.1.1

The company has EIA document for the development of plantations and palm oil mills PT Mitratama Abadimakmur authorized by the Governor Kalimantan Tengah number 4 of 2006 dated January 18, 2006 to 9,300 ha extensive estate and mill capacity of 90 ton FFB / hour (for PT Tapian Nadenggan), And the EIA document for the development of plantations and palm oil mills PT Artha Buana Sejahtera for plantation development and Semilar mill for an area of 14,300 hectares and a plant capacity of 90 ton FFB / hour. In Chapter IV regarding the plan of business or activity, there is a sub-section 4.3.3 which discusses alternative other locations plantation development and palm oil mills.

The document has been approved by the Governor Kalimantan Tengah number 6 of 2006 dated January 23, 2006. In the EIA document preparation methodology described in Chapter III methodology regarding methods of data collection and analysis, including social economic, cultural, public health component.

Minor 5.1.2

The company has a document RKL-RPL for PT Tapian Nadenggan and PT Buana Artha Sejahtera. Available document reports on the implementation of the RKL / RPL for PT Tapian Nadenggan period of the second half of 2015

(July-December 2015) and submitted to the environment agency of Kalimantan Tengah Province, on March 4, 2016 through letter No. 009 / TN / EHSD-SMLE / 03/2016 and to environment agency of Kotawaringin Timur dated March 22, 2016 by mail 011 / TN / EHSD-SMLE / 03/2016. And PT Buana Artha Sejahtera to environment agency of Kalimantan Tengah Province on 4 March 2016 by letter number 005 / BAS / EHSD-SMLE / 03/2016 and environment agency of Kotawaringin Timur dated March 22, 2016 through a letter number 007 / BAS / EHSD-SMLE / 03/2016.

RKL and RPL implementation report was prepared by the staff of the EHS Department Region 3 Kalimantan Tengah.

Minor 5.1.3

The company has a document SOP / SMART / LEMS-EHSD / SADV / I / 003 on Environmental Monitoring SOP issued on July 2, 2014. The SOP describes the environmental monitoring mechanism that must be done in the scope of company operations.

Based on interviews with staff of environment known that SOP Monitoring environment becomes a reference in the implementation of environmental management and monitoring.

On implementation of environmental management and monitoring has been carried out in accordance with the period of implementation of the RKL / RPL per semester, which is also carried out an evaluation of the results of tests routinely performed.

The Company showed a document database EIA document (form V.1.1) made by EHS Assistant Kalimantan tengah 3, where in for PT Tapan Nadenggan Kalimantan tengah Region 3 (Ex PT Mitratama Abadimakmur), there are changes in the environmental permit for the addition of methane capture unit and change of ownership of the company with a number Head of Seruyan Decree No. 188.45 / 324/2015. The change of ownership is mentioned in points 2nd decided reads: plan the scope of activities in the environmental permit covers activities listed in the document and RKL and RPL or other decisions related to the development of methane capture plant, replace ownership of oil palm plantations and supporting facilities more by PT Tapan Nadenggan.

Status: Full compliance

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.

Major 5.2.1

Based on HCV assessment document is known that there are protected riparian and animals. There are three species of birds protected by Government Regulation No.7 of 1999 (*Halycon smyrensis*, *Anthreptes sp*, *Arachnotera longirostrata*) and according to CITES (*Varanus salvator*, *Naja sumatrana*) and there is no protected flora.

The HCV assessment dated October 12, 2012 was led by person who has gained approval as assessor HCV by RSPO, and the document had previously been conducted peer review in May 2012. Public consultation during HCV assessment showed in the form of presentation reports on the implementation of the identification of HCV dated October 19 2012 at Sungai Rungau Training Center for PT Tapan Nadenggan and PT Buana Artha Sejahtera.

The HCV document accompanied by photos of fauna and flora that exist in the scope of the assessment of PT Tapan Nadenggan and PT Buana Artha Sejahtera. The area scope of HCV study for PT Tapan Nadenggan is in accordance with the land use right and for PT Buana Artha Sejahtera is in accordance with the cadastral area owned. The assessment was conducted using HCV toolkit 2008 and also equipped with HCV maps with a scale of 1:50.000.

Minor 5.2.2

The Company each semester has drawn up a work program of HCV in 2016, as an example for SRDE as follows:

- Riparian (HCV 1.1, 1.3, and 4.1) with program crop planting barriers to erosion/rehabilitation program riparian of Tajahan river, months of January to April and from August to October 2016, the plan maintenance barriers to erosion months in March, June, December 2016, manual treatment plants on the riparian from March to May and September to November 2016, etc.

There are examples of management and monitoring of the implementation report HCV areas for semester 1 and 2 in 2015,

which includes the following information : management of biological diversity, environment services, social and cultural as well as monitoring and evaluation of HCV areas that are in the estates, such as the realization of the installation of HCV boundary markers in riparian Ruko 8 units, riparian Tajahan river 22 units, boards of warning of protected wildlife in Semilar Estate 12 units, in Sei Rindu Estate 5 units, posters animals are protected is Sei Rindu Estate 7 units along with report of presence of the protected species during 2015.

The monitoring results of HCV areas have been included in the report of 2015. There are examples of HCV Sei Rindu patrol report 2016 in 1, 8, 15, 23, 29 April 2016 in Tajahan riparian by security with the result that no poaching, encroachment, land fires.

Minor 5.2.3

Rare and threatened species (RTE) awareness was given in the form of a warning board in the area of the river banks and in the area of housing. Field observations in the Tajahan river block D66 Division 3 SRDE known riparian management has been running well. There is a warning board of limit area of chemical application, protected animals, as well as the red marking on the palm oil tree as far of 50 m on the left and right of the riparian. The condition of riparian vegetation has been grown by elephant grass (vertiver grass) and other perennials.

Program to educate workers stated in the work program in 2016 in the form of socialization to employees and contractors every three months, which is planned in January, April, July, October 2016 and to the village community planned in September 2016. There are reports of HCV patrol schedule for SRDE and PURE 2016 in May 2016, which is conducted by security. Based on interview with sprayer workers and harvester in SRDE and PURE known of protected animal and riparian bank policy.

Minor 5.2.4

The company has established a work plan for the management of HCV for the first half of 2016. Status HCV areas monitoring results contained in the report of the management and monitoring of high conservation value areas for semester 1 and 2 2015 (see indicator 5.2.2).

In the report on the implementation HCV areas conclusions and suggestions are known to be used as consideration in the preparation of the next year's work plan.

Minor 5.2.5

There are no community with its arable land is used as a conservation area, so no need for an agreement that has been negotiated to protect large areas of HCV and the rights of local communities.

Status: Full compliance

5.3

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

Major 5.3.1

The company has showed environmental aspect of document in the period 2016 for PURE and SRDE, which also informs about the activities that have an impact on the environment, the environmental aspects, potential impacts, related fields, document control and control management.

Major 5.3.2

The company has licensed hazardous waste material storage as follows :

- Based on license no.296 in 2012 to permit temporary storage of hazardous wastes and toxic PT Tapian Nadenggan that for the storage in Semilar mill and Semilar Estate that medical waste includes waste that is allowed to be stored in the storage. Permit valid for 5 years.
- Decree of the Head of Environmental Department of Seruyan No.660/34/BLH-PP/IX/2012 on permit temporary storage of hazardous waste and toxic PT Tapian Nadenggan Sei Rindu unit dated September 21 2012 and is valid for 5 years.
- The decision of the Head of Environment Department of Seruyan No.660/35/BLH-PP/IX/2012 on Permit temporary storage of hazardous waste and toxic PT Buana Artha Sejahtera unit dated September 21 2012 and is valid for 5 years.

As for the ex-agrochemical containers are managed by triple rinse in special washing facilities, to be stored in the temporary hazardous storage in each unit of the estate and Semilar mill. The ex-agrochemical containers would be transferred to a 3rd

party licensed or be returned to the supplier. Based on field observation to the chemical warehouse in Semilar mill and in SRDE and PURE, known to have a triple rinse facility.

As for the recording of the management of chemical packing as follows :

- Submission of a ex-agrochemical containers to suppliers on March 26, 2016: ex Roll up 303 pieces, ex Rolixone 114 pieces, ex Erkafuron 1,538 pieces.
- The delivery of waste to a licensed 3rd party (PT Maju Asri Jaya Utama) dated January 22, 2016 to 1,000 l of used oil, filters former 129 pieces, ex majun 20 kg.
- Report management hazardous waste of PT Tapian Nadenggan and PT Buana Artha Sejahtera period January-March 2016 to Environment Department of Seruyan on April 29, 2016.
- Flow delivery of ex-agrochemical containers in example : all hazardous waste material kept in licensed storage is sent to Semilar mill licensed hazardous waste storage for conveying it to a 3rd party licensed or supplier.
- Monitoring of medical waste in licensed hazardous storage of Semilar mill from January-April 2016 with a description of the filing date period of January 9 2016 to April 30 2016 and released on May 21 2016 to Public Health Centre of Asam Baru.

Minor 5.3.3

Waste management plans for estate and Semilar mill contained in document environmental aspects list, compiled by environment PIC. Document outlines the environmental aspects: the aspect code, condition, environmental aspects, potential impacts, related fields, and handling management.

Based on interviews with employees at SRDE and PURE, and field observation to the landfill at PURE and SRDE, the management of domestic waste inorganic transported every single week and dumped into a landfill end which is remote from the housing (± 2 km), while the domestic waste organic provided dumps behind the housing, which further can be used as a compost.

Solid waste such as shell, fiber is used for boiler fuel, while empty bunch and ash is used as organic fertilizer.

Effluent as an organic fertilizer after going through processing in the pond wastewater treatment plant to meet the requirement of the quality standards according to regulation. POME allowed into a flatbed contained in Mandang Estate and Tangar Estate.

Then based on the letter of environmental staff of PT Smart Tbk No.029/EL-TA/EHSD dated May 2 2016 in which to inform regarding the request for the shelf life of medical waste for 6 company, which included PT Tapian Nadenggan and PT Buana Artha Sejahtera to be given dispensation shelf life of medical waste until the end of December 2016. The letter was stamped and posts of head of planning aw and the EIA of Environmental Department of Seruyan District, that: considering the absence of a licensed incinerator in Seruyan District, this could be done.

The Company that follow the management of infectious waste management cooperation with 3rd party licensed. The extension of the shelf life of infectious waste is only valid until December 2016. **(Observation).**

Minor 5.3.3 **Status: Full compliance**

5.4

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

Minor 5.4.1

The company routinely had engaged the use of shell and fiber as an alternative fuel, to reduce the use of fossil fuels. Estate and Semilar mill has prepared a document listing the environmental aspects of the period January-December 2016 contains information on sources of fossil fuel users along with its management efforts in the operational area estate and mill along its management actions.

Company show the use of shells and fiber period January-April 2016 as follows :

Description	Percentage material/FFB	January (ton)	February(ton)	March (ton)	April (ton)
FFB processed		33.588.480	26.897.160	22.913.550	19.601.870
Fiber	12.5%	4.198.560	3.362.145	2.864.194	2.450.234

Shell	5,75%	1.931.338	1.546.587	1.317.529	1.127.108
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The company indicates the management plan of each machine that is operated in the document for the environmental aspects of the scope of the estate and Semilar mill.

Based on the field visit known Semilar mill is in the middle construction of methane capture facility with a capacity of 10,000 m³ as an alternative effort to reduce emissions and pollution. Against this, the company showed decree from Head of Seruyan District No.188.45/324/2015 concerning the environmental permit oil palm plantations and other ancillary facilities on change management and environmental monitoring by PT Tapian Nadenggan Semilar dated August 7 2015 in which the dictum 8th mentioned that the environmental permit is the same with the validity period of the business license.

Status: Full compliance

5.5

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

The company has a zero burning policy. The policy documented in Land Clearing Procedure (SOP/SMART/MCAR/IV/TA-PLB) approved June, 12th 2012.

The company does not conduct burning in land clearing. Based on field visit and interview with village representative, the method of land clearing was mechanical by using heavy equipment such as bulldozer and excavator.

The company has not a partnership agreement letter with smallholder. Therefore, the company has installed land fire prohibition in boundaries.

Status: Full compliance

5.6

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

The company has not conducted a new clearing/replanting. Therefore, the company has a commitment to not using fire in agriculture activity.

Major 5.6.1

Estate and Semilar mill has prepared a document listing the environmental aspects of the period January-December 2016 which contains information about the list of source of pollution and emissions in the operational area of the gardens and factories along its management actions.

The company has regularly per semester testing the source of pollution by an accredited testing institute. There are examples of the results of emission testing stationary sources as follows:

- Boiler 1, 2, 3 Semilar mill dated September 7, 2015, based on regulatory environment ministry No.7 of 2007, with the results that there are no parameters that exceed the threshold.
- Generator DG03 Semilar mill dated September 7, 2015 based on Decree of Environment ministry no.21 of 2008 annex IV A there are no parameters that exceed the threshold.
- Test the ambient air in Semilar mill employee housing with same period of testing and there are no parameters that exceed the threshold. Test of generator no 2, 3, 4 in the emplacement of SRDE by Decree no. 21 of 2008 of Environment ministry that there are no parameters that exceeds the threshold.

Major 5.6.2

During the visits in the area and in WWTP of Semilar mill is known to have planted perennials in an effort to reduce pollution and emissions into the environment. The company also has a regular maintenance program for machines operated in the area of plantation and mill.

The company has been taking notes sending effluent into Mandang Estate and Tangar Estate. There are examples of recapitulation effluent delivery period of January-April 2016.

Minor 5.6.3

The monitoring system has been implemented with good use of data support mill operations and estates. Available evidence in the form of monitoring GHG emission calculation results in Semilar mill.

Reporting regularly on the progress of emissions and pollutants significantly in the operation of plantations and palm oil mill has been done, as provided proof of reporting the calculation of GHG to RSPO by email dated May 18 2016 letter number 088/EL/TN-RSPO/V/2016 of PT Tapan Nadenggan.

There GHG calculation results using Palm GHG calculator version 2.1.1 which the calculations are carried out on May 18 2016 on the basis of data from January-December 2015, where the value of the net emission from POME of 62,663.13 and 43,040.64 accounted for and the results of the GHG by 0.57 Tco2e/T CPO and 0.57 TCO2e/T PK. Calculation without including the value of land conversion, crop sequestration, peat oxidation (no peat in PT Tapan Nadenggan and PT Buana Artha Sejahtera), sequestration in the conservation area, and a credit of methane capture still zero.

Status: Full compliance

PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS
6.1

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

Major 6.1.1. & 6.1.2

Company has analysed all aspects of plantation and mill that have social impacts - positive and negative - as written on:

1. Environment Impact Assessment was identified in participatory way with stakeholders surrounding estates and the local government.
 - a. EIA PT Tapan Nadenggan (d/h PT Mitratama Abadi Makmur) covers 9,300 ha and the mill capacity for 90 ton of FFB/hours dated January 18th 2006;
 - b. EIA PT Buana Artha Sejahtera covers 14,300 ha and the mill capacity for 90 ton of FFB/hours dated January 23rd 2006.
2. Social Impact Analysis on 2012 on behalf of PT Tapan Nadenggan and PT Buana Artha Sejahtera, They analyse the potential impact and attaches the sustainable social impacts monitoring.

There is an evidence of the community participation on the assessment process. Analysis has involved Pantap villagers, Rungau Raya villagers, Biru Maju community and Sumber Makmur. The attendance list of representative of community on October 19th 2012, photographs, minutes of meeting including the conclusion and recommendation are available.

Major 6.1.3

Company was developing a plan to reduce negative impacts and increase positive impact. Every semester unit monitored implementation of social activity, and then reported to institution related. Management plan for monitoring the social activity covered on:

- RKL / RPL PT Tapan Nadenggan which is approved by Kalimantan Tengah Governor on January 18, 2006
- RKL / RPL PT Buana Artha Sejahtera which is approved by Kalimantan Tengah governor on January 18, 2006.

Minor 6.1.4

During the ASA3, There is no significant changing on operation. Social Impact analysis has been reviewed regularly (The newest on February, 2016), covering CSR evaluation, monitoring and recommendation, Provides corrective action and also stakeholders' identification.

6.1.5

Unit management do not plasma or smallholders scheme. FFB supplied by own estates i.e. Mandang Estate, Sei Rindu Estate, Semilar Estate, Puri Estate and other supplier (Tangar Estate and Bukit Tiga Estate).

Status: Full compliance

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.

Major 6.2.1

The company has been keeping a list of the affected communities in the form of a document listing various stakeholders in each unit. The procedure used in the implementation to communicate with stakeholders is procedure Communication and Consultation / SMART / GENERAL / SADV / I / 004. In the document regulated the procedure of submission and response flow of information from both internal and external stakeholders. Each incoming mail response planning must be made by the head unit no later than three weeks after the letter was received and recorded in the books of communication and consultation. This procedure has been disseminated to stakeholders in each business unit. For example Sei Rindu Estate has been disseminating to the stakeholders such as Pantap Village Head, Chief of the District Police Sector Kuala Kuayan, Chairman of neighborhood Pantap village, Kuala Kuayan Military Commander, farmers, office staff with a total of 40 people.

Minor 6.2.2

The Company refers to the people responsible for carrying out the process of communication and consultation with stakeholders. Through the Decree of the Region Controller, unit head responsible and can act on behalf of top management in the completion of communication and consultation with stakeholders, ensure the process goes according to communication and consultation procedure. Besides the unit head must also be coordinated with support units.

Minor 6.2.3

The company has been storing a list of affected parties in the document list of stakeholders. Documents available a list of stakeholders in each business unit that informs stakeholder names, titles, addresses, phone numbers. Recording all communication both confirmations of receipt as well as responses from the company has been documented in a document record (log book) incoming and outgoing mail. The company has responded to letters from stakeholders within the time limits specified according to the procedure.

Based on the results of public consultation with the community around the company of the communication and consultation procedures have to be implemented properly. Problem resolution mechanism has been run in accordance with the procedure.

Status: Full compliance

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.

Major 6.3.1

The Company has procedures about complaints from stakeholders. Some of the procedures provided by the company to deal with complaints, one of which is a complaint and dissatisfaction (Grievance). The number of document SOP / SMART / SIGS-CSR / SADV / I / 003. This procedure also explains that the company guarantees the anonymity of the reporting and the revealer of the case (whistleblower). Procedure explains that KTU is the person who is responsible for writing complaints and grievances orally or in writing from the external. This procedure has been socialized through safety briefing in the morning before starting the activity.

Major 6.3.2

Based on the procedures in the delivery of complaints and grievances. Up to the audit carried out has been no complaints and complaints are documented in a log book of complaints.

According of documents and interviews with workers at the Division III PURE, workers have understood the based on the results of public consultation with the Village Head Rungau Kingdom, Pantap Village Head and Village Head Biru Maju known that the management unit of PT Tapian Nadenggan has conducted socialization regarding complaints and dispute resolution mechanisms. The interview will also show the public is able to understand the procedures described.

Status: Full compliance

6.4

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

Major 6.4.1

The company develops a mechanism for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation on SOP/NP/SAMRT/VII/D&L002 dated July 1st 2010. Point 6.1-6.10 informs compensation conducted through several steps dialogue and consultation with the relevant parties including the village representative.

PT Tapian Nadenggan – PT Buana Artha Sejahtera carries out a written compensation process following procedures. The payment of compensation in general is made in cash to every entitled individual or previous landowner.

During the land handover, Negotiation of compensation was involved previous landowner, villages head, community representatives and Head of sub-district.

Minor 6.4.2

There was some compensations documents, that proves compensation has conducted through several steps dialogue and consultation with the relevant parties including the village representative.

- Identification of people entitled to compensation for loss of legal or user rights
- Land register from village head.
- Mensuration or Land Survey that would be compensated and minutes of meeting.
- Maps of user rights.
- Negotiated agreement etc.

In accordance with community leader of Biru Maju and Pantap village, **There is no land handover for new developing since last audit.**

As the previous audit, There were documents of the land compensation. for example:

1. Recapitulation of compensation Sei Rindu Estate. Land compensation is 263.47 hectare (27 owners). The land compensation is divided into 11 stages.
2. Recapitulation of compensation Puri and Mandang Estate. Land compensated is 392.89 (44 land owners).

The supporting documents were the payment receipt, ID card, official record of land handover which are signed by both parties and are witnessed by the Head of village and also head of sub-district, declaration letter of the land handover.

	Status: Full compliance	
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6.5

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

Major 6.5.1

The company has salary rules set in the agreement document work together (PKB). Described in article 8 of payment, labor is set by the company with reference to local minimum wage prevailing. In addition the company put the premium or incentive set. Based on the documents and field visits in division II Sei Rindu estate, the salary basic given is in line with current minimum wage.

Major 6.5.2

A letter of cooperative agreement given workers are already available a language clear and understandable workers. In a work load arrangement on appropriate minimum wage. A work daily workers contract made some article informed: type work and workplaces, days and working hours, requirements and provisions work, the effect of agreement, remuneration, rights and obligations of parties first and second, and the end of a work.

Minor 6.5.3

Based on the inspection in housing of division III Puri Estate and division II Sei Rindu Estate, the company has provided housing and other needs such as:

- Sei Rindu Estate: the facilities consists of 352 G2 type house, 20 G1 type house, 12 staff house, 3 mosques, 3 day cares, 3 hall employees, 3 football fields, 1 futsal fields, 4 volleyball fields, 1 tennis field, 3 badmintons, 3 bus stop, 1 polyclinic, 1 kindergarten, 1 school bus, 3 unit of water pump, and 1 unit of drinking water machine.
- Semilar Mill : the facilities consists of 12 housing a staff, 86 G2 type house, 8 G1 type house, 1 mosques, 1 hall employees, 1 football, 1 Volleyball, 1 tennis, 1 badminton, 1 takraw, 1 sport center, 1 Polyclinic, 1 kindergarten, 1 primary school.
- Puri Estate: the facilities consists of 9 House staff, 18 G1 type house, 140 G2 type house, 3 day cares, 1 kindergarten, 4 water tank, 3 hall employees, 3 mosques, 1 tennis courts, 1 water machine, 1 polyclinic, 3 badminton courts, 1 school transport.

Minor 6.5.4

The management unit has demonstrated efforts in gaining access to adequate food and affordable for workers. Distance to the nearest housing market can be reached by 30-45 minutes. During the visits to housing Puri Estate and Sei Rindu Estate, the management unit has provided a shop to sell groceries. Additionally during field visits in housing Puri Estate, auditors see their community garden planted with a variety of vegetables that can be consumed together.

Based on interviews with workers that salary was in line with the minimum salary set by the government. According to interviews with the work union also note that salary are in accordance with the minimum salary set by the government .The guild also saw no issues industrial relations occurring in PT Tapian Nadenggan.

Status: Full compliance

6.6

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

Major 6.6.1

Statement freedom of assembly and organize employees get recognition of company. This is expressed in the letter agreement together article 4 which explains that entrepreneurs acknowledge and give the rights to workers to form and establish states workers.

Minor 6.6.2

Documentation meeting between the company and the representatives of workers been documented , for example: recording meeting representatives workers semilar mill on the 25th April 2016 who talking about a bonus employees 2016 .The meeting attended by the vice employees and staff. Recording meeting members of labor union on May 20th 2016. The meeting also discussed member's meetings annual, the formation of new management worker union. Recording meeting members of labor union on April 26th 2016. The meeting also discussed day allowance.

The results of interviews with worker union can be explained that the management unit appreciates the desire of workers to organize. This is evidenced by the policy of freedom of association.

Status: Full compliance

6.7

Children are not employed or exploited.

Major 6.7.1

Human Resources Departement through a circular letter number 002 / SE-HRDV / 03/09 explained that the minimum working age limit is 18 years. During the visits to the Puri Estate and Sei Rindu estate, No workers under 18 years.

Status: Full compliance

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.

Major 6.8.1

Mill management commitment prohibits all forms of discrimination based on race, caste, national origin, religion, disability,

gender, sexual orientation, union membership, political affiliation, age. The commitment is contained in circular No. 038 / HR OPS / 09/15 dated 08 September 2015 from the Director concerning the implementation of industrial relations in the unit. This circular is a new employment policy with the change from the previous policy.

Major 6.8.2

Up to the audit carried out, there has never been a complaint from workers including local communities related to the alleged discrimination.

Minor 6.8.3

The company carries out the selection; recruitment and promotion of workers based on skill, ability, quality and medical health are needed for the job.

Status: Full compliance

6.9

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

Major 6.9.1

The Company has a policy to prevent all forms of sexual harassment and violence. Policy signed by top management on August 1, 2011. The policy has been communicated through gender committees every unit in the company. Activity implementation of the training / socialization of violence prevention and sexual harassment at work have been done in Pondok 1-3 Sei Rindu Estate on February 11th, 2016 to all employees' men and women. Regulation of the company has been clear on grievance / complaints received by workers. Until now, there has not encountered cases of violence and sexual harassment in the workplace.

Status: Full compliance

6.10

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

Minor 6.10.1 & Major 6.10.2

Unit management do not plasma or smallholders scheme. FFB supplied by own estates i.e. Mandang Estate, Sei Rindu Estate, Semilar Estate, Puri Estate and other supplier (Tangar Estate and Bukit Tiga Estate). The company does not determine the FFB price.

Minor 6.10.3 & 6.10.4

There are contract between miller and contractor.

- Contract agreement No 012/SRDE/LKL/10/15-ATBS, 28/9/2015 about FFB Transport, agreed and understand by them. Contract is fair, legal and transparent in appropriate with regulation. The payment is made in transfer/bilyet giro on December 2, 2015. The recordings are Purchase order, kwitansi, and receipt.
- Contract agreement No 012/PURE/SPK-LKL/V/2016, 1/5/2016 about Circle Manual, agreed and understands by miller/contractor. The payment on May, 19 2016. Inspection result, Purchase order, kwitansi/receipt.

In accordance with FFB Transporter (Puri Estate and Sei Rindu Estate) stated that all parties understand the contractual agreement and that contract are fair. Legal and transparent. Work agreement based on the principle of transparency and openness.

Status: Full compliance

6.11

Growers and millers contribute to local sustainable development where appropriate.

Minor 6.11.1

In 2015, The contributions made to local development in accordance with the results of consultation. In accordance with Pantap head and Biru Maju head, they always communicate and coordinate with Manager estate or Mill if any issues or requests something.

1. Education. The company provides Internship to student and also honourium for teacher in Junior School Pantap village.
2. Developing infrastructure, through Renovation of Pantap Mosque. Road, bridge and irrigation Maintenance in Biru Maju

and Pantap village.

3. Involved contractor and local business in example FFB Transporter, Road upkeep and small construction.
4. Local communities able to work.

Based on result of consultation with local communities, The CSR Priority for 2016 is continuing renovation Pantap Mosque.

Minor 6.11.2

Unit management do not plasma or smallholders scheme. FFB supplied by own estates i.e. Mandang Estate, Sei Rindu Estate, Semilar Estate, Puri Estate and other supplier (Tangar Estate and Bukit Tiga Estate). The company does not determine the FFB price.

Status: Full compliance

6.12

No forms of forced or trafficked labor are used.

Based on interviews with unit management and workers in the field, until the audit conducted no foreign workers who worked as an operational unit.

Status: Full compliance

6.13

Growers and millers respect human rights.

The Company has policies related to Human Rights (HAM) contained in the Social Policy and Community endorsed by the president on November 10, 2011. Based on site visits and interviews with workers, the company providing the freedom related to human rights such as freedom of speech, according to practice their religion respectively, the right to life and others. Besides the management unit also has the program delivered by managers such as:

- Socialization in Semilar Mill on May 26, 2016
- Dissemination at Puri Estate on January 20, 2016
- Socialization in Sei Rindu Estate on February 15, 2016

Based on interviews with the head of Unions in each unit, there was no incident of human rights violations in unit PT Tapian Nadenggan.

Status: Full compliance

PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

7.1

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

Since ASA 2 to ASA 3, No new plantings or expanding existing ones by the company. First Plantings in Mandang Estate on 1998 and latest new planting in Mandang Estate on 2011 (37.94 hectar).

Environment impact analysis, of planting **before 2010**, has conducted. Analysis of the impacts of all major planned, including planting, mill operations, roads and other infrastructure.

- a. EIA PT Tapian Nadenggan covers 9,300 ha and the mill capacity for 90 ton of FFB/hours dated January 18th 2006;
- b. EIA PT Buana Artha Sejahtera covers 14,300 ha and the mill capacity for 90 ton of FFB/hours dated January 23rd 2006.
- c. Social Impact Analysis on 2012 on behalf of PT Tapian Nadenggan and PT Buana Artha Sejahtera, They analyse the potential impact and attaches the sustainable social impacts monitoring.

Status: Full compliance

7.2

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

7.2.1 major :

The company has a map of the results of soil survey of semi detailed scale of 1:50.000 which includes informing unit of soil

maps, classification of soil, slope, texture, depth, land suitability, drainage, rocks in the zone roots, limiting factor, as well as spacious each soil map units.

The company did not receive FFB of independent suppliers, but rather from the nucleus estate in one group which also certified. The company implements supply chain system IP for FFB processed in the Semilar mill.

7.2.2 minor :

Observations in the field show that the planning of the planting block and its facilities and its infrastructure has been considering factors of topography and others. This is shown by the road condition of the estate are pretty good and no flooding or ponding.

Status: Full compliance

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.

7.3.1 major :

Based on the study document note that the assessment of HCV in 2012, performed after clearing, where the preparation of documents HCV assessment team was led by the head of who has obtain approval as assessor HCV by RSPO. The documents HCV assessment has been conducted peer review in May 2012.

To identify the presence of primary forest or HCV open area between the years 2005-2008, the company has performed an analysis of land use change and has been reported to RSPO on December 14 & 15, 2015.

Against the planting area that began in November 2005-December 2008, the company has work program HCV that is based on the identification of HCV along with a map scale of 1:50.000 for PT Tapan Nadenggan and PT Buana Artha Sejahtera, along with an explanation extents of each type of HCV in the document reports the identification of HCV.

There is no new land clearing or new planting since January 2010. As for the planting of oil palm in 2011 conducted in the area of the former nursery clearing made in 2005.

In connection with the disclosure of liability which cannot yet indicated his approval of the RSPO, then during the next surveillance activities (ASA-4), the management unit should have completed/completed scheme/plan for the compensation procedure (Observation).

7.3.2 major

Recorded involving stakeholder consultation during HCV assessment was conducted on October 19, 2012.

Company show proof of submission of land use change analysis with the results of the calculation of liability of PT Tapan Nadenggan dated December 14, 2015 and for PT Buana Artha Sejahtera dated December 15, 2015.

Based on email reply from RSPO (So Chin Oi) dated May 23, 2016 in which states that: for management unit with non-complaint land clearing that has been certified (by right they should not be certified in the first place) as long as they have submitted a complete land use change analysis, they are allowed to proceed with surveillance audits. By the next surveillance audit, the affected management units should have completed Necessary process outlined in the compensation procedure.

7.3.3 minor :

Planted development started from 1998 in the Mandang Estate and last performed in the year 2011 at area of ex nursery in Mandang Estate.

7.3.4 major :

The company annually has developed a work plan for HCV management. The HCV management work plan that had been developed by assessing the progress of previous HCV maintenance and its procedure related company policies or management of riparian (see criterion 5.2).

7.3.5 minor :

Based on the HCV document and field visit to the site of HCV as well as the results of the public consultation with villagers obtained information that there are no HCV which resides in the public land.

	Status: Full compliance	
7.4		
Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.		
There is no new development after the latest audit.		
	Status: Full compliance	
7.5		
No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.		
Plantation has been developed since 1998 in Mandang Estate and the latest development has been conducted in Mandang Estate on 2011.		
In accordance with community leader of Biru Maju and Pantap village, There is no land handover for new developing since latest audit. There is no customary land within the area.		
	Status: Full compliance	
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.		
Plantation has been developed since 1998 in Mandang Estate and the latest development has been conducted in Mandang Estate on 2011.		
In accordance with community leader of Biru Maju and Pantap village, There is no land handover for new developing since latest audit. There is no customary land within the area.		
	Status: Full compliance	
7.7		
No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
There is no new development after the latest audit.		
	Status: Full compliance	
7.8		
New plantation developments are designed to minimize net greenhouse gas emissions.		
7.8.1 Major & 7.8.2 minor :		
Based on document of planting year and field visit, there are no new planting since January 1 st , 2015. There is no new development after the latest audit (Surveillance 2).		
	Status: Full compliance	
PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY		
8.1		
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
The company is in the development stage of methane capture facility with a pool capacity of 10,000 m3 liquid waste.		
<ul style="list-style-type: none"> The company has conducted internal audit RSPO on April 25 – 29, 2016. Identified 8 non-compliances. All non-compliances record has been corrected. The company no longer using paraquat since 2016. 		
The company has an annual innovation program for agronomy and processing.		
	Status: Full compliance	

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module D) CPO Mills – Identity Preserved Requirements								
D.1	Definition								
D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.									
<p>The unit developed Identity Preserved – Module D refers to the declaration of Plantation Controller on May 21st 2015.</p> <p>FFB suppliers list showed all supply bases has been RSPO-certified that are Semilar Estate (SMRE), Sei Rindu Estate (SRDE), Puri Estate (PURE), Mandang Estate (MNAE), Tangar Estate (TGAE), Bukit Tiga Estate (BTGE). Both Tangar Estate and Bukit Tiga Estate is third supplier under PT Binasawit Abadi Pratama.</p> <p>Based on the FFB data received (Period June 2015 to April 2016) in Semilar POM, All FFBs supplied from estates certified.</p>									
	Status: Full compliance								
D.2	Explanation								
D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.									
<p>The volume of estimate CPO and Kernel product has been recorded by Certification Body on the previous ASA report and certificate. The actual volume of CPO and Kernel certified has been recorded on the report of surveillance annually.</p> <table border="1"> <thead> <tr> <th colspan="2">The actual volume of certified products (July 22, 2015 to May 24, 2016)</th></tr> </thead> <tbody> <tr> <td>FFB</td><td>286,577</td></tr> <tr> <td>CPO</td><td>72,274</td></tr> <tr> <td>CSPK</td><td>18,548</td></tr> </tbody> </table>		The actual volume of certified products (July 22, 2015 to May 24, 2016)		FFB	286,577	CPO	72,274	CSPK	18,548
The actual volume of certified products (July 22, 2015 to May 24, 2016)									
FFB	286,577								
CPO	72,274								
CSPK	18,548								
	Status: Full compliance								
D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).									

Semilar Mill has registered to the RSPO IT Platform, member registration number: RSPO__01000001156, license: CB13281. All transaction of CPO and Kernel has been reported to e-Trace. Since ASA-2 Volume of CPO sell is 2,009,360 kg and Kernel is 5,589,030 kg. Auditors has verified the bulking in Bagendang, CPO of Semilar Mill been transferred to Sumber Indah Perkasa Bulking (buyer).

Table 1 Loading CPO to buyer

Date	Delivery (Ton)	CPO	
		No. Doc of Delivery	Buyer
10-Nov-15	53,830	1456/Cpo/1456/15/T017	PT Sumber Indah Perkasa
11-Nov-15	96,610	1456/Cpo/1456/15/T017	PT Sumber Indah Perkasa
12-Nov-15	108,420	1456/Cpo/1456/15/T017	PT Sumber Indah Perkasa
13-Nov-15	111,960	1456/Cpo/1456/15/T017	PT Sumber Indah Perkasa
14-Nov-15	120,750	1456/Cpo/1456/15/T017	PT Sumber Indah Perkasa
16-Nov-15	167,410	1456/Cpo/1456/15/T017	PT Sumber Indah Perkasa
17-Nov-15	40,530	1456/Cpo/1456/15/T017	PT Sumber Indah Perkasa
18-Nov-15	94,940	1456/Cpo/1456/15/T017	PT Sumber Indah Perkasa
19-Nov-15	202,400	1456/Cpo/1456/15/T017	PT Sumber Indah Perkasa
10-Nov-15	137,160	4520/Cpo/1456/15/T013	PT Sumber Indah Perkasa
11-Nov-15	40,170	4520/Cpo/1456/15/T013	PT Sumber Indah Perkasa
12-Nov-15	67,940	4520/Cpo/1456/15/T013	PT Sumber Indah Perkasa
13-Nov-15	53,360	4520/Cpo/1456/15/T013	PT Sumber Indah Perkasa
14-Nov-15	80,930	4520/Cpo/1456/15/T013	PT Sumber Indah Perkasa
16-Nov-15	67,030	4520/Cpo/1456/15/T013	PT Sumber Indah Perkasa
17-Nov-15	188,510	4520/Cpo/1456/15/T013	PT Sumber Indah Perkasa
18-Nov-15	202,270	4520/Cpo/1456/15/T013	PT Sumber Indah Perkasa
19-Nov-15	175,140	4520/Cpo/1456/15/T013	PT Sumber Indah Perkasa
2,009,360			

Table 2 Loading Kernel to buyer

Date	Delivery (Ton)	Kernel	
		No. Doc of Delivery	Buyer
23-Jan-16	169,700	1456/KER/1456/16/L001	PERDANA KCP
24-Jan-16	222,650	1456/KER/1456/16/L001	PERDANA KCP
25-Jan-16	93,740	1456/KER/1456/16/L001	PERDANA KCP
26-Jan-16	113,570	1456/KER/1456/16/L001	PERDANA KCP
6-Feb-16	154,310	1456/KER/1456/16/L001	PERDANA KCP
9-Feb-16	141,490	1456/KER/1456/16/L001	PERDANA KCP
10-Feb-16	178,610	1456/KER/1456/16/L001	PERDANA KCP
18-Feb-16	156,010	1456/KER/1456/16/L001	PERDANA KCP
23-Feb-16	136,800	1456/KER/1456/16/L001	PERDANA KCP
24-Feb-16	109,600	1456/KER/1456/16/L001	PERDANA KCP
2-Mar-16	14,680	1456/KER/1456/16/L001	PERDANA KCP
3-Mar-16	16,060	1456/KER/1456/16/L001	PERDANA KCP
1,507,220			
25-Feb-16	31,840	1456/KER/1456/16/L002	PERDANA KCP
27-Feb-16	47,050	1456/KER/1456/16/L002	PERDANA KCP
29-Feb-16	60,930	1456/KER/1456/16/L002	PERDANA KCP
2-Mar-16	15,040	1456/KER/1456/16/L002	PERDANA KCP
3-Mar-16	15,810	1456/KER/1456/16/L002	PERDANA KCP
5-Mar-16	63,280	1456/KER/1456/16/L002	PERDANA KCP
8-Mar-16	44,520	1456/KER/1456/16/L002	PERDANA KCP
10-Mar-16	48,510	1456/KER/1456/16/L002	PERDANA KCP

11-Mar-16	45,940	1456/KER/1456/16/L002	PERDANA KCP
12-Mar-16	30,530	1456/KER/1456/16/L002	PERDANA KCP
14-Mar-16	31,220	1456/KER/1456/16/L002	PERDANA KCP
15-Mar-16	30,590	1456/KER/1456/16/L002	PERDANA KCP
16-Mar-16	60,370	1456/KER/1456/16/L002	PERDANA KCP
17-Mar-16	15,670	1456/KER/1456/16/L002	PERDANA KCP
18-Mar-16	60,840	1456/KER/1456/16/L002	PERDANA KCP
19-Mar-16	30,760	1456/KER/1456/16/L002	PERDANA KCP
21-Mar-16	74,030	1456/KER/1456/16/L002	PERDANA KCP
26-Mar-16	64,060	1456/KER/1456/16/L002	PERDANA KCP
30-Mar-16	15,440	1456/KER/1456/16/L002	PERDANA KCP
31-Mar-16	63,160	1456/KER/1456/16/L002	PERDANA KCP
1-Apr-16	29,490	1456/KER/1456/16/L002	PERDANA KCP
2-Apr-16	112,340	1456/KER/1456/16/L002	PERDANA KCP
5-Apr-16	62,040	1456/KER/1456/16/L002	PERDANA KCP
6-Apr-16	48,710	1456/KER/1456/16/L002	PERDANA KCP
13-Apr-16	76,620	1456/KER/1456/16/L002	PERDANA KCP
14-Apr-16	30,800	1456/KER/1456/16/L002	PERDANA KCP
16-Apr-16	104,780	1456/KER/1456/16/L002	PERDANA KCP
19-Apr-16	78,130	1456/KER/1456/16/L002	PERDANA KCP
22-Apr-16	32,160	1456/KER/1456/16/L002	PERDANA KCP
25-Apr-16	15,120	1456/KER/1456/16/L002	PERDANA KCP
26-Apr-16	65,040	1456/KER/1456/16/L002	PERDANA KCP
	1,504,820		
12-Mar-16	30,730	3253/KER/1456/16/L001	PERDANA KCP
16-Mar-16	32,060	3253/KER/1456/16/L001	PERDANA KCP
17-Mar-16	15,950	3253/KER/1456/16/L001	PERDANA KCP
	78,740		
28-Jan-16	65,880	4520/KER/1456/16/L002	PERDANA KCP
29-Jan-16	134,500	4520/KER/1456/16/L002	PERDANA KCP
30-Jan-16	45,990	4520/KER/1456/16/L002	PERDANA KCP
1-Feb-16	121,040	4520/KER/1456/16/L002	PERDANA KCP
2-Feb-16	110,470	4520/KER/1456/16/L002	PERDANA KCP
3-Feb-16	155,520	4520/KER/1456/16/L002	PERDANA KCP
4-Feb-16	152,700	4520/KER/1456/16/L002	PERDANA KCP
5-Feb-16	123,870	4520/KER/1456/16/L002	PERDANA KCP
10-Feb-16	90,150	4520/KER/1456/16/L002	PERDANA KCP
	1,000,120		
12-Feb-16	108,350	4520/KER/1456/16/L003	PERDANA KCP
13-Feb-16	139,160	4520/KER/1456/16/L003	PERDANA KCP
15-Feb-16	48,420	4520/KER/1456/16/L003	PERDANA KCP
16-Feb-16	60,870	4520/KER/1456/16/L003	PERDANA KCP
17-Feb-16	96,740	4520/KER/1456/16/L003	PERDANA KCP
19-Feb-16	61,610	4520/KER/1456/16/L003	PERDANA KCP
20-Feb-16	137,300	4520/KER/1456/16/L003	PERDANA KCP
23-Feb-16	62,580	4520/KER/1456/16/L003	PERDANA KCP
24-Feb-16	60,790	4520/KER/1456/16/L003	PERDANA KCP
25-Feb-16	31,360	4520/KER/1456/16/L003	PERDANA KCP
27-Feb-16	46,030	4520/KER/1456/16/L003	PERDANA KCP
29-Feb-16	29,180	4520/KER/1456/16/L003	PERDANA KCP
3-Mar-16	16,260	4520/KER/1456/16/L003	PERDANA KCP
4-Mar-16	30,240	4520/KER/1456/16/L003	PERDANA KCP
5-Mar-16	63,110	4520/KER/1456/16/L003	PERDANA KCP

8-Mar-16	16,410	4520/KER/1456/16/L003	PERDANA KCP
10-Mar-16	58,780	4520/KER/1456/16/L003	PERDANA KCP
11-Mar-16	16,140	4520/KER/1456/16/L003	PERDANA KCP
12-Mar-16	46,450	4520/KER/1456/16/L003	PERDANA KCP
15-Mar-16	64,410	4520/KER/1456/16/L003	PERDANA KCP
17-Mar-16	61,910	4520/KER/1456/16/L003	PERDANA KCP
18-Mar-16	30,650	4520/KER/1456/16/L003	PERDANA KCP
19-Mar-16	30,770	4520/KER/1456/16/L003	PERDANA KCP
21-Mar-16	34,200	4520/KER/1456/16/L003	PERDANA KCP
28-Mar-16	32,400	4520/KER/1456/16/L003	PERDANA KCP
29-Mar-16	65,000	4520/KER/1456/16/L003	PERDANA KCP
30-Mar-16	49,010	4520/KER/1456/16/L003	PERDANA KCP
	1,498,130		
Total	5,589,030		

Status: Full compliance

D.3 Documented Procedure

E.3.1

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

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

The Mill has established a mechanism to control FFB, CPO and Kernel certified product to ensure the implementation of elements associated with supply chain requirements.

1. Procedure of traceability product on Sinar Mas Group (doc.SOP/SMART/CERS-EHSD/SADV/II/001 Revision 2014).
2. Guideline of Supply Chain certification system – Identity Preserved (doc.TN – SMLM – SCCS/SOP/01 dated April 1st 2015), describes mechanism and also person that responsibility.
3. Procedure of SCCS Reporting (doc.TN-SMLM-SCCS/SOP/02)
4. The Person in charge of the implementation are:
 - Security checked FFB delivery note.
 - Weighbridge clerk checked volume and documents of FFB and to ensure all raw materials from the certified supply bases.
 - Grading foreman checked the quality of FFB.
 - Dispatch operator monitored the production (CPO/Kernel) and volume at the storage.
 - Laboratory analyst checked the quality of products.
 - Production clerk collected the FFB receiving, production data, stock daily/monthly/annual product dispatch.
 - Assistant ensure the implementation of supply chain, grading and all employees do their job.
 - Head of administration documented RSPO certified CPO and Kernel on a three monthly basis. He reported quality and quantity product routinely as well as to monitor the equipment used on the supply chain.
 - Manager controlled implementation of SSCS, ensuring the proper data, informing the supply chain and responsibility.

During the verification in Mill, weighbridge operator has checked FFB document to ensuring FFB delivered from certified supply bases. All FFBs received from certified estate, which is all weighbridge slip marked “certified product”. “Certified product” or “certified supply base” code has been online authorized in SAP “System Analysis and Programmed”.

Head of administration has been recorded RSPO certified FFB, CPO and Kernel on a three monthly bases regularly.

Status: Full compliance
D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.

Semilar Mill - PT Tapan Nadenggan has procedure to receive and process the certified and the non-certified FFB written on:

1. Procedure of traceability product on Sinar Mas Group (doc.SOP/SMART/CERS-EHSD/SADV/II/001 Revision 2014).
2. Guideline of Supply Chain certification system – Identity Preserved (doc.TN – SMLM – SCCS/SOP/01 dated April 1st 2015), describes mechanism and also person that responsibility.

During the verification in Mill, weighbridge operator has checked FFB document to ensuring FFB delivered from certified supply bases. All FFBs received from certified estate, which is all weighbridge slip marked “certified product”. Certified product or “certified supply base” code has been online authorized in SAP “System Analysis and Programmed”.

Status: Full compliance
D.4 Purchase and receipt of material
D.4.1
The site shall verify and document the volumes of certified and non-certified FFBs received.

The unit has verified and documented the certified FFBs referring to SOP. For example:

- a. Certified suppliers list of 2016 such as Semilar Estate, Sei Rindu Estate, Mandang Estate, Puri Estate, Tangar Estate and Bukit Tiga Estate.
- b. The FFB delivery note covering supply bases information.
- c. The weighbridge slip marked “certified product” based on codes.
- d. Application program in the weighbridge which controls the FFB received from the certified supply base.

PERIOD	FFB Supply Base					
	SMLE (KG)	SRDE (KG)	PURE (KG)	MNAE (KG)	BTGE (KG)	TNGE (KG)
22 - 31 July 2015	4,658,910	3,747,050	2,180,930	4,204,450	1,358,230	353,220
August 2015	8,207,970	7,199,150	2,096,680	3,619,240	646,610	479,630
September 2015	8,377,460	8,447,510	3,071,690	5,546,270	-	-
October 2015	9,272,800	9,771,160	5,971,560	9,632,380	-	-
November 2015	7,862,910	8,212,780	4,614,970	9,473,430	-	-
December 2016	9,996,010	9,592,180	6,171,660	11,477,640	-	-
January 2016	9,142,920	8,182,420	5,685,230	10,090,250	-	-
February 2016	8,478,760	6,489,050	4,663,790	7,251,150	-	-
March 2016	7,251,130	5,526,930	3,916,620	6,218,870	-	-
April 2016	6,650,650	4,797,800	3,193,530	4,959,890	-	-
01 - 23 May 2016	5,946,830	4,579,760	2,909,020	4,398,290	-	-
Total	85,846,350	6,545,790	4,475,680	6,871,860	2,004,840	832,850

Verified “FFB delivery note” of Bukit Tiga Estate, code 3224/TBS/01/15/08/9460 Volume of certified product 9,010 kg.

Verified “FFB delivery note” of Tangar Estate, code 3222/TBS/03/15/07/1330, Volume of certified product 7,940 kg.

Status: Full compliance
D.4.2
The facility shall inform the CB immediately if there is a projected overproduction.

Actual volume of RSPO certified products has been recorded in "The annual monitoring reports", which is ASA-3, Production of CPO July 2015 to May 2016 is 72,274 ton and Kernel 18,548 ton.

There is no overproduction. Therefore, the reporting is not needed.

The previously volume of certified products in the (July 22, 2015 to July 21, 2016)		The actual volume of certified products (July 22, 2015 to May 24, 2016)	
FFB	374,809	FFB	286,577
CPO	95,675	CPO	72,274
CSPK	20,614	CSPK	18,548

Status: Full compliance

D.5 Record keeping

D.5.1

The facility must record and balance all RSPO-Certified FFB receipt and all the dispatch of the RSPO-Certified CPO, KPO and Kernel in quarter-based report.

There is a document which shows the balance of all RSPO - Certified FFBs receipt in a quarter-based report based on the daily and monthly monitoring.

All the data and reports has been recorded and maintained. Certified product or "certified supply base" code has been online authorized in SAP "System Analysis and Programmed". The retention time for all SCCS data and documents at least for five (5) years. SCCS documents take in FFB delivery note, weighbridge slip and Delivery order document.

Status: Full compliance

D.6 Processing

6.1

The facility must ensure and verify the RSPO-Certified records procedure and maintenance to be maintained separately from the non-certified ingredient during the transportation and maintenance.

Based on verification of all SCCS data and also inspection in Mill, All FFBs from certified supply bases. Unit has implemented Identify Preserved Module D.

Status: Full compliance

6.2

The 100% separated ingredient target has been accomplished.

Based on verification of all SCCS data also inspection in Mill, All FFBs from certified supply bases. Unit has implemented Identify Preserved Module D.

Status: Full compliance

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	
ASA-3	PT TN- PT BAS does not use RSPO logo.	√
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	
ASA-3	PT TN- PT BAS does not use RSPO logo.	√
3.	Implementation of Certificate and Logo is not used on product	
ASA-3	PT TN- PT BAS does not use RSPO logo.	√
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	
ASA-3	PT TN- PT BAS does not use RSPO logo.	√

3.4. Summary of RSPO Partial Certification.

Total companies observed (0.5 √Y) Where Y is the total of uncertified RSPO registered company The Management Unit name : - Date of Observation: -		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	
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.	
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	
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.	
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	
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.	
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	
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.	
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	

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

No.	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
2015.1.	5.3.3	Infectious waste management. The company could not show proof recording of infectious hazardous waste disposal in accordance with applicable regulations, namely : <ul style="list-style-type: none"> Record shipments of infectious hazardous waste to the destruction facility that is licensed. Infectious waste disposal cooperation agreement with a third party authorized. 	Minor	PT. TN and PT BAS	Surveillance 3	The management unit should be able to demonstrate evidence of infectious waste disposal in accordance with applicable regulations.	Root cause: <ul style="list-style-type: none"> The absence of a licensed incinerator in Seruyan District. Absence of medical transporter and collector licensed in Seruyan District. Corrective action: Verification of date on May 24, 2016: The company showed recording medical waste to flow as follows: <ol style="list-style-type: none"> Minutes of the handover hazardous waste from Clinic to "Asam Baru Hospital (Puskesmas)" dated May 21 2016 as many as 12.030 grams with details (spilt & needle 3.360 grams; cotton gauze 3.970 grams; injections bottle/ampoules 2.400 grams; infusion bottle & infuser 2.300 grams). Examples of the acceptance of the medical waste, dated May 30, 2016 from Sei Rindu Estate to Semilar Clinic weighing 500 grams which consist of each 100 grams syringes, gauze, needle, infusion bottles, cotton. Logbook medical waste from January to April 2016 from Clinic, with the information submitted to "Asam Baru Hospital/Puskesmas" on May 21 2016. Monitoring of medical waste in temporary hazardous storage Semilar estate, from January to April 2016 with a description of the filling date period 	Closed with observation	26 May 2016

No.	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							<p>of January 9, 2016 to April 2016 and released on May 21 2016 to Public Health Centre Asam Baru.</p> <p>5. infectious waste handed over to clinic in Semilar Estate, then released to temporary hazardous storage of Semilar Estate.</p> <p>6. Based on the verification of hazardous permit no. 296 in 2012, medical waste is allowed to be stored in the temporary hazardous storage.</p> <p>7. There is a MoU of medical waste from clinic of PT Buana Artha Sejahtera, PT Tapan Nadenggan and PT Binawit Abadi Pratama (Sinar Mas Group) with Hospital "Asam Baru" No.208/TU/PKM-AB/V/2016 for a period of 3 months (May 19 2016 till August 19, 2016), dated May 18, 2016.</p> <p>Verification on May 26, 2016: The company show documentation of correspondence with government related to medical waste management as follows:</p> <ol style="list-style-type: none"> 1. Letter from the Environment Agency Seruyan District number 660/308/BLH.I/VII/2015 dated July 24, 2015 regarding the directives related to medical waste in anticipation of the absence of medical waste transporters and collectors, The company could cooperate with Kuala Pembuang Hospital. 2. The company has demonstrated the agreement of PT Tapan Nadenggan with "Kuala Pembuang hospital" number 006/RC KT-I/VII/2015 dated August 10, 2015. The agreement is valid one year till March 16, 2016. 3. Examples of the minutes of the Clinic extermination hazardous dated January 7, weighing 36.000 		

No.	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							<p>grams.</p> <p>4. Environment agency informs by letter 660/03/BLH.I/IV/2016 dated April 15 2016, that the "Kuala Pembuang Hospital" have been unable to receive medical waste until the incinerator obtain licenses, in order to maximize in cooperation with the 3rd party licensed, that PT Prasadha Pamunah Industry is a 3rd party who has permission to manage the medical waste.</p> <p>5. The letter No.029/EL-TA/EHSD dated May 2 2016, regarding the requesting of extend - shelf life of medical waste- until December 2016. The letter was stamped and posts by Environment Agency, considering the absence of a licensed incinerator in Seruyan District.</p> <p>6. The letter to PT Sinar Bintang Albar number 073/S.Kel/KT-3/5, on cooperation along the route to the location and sample quantities of waste generated. The company currently awaiting a response from the 3rd party collecting them.</p> <p>Preventive action:</p> <ul style="list-style-type: none"> • Extension of the shelf life of medical waste. • Management of medical waste management cooperation with 3rd party licensed. <p>Auditor conclusion: Noncompliance report no.2015.01 is fulfilled by observation, with the following explanation:</p> <p>The company recommended to follow up the agreement process with PT Sinar Bintang Albar as</p>		

No.	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							collector licence. (Observation) .		

3.5.2 Opportunity for Improvement during *Surveillance-02* Assessment

No	Ref Std	Descriptions
1.	Major 2.2.1	The management unit needs to be more active to ensure the land conversion and Land Use Title (HGU) process (Observation).
2	Major 4.1.1	The Semilar POM needs to ensure the process of sampling of FFB grading stick to the standard despite the loading ramp is being repaired (observation).
3.	Minor 4.6.4	The management unit has opportunity to replace the class 1A WHO rodenticide with the non-class 1A or 1B WHO one.
4.	Major 4.7.1	The Semilar POM needs to ensure the consistency of the regular medical checkup program (annually) by referring the applied regulation (Observation).
5.	4.7.3 Major	The management unit has opportunity to revise the form number F/SMART/HESS-EHSD/SADV/010/020 in term of the PPE handover official record. According to the form, the PPE damage should be replaced by the workers. However, according to the statute number 1 year 1970 on clause 14, the company has obligation to provide the PPE at no cost.
6	Minor 4.7.6	The management unit encouraged to consult with the Manpower BPJS in term of the work accident insurance for the temporary daily labor.

3.5.3 Noteworthy Positive Components during *Surveillance-02* Assessment

No	Ref Std	Descriptions
1		The company has commitment to implement the sustainable estate management.
2		The company has competent personnel.

No	Ref Std	Descriptions
3		The company has conducted ISCC certification.
4		The company has Garbage Bank program referring the government's recommendation.

3.5.4 Identification of Findings, Corrective Actions and Observations at ASA-03 Assessment

No.	Ref Std	Potency of Non-compliance	Area	Deadline	Request for Corrective Actions	Observation and Date	Status	Closing Date
-	-	During the ASA-3 there is no non-conformance identified	-	-	-	-	-	-

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	2.1.1 Major	The Company has an opportunity to communicate to the relevant agencies of the permissions associated with the surface water utilization PP 42 of 2008 on the management of water resources, article 101 paragraphs 1d and 2b, and Regulation No.38 of 2011 article 57 paragraph 2e and Regulation 7 of 2010 on Local Taxes. (Observation).
2	4.6.5 Major	The Company has an opportunity to evaluate the suitability of PPE used to MSDS any chemicals used. For example, the masks used for the brand 'MASKR' with herbicide MSDS Erkaforon trademark.
3	5.3.3 Minor	The company that follow the management of infectious waste management cooperation with 3rd party licensed. The extension of the shelf life of infectious waste is only valid until December 2016. (Observation)
4	7.3.1 Major	In connection with the disclosure of liability which cannot yet indicated his approval of the RSPO, then during the next surveillance activities (ASA-4), the management unit should have completed / completed scheme / plan for the compensation procedure. (Observation).

3.5.4 Noteworthy Positive Components

No	Ref.Std	Descriptions
1.	8.1	The management unit is seeking wastewater management with Methane capture system.
2.	-	Semilar Mill has been certified ISCC (ISCC-EU-Cert-DE104-07781534), 27 th November 2015 - 26 th November 2016
3.	-	The Company has competen human resources in the success of palm oil sustainability program.

3.6 Summary of Arising Issues from Public, Management and Auditor Response at ASA-3

Implementation : Tuesday, 24 th May 2016 (interview) & Wednesday, 25 th May 2016		
Issues from Public	Management Response	Auditor Response
Environmental Agency May 24, 2016 Positive issues: <ul style="list-style-type: none"> Company routinely reporting obligations of monitoring and managing the environment. Based on monitoring data reporting in Environmental agency, unit quite orderly report. For example, RKL/RPL second semester 2015 has already reported on February 16, 2016. The management and environmental monitoring is done quite well, seen from parameter test are still below the quality standard required. Troughout the years 2015 - 2016 there has been no complaint regarding pollution. POME permit of Semilar POM which expired on June 17, 2016 has been extended in accordance with the decree District No.188.45/335/2015 dated August 7, 2015. The validity period of 5 years from the application areas set to be allowed in Mandang Estate (619,47 Ha) and Tangar Estate (299,91 Ha). Negative Issues: <ul style="list-style-type: none"> The environmental agency ask the company to pro actively seek/cooperation with third parties who have permission infectious waste collection and transport. The company is not cooperating with the management of a third party who does not have permission transporters, collectors or destruction of infectious waste. 	<ul style="list-style-type: none"> The Company is committed to continue to comply the reporting obligations in accordance with applicable laws and regulations. The company always keeps all activities both plantations and mill does not pollute the environment. The company currently keeping should not be any environmental pollution. Environmental management is implemented in accordance with applicable laws and regulations and in addition to the SOP in environmental management. The Company is committed to always take care of licensing the right time. The company has been trying to find third parties who have a permit for collecting and transporting the infectious waste: PT. Sinar Bintang Albar of Banjarmasin, but of communication with them in mind that they do not have permission to transport medical waste in the Kalimantan Tengah. Currently Unit management continues to look for companies which has licensed for handling infectious waste. 	<p>Company is expected to maintain the performance that has been quite well including in environmental management.</p> <p>Nevertheless, the company still encouraged to apply the improved coordination with relevant agencies to ensure the obedience with all regulations in terms of environmental management.</p>

Implementation : Tuesday, 24th May 2016 (interview) & Wednesday, 25th May 2016

Issues from Public	Management Response	Auditor Response
<p>National Land Agency May 24, 2016 Positive issues:</p> <ul style="list-style-type: none"> There is no public complaints / other parties concerned with the rights of the land board PT Tapian Nadenggan – PT Buana Artha Sejahtera. In conjunction with the exchange status - swap area for PT. BAS, the BPN has received a copy of the recommendation to the Governor of Central Kalimantan forestry ministers associated with the exchange - the swap. Although until recently, progress has not been taken back by the ministry of forestry. 	<ul style="list-style-type: none"> The Company committed all area is legal. The company will continues the process of exchange of the region be run in accordance with applicable regulations. 	<ul style="list-style-type: none"> The newest update of the Exchange forest area during period of 2014 – 2016 is on March 2016, Governor of Kalimantan tengah endorsed the substitution land ± 5,396 hectare in Katingan District (as Conversion Forest). Governor Kalimantan Tengah has reported to Forest and Environment Ministry (Note 525.26/262/PTSP, dated March 28, 2016).
<p>Plantation and Forestry Agency May 24, 2016 Positive issues:</p> <ul style="list-style-type: none"> PT Tapian Nadenggan – PT Buana Artha Sejahtera has been regularly reporting LPUP once every 6 months; Throughout the years 2014 - 2016 there has been no formal complaint related to land disputes in PT Tapian Nadenggan – PT Buana Artha Sejahtera; PT Tapian Nadenggan – PT Buana Artha Sejahtera has gained plantation business license (IUP); PT Tapian Nadenggan – PT Buana Artha Sejahtera routinely perform CSR; <p>Negative issues:</p> <ul style="list-style-type: none"> There are proposals / aspiration of the public received by the Plantation and Forestry Agency. Party official suggested that companies should consider in order to receive the FFB production smallholders farmers to 	<ul style="list-style-type: none"> The Company is committed to reporting their obligations regularly. The Company has a commitment that all area is legal. The Company is committed to always take care of all licensing the right time. The company has CSR program and are committed to make it happen. The capacity of Mill enough for their own FFB so it cannot receive FFB from independent smallholder. 	<ul style="list-style-type: none"> The company has complied with applicable local, national and ratified international laws and regulations i.e has Plantation business permit. Related to Indicator 2.2.1 In 2015, The contributions made to local development in accordance with the results of consultation. The company provides Internship to student and also honourium for teacher in Junior School Pantap village. Renovation of Pantap Mosque. Road, bridge and irrigation Maintenance in Biru Maju and Pantap village. Involved contractor and local business in example FFB Transporter, Road upkeep and small construction.

Implementation : Tuesday, 24 th May 2016 (interview) & Wednesday, 25 th May 2016		
Issues from Public	Management Response	Auditor Response
help the community's economy.		Local communities able to work.
Labor Agency May 24, 2016 Positive issues: <ul style="list-style-type: none"> The company provide salary in appropriate with Minimum wages standard. The company has reported obligations regularly. For example reporting of notifiable labor annual report Guiding Committee of Occupational safety & Health, and others. The company already has an organizational structure of Guiding Committee of Occupational Safety & Health, and report regularly meeting activities. Throughout the years 2014 - 2016 there were no complaints related to an industrial dispute at PT Tapian Nadenggan – PT Buana Artha Sejahtera; Negative issues: <ul style="list-style-type: none"> Indicated that not all labor agreements PKWT / BHL and PKWTT listed by the company to Labor Agency Seruyan District. PT Tapian Nadenggan – PT Buana Artha Sejahtera reporting workplace accidents have not done in an orderly manner. <ul style="list-style-type: none"> PPE must be provided free by the company in accordance with the mandate of Law No. 1 of 1970 Article 14. The Company shall involve all employees in the program BPJS health and employment.. 	<ul style="list-style-type: none"> The Company is committed to compliance with applicable laws. The Company is committed to reporting their obligations regularly. The Company is committed to resolve the dispute through bipartite agreements in advance if any. But so far there was no strife. The Company has reported all labor agreements to Labour agency. The company has already reported work accidents to Labour agency. Among others: report workplace accidents 1 x 24 hours and report accidents that routinely reported in the quarterly report P2K3. The company provides PPE at no charge to employees in accordance with the type of work and always comes with the receipt. The company has been involving all employees in the program BPJS health and employment. 	The Company has effort in the fulfillment of the implementation of occupational health and safety aspects of employment. Such implementations include the delivery of mandatory reports to the department of employment and registration BPJS insurance for all workers.

Implementation : Tuesday, 24th May 2016 (interview) & Wednesday, 25th May 2016

Issues from Public	Management Response	Auditor Response
Pantap Village Head May, 25 2016 <ul style="list-style-type: none"> Flora and fauna protected and HCV areas have been socialized to communities The company coordinated with police and local people surrounding estates, regarding appeal and prohibition of burning during land clearing. Head of Village informed Sei Rindu Estate in Block B51 to B52, located in Production Forest Area. The company maintenance the roads on village, provide honorarium for teachers. Aspiration: Local communities assisted the government will register the e-KTP citizens. Company is urged to employees who have worked a long time (more than 6 months) join to this census. There is no environment contamination issue. 	<ul style="list-style-type: none"> Company has conducted socialization of HCV to the communities. The Company has socialized fire alert village invite the police and military command units and township and village government officials. The area is production forest area. But, Currently PT Tapian Nadenggan has Land Use Title (HGU). Nonetheless PT. Tapian Nadenggan apply for the Exchange for Forest Area in accordance with applicable regulations. The progress to date, namely Recommendation Kalimantan Tengah Governor to exchange of Forest Areas for Oil Palm (525.26 / 0255 / PTSP dated March 24, 2016 to the Minister of Environment and Forestry of the Republic of Indonesia. The company has CSR program and are committed to make it happen. The company will help record the employees who have worked over 6 months for the population included in the data collection. 	<ul style="list-style-type: none"> Rare and threatened species (RTE) has been socialized to stakeholders, including by set up Signboard in the Riparian and housing. PT Tapian Nadenggan able to demonstrated Land Use Title (HGU) No 29 for 4,717.39 hectare and No 12 of 3,561.84 hectare. Related to Indicator 2.2.1
Biru Maju Head. May, 25 2016 <ul style="list-style-type: none"> The company maintenance the roads on village and provide honorarium for teachers. There was a dispute over land dispute in Puri Estate since 2010. Now, these lands have been managed by company. And, as compensation, the villagers will be developed a smallholders/plasma. Land and 	<ul style="list-style-type: none"> The company has CSR program and are committed to make it happen. Land disputes has been clear regarding the Decree No. 500/1702 / EK.Sda / X / 2015 dated October 21, 2015, and already there was a notice to the village dated March 24, 2016, from the Director of PT. BAS letter No. 004 / 	<p>In 2015, The contributions made to local development in accordance with the results of consultation. In accordance with Pantap head and Biru Maju head, they always communicate and coordinate with Manager estate or Mill if any issues or requests something.</p>

Implementation : Tuesday, 24th May 2016 (interview) & Wednesday, 25th May 2016

Issues from Public	Management Response	Auditor Response
<p>prospective owners for smallholder not clear, right now. The company never had a meeting with the Head of village and Cooperative discuss about the compensation.</p>	<p>OM-BM / III / 2016, thus there is no more land disputes.</p> <ul style="list-style-type: none"> The development of Plasma, not the compensation of the dispute settlement area, but the company's commitment to build partnerships with cooperatives in the village of Biru Maju with the terms of its area there are suitable and has a legal status that is clean and clear. Companies already done socialization of plasma development plan partnership to village of Biru Maju dated February 27, 2014 by a team from the Jakarta headquarters, and existing staff of partnership of companies specialized in the village of Biru Maju and had served as from March 2014 (after the socialization). 	<p>Update progress of land conflict (2016). Based on field visit in Block A32 – A44 Puri Estate, These lands on under control of PT BAS. The resolution conflict was implemented and been approved by the parties involved. The company able to Re-maintained these areas regarding to Head of Kotawaringin Timur Decree (500/1702/Ek.SDA/X/2015, October 21, 2015).</p> <p>Head of Kotawaringin Timur stated Land conflict between Biru Maju community and PT BAS was successfully resolved. Three community members (Biru Maju Village) explained that Land conflict since 2010. The company able to maintenance the land right now (2016).</p>
<p>Head of Gender Committee (Puri Estate) May 24, 2016</p> <ul style="list-style-type: none"> Gender Committee was established to accommodate the aspirations of women employees about sexual harassment. Gender Committee has programmed the sexual harassment and violence policies. Employees also have to know about the policy's reproductive rights. H1 leave entitlement not apply fully to all female workers. Most employees, especially the office staff and midwives questioned why it has not gotten menstrual leave. If at the time of menstruation take the day off because of illness, in the written statement sick one day thus eliminating the right to an allowance and rice 17 kg / month. However, for the right to maternity leave (H2) has prevailed overall. Employees have to know about the reporting procedure in case of sexual harassment and prevention. 	<ul style="list-style-type: none"> Chairman of the gender commission already understand the function of the establishment of a gender commission. There is already a gender commission's work program. Employees have got the socialization of reproductive rights. Granting menstrual leave applies to all female employees in accordance SE Ref.no046 / HR OPS / 01/11, women in the menstrual period pain and on doctor examination or paramedic and tell the employer is not obliged to work on the first and second time of menstruation and also gets full wages when accompanied by the recommendation of a doctor or paramedic company. <p>On the implementation, the procedures are not carried</p>	<p>The existence of a gender committee has adapted to the function formation implementing policy of prevention acts of violence and sexual abuse as well as women's reproductive rights. This is in accordance with the criteria of 6.9.</p> <p>Unit management is encouraged to communicate the return on H1 granting procedures to all employees, especially women in the office / staff. This is consistent with indicators 6.9.2</p>

Implementation : Tuesday, 24 th May 2016 (interview) & Wednesday, 25 th May 2016		
Issues from Public	Management Response	Auditor Response
<ul style="list-style-type: none"> To date, there are no issues of sexual harassment and violence. The company provides specialized facilities such as room when there are meetings or activities of the Committee on Gender socialization. Routine program which is still running today is posyandu and recitation mothers. 	<p>out, that did not include the results of the examination of the paramedics and the recommendations of the paramedics, so that the company cannot give menstrual leave at the time.</p> <p>For the next step, the company will reaffirm to the female employees regarding procedures for granting menstrual leave.</p> <ul style="list-style-type: none"> The Company has implemented a policy of maternal leave thoroughly. The company had been disseminating policy of sexual harassment. There is no issue of sexual harassment. The company facilitates room for employee activities. Gender commission already had their own programs. 	
<p>Head of Gender Committee (Sei Rindu Estate) May 24, 2016</p> <ul style="list-style-type: none"> Program activities in 2016 are well documented, including: <ul style="list-style-type: none"> - Dissemination of sexual harassment - Extension of potential sexual harassment in the workplace and in the house of employees - Dissemination of tumors and cancer - Dissemination of HIV AIDS Posyandu every month and recitation mothers every week. Any activities that have been programmed or already implemented have been well documented. Employees have to know the flow and procedures when harassment / sexual assault. Up to now there are no cases of violence and sexual harassment. Employees have known about the reproductive rights policies. 	<ul style="list-style-type: none"> There is already a gender commission's work program. Gender commission's work program has been well-documented. Employees have got socialization of sexual harassment. There is no issue of sexual harassment. Employees have got the socialization of reproductive rights. 	<p>The management unit are encouraged to always establish communication and consultation with the workers so as to create a good industrial relations of cooperation. The union is also a medium for communication bridge between management and labor. So if there are things that are still felt dissatisfaction of workers, the company through a management unit can communicate effectively with workers through unions in each operational unit. This could be related to the criteria 6.6.</p>

Implementation : Tuesday, 24th May 2016 (interview) & Wednesday, 25th May 2016

Issues from Public	Management Response	Auditor Response
Head of Gender Committee (Semilar Mill) May 24, 2016 <ul style="list-style-type: none"> Employees have known about the harassment policy and sexual violence. Employees have known about the reproductive rights policies. Employees have to know about the reporting procedure in case of sexual harassment and prevention. Up to now there are no issues of sexual harassment and violence. Posyandu activities carried out every month and Yasinan every Friday afternoon. 	<ul style="list-style-type: none"> Employees have got socialization of sexual harassment. Employees have got the socialization of reproductive rights. Employees have got socialization of sexual harassment. There is no issue of sexual harassment. There is already a gender commission's work program. 	<p>The existence of a gender committee has adapted to the function of formation of implementing prevention policy acts of violence and sexual abuse as well as women's reproductive rights. This is in accordance with the criteria of 6.9</p>
Head of Labor Union (Puri Estate) May 24, 2016 <ul style="list-style-type: none"> Currently there is no regular meeting internal member / caretaker Labor Union. Meetings with companies still incidental, for example, to discuss the Collective Labor Agreement (already 5 times a summit on CLA). There is no Minutes of the meeting (internal meeting). Members are permanent workers, maker now numbering about 250 members. All permanent employees are automatically members There are no monthly membership dues deducted from salaries. PPE has been given from the company. Recording at Labor agency not yet known by the new head. The Labor social assurance has been registered by the company for all workers. The latest Collective Labor Agreements is for the period 2016-2017 with a few changes only that the chapter on labor social assurance registered by the company. 	<ul style="list-style-type: none"> There have been meetings with the unions, which were discussing the 2016-2018 Work Agreements. Meeting with trade unions tailored to their needs. There has been a discussion of the minutes of the work agreements. All SKU employees have become members of SPM. Membership fees based on agreements and organizational needs. Protection aid is given of by the company in accordance with the type of work. Labour union has been recorded in Disnakertranspar No. 560 568/26 / HI-Kesja / IV / 2011. Chairman of the Independent Unions is of new 2 day replace the old chief who has run out of his tenure so as not to know this. Recording of the new board has been implemented but not yet completed (existing recording receipt of Labour). All employees have been registered in BPJS Employment 	<p>The management unit are encouraged to always establish communication and consultation with the workers so as to create a good industrial relations of cooperation. The union is also a medium for communication between management and labor. So if there are things that are still felt dissatisfaction of workers, the company through a management unit can communicate effectively with workers through unions in each operational unit. This could be related to the criteria 6.6.</p>

Implementation : Tuesday, 24th May 2016 (interview) & Wednesday, 25th May 2016

Issues from Public	Management Response	Auditor Response
<ul style="list-style-type: none"> Socialization has been done by companies such as socialization complaints and grievance, safety health, RSPO, HIRARC etc. The code of integrity and ethical values has not been socialized. The latest minimum wage in 2016 has been socialized. The wages of workers is in conformity with the latest minimum wage. There is no discrimination in terms of employment opportunities provided by the company. Facilities provided by the company are secretariat for office of Labor Union in operational unit. Complaints into the record: <ul style="list-style-type: none"> Package targets issued by a circular from the VPA have not felt comparable to the calculation of the monthly fixed premium or overtime calculation according to the rules. Employees expect a fixed monthly premium policy or overtime can reenact replace package policy targets that are still considered less than a monthly income of employees. Rice granted is still counted as a premium craft so that if in one month does not make a single day due to illness that is not work accident then do not get a ration of 17 kg of rice / month. Expectations of workers is the provision of rice is given as supply only and not as a premium craft. Complaints and grievances over the newly delivered orally during a meeting the discussion of the CLA, but to date have not received a response from the management. Workers hope there is a solution and a further response from the company. 	<p>and Health.</p> <ul style="list-style-type: none"> Work Agreement is almost final and waits to be listed to Disnakertranspar Seruyan District. Companies routinely carry out socialization and training of employees in order according to their competence. Company has been promoting policies is the name of Business Ethics Policy on March 14, 2016 to all employees. Besides socialization routinely carried out during the morning loop conducted on Monday. The Company has socialized minimum wage. The Company is committed to comply with applicable laws and regulations including employee wages. The company does have industrial relations Circular contains the company's policy of not allowing discrimination. The Company has built a secretariat office SPM to support the activities of employee organizations. It has been calculated that the number of administrative employees predefined by working 40 hours a week is enough to finish entire administrative task report. But because of lack of skills led to some workers, there are some jobs that are not resolved in office hours. Companies do not choose the option to terminate the employee the less competent. At the close of the period of accumulation of uncompleted jobs are forced to be offered to employees who are willing to work outside office hours with the target packet system. This policy is actually helping less skilled employees who are still somewhat slow and do their job. Provision of premium rice 17 kg / month is not normative, 	

Implementation : Tuesday, 24th May 2016 (interview) & Wednesday, 25th May 2016



Issues from Public	Management Response	Auditor Response
	<p>but it is an incentive given by the company is to employees who entered work full within one month unless Sick Leave or workplace accidents.</p> <p>The provision of premium rice 17 kg / month is not normative and is a great addition given by the company outside of the minimum wage. The provision of premium rice arranged by companies associated with the presence of workers. Premium rice will be given by the company to employees who work full entry in 1 month except Sick or workplace accidents.</p>	
<p>Head of Labor Union (Sei Rindu Estate) May 24, 2016</p> <ul style="list-style-type: none"> No Regular meetings by internal management / member SPM or SPM with the company. Still to be incidental if there are specific issues to be discussed. There is already a recording / minutes of meetings when there is documented. The number of recording evidence of SPM / SPP latest in offices is 560 567/39 / HI-kesja / IV / 2012 on 20 April 2012. Currently the number of members of the SPM is 404 SKU workers. Every hiring SKU then automatically fill the letter became a member of SPM and able to comply with the AD / ART. Membership fees are Rp 1000 each month directly from paychecks cut. Companies providing support and facilities in the form of a special secretariat space SPP (Plantation Workers Union). Permanent employees have earned the right BPJS Employment. There is no discrimination between employees, each employee gets the right to receive the same employment opportunities in accordance with their competence and expertise. 	<ul style="list-style-type: none"> Meetings with the union are discussing the 2016-2017 Work Agreements. There has been a discussion of the minutes of the work agreements. SPM is already listed in Disnakertranspar Seruyan District. All SKU employees have become members of SPM. Membership fees based on agreements and organizational needs. The Company has built a secretariat to support the activities of employee organizations. All employees have been registered in BPJS Employment and Health. The company does have industrial relations Circular contains the company's policy of not allowing discrimination. Companies routinely carry out socialization and training of 	<p>The management unit are encouraged to always establish communication and consultation with the workers so as to create a good industrial relations of cooperation. The union is also a medium for communication bridge between management and labor. So if there are things that are still felt dissatisfaction of workers, the company through a management unit can communicate effectively with workers through unions in each operational unit. This could be related to the criteria 6.6.</p>

Implementation : Tuesday, 24th May 2016 (interview) & Wednesday, 25th May 2016

Issues from Public	Management Response	Auditor Response
<ul style="list-style-type: none"> The socialization of companies such as the socialization of K3, RSPO, complaints complaints etc. have been carried out on Monday and ceremonial activities every morning assemblies 	<p>employees in order according to their competence.</p>	
<p>Head of Labor Union (Semilar Mill) May 24, 2016</p> <ul style="list-style-type: none"> The company supports the establishment of Plantation Workers Union. And provides facilities such as a special secretariat for SPM activities. There has been a meeting activity for Worker Union Semilar Mil but there is no regular meeting that have been programmed, it is still good to be incidental to the internal board meeting or with the company. Employees have to know about the policy of freedom of association. Management structure was approved by Labor Agency. Permanent employees have earned the right BPJS Employment. There is no discrimination between employees; each employee gets the right to receive the same employment opportunities in accordance with their competence and expertise. Employees get housing facilities and infrastructure. The Company has provided PPE to all workers. If no damage will be replaced with the evidence that has been damaged PPE. Employees have to know about the minimum wage in 2016, amounting to Rp 2.27765, -. Currently there is no membership fee every month. Currently the number of members of worker union is all permanent workers by the number of employee's are 158. 	<ul style="list-style-type: none"> The Company has built a secretariat office SPM to support the activities of employee organizations. Meeting with trade unions tailored to their needs. The Company is committed to comply with applicable laws and regulations, including freedom of association and register management SPM to Disnakertranspar Kab Seruyan. The company has been involving all employees in the program BPJS health and employment. The company does have industrial relations Circular contains the company's policy of not allowing discrimination. The company provides residential facilities to the employee during the employee are still working. Protection equipment is given of the company in accordance with the type of work. The Company is committed to comply with applicable laws and regulations including employee wages. Membership fees based on agreements and organizational needs. All SKU employees have become members of SPM. 	<p>The management unit are encouraged to always establish communication and consultation with the workers so as to create a good industrial relations of cooperation. The union is also a medium for communication - management and labor-. So if there are dissatisfaction of workers, the company can communicate effectively with workers through unions in each operational unit. This could be related to the criteria 6.6.</p>
<p>FFB Transporter (Puri Estate) May 24, 2016</p>	<ul style="list-style-type: none"> The Company has empowered local communities to 	<p>The company are encouraged to apply to business</p>

Implementation : Tuesday, 24th May 2016 (interview) & Wednesday, 25th May 2016

Issues from Public	Management Response	Auditor Response
<ul style="list-style-type: none"> Has a FFB transport business. Work Agreement informs all parties agreed through an open and transparent process. Cooperation has been done between the company and contractor nurtured well. Problem payment can be made within the time limit that is acceptable to both parties 	<p>establish cooperation in terms of transport of FFB.</p> <ul style="list-style-type: none"> Letter of FFB transport cooperation agreement has been agreed by both parties. The company formed a partnership with contractors with well. The time for payment in accordance with the contract agreement. 	<p>ethics in all transactions and business operations, including against third parties such as contractors. Agreements between the company and the contractor must be by agreement of both parties as well as the priority to the principle of fair, transparent and open. This has translated into a 1.3 criteria and indicators 6.10.3 and 6.10.4</p>
<p>FFB Transporter (Sei Rindu Estate) May 24, 2016</p> <ul style="list-style-type: none"> Has a FFB transport business. Work Agreement with the company is in the name of the Rusdiyanto, because at the time of filing is approved on behalf of the father Rusdiyanto which is still a family. Work Agreement informs all parties agreed through an open and transparent process. In the future, villagers expect companies provide wider opportunities to local contractors especially in rural Pantap. Pantap village is directly adjacent to the company, it is their own expectations of villagers to be given the opportunity to work and greater cooperation and open from the company. 	<ul style="list-style-type: none"> The Company has empowered local communities to establish cooperation in terms of FFB transport. Acceptance of the contractor is based on submissions from the public and selected in accordance with specified requirements. Letter of FFB transport cooperation agreement has been agreed by both parties. The Company has empowered local communities to establish cooperation in terms of transport of FFB. To date the number of contractors is sufficient and does not need to add FFB transport contractor. 	<p>The company is encouraged to apply to business ethics in all transactions and business operations, including against third parties such as contractors. Agreements between the company and the contractor must be by agreement of both parties as well as the priority to the principle of fair, transparent and open. This has translated into a 1.3 criteria and indicators 6.10.3 and 6.10.4</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Tapian Nadenggan - PT Buana Artha Sejahtera Head of Environmental Departement</p>  <p><u>Ismu Zulfikar</u> Friday, 20th June 2016</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Muardi Marwas</u> Friday, 20th June 2016</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	Yes
1	Environment Agency	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	24 th May 2016	✓	
2	National Land Agency	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	24 th May 2016	✓	
3	Plantation Agency	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	24 th May 2016	✓	
4	Labor Agency	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	24 th May 2016	✓	
5	Head of Rungau Raya Village	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	25 th May 2016	✓	
6	Head of Pantap Village	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	25 th May 2016	✓	
7	Head and Communities Biru Maju Village	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	19 May 2015	✓	
8	Head of Puri Estate Gender Committee	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	24 th May 2016	✓	
9	Head of Sei Rindu Estate Gender Committee	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	24 th May 2016	✓	
10	Head of Semilar Mill Gender Committee	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	24 th May 2016	✓	
11	Head of Puri Estate Labor Union	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	24 th May 2016	✓	
12	Head of Sei Rindu Estate Labor Union	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	24 th May 2016	✓	
13	Head of Semilar Mill Labor Union	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	24 th May 2016	✓	
14	Local Contractor	District of Seruyan, Kalimantan Tengah Province, Indonesia	-	Direct consultation	24 th May 2016	✓	
15	Aid Environment	-	muzfa@aide nvironment.org	Email and questionnaire	17 th May 2016		✓

17	Save Our Borneo	Jl. Tumanggung Tilung XI, Gg. Saverio Perum Borneo Indah No. 4 Palangkaraya, Kalimantan Tengah 73111	Telp. (0536) 3245196 Email : info@saveourborneo.org	Email and questionnaire	17 th May 2016		✓
18	Sawit Watch	Jl. Taman Sempur Kaler No.28, Bogor. Jawa Barat. 16129	Telp : 0251- 8352171 Fax : 0251- 8352047 Email : info@sawitwatch.or.id	Email and questionnaire	17 th May 2016		✓

Appendix 2. Assessment Program

Date	23 – 27 May 2016				
PROGRAM	PROSES / HAL YANG DIAUDIT	AUDITOR			
		MMS	RRI	DHT	APP
Monday, May 23 rd 2016					
09.00 – 11.00 11.00 – 15.00 15.00 – 16.00 16.00 – 17.00	Jakarta → Pangkalan Bun Pangkalan Bun - Site OPENING MEETING Verification finding ASA-2 RSPO	√	√	√	√
Tuesday, May 24 th 2016		MMS	RRI	DHT	APP
08.00 – 12.00	• Stakeholders consultation to Related Government Institution (Seruyan District Government and local NGO)				√
	• Stakeholders consultation to surrounding village(s), Labor union (SPSI), Gender Committee and local contractor			√	
	Field Observation PURI ESTATE				
	• Manuring, Spraying, Harvesting, best agricultural practices		√		
	• Worker Welfare (payments, complaint mechanism)		√		
	• Hazardous Waste Material and Hazardous Material management			√	
	• Legal operational and Conservation Area	√			
	• Worker facilities (housing, health clinic, clean water, etc) and			√	
	• Land Fire facilities, Storage, ect.			√	
12.00 – 14.00	BREAK	√	√	√	√
14.00 – 17.00	Clarification of Public Consultation and field observation also Document Review	√	√	√	√
Wednesday, May, 25 th 2016		MMS	RRI	DHT	APP
08.00 – 12.00	Field Observation SEI RINDU ESTATE				
	• Manuring, Spraying, Harvesting, best agricultural practices				√
	• Worker Welfare (payments, complaint mechanism)				√
	• Hazardous Waste and Hazardous Material management			√	
	• Legal operational and Conservation Area	√			
	• Worker facilities (housing, health clinic, clean water, etc) and			√	
	• Land Fire facilities, Storage, ect.				√
	Field Observation SEMILAR POM:				
	• Operational, OHS		√		
	• WWTP, WTP Hazardous Waste Material management and Warehouse.		√		
	• Supply Chain	√			

12.00 – 14.00	BREAK	√	√	√	√
14.00 – 17.00	Continue document review and field observation clarification	√	√	√	√
Thursday, May, 26th 2016		MMS	RRI	DHT	APP
08.00 – 12.00	Continue field observation and clarification of SEMILAR POM, SEI RINDU ESTATE AND PURI ESTATE	√	√	√	√
12.00 – 14.00	BREAK	√	√	√	√
14.00 – 15.30	Internal Meeting	√	√	√	√
15.30 – 17.00	CLOSING MEETING	√	√	√	√
17.00 – ...	SITE → Pangkalan Bun	√	√	√	√
Friday, May, 27th 2016		MMS	RRI	DHT	APP
08.00 – 12.00	Pangkalan Bun – Jakarta	√	√	√	√