

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

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management Organisation : Ladang Panjang Factory – PT Bahari Gembira Ria subsidiary of Sime Darby Plantation Sdn Bhd  
 Plantation Name : Ladang Panjang Estate  
 Location : Ladang Panjang Village, Sungai Gelam Subdistrict, Muaro Jambi District, Jambi Province, Indonesia  
 Certificate Code : **MUTU-RSPO/019**  
 Date of Certificate Issue : 9 July 2012                      Date of License Issue : 9 July 2016  
 Date of Certificate Expiry : 8 July 2017                      Date of License Expiry : 8 July 2017

Assessment	Assessment Date	PT Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	25 – 29 April 2016	Ardiansyah (Lead Auditor), Naila Karima, M Rinaldi	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	29 June 2016

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### FIGURE

Figure 1. Location Map of PT Bahari Gembira Ria

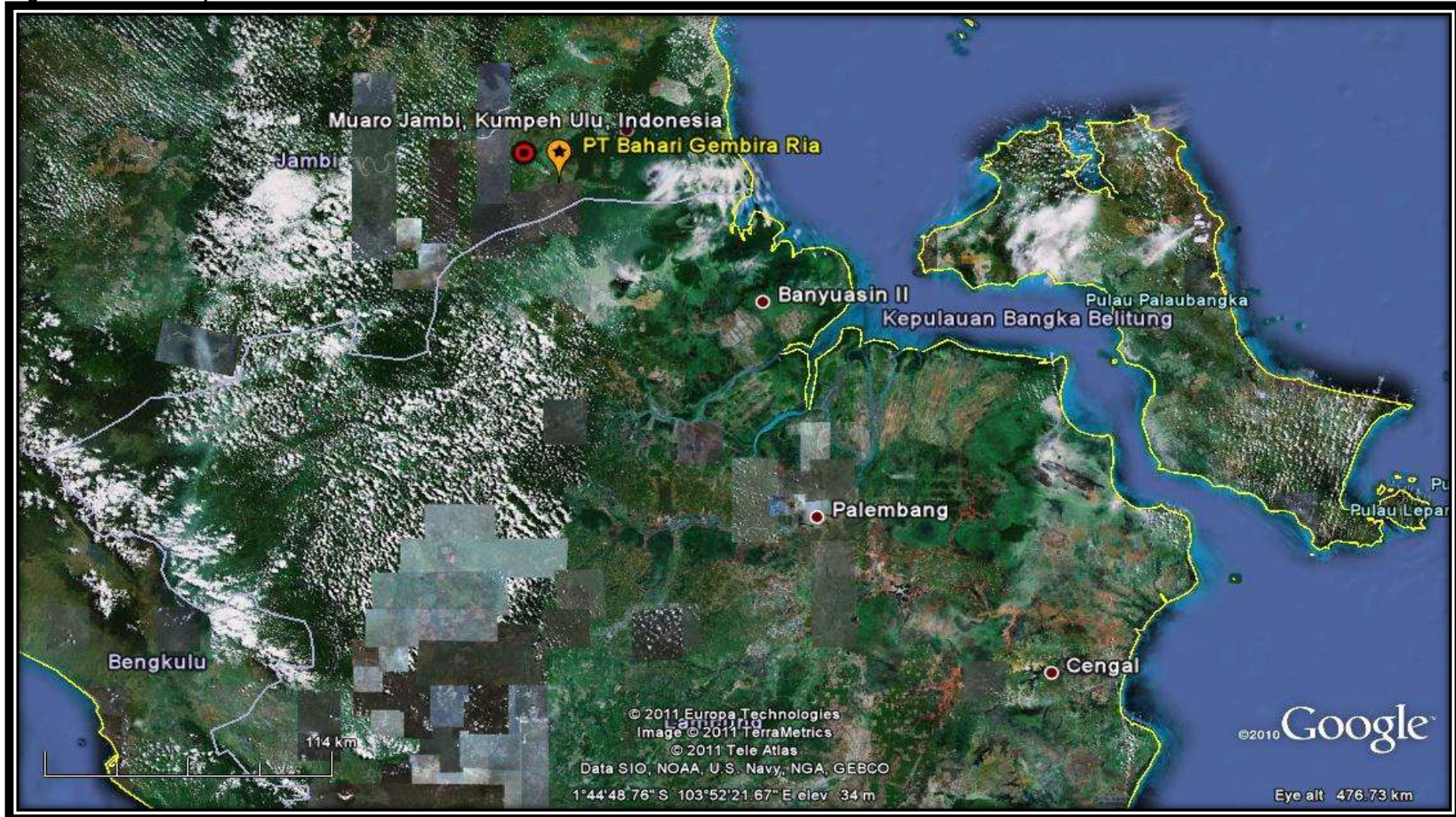




Figure 2. Operational Map of PT Bahari Gembira Ria (Division I and II)

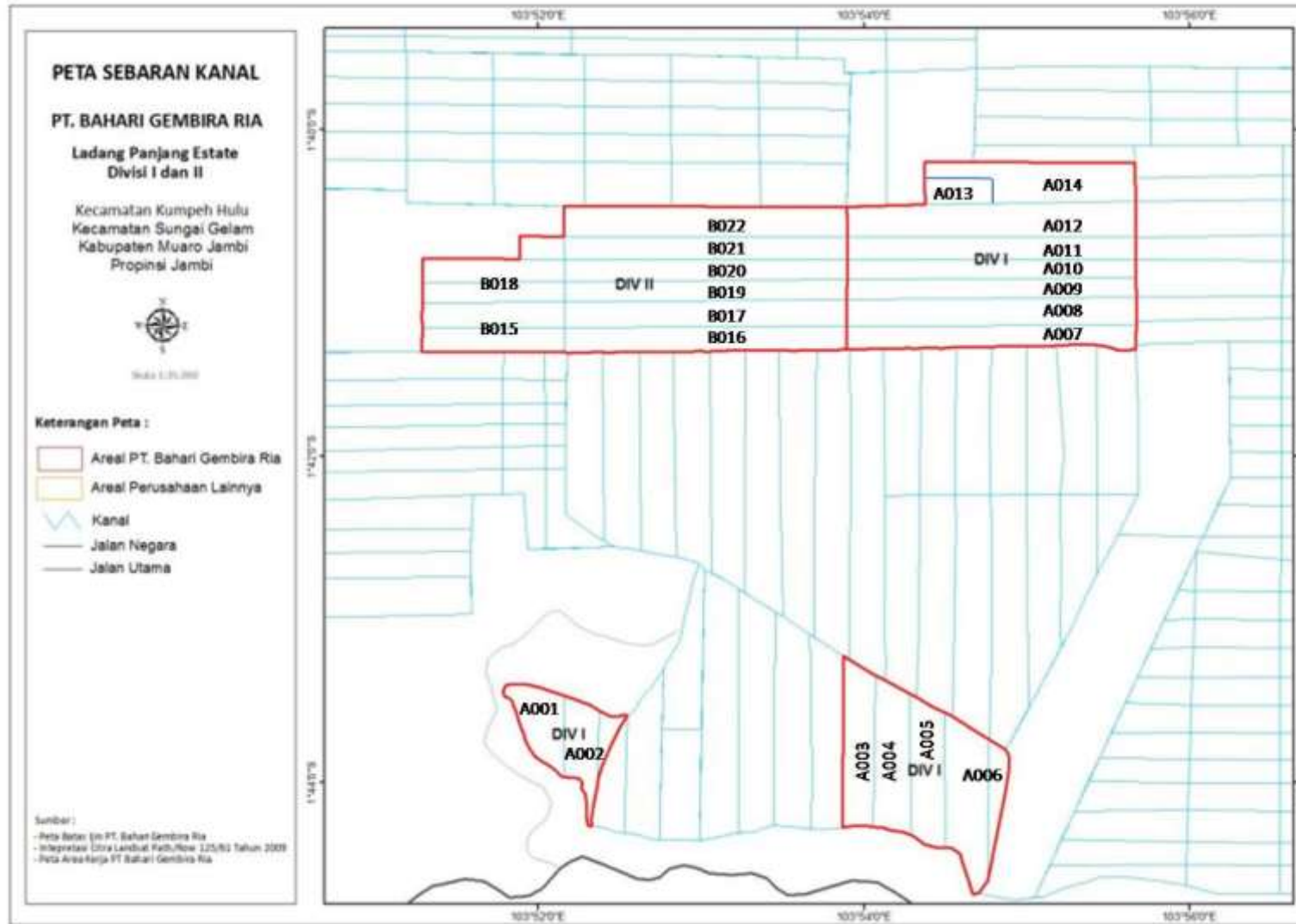
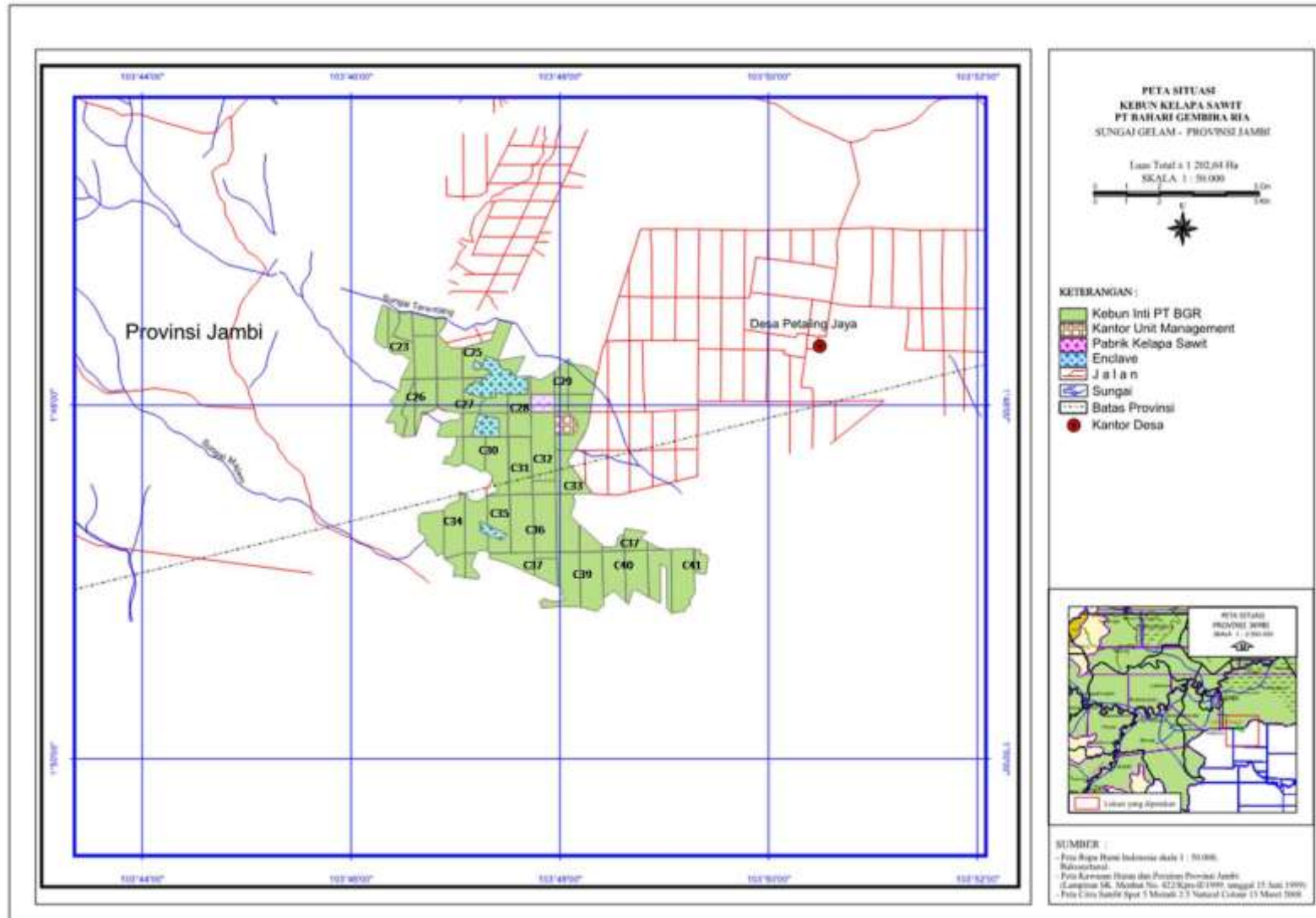


Figure 3. Operational Map of PT Bahari Gembira Ria (Division III)



Glossary

AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Social and Environmental Impact Assessment)
ASA	:	Annual Surveillance Assessment
BGR	:	Bahari Gembira Ria
BLHD	:	Badan Lingkungan Hidup Daerah ( <i>District Environment Body</i> )
BOD	:	Biological Oxygen Demand
BPJS	:	Badan Penyelenggara Jaminan Sosial ( <i>Social Assurance of Labor</i> )
BPN	:	Badan Pertanahan Nasional ( <i>National Land Agency</i> )
BSS	:	Block Spraying System
CPO	:	Crude Palm Oil
CSR	:	Coorporate Social Responcibility
EHS	:	Environment Health and Safety
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunches
HCV	:	High Conservation Value
HGU	:	Hak Guna Usaha. ( <i>Land Use Title</i> )
HIRAC	:	Hazard Identification Risk Assessment and Controls
HRM	:	Human Resource Management
IUP	:	Izin Usaha Perkebunan. ( <i>Plantation Operation Licence</i> )
IPM	:	Integrated Pest Management
KPHP	:	<i>Kesatuan Pemangkuan Hutan Produksi</i> (Production Forest Management Unit)
KUD	:	<i>Koperasi Unit Desa</i> (Village Cooperative)
LPE	:	Ladang Panjang Estate
LPF	:	Ladang Panjang Factory
LUCA	:	Land Use Change Analysis
MRC	:	Minamas Research Centre
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OHSE	:	Occupational Health, Safety and Environment
P2K3	:	<i>Panitia Pelaksana Keselamatan and Kesehatan Kerja</i> (Occupational Health and safety Guiding Committee)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PSD	:	Plantation Services Departement
PSQM	:	Plantation Sustainability and Quality Management
RKL/RPL	:	<i>Rencana Kelola Lingkungan/Rencana Pemantauan Lingkungan</i> (Environmental Management Plan/ Environment Monitoring Plan)
RTE	:	Rare, Threatened or Endangered
SOP	:	Standard Operating Procedure

WCL	:	Wana Cipta Lestari
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>		<ul style="list-style-type: none"> <li>• <i>RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013.</i></li> <li>• <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i></li> </ul>	
<b>1.2 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	PT Bahari Gembira Ria subsidiary of Sime Darby Plantation Sdn Bhd.	
1.2.2	Contact person	Mohamad Pirabaharan	
1.2.3	Organisation address and site address	RSPO registered company: No 2, Plantation Tower, PJU 1A/7Street, Petaling Jaya, Malaysia 47301.  Liaison Office: The Plaza Lt. 36, JL. MH Thamrin Kav. 28-30, Jakarta 10350	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	<a href="mailto:mohamad.pirabaharan@simedarby.com">mohamad.pirabaharan@simedarby.com</a>	
1.2.7	Web page address	<a href="http://www.simedarby.com">www.simedarby.com</a>	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM Minamas Plantations-Sime Darby)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 7 September 2004	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base : <ul style="list-style-type: none"> <li>• Ladang Panjang Factory and Ladang Panjang Estates</li> </ul>	
1.3.2	Type of certificate	Single	
<b>1.4 Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b>
			<b>Longitude</b>
	Ladang Panjang Factory	Ladang Panjang Village, Sungai Gelam Sub District, Muaro Jambi District, Jambi Province, Indonesia	S 1° 04' 33"
			E 103° 47' 34"



1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude
	Ladang Panjang Estate	Ladang Panjang Village, Sungai Gelam Sub District, Muaro Jambi Region. Jambi Province	S 1° 49' 35" – 1° 40' 24"      E 103° 45' 52" – 103° 55' 44"
<b>1.5 Description of Area Statement</b>			
1.5.1	Tenure		
	• State		3,380.20 Ha
	<i>HGU owned by the company is covering an area of 1,202.04 hectares and there is an area of 1,806 hectares that are in process HGU, besides the whole area has an IUP of 3,382.04 Ha</i>		
	• Community		- Ha
1.5.2	<b>Area Statement</b>		
	• Total area		3,380.20 Ha
	• Mature area		2,827.52 Ha
	• Immature area		- Ha
	• Mill		21.60 Ha
	• Housing		28.40 Ha
	• Infrastructure (Bridge and Road)		99.86 Ha
	• Nursery		5.00 Ha
	• Occupation		398.00 Ha
	• HCV*		8.11 Ha
	* The reduce of HCV area refer to Criteria 5.2		
<b>1.6 Planting Year and Cycles</b>			
1.6.1	Age profile of planting year		
	Planting Year	Hectarage (Ha)	
		Ladang Panjang Estate	Total
	1997	361.63	361.63
	1998	376.29	376.29
	1999	171.40	171.40
	2000	538.75	538.75
	2001	129.59	129.59
	2002	80.00	80.00
	2003	790.53	790.53
	2007	107.86	107.86
	2009	271.47	271.47
	<b>TOTAL</b>	<b>2,827.52</b>	<b>2,827.52</b>
1.6.2	New Planting area after January 2010	- Ha	
1.6.3	Planting Cycle	1 <sup>st</sup> Cycle	

<b>1.7 Description of Mill and Supply Base</b>							
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Ladang Panjang Factory	30	142,010.00	29,409.06	20.71	6,530.08	4.60
	<i>*Source: processing data April 2015 to March 2016</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/ year)	%
	Ladang Panjang Estate	3,380.20	2,827.52	49,986.78	17.68	49,986.78	100
	<b>TOTAL</b>	<b>3,380.20</b>	<b>2,827.52</b>	<b>49,986.78</b>	<b>17.68</b>	<b>49,986.78</b>	<b>100</b>
	<i>*Source: production data April 2015 to March 2016</i>						
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			
	KUD 1 Manggar Jaya (non certified)	Scheme Smallholders of PT BGR (Total member = 875; hectarage = 1,743.01 Ha)	Muaro Jambi District, Jambi Province, Indonesia	12,530.15			
	KUD 2 Marga Jaya (non certified)	Scheme Smallholders of PT BGR (Total member = 636; hectarage = 1,248.29 Ha)	Muaro Jambi District, Jambi Province, Indonesia	28,403.52			
	KUD 3 Mitra Inti Sumber Makmur (non certified)	Scheme Smallholders of PT BGR (Total member = 415; hectarage = 828.58 Ha)	Muaro Jambi District, Jambi Province, Indonesia	17,800.81			
	KUD 4 Karya Mandiri (non certified)	Scheme Smallholders of PT BGR (Total member = 541; hectarage = 1,066.37 Ha)	Muaro Jambi District, Jambi Province, Indonesia	23,176.63			
	KUD 5 Karya Maju (non certified)	Scheme Smallholders of PT BGR (Total member = 448; hectarage = 910.75 Ha)	Muaro Jambi District, Jambi Province, Indonesia	9,737.31			
	Air Merah Estate (non certified)	PT BGR (21 Ha)	Muaro Jambi District, Jambi Province, Indonesia	274.28			
	<b>TOTAL</b>						<b>91,922.70</b>
	<i>*Source: production data April 2015 to March 2016</i>						
1.7.4	Product categories			FFB, CPO, PK			

<b>1.8 Estimate Tonnage of Certified Product</b>							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 9 July 2015 to 8 July 2016 (ton/year)		Actual certified product 9 July 2015 to 24 April 2016 (ton/year)		
	• FFB Production		54,944		38,203.44		
	• CPO Production		12,088		7,905.75		
	• Palm Kernel (PK) Production		2,472		1,843.65		
1.8.2 Estimate of Certified FFB Claim							
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>		
	Ladang Panjang	3,380.20	2,827.52	53,723	19.00		
	<b>TOTAL</b>	<b>3,380.20</b>	<b>2,827.52</b>	<b>53,723</b>	<b>19.00</b>		
<i>Estimated data Period 9 July 2015 to 8 July 2016</i>							
1.8.3 Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (ton)</b>	<b>Extraction (%)</b>	<b>Out put (ton)</b>	<b>Extraction (%)</b>
	Ladang Panjang	30	53,723	12,625	23.5	2,418	4.50
<i>Estimated data Period 9 July 2015 to 8 July 2016</i>							
<b>1.9 Other Certifications</b>							
	Others		-				
<b>1.10 Time Bound Plan</b>							
<b>1.10.1 Time Bound Plan for Other Management Units</b>							
	<b>Management Unit</b>		<b>Supply Base</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>	
	<b>Mill</b>	<b>Time Bound Plan</b>					
	Sekunzir. PT. Indotruba Tengah	2010	Sekunzir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified	
			Seruyan	2010		Certified	
	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010	Rokan Hilir District – Riau	Certified	
			Manggala 2	2010		Certified	
			Manggala 3	2010		Certified	
	Bukit Ajong PT. Sime Indo Agro	2010	West	2010	Sanggau District – West Kalimantan	Certified	
			East	2010		Certified	
			Sei Mawang	2010		Certified	
			East Plasma	2010		Certified	
			West Plasma	2010		Certified	
	Teluk Siak. PT. Aneka Inti Persada	2011	Teluk Siak	2011	Pekanbaru, Siak District – Riau	Certified	
			Pinang Sebatang	2011		Certified	
			Aneka Persada	2011		Certified	

Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified
		Bukit Pinang	2012		Certified
Pematang. PT. Teguh Sempurna	2011	Pematang	2011	Seruyan and East Kotawaringin Distri ct – Central Kalimantan	Certified
		Kawan Batu	2011		Certified
		Hatan Tiring	2011		Certified
		Batang Garing	2011		Certified
Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011	Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
		Nusa Perkasa	2011		Certified
		Nusa Lestari	2011		Certified
Mandah. PT. Bhumireksa Nusa Sejati	2014	Mandah	2011	Indra Giri Hilir District – Riau	Certified
		Rotan Semelur	2011		Certified
Angsana Mini. PT Sajang Heulang	2011	KKPA-1 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
		Pantai Bonati	2011		Certified
Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
		Gunung Sari	2011		Certified
		KKPA-4 PT.SHE	2013		Certified
Mustika. PT Sajang Heulang	2013	KKPA-2 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
		KKPA-3 PT.SHE	2013		Certified
		KKPA-5 PT.SHE	2013		Certified
Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
		Gunung Kemasam	2011		Certified
		Laut Timur	2011		Certified
		Pantai Timur	2011		Certified
Bebunga. PT. Langgeng Muaramakmur	2011	Sungai Cengal	2011	Kotabaru District – South Kalimantan	Certified
		Bebunga	2011		Certified
		KKPA Sungai Cengal	2014		Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011	Seruyan and East Kotawaringin Distri ct – Central Kalimantan	Certified
		Sapiri	2011		Certified
		Barasdanum	2011		Certified
		Kuala Kuayan	2011		Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012		Certified
		Rampa	2012		Certified
		Sesulung	2012		Certified
Selabak. PT Swadaya Andhika	2012	Selabak	2012	Kotabaru District – South Kalimantan	Certified
		Randi	2012		Certified
		Sangkoh	2012		Certified
		Lanting	2012		Certified



Rantau. PT Laguna Mandiri	2012	Rantau	2012	Kotabaru District – South Kalimantan	Certified
		Matalok	2012		Certified
Betung. PT Laguna Mandiri	2014	Betung	2012	Kotabaru District – South Kalimantan	Certified
		Sekayu	2012		Certified
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
		Plasma TGK	2015		Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
		Plasma BGR	2020		-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
		Bumi Ayu	2012		Certified
		Karang Ringin	2012		Certified
		Napal	2012		Certified
		Mangun Jaya	2012		Certified
		Sungai Jernih Estate dan GPI KKPA	2016		-
Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
		Batang Ara (PT PSK)	2013		Certified
		Blang Simpo-01	2013		Certified
		Blang Simpo-02	2013		Certified
MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2020	Sanggau District – West Kalimantan	-
		MAS 1	2020		-
		MAS 1	2020		-
		Plasma MAS	2020		-
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	Ketapang District – West Kalimantan	Certified
		Awatan	2014		Certified
		Karya Palma	2016		-
		KKPA SNP	2020		-
		Pelanjau (PT BAL)	2018		-
		Sungai Putih (PT BAL)	2018		-
		Baturus (PT BAL)	2018		-

Sime Darby has achieved 39 management units in Malaysia and 21 Management Units in Indonesia RSPO certified. There was change of the Time Bound Plan under Sime Darby cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation:

- PT Mitra Austral Sejahtera. There is still a problem (issue) is still unresolved social that of Serikat Petani Kelapa Sawit (States Oil Palm Smallholders) Sanggau still do not approve of the process improvement demands by society and conflict resolution in accordance with the principles and criteria of the RSPO

#### **Non Conformity No. 2016.06 with Major category RSPO Certification System 4.2.4.c**

Revision Plan of Time Bound Plan which showed by the management unit has not been sufficient, such as:

- Certification Plan for associated smallholder of PT BGR planned in 2020 (supposedly 2015). Justification given for this change is the new MoU, but management unit can not explain what is the meant of New MoU.
- Certification Plan of Karya Palma Estate (PT Sandika Natapalma) and PT Budidaya Agrolestari including Sungai Putih Estate (Full Manage Smallholders - Koperasi Perkebunan **Sejahtera Palma Sejati & Mitra Usahatani Sejahtera**) are planned in 2018 (supposedly 2017)

	It is not in accordance with the RSPO Certification System 4.2.3 which explains All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years (since Mill certified).
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard.</b>
	One of KUD on associated smallholders of PT BGR has carried out RSPO internal audit conducted in April 2016 and the results of the audit showed there is a non conformity against the RSPO standard.

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>ASA-4</b>	<ol style="list-style-type: none"> <li><b>Ardiansyah (Lead Auditor).</b> Bachelor of Forest Resources Conservation, Department of Forestry, Bogor Agricultural University. He has followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Diameter, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. Several times following audit activities related to sustainable palm oil certification system as a lead auditor and an auditor. During this audit, he assigned to verify legal aspect, environment aspect, HCV and SCCS.</li> <li><b>Naila Karima (Auditor).</b> Bachelor of Public Health, Department of Occupational Health and Safety. Faculty of Public Health, University of Indonesia. She had experience working in private oil palm plantation companies in Indonesia. She had followed training such as ISPO Lead Auditor, awareness training RSPO certification system, awareness training Occupational Health and Safety Management System (PP No. 50 tahun 2012), and Integrated Management System (OHSAS 18001:2007, ISO 14001:2004, and ISO 9001:2008). During this audit, she assigned to verify of worker welfare aspect, social and transparency of information.</li> <li><b>M. Rinaldi (Auditor).</b> Associate of Oil Palm Plantations, Bogor Agricultural Institute. He has 4 years experience working as staff operational plantations at oil palm plantation companies in Indonesia. He has attended the RSPO Awareness training, Lead Auditor/Auditor ISPO training, Auditor/Lead Auditor ISO 9001:2008 training, HCV training and Health and Safety Officer training. During this audit, he assigned to verify of Best Management Practices and OHS aspect.</li> </ol>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-4</b>	<p>Number of auditors: 3 auditor          Number of days for Surveillance-4 at site: 5 days          Number of working days for Surveillance-4 at site: 15 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-4</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Bahari Gembira Ria to the requirements of RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) 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 <b>ASA-4</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>Re-certification</b>). All information obtained was recorded in Check List of PT Mutu agung Lestari (MUTU) and part of assessment report.</p> <p>The assessment program please find Appendix 2</p>
<b>2.2.3</b>	<b>Location of Assessment</b>
<b>ASA-4</b>	<p>Scope Surveillance-4 is Ladang Panjang Factory and Ladang Panjang Estate. The sampling location is done by using the formula <math>(0.8 \sqrt{Y})</math>, Y is number of estate that is in the PT BGR. Total sampling at PT BGR is one (1) estate that is Ladang Panjang Estate. Then, in order to balance the information the auditor also visited villages around PT BGR.</p>

**Ladang Panjang Estate**

1. **Field C40, Division III.** Observation conditions boundary pole of HGU No. 8.
2. **Field C25, Division III.** Observation conditions HCV areas in form of Terentang River.
3. **Field B022, Division II.** Observation conditions boundary pole of HGU No. 6.
4. **Field A014, Division II.** Observation conditions boundary pole of HGU No. 8 and 9.
5. **Field A007, Division II.** Observation conditions boundary pole of HGU No. 7.
6. **Field C030 Division III.** Observations and interviews with the foreman and harvest workers related to the application procedures, employment, training, and facilities to the implementation of OHS.
7. **Field C031 Division III.** Observations and interviews with the foreman and workers associated with the spray application of procedures, conservation areas, areas that do not apply, employment policies, training, facilities to the implementation of OHS. Observation for Integrated Pest Management using the Owl (*Tyto Alba*).
8. **Field C035 Division III.** Observations related to improving soil fertility by using empty bunch.
9. **Field C038 Division III.** Observations and interviews with contractors workers harvest
10. **Field C032, C036, C038 Division III.** Observations related to the use of beneficial plant with *Turnera subulata*, *Casia coganensis* and *Antigonon leptosus* as controlling pests and diseases.
11. **Field C028 Division III.** Observations related to waste management and soil fertility improvement with the application of liquid waste and ensure appropriate monitoring wells with permission Land Application.
12. **Field B015 and B019 Division II.** Observations related to the measurement of ground water by using piezometers
13. **Field B015 Division II.** Observations related to the measurement of peat land subsidence.
14. **Field B018 Division II.** Observations related to water level regulation in peatlands by using a water gate.
15. **Field B016 and B017 Division II.** Observations related to the measurement of water in the canal by using a yard stick.
16. **Field 016 Divisions II.** Observations pest and disease control use of beneficial plant and leaf-eating caterpillar pests.
17. **BSS Storage.** Observed the washing of working tools, PPE spray teams and used pesticide containers.
18. **Hazardous Waste Storage.** Observed the hazardous waste storage licensed and completeness of the building such as waste balance sheets, symbols and labels, the availability of fire extinguisher and emergency wash.
19. **Chemical Warehouse.** Observation of fertilizer and pesticide storage area, equipped with pallets, symbol and MSDS.
20. **Employee Housing.** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities

**Ladang Panjang Factory**

21. **Security Post.** Observations and interviews related to the examination of vehicles in and out of the factory, workers' understanding of the procedures, SCCS and prosperity of workers.
22. **Weight Bridge.** Observations and interviews related to the process of weighing, administrative examination and documentation of separation between certified and non-certified products.
23. **Loading Ramp.** Observations and interviews on how grading, sampling up to the criteria in grading FFB.
24. **Process Station.** Observations and interviews with employees in relation to the processing of FFB into crude palm oil (CPO), the understanding workers concerned SOP, fire emergency at the mill, first aid kit, implementation of OHS, the facilities provided by the company, the training which has given the company and employment.
25. **Enginee Room/Turbine.** Observations and interviews with relevant operator about fuel efficiency, understanding related workers SOP, fire emergency at the mill, first aid kit, implementation of OHS, the facilities provided by the company, medical check up, training that has given the company and employment.
26. **Boiler Station.** Observations and interviews with relevant operator, understanding related workers SOP, fire emergency at the mill, first aid kit, implementation of OHS, the facilities provided by the company, medical check up, training that has given the company and employment
27. **Workshop.** Observasidan interviews related to the competence of workers, medical check up, implementation OHS and waste management.
28. **Hazardous Waste Storage.** Observed the hazardous waste storage licensed and completeness of the building such as waste balance sheets, symbols and labels, the availability of fire extinguisher and emergency wash.
29. **Chemical Warehouse.** Observation storage and chemical management activities.
30. **WTP.** Observation of water treatment activities and the use of chemicals.



	<p>31. <b>WWTP.</b> Observations and interviews related to the management of the WWTP effluent ponds, wastewater pond conditions and delivery of liquid waste into the estate.</p> <p><b>Stakeholder Consultation</b></p> <p>32. <b>Institutions of governance</b> (District Government Agencies Muaro Jambi consisting of the Environment Agency, the Department of Manpower and Transmigration, the Agriculture Agency, National Land Agency). Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area.</p> <p>33. <b>Surrounding villages</b> (Ladang Panjang Village, Parit Village and Sungai Gelam Village). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society and the impact of corporate activities.</p>
<b>2.3 Stakeholder Consultation and Stakeholders Contacted</b>	
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-4</b>	<p>Consultation of stakeholders for PT Bahari Gembira Ria was held by:</p> <ol style="list-style-type: none"> <li>1. Public announcement at web <a href="http://www.mutucertification.com">www.mutucertification.com</a> on 11 March 2016.</li> <li>2. Consultation meeting and interview with government agencies in Muaro Jambi District (forestry and plantation agency, manpower agency, national land agency and environment agency) on 26 April 2016</li> <li>3. Consultation meeting and interview with locals of the nearby village (Sungai Gelam Village and Ladang Panjang Village) on 26 April 2016.</li> <li>4. Consultation meeting and interview with Internal Stakeholder (labour union, gender committee and contractor local) on 25 April 2016.</li> <li>5. Consultation with NGO such as Yayasan Pelestarian Hutan Wana Cipta Lestari on April 20, 2016</li> </ol> <p>Numbers of input from stakeholders were clarified by PT Bahari Gembira Ria.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4 Determining Next Assessment</b>	
	The next visit ( <b>Re-certification</b> ) will be planned 9 to 12 months after <b>ASA-4</b> assessment (April to June 2017).

**3.0 ASSESSMENT FINDINGS**

**3.1 Summary of Assessment Report of the RSPO Certification**

MUTUAGUNG LESTARI has conducted an assessment of Ladang Panjang Factory – PT Bahari Gembira Ria, Sime Darby Plantation Sdn Bhd operation consisting of one (1) mill and one (1) oil palm estates.

During the assessment, there were four (4) Nonconformities were assigned against Major Compliance Indicators, two (2) nonconformities were assigned against Minor Compliance Indicators, and seven (7) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. document records. Those corrective actions taken that consist of four (4) Major non-conformities and two (2) Minor non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Ladang Panjang Factory – PT Bahari Gembira Ria, Sime Darby Plantation Sdn Bhd complied with the requirements of RSPO Principles 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
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>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.</b>	
<p><b>1.1.1</b> Companies can show list of stakeholders that have been updated in 2016 that informing the stakeholders involved with the operations of the company starting from the village, community leaders agencies/institutions/agencies/departments of local government or central, police, hospitals, NGOs, trade unions, associations until with contracting partners of the company. In the list include official name, office address, email and phone number to call. The Head of administration will providing and update the stakeholder list.</p> <p>The Company provides information in the form of regular reports relating to environmental management to relevant agencies. This implementation report is made every six months and reported to the Environment Bodies of Muaro Jambi Regency and the Environment Bodies of Jambi Province, such as implementation report of semester II of 2015 which sent to Environment Bodies of Muaro Jambi Regency on March 16,2016. The PIC which providing and updating information is head of administration (KTU) in each unit.</p> <p>Interviews with the Agency of the District Muaro Jambi (Labour Agency, Environment Bodies and Plantation Agency) submitted that the company has openly expressed a document that can be accessed by the public, for example related to legal, environmental, social, OHS, etc. As if it needed information regarding the above, the department will send a letter to the company.</p> <p><b>1.1.2</b> The Company has consistently documented SOPs Request for Information (Document No. 008/BGR-PI/VIII/10, August 1, 2012).</p>	

In SOP explained that the requests for information received will be studied and made his answer by manager operational unit of Mill or Estate, and has covered the types of information that can be accessed by the public in accordance with indicators 1.1.1. Based on the flow chart in Appendix of this SOP explained that since received a letter of request for information from stakeholders to make a response to the determined period of 14 days.

The records documented information in the Log Book Inbox/Outgoing Mail and recorded in the office of each operational unit (Mill and Estate). The study results Log Book Inbox/Outgoing Mail January - March 2016 no letters associated with requests for information, that there is associated with the demand for financial aid, road repairs, or an invitation from the office to attend an event. Nevertheless, the results of the public consultation with the Agency of the District Muaro Jambi (Labour Agency, Environment Bodies and Plantation Agency) submitted that the company had responded properly if there is a request for information from the agency.

**Status: Comply**

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

**1.2.1**  
The Company has consistently documented the list of documents available to the public are described in Memorandum No. 01/BGR/04/15 dated 21 April 2015 issued by the Chairman SOU 21 Ladang Panjang. The documents include land use title, plantation business permit, HCVA, SIA, land application/hazardous waste permit, EIA, environmental management plan/environmental monitoring plan, OHS, employee data, data production (FFB, CPO, PK), hazardous waste data, specification engine plant, vehicle specifications, detail and complaints, sustainable plantation management guidelines, public summary of the certification assessment report, a human rights policy, and negotiation procedures. The document is saved in the Office Estate/Mill, traction and secretariat. A list of documents available to the public set by PT BGR compliance with RSPO Principles & Criteria.

The management unit showed evidence of socialization of public access to documents on 22 April 2015 attended by the village community Trimulya Jaya Village, Mingkung Jaya Village, Sumber Agung Village, Petaling Jaya Village, RT 26 RW 04 Ladang Panjang. Also based on the results of interviews with the District Muaro Jambi (Labour Agency, Environment Bodies and Plantation Agency) submitted that the company has openly expressed a document that can be accessed by the public, for example related to legal, environmental, social, OHS, etc.

**Status: Comply**

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

**1.3.1**  
The company has documented the Business Ethics Policy which approved by GM on 24 May 2007. In the policy submitted that the management units to develop business ethics with regard to the company and its stakeholders' expectations how to enforce the ethics including monitoring, reporting and sanctions for violations of the code of conduct. The commitment in interacting with stakeholders is a major concern of companies and be part of the company's business ethics, as well as the creation of added value. In addition, within the policy also explained about the work ethic that governs the basic attitude individual's and behavior of individuals inside and outside the company, including appreciate a personal nature fellow employees, such as religion, status, ethnic or racial and family, not committed an unlawful act such as gambling, stealing or embezzling company assets.

The policy has been communicated to all workers including contractors through socialization morning briefing on March 3, 2016, which was attended by the foreman and workers Division I, II and III LPE, and on April 27, 2016 submitted to the workers in the LPF. To ensure that the workers have to know the company's business ethics policy also conducted interviews with workers workshop LPF and LPE, a warehouse clerk LPE and LPF, operational workers estate such as harvesters and sprayers Division III LPE as well as the harvesting and loading contractors FFB.

**Status: Comply**

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

**2.1**

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

**2.1.1.**

The company has shown the evidence of compliance with local, national and international regulations, such as:

- Have Land rights in the form of Land Use Title and location permit.
- Have a plantation business permit for the activities of oil palm plantation and palm oil mills.
- Have the hazardous waste storage permit.
- Have the permission to utilize effluent on land (Land Application).
- Have a document of environmental impact assessment (EIA).
- Sending the reports of Environmental Management Plan and Environmental Monitoring Plan every semester.
- Sending quarterly reports of hazardous waste management.
- Gave wage to workers in accordance with minimum wage from local government.
- Done medical examination to workers routinely
- Workers at specific station have completed with license in accordance with requirement from government.
- Already has an organizational structure of Guiding Committee of Occupational Safety & Health and reporting Guiding Committee of Occupational Safety & Health and work accident report which has been carried out regularly every three months.
- Already has an organizational structure and firefighters who have been trained every year.
- Operator licences of steam boiler and heavy equipment still valid.
- Has had 4 Welders who has been trained accordance with Regulation of Labor and Transmigration Ministry No. 02 Year 1982 about Qualifications of welders in the workplace

Based on the review of documents and interviews with workers in mind that Ladang Panjang Estate handed over the main work (harvest) to third parties (contractors), it is not in accordance with Minister Regulation of Labor No. 19 year of 2012 and SK GAPKI No. SK/002/PPG/III/2013. Based on the explanation is found **Non conformity No. 2016.01 with Major category.**

**2.1.2**

The company has a mechanism to identify and evaluate the compliance with the law described in the SOP of Law Terms. PIC who is responsible for identifying the regulation and for evaluating the regulations was PSD and EHS. Based on this mechanism, the company identifies there are 352 regulation that must be met and the entire copy of the rules is stored in the office of each unit, such as:

- National regulation: Government Regulations No. 46 of 2015 about old age insurance; Minister Regulation of Labor No 6 of 2016 about allowance for great day of religious for workers.
- Ratification of International regulation: Presidential Decree RI No. 83 of 1998 about endorsement ILO Convention No 87 about freedom of association.

**2.1.3 & 2.1.4**

All regulations are noted in the list of rules which are always evaluated regularly at least once a year or if there are regulatory / latest requirements referenced. The result of latest evaluation show that management unit has complied with the new regulation such as Government Regulations No. 46 Year 2015 about old age insurance. Based on the interviews with relevant agencies (Plantation Agency, Labor Agency and Environmental Body) known that the management unit has fulfilled the regulations related to the plantation, employment and the environment.

<b>2.1.1</b>	<b>Status: Non conformity No. 2016.01 with Major category</b>
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**2.2**

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

**2.2.1**

The company has had the land rights in the form of Land Use Title (HGU) for area in Division III as described in the Audit Report ST-2 and up to ASA-03. Land Use Title owned is an area of 1,202.04 hectares which consist of one certificate. Based in document review and field visit known that there is different border line of province with map from Forestry Minister and Land



Use Title map from National Land Agency of Jambi Province. The Company has an opportunity to ensure all legality requirement from related agency (OFI).

Land permit for area in Division I and II Ladang Panjang Estate is land permit from Jambi Governor on 1986 and then conducted field measuring on 2007. The result of field measuring shows that the are which process to land use title was 2,181.65. on 2014, Government of Muaro Jambi release new location permit for the same are (division I and II) for PT BGR which cover 1,806 Ha. There is a reduction area from the field measuring on 2007 because it be given to Government of Muaro Jambi and some of the area still controlled by community.



**Patok BPN No 9**

**2.2.2**

Management unit have conducted monitoring of boundaries pole every 3 months. The examination results for June 2015 – April 2016 showed that the entire poles (36 poles) are in good condition. A field visit in Ladang Panjang Estate showed that Boundary Pole No. 6, 8, 9 and 12 are in a well-maintained condition.

**2.2.3; 2.2.4; 2.2.5 & 2.2.6**

The consultation results with Plantation Agency of Muaro Jambi Regency and the communities of Ladang Panjang Village known that there was never a dispute / conflict of land between the companies significantly. The results of interviews with the *Kelompok Tani 440* and Sungai Gelam Village Government known that there are issue related to distribution of smallholder scheme for communities in Parit Village and Sungai Gelam Village. The Company have shown the evidence of completion the issue which done by legal means on 2010 – 2011.

The Company has had Conflict Resolution SOP which involves the stakeholder in the process. Besides that, The Company also has had a policy from General Manager on February 1, 2016 about prohibit the use of mercenaries and paramilitaries in their operation.

**Status: Comply**

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

**2.3.1; 2.3.2; 2.3.3 & 2.3.4**

Land tenure for the management unit within the scope of the audit was State land and community land that has been made compensation at the early of plantation project. The evidence of land compensation from community has documented completely and stored by Public Services Department (PSD). Interview with public figure of Ladang Panjang Village known that the land compensation at the early of plantation project was conducted without coercion and there are no indigenous lands.

Document review, field visit and interview shows that since the ASA-3 until ASA-4, the company does not perform are expansion.

**Status: Comply**

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

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

**3.1.1**  
The Company has reviewed the long-term plan on January 8, 2016. Long-term plans have been made for period of 2016-2020, that describes projected of operational cost, production, area statement, yield, estimated selling prices of CPO and palm kernel, the estimated purchase plasma TBS and profit estimates (Income Vs Cost). In addition, the company showed management plan of smallholders on document of projection 2016-2020 that describe the projection area statement, projected production till operational cost.

**3.1.2**  
Company has revised the replanting plan and has been recorded in the form of the Long Range New Planting Programme that

has been made for period 2016-2030. Replanting program has been created for each block. Based on these documents, it is known that replanting in the year 2016/17 will be conducted in peat areas in Division I, Filed A009, A010, A011 with total area of 232.39 hectares.

**Status: Comply**

**PRINCIPLE #4 Use of appropriate best practices by growers and millers**

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

**4.1.1**

Procedures for plantations and palm oil mills there are no changes from the previous assessment that contained in the Reference Manual SOP of Oil Palm Planting Agronomy No. Policy; 110 / EST-ARM / 13 and SOP of Palm Oil System Processing in oil mill Technical Guidelines. Based on field observation and interviews on spraying activity in Division III Filed C031, it is known that workers can explain working technic of the spraying from width determination on circle around tree and path, dose of herbicide used. In addition, based on interviews with workers grading in LPF is known that workers can explain the criteria for ripe fruit and the determination of the samples in accordance with the SOP.

**4.1.2**

Mechanism to check consistent implementation of procedures, company has done some internal audit, among others:

- Plantation advisory conducted every semester, the last activity carried out on 26-29 November 2015.
- Audit of environment safety and health (ESH) held on 16 April 2016 by the audit team of PSQM Department Regional Jambi and South Sumatra for LPE.
- Operational audits conducted by Internal Audit Department conducted every semester. Example audit period 2015/16 Semester 1, conducted in February 2016 for LPE.
- Mill advisory conducted every semester, the last activity carried out on 23-25 March 2015.
- Audit of environment safety and health (ESH) held on February 2016 by the audit team of PSQM Department Regional Jambi and South Sumatra for LPF.
- Operational audits conducted by Internal Audit Department conducted every semester. Example audit period 2015/16 Semester 1, conducted in September 2016 LPF.

**4.1.3**

The entire PT Bahari Gembira Ria operation activity is recorded in Monthly Report both for estate and mill. Latest Monthly Report in March 2016 consists about:

1. Monthly Report for Ladang Panjang mill, which covers comments from manager, FFB's acceptance, production data, quality & production lost, production cost, personnel and housing, cost recapitulation and budget.
2. Ladang Panjang Estate report for operation activity record, such as consists of areal statement, organization structure, number of manpower and liability, building/ infrastructure data, FFB's production data, data over rainfall rate, data of productive plantation, bursary data, production cost, capital etc. as well as comments from manager regarding problems or issues in estate.

**4.1.4**

Ladang Panjang Factory only receive FFB from own estate and scheme smallholder (PIR-TRANS). Entire FFB receiving have documented on Production Daily Report, such as report on April 27, 2016 shows that FFB received from Ladang Panjang Estate, KUD Karya Maju, KUD Karya Mandiri, KUD Marga Jaya and KUD Mitra Inti Sumber Makmur.

**Status: Comply**

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

**4.2.1**

Company committed to applying good practice and sustainable in terms of soil fertility management, evidence of this commitment include:

- Sampling soil and leaf tissue in order to be able to determine the actual condition of nutrients contained in the soil and

plants. Based on these data will be determined dose of fertilizer needed.

- Application of appropriate fertilization, right dose, right on target and on time.
- Application POME and empty bunch as organic nutrient subsidy.

**4.2.2**

Company has shown Fertilization Report period 2015-2016 that has been updated until March 31, 2016. Based on the document, realization of first semester period 2015/16 (July-December 2015) is not in accordance with the program due to company's financial condition, this be proven by letter from Head Plantation Upstream Indonesia on December 7, 2015 (No. POD-UM-104 / XII / 2015) related to stop fertilization Mature Areal and the letter of the Head of Sumatra Region dated January 19, 2016 (No. 004 / HSR / I / 2016) states that fertilization resumed on January 15, 2016 with the fertilizing on first semester of 2015/16 has been cut off and fertilization continued with 2nd semester using the revised recommendation of the MRC.

**4.2.3**

Company shows results of soil and leaf analysis last, among others:

- Reports of plant tissue analysis results dated June 16, 2015 conducted by Minamas Laboratory Services Research Centre (MRC) to determine nutrient content of N, P, K, Mg, Ca, B, Fe, Cu and Zn.
- Company has a Soil Survey Report and Feasibility for period 2015-2020 that describes results of analysis of soil to measure parameters include peat depth, pH, content of organic C, total N, C / N, total P, available P, total K, Mg, CA and NA and soil texture.

**4.2.4**

Company has made several attempts to recycle the mill waste. Until now, mill waste production is empty fruit Bunches (EFB) and Palm Oil Mill Effluent (POME). company has shown recording of utilization waste, as follows:

- EFB: EFB application with dose 20 tonnes/ha in accordance with SOP fertilization with empty bunch. EFB application implemented entirely in Division III (mineral). For the period July 2015-March 2016 recorded the number of applications as much as 19,167 tons with total area 957.58 hectares at 16 blocks.
- POME: there is POME application at block C027 and C028 with total area 83 Ha. Record of effluent application contained in the Report of Land Application reported to relevant agencies. for use in January 2016 as many 5,880,000 MT; February 2016 as many 6,513,758 MT; March 2016 as many 9,718,248 MT.

Based on a visit in Field C035, it is known that company utilizing empty bunch to improve soil fertility by applying EFB between trees. On Field C028, it is known that company still commitment to use of POME with applying on silt-pit.

**Status: Comply**

**4.3**

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

**4.3.1 & 4.3.6**

Based on soil survey documents that made by Minamas Research Center for period 2015-2020, there are maps of soil types with scale 1: 45,000 which explains that there are two types of soil that is peat (*Typic Haplofibrist* and *typic Haplosaprist*) and mineral soil (*Aquic paleudult*, *Typic paleudult*, *Typic Dystrupdept*). Based on documents and field visits in Division I & III is known that fragile soil at PT.BGR is peat soil.

**4.3.2**

Based on soil survey documents who made by Minamas Research Center for period 2015-2020. Explained that the topography in company between flat and undulating with a slope of 0-6° classes. Based on the field in Division I & III, there are no areas with steep slop, area expanses is from flat till undulating.

**4.3.3**

Company has recorded program and realization of road maintenance for period July 2015 - June 2016, such as, road maintenance program in Division III on July 2015 till March 2016 as many as 85,980 meters with realization is 85,980 meters. Based on the field observation at Division III, it is known that the condition of roads in good condition. There is also a maintenance on road with flooded by water.

4.3.4

Company showed peatland management activities, among other:

- Measurement of surface peat soils (subsidence) that is regularly measured every 6 months. There is a recent measurements were carried out in December 2015 and January 2016:

Division	Field	Installation dates	Subsidences till this measurement
I	A006	January 2012	11 Cm
I	A009	January 2012	12 Cm
II	B015	January 2012	10 Cm

Based visit on block B015, it is known markers are still in good condition and protected by a fence. When visiting, subsidence of peat soil from the starting point is 10 cm.

- Have drainage for water management with the following data is:

Division	Field Drain (M)	Collection Drain (M)	Main Drain (M)
I	84,000	14,730	3,381
II	239,860	17,600	10,500

- Monitoring of ground water level by using piezometers is conducted every month. There are 12 units in Division 2 and 14 units in Division I.
- Measurement yard stick (water level) is done every day. There are 6 sticks in Division II and 4 units in the division I

Based on field visit, measuring of yard stick (water level) between 10-20 cm and in piezometer at level of 25-30 cm, this is because a few months of high rainfall. It can be shown in the rainfall data in Monthly Report for example in January 2016 there were 14 rainy days with 201 mm; February 2016 16 rainy days with 278 MM; March 2016 16 rainy days with 347 MM. Company has taken action to open up the entire water gate, during the visit at block B18 it is known the water gate is in open state.

4.3.5

Based on replanting program, it is known that in year 2016/2017 will doing a replanting in peatland area on Division I Field A009, A010 and A011. But the company has not been able to show the drainability assessment before replanting on peat land in order to determine the long-term viability of the necessary drainage for oil palm growing. **Nonconformity No. 2016.02 with Minor category.**

4.3.5 Status: Nonconformity No. 2016.02 with Minor category

4.4

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

4.4.1

The company have conducted water management on mill and estate which consist of:

- Manage effluent in Wastewater Treatment Plant (WWTP) before it utilize to estate/land in accordance with permit.
- Monitoring ground water quality on application area of POME and settlement area
- Maintain the water installation to avoid water leakage
- Arranging the schedule of domestic water distribution
- Separating the non chemical water and chemical water
- Marking the Terentang riparian as far as 5 oil palm tree from water body
- Install the sign board related the prohibition of poisoning the fish and cutting down trees at riparian.
- Socialization every briefing morning about prohibition of chemical use in riparian area.
- Monitoring of water surface quality (river) in operational area.

4.4.2

Field visit at Terentang riparian, Field C-025, Division III, Ladang Panjang Estate showed that has been seen the marking of riparian in the form of yellow paint in the palm tree. The marking of riparian is 50 meter from water body or as far as 5 oil palm tree. The management units also plant the trees such as *angsana*, *jelutung* and bamboo. Interview with sprayer show that they



already know about prohibition chemical use in riparian.

**4.4.3**

Effluent from mill is managed on WWTP before it utilize to estate/land. Document review show that monitoring the quality of effluent for land application is conducted every month by Local Environmental Laboratory of Environment Agency of Jambi Province (LP-413-IDN). The testing result on July – December 2015 show that all parameter are meet with environmental threshold.

**4.4.4**

Interview and field visit known that the source of water used for mill is reservoir. Field visit at Water Treatment Plant (WTP) show that flow meter in good condition and monitoring of water usage is conducted by WTP operator every day. The average of water usage in mill on May 2015 – March 2016 is under the budget (1.8 M<sup>3</sup>/ ton FFB).

Status: Comply

**4.5**

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

**4.5.1**

Company has been conducting IPM activities, among others:

- Conducting census every month to monitor the level of pest infestation. The pest has been monitored is nettle caterpillars, bagworms, rat, termites and ganoderma. Based on document Summary of Census and Control in January 2016, there is pest infestation of nettle caterpillars and bagworms in division 1 and 2. Company has been control the pest infestation, example in Division II Field B022 has been done trunk injection on January 15, 2015 using the insecticide Acephate much as 5 Kg for spacious 2.5 ha. However, based on the census in March 2016 caterpillar pest has dropped below the threshold. Based on field obsevation on Division II, there is mark of pest infestation from leaf-eating caterpillar but there is not found the pest still attacking.
- Conduct control of rat pest using natural enemies that is owls. Company has set up owl cage with total 50 units in division I, 33 units in division II, 58 units in division III. Based on field observation in Field C031 division III, there is an barn owl box No.23 with good condition and well maintained and there are signs cage is inhabited (there is feathers, feces and eggshells).
- Conduct beneficial plant with kind Turnera subulata, Casia cobanensis and Antigonon leptosus. During the field visit at Division III Field C32, C36, C38 and Division II Field B16 there are beneficial plants with good condition and well maintained.

**4.5.2**

Company showed evidence of training Disease and Control on April 5, 2016 to employees Division III with trainee 12 employees. Based on interviews with supervisory workers of owl cages, it is known that workers can explain the techniques and monitoring period in accordance with the procedures.

Status: Comply

**4.6**

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

**4.6.1**

Justification of pesticides used is listed in procedure Agriculture Reference Manual (ARM) No. Policy 110/EST-ARM/13, among others:

- In section 15 about the Plant Protection explained age of plant, kind of pests, active ingredients are used and the doses used. For example, for controlling leaf eating caterpillar pest on mature area using chemicals active ingredient *Cypermethrin* 5% with doses 15 ml/tree.
- In section 16 about weed control in general explained that pesticides used selectively to specific target, described the dose to use each ha, and dose dilution. Example for woody weeds are controlled with *trichlopyr* with contents is 480 g/l, dose of 0.5 - 1 L/Ha, rotation 2 times each year.

**4.6.2**

Company has a document Recording of Pesticide Uses for period July 2015 - March 2016 describing the type of active material, trademarks, LD50, Ha application, materials used, the amount of active ingredient, the active ingredient /ha and rotation of applications. For example, reports on division III:

No	Active Materials	Trademarks	LD50 Acute Oral	Use of materials	Ha Application	Active Material /ha	Rotation / year
1	Glifosat	Audit	5000 Mg/Kg	317.90 L	1,085.43	0.12	3
2	Metil metsulfuron	Helli	>5000 Mg/Kg	5.25 Kg	194.57	0.005	2
3	Triklofir	Kenlon 486	4500 Mg/Kg	95 L	311.95	0.15	2

#### 4.6.3

Plan of the IPM are listed in Agronomy Procedure No. 110/EST-ARM/13 section 15 concerning plant protections. In the procedure explained that the census pests and diseases conducted regularly every month, pest control using pesticides do if the census had been above the threshold and there is a pest control using natural enemies and the use of beneficial plants. Based on the field in division II and III, is known the company planted the beneficial plant with the kind of *Turnera subulata*, *Casia cobanensis* and *Antigonon leptosus* for control the pest and barn owl box are used to reproduce the owl to control rodent pest.

#### 4.6.4

Based on te document review recording use of pesticides, company does not use chemical pesticides categorized as Type 1A or 1B WHO or materials included in the list of Stockholm and Rotterdam conventions, and paraquat.

#### 4.6.5

Based field visit and interviews on spraying activity at Division III Field C031, it is known that workers have been given training related to the application of pesticides and can explain the mechanism for determining of width on circle around tree, width for path and a dose of herbicide used. Workers also have been using the PPE according to risk identification and MSDS among others aprhone, boots, rubber gloves, goggles, masks and spraying clothing.

#### 4.6.6

Based on visit to agrochemical warehouse, it is known that the storage of pesticides in accordance with recognized best practices, among others, the separation of pesticides with other materials; available MSDS, available emergency response equipment such as eye wash, first aid kit, fire extinguisher; setting air circulation by using exhaust van and prevention of leakage has been made concrete embankment.

#### 4.6.7

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

- Has procedures about the use pestsida to control weeds and pests diseases listed in the Agricultural Reference Manual No. Policy 110/EST-ARM/13 sections 15 and 16.
- Has the identification, assessment and control of risk for pesticide application activities
- Provision of PPE was adjusted with risk identification specified.
- Training related to pesticides application.

#### 4.6.8

Based on documents review and interviews with operational staff, company is not conducting application of pesticides from aerial.

#### 4.6.9

Company has conducted training for workers and smallholders on handling and how to use of pesticides, for example:

- Training of Controlling nettle caterpillars with Trunk Injection and use of chemicals Lancer conducted on January 20, 2016 with trainee is 10 farmers from KUD Marga Jaya.
- Training of controlling Rat Pests & Ganoderma Diseases conducted on January 22, 2016 with trainee is 16 farmers from KUD Karya Mandiri
- Training of using PPE, HIRAC and SOP Spraying System was conducted on February 2, 2016 with 15 participants

**4.6.10**

The Company has consistently documented the flow diagram Handling Pesticides Used Container outlined in Policy No. 004/PT BGR/PBL3/10 on Handling Hazardous Waste Procedure. Based on interviews with workers on duty at the hazardous waste storage LPE and Estate Manager submitted that the entire former pesticide containers are washed first in the warehouse then stored in the hazardous waste storage LPE that have been licensed, and further waste of used pesticide containers are transported by freight forwarders and collection hazardous waste licensed (PT Anggrek Jambi Makmur). The amount and type of waste discarded containers of pesticides in and out is recorded on the balance board hazardous waste to determine the actual stock hazardous waste. The company show documents Hazardous Waste Manifest No. 000011 as evidence of waste transportation of used pesticide containers (Kenlon, Starane, Audit, etc.) as much as 0,009 tons on March 28, 2016. The hazardous waste transportation using vehicles Box No. BH 8889 RU has permission carriage by the Director General of Land No. SK.3726/AJ.309/DJPD/2015/150710679BB with a validity period until May 5, 2019.

**4.6.11**

Company has a list of employees spray and spray foreman with the number 32 (3 foremen, 1 employee on Block Spraying System Warehouse and 28 employees of the spray).

Company has conducted a medical examination with blood test to determine the level of Cholinestrase of spray workers that conducted in 29-30 March 2016 and 20 April 2016 for 13 employees spray with the result still in the normal state. Based on document of list workers spray, there are 19 workers who have not carried out a medical examination and company have show the program of medical examination which will be implemented in June 2016, it will be observed on next assessment.

Based on interview with spraying personnel and paramedics, explained that the company checks personnel health annually and stated that in 2015 there is no worker who exposed disease due to pesticides.

**4.6.12**

Based on interviewing women workers on spraying activity at Division III it is known that workers have know that workers should not be spraying when in a state of breast-feeding and pregnant. At the visit there were no spraying woman workers who are pregnant and breast-feeding status.

**Status: Comply**

**4.7**

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

**4.7.1**

Policy related to OHS still the same as previous assessment, namely policy OHS passed by CEO Minamas Plantation dated August 27, 2010. Based on interview with workers known that they have been known about the OHS policy. They also said that assistant perform morning briefing every day before starting work.

Company had a program of occupational health & safety and environmental protection for period July 2015 - June 2016 made by P2K3 Secretary and approved by Chairman P2K3, including:

- Update P2K3 and emergency response structure
- Preparation to implementation of OHSE (HIRAC and risk assessment, review and update MSDS, allocation of equipment and needs, PPE needs allocation, allocation of medical and clinical needs, OHS promotion)
- Program activities of OHSE (PPE Application, periodical medical examinations, meeting of program OHSE, OHSE Inspection, inspection of OHSE equipment, environment control and hazardous waste , records and reports OHSE, issues control and work permits, training programs, audit)

Company can show the realization of work program, for example there are updates P2K3 organizational structure, P2K3 meeting every month, PPE and infrastructure OHS inspection. The evaluation of work program carried out during the meeting P2K3 conducted every month.

**4.7.2**

Procedures related to the identification, assessment and control of hazards and HIRAC unchanged from the previous

assessment. Based on document review and interview with workers known that the unit management has had risk assessment document for all activities in estate and mill. Company can increase the risk identification by detailing the types of PPE according to the product label **(OFI)**.

Company has MSDS that explains the dangers of material, information material, handling accidents and type of PPE used. Based on field observation at spray activities in division III, company has equipped workers with PPE include rubber gloves, aprone, goggles, masks, boots and special clothing sprayers. But the company can evaluate the aprone that used by sprayer is resistant to water/pesticide mixture **(OFI)**.

#### **4.7.3**

Based on a visit in Estate and Mill, all workers have been using PPE according to risk analysis made, for example for machine room operator at mill using PPE kinds of helmets, ear muff, and shoes. Workers also can explain how to work safely for example in the boiler station, workers can explain the PPE to be used, how to monitor the boiler in order to operate safely, has been given training related firefighters. Companies need to ensure the implementation of electrical training to employees who planned in August 2016 **(OFI)**.

#### **4.7.4**

Company has identified those responsible for implementation of OHS program formed in P2K3 structure. P2K3 that owned has been approved by Labour Agency Muaro Jambi District by Decree No. KEP.566/123/Sosnakertrans dated 19 April 2016 for Estate and Decree No. Kep.566/27/Sosnakertrans dated January 18, 2016 for mill. Based on interview with Labour Agency Muaro Jambi District, company has P2K3 and OHS Officer in accordance with the regulations.

Besides that, meeting related OHS has been done on every month by P2K3, example meeting on March 2016:

- LPF: Meeting on March 18, 2016 conducted by 12 consists of P2K3 chairman, OHS Officer and Mill workers (clerk, foreman) with a discussion of contract workers who are not using PPE.
- LPE: Meeting on March 31, 2016 conducted by 12 people consist of a chairman P2K3, OHS Officer, foreman, clerk and paramedic with the discussion of environmental hygiene, awareness of importance of OHS.

#### **4.7.5**

Company has made efforts to deal with emergencies and accidents, among others:

- Have procedures related to the handling of emergencies. The procedure related to the handling emergencies is still the same as the previous assessment.
- Have emergency facilities and infrastructure such as fire extinguisher, first aid kit, hydrant, water machine, water tank, clothing for firefighters, chainsaws, hoses and syringes peat, tractors and other supporting equipment.
- Conducting a training of emergency, example emergency response training in LPF on March 19, 2016 and emergency response training of natural disasters and use of fire extinguisher in LPE on April 15, 2016.

Based on field visits in mill at boiler station known that hydrant can function properly and in each fire extinguisher there is checklist of inspection that monitored every month. As well as interviews with harvest foreman, it is known that the foreman had been equipped with first aid kit and can explain the functions of each of contents in first aid kit and can explain the handling of occupational accidents.

#### **4.7.6**

Company has registered all employees in the program BPJS (occupational accident insurance), the company can show proof of payment, for example:

- Payment of LPF employee insurance for period March 2016 conducted on April 8, 2015 as many as 109 people.
- Payment of LPE employee insurance for period March 2016 conducted on April 1, 2015 as many as 399 people.

Based on interview with Worker Union, explained that all employees have been registered in accident insurance.

#### **4.7.7**

Companies had recorded of occupational accidents in Work Accident Monitoring Reports that inform date, name of victim, site of accident, number of accidents, loss of work days, and category of an accident and cause of the accident. Based Monitoring

accident period July 2015-March 2016 note that in Estate and mill there are no accidents.

Status: Comply

**4.8**

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

**4.8.1**

The management unit PT BGR by HRM Sime Darby consistently prepare annual training program for all staff and workers at Plantation Minamas Training Calendar 2015/2016 in an effort to comply with regulations, as well as documenting and evaluating the training program has been developed and implemented. The training program includes OHS training (PPE, HIRAC, fire extinguisher and Hydrant, First Aid, Emergency Response, Mechanical Safety), the risk of exposure to pesticides (dose, the protection of female workers from the hazards of chemicals, the use of home Block Spraying System as a place to cleanse the body after working with chemicals, as well as storage and work tools spray PPE as an effort to minimize the impact of chemical hazards from the family home). In addition, the training associated with BMP in efforts to increase estate production.

In addition to training programs for the staff and workers, provided training programs for smallholders period 2015/2016, for the Division I (Karya Mandiri and Marga Jaya), Division II (KUD Makarti and KUD Sumber Mitra Inti Makmur), and Division III (KUD Manggar and KUD Karya Maju Jaya), the types of training include credit agreement, harvesting, weed control, pest and disease control, and fertilization.

**4.8.2**

The management unit has consistently documented the training records for all staff and workers Mill and Estates. In the tape contained information: employee name, employee number, position, title of training, time, place, Instructor and a certificate. For example employee training records administration member production of the type of training which have been followed, among others: October 20, 2010 on socializing the implementing regulation on labor 07 - 16 May 2010 briefing candidates OHS expert, and 04 - June 7, 2012 national evaluation of candidates for OHS expert general.

The Company has also conducted training for contractors who partnered with PT BGR, such as training for harvesting contractors on the importance of the use of PPE, OHS, HIRAC, and HCV on January 12, 2016. In addition the company has also provided training to smallholders such as the handling of the nettle caterpillars attack on January 20, 2016, IPM on 4 November 2015, the pest control of rats and ganoderma on January 22, 2016, etc.

Based on interviews with workers harvest in Division III Field C030 and workers spray in Division III Field C031 submitted that the workers have received training related to the field work and be briefed on the activities of the morning briefing to ensure workers can work in accordance with procedures established by the company.

Status: Comply

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

**5.1**

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

**5.1.1**

PT BGR unchanged the total area, activities and mill capacity, so environmental document that use is the old one. The document was EIA on 2007 which cover own estate as 4,000 Ha, smallholder as 6,000 Ha and mill with capacity 45 ton FFB/hour. This document also explains about environmental of management and monitoring plan which must be done by the company.

**5.1.2 & 5.1.3**

The company have conducted management and monitoring of environmental impact in accordance with EIA document and sent the implementation report to related institution. This implementation report is made every six months and reported to the Environment Bodies of Muaro Jambi Regency and the Environment Bodies of Jambi Province, such as implementation report of semester II of 2015 which sent to Environment Bodies of Muaro Jambi Regency on March 16, 2016. PIC who responsible to implementation of environmental management and monitoring is PSQM and head administration of mill.



Based on environmental monitoring known that management activities were taken have been effective to minimize environmental impact. The company has an opportunity to add the location of wildlife monitoring in implementation report of management and monitoring of environmental (OFI). Based on interviews with Environment Bodies of Muaro Jambi Regency known that the company always send the implementation report of Environmental Management Plan/Environmental Monitoring Plan every 6 months and there is no issue of environmental pollution.

Status: Comply

**5.2**

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

**5.2.1**

The Company has assessed HCV for the entire area of operations that conducted by the RSPO Approve Assessor on 2010 – 2011. HCV identifying process conducted by using HCV identification guides in Indonesia on June 2008. The identification results indicate that there are HCV 1.1, 1.2, 1.3, 2.3; 4.1 and 5 with an actual area of 5.3 hectares and potensial area of 1,816 Ha. HCV identification results also explain that they didn't found Rare, Threatened or Endangered (RTE) species according IUCN-Redlist, but there are protected animal such as *Pecuk-ular asia (Anhinga melanogaster)*; *Sanca (Python curtus)* and *Macan akar (Felis bengalensis)*.

**5.2.2 & 5.2.3**

Based on management evaluation to HCV Identification Document known that there area 22 Ha that was identified (actual and potential) at Division III, but the area that can be managed as HCV only 4.31 Ha and the remaining area is enclave. While, the HCV area that identified (actual and potential) in Division I and II is 1,799.7 Ha, but the area that can be managed as HCV only 3.8 Ha. The remaining area is not designated as HCV because it has been planted for oil palm tree and the area is still managed with water management. So the management of HCV area conducted by the company is currently only in the area of 8:11 Ha.

HCV management activities that taken by the management unit are maintain HCV attributes (HCV boundry, sign board), HCV socialization (community and worker), maintain HCV area, patrolling around HCV area, monitoring of flora and fuana, enrichment in riparian. Interviews with the sprayer of Ladang Panjang Estate known that the they have known the HCV area as a protected area and the they have also known a ban for chemical use in riparian. Workers also have to know about the protected species and a ban on hunting of protected species. Field visit at Terentang riparian Field C-025, Division III, Ladang Panjang Estate show that riparian is already planted with oil palm tree since year of 2000 and there are enrichment species by planting trees such as *angsana, jelutung* and bamboo

**5.2.4**

The company has been monitoring the species and HCV areas regularly every month. Based on the interview known that monitoring of HCV has been made but not yet documented on a regular basis, to the management unit needs to document the results of these observations are routinely. It will be observed again when the next visit (OFI). As for the monitoring of species have been performed and documented regularly every month and recapitulate every 6 months. The monitoring results will be evaluated by HCV officers regularly to determine the effectiveness of management actions undertaken.

**5.2.5**

HCV identification results indicate that there are areas of community (enclave) containing HCV. The action taken by management unit to this area is socialization continuously to improve the public's understanding of the importance of biodiversity.

Status: Comply

**5.3**

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

**5.3.1; 5.3.2; 5.3.3**

Consistently up with the activities of ASA-4, the management unit has identified waste in the Mill and the Estate including the type of waste (hazardous waste, domestic waste, industrial waste, infectious waste, and air waste), waste sources, and actions taken in efforts to reduce hazardous waste.

**Hazardous Waste**

Hazardous waste generated from operational activities such as Mill and Estate likes used filters, used oil, cotton waste fabric scrap, battery scrap, pesticides used containers, used lamp, etc are stored in the Hazardous Waste Storage licensed in LPF and LPE. Permit form of Letter Head of Integrated Services One Stop Muaro Jambi No. 09/Kep.Ka BPTSP/XII/2014 issued on December 22, 2014 with a validity period of 5 years and LPF form of Letter Head of Integrated Services One Stop Muaro Jambi No. 02/Kep.Ka BPTSP/VI/2014 issued on June 30, 2014 with a validity period of 5 years. For retention time allowed in the Hazardous Waste Temporary Storage LPE is 90 days and in the LPF is 365 days in accordance with the Letter No. 660/244/BLH/2015 dated June 4, 2015, concerning Recommendation Extension of Retention Time the Hazardous Waste Temporary Storage in LPF. The results of the field observations at the Hazardous Waste Storage in LPF and LPE note that storage in accordance with the capacity and roofed to protect from rain, has an air circulation, has a lighting system, fire extinguisher, eyewash/shower, secondary containment, first aid boxes, alarm, SOP emergency response, log book, balance hazardous waste boards, labels and symbols hazardous waste.

Once deposited in accordance with the time allowed subsequently submitted to the transporter hazardous waste PT Anggrek Jambi Makmur with the permission of transportation in the form of Decree of the Director General of Land No. SK.3726/AJ.309/DJPD/2015/150710679BB expiration until May 5, 2019. For example hazardous waste transportation in LPF on 19 April 2016 and in LPE on March 28, 2016 with vehicles Box No. BH 8889 RU, with transport evidence in the document of Hazardous Waste Manifest LPF No. 000024 chemical used containers weighing 0027 tons, and Hazardous Waste Manifest LPE No. 000 11 B3 pesticides used containers 0,009 tons. In efforts to comply with applicable regulations, the company has been regularly reported to the hazardous waste management activities Environment Bodies of Muaro Jambi District and Jambi Province, with evidence Report January - March 2016 LPE Letter No. 01/LAP/NRCLB3/IV/ 6 dated 11 April 2016 and LPF Letter No. 01/LAP/NRC LB3/IV/16 dated 15 April 2016.

**Domestic Waste**

Domestic waste generated from housing, office, workshop and warehouse in the form of organic and inorganic garbage dumped into waste landfill is located away from employee housing and water resources. Based on field visit known that waste landfills form of dumping system (digging and stockpiling).

**Mill Waste**

Of processing activities at the Mill, the waste generated in the form of empty bunch, POME, fiber and shells. For each such waste forms of management include: bunch empty applied directly to the land (for example in Field C035 Division III), and liquid waste generated from the production process Ladang Panjang Factory managed at WWTP before it is applied to the land (for example in Field C028 Division III) in accordance with the Decree of the Regent Muaro Jambi No. 301 Year 2011 dated July 12 of 2011 on Permit for the Use of Wastewater mills In the Land of Oil Palm Plantations PT Bahari Gembira Ria. As for the waste in the form of fiber and shells are used to fuel the boilers as the company's efforts in the efficiency of fossil fuel use and optimizing use of renewable energy.

**Infectious Waste**

Infectious waste resulting from activities in clinics such as syringes, infusion bottles and hoses, cotton bandages and scars, and expired drugs. The waste is stored in the Hazardous Waste Storage and subsequently handed over to the carrier company hazardous waste as hazardous waste others management. Here's proof of transporting infectious waste form dated March 28, 2016 Hazardous Waste Manifest No. 000012 with a weight of 0.006 tons of infectious waste.

**Air Waste/Emissions**

From processing operations in Mill also produce waste in the form of air emissions from the boiler chimney activity, and generators, as well as the noise emanating from the operational turbines, generators, polishing drum rotation, nut creeker. The shape management by measuring the air quality and noise on a regular basis, such testing on December 16, 2015. The results of the emission test parameter generator with NO<sub>2</sub>, SO<sub>2</sub>, CO, particulate, opacity, and flow rate in accordance with the quality standards established at Regulation Of Environmental Ministry No. 21 of 2008. The results of boiler emissions test parameters, among others, SO<sub>2</sub>, CO, NO<sub>2</sub>, O<sub>3</sub>, Cl<sub>2</sub>, HCl, NH<sub>3</sub>, H<sub>2</sub>S, particulate, opacity, Pb, HF, Cd, As, Hg, Zn, and the flow rate in accordance with quality standards established in Regulation Of Environmental Ministry No. 7 of 2007. The results of measurements of noise intensity in the Engine Room at 96.8 dBA, the boiler room amounted to 94.3 dBA, kernel of plant to 92.6 dBA, station clarification of 83.8 dBA and 61.2 dBA at workshop. From the measurement results in the engine room, boiler room and plant kernel known noise intensity exceeds the threshold limit specified in Regulation of Labour Ministry No. 13 of 2011. The actions taken by the

company to provide PPE (earplug/earmuff) for workers who work in the area with high noise and operator audiometric checked periodically.	
<b>Status: Comply</b>	
<b>5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</b>	
<b>5.4.1</b>	
Companies consistently use of renewable energy in the form of fiber and shell as a boiler fuel to produce electrical energy. This is done by the company in an effort to efficient use of fossil fuels/diesel.	
<ul style="list-style-type: none"> <li>• Monitoring the use of renewable energy, that is shells and fiber as the boiler fuel <ul style="list-style-type: none"> <li>- January 2016: the use of shell 485,007 kg and use of fiber 1,293,352 kg.</li> <li>- February 2016: the use of shell 234,462 Kg and use of fiber 1,042,053 kg.</li> <li>- March 2016: the use of shell 281,350 Kg and use of fiber 750.267 kg.</li> </ul> </li> <li>• Calculation of energy efficiency per tonne of CPO <ul style="list-style-type: none"> <li>- January and February 2016: 0.16 Kwh/Ton CPO</li> <li>- March 2016: 0.10 Kwh/Ton CPO</li> </ul> </li> <li>• Monitoring the use of diesel fuel for generators LPF <ul style="list-style-type: none"> <li>- January 2016: 31,224 liters (4.26 Kwh/liter)</li> <li>- February 2016: 30,624 liter (4.24 Kwh/liter)</li> <li>- March 2016: 34,352 liter (4.17 Kwh/liter)</li> </ul> </li> </ul>	
Based on data from the use of diesel fuel for the generator efficiency calculation results obtained using diesel by 0.07 Kwh/liter.	
<b>Status: Comply</b>	
<b>5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>	
<b>5.5.1; 5.5.2</b>	
The Company has consistently documented policies in Head Plantation Upstream Indonesia Memorandum dated August 7, 2014 No.M-077/HPUI/VIII/2014 stating that the company does not do the burning of any kind, and must implement zero burning in all activities of the plantation. In addition to the policy expressed also in the form of "Procedures Reference Manual Oil Palm Planting Agronomy", or the Agricultural Reference Manual No. Policy 110/EST-ARM/13, signed by Head Plantation Upstream Indonesia dated 16 September 2013 regarding the land clearing process is done mechanically without burning.	
As the implementation of the policies and procedures of the company showed record land clearing carried out in 2005 for the purpose of planting staple inserts 200 ha of peat land. Related to this, the company can demonstrate Letter No. 430/PT BGR-Inti/INT/VIII/2005 dated August 26, 2005 on land clearing (CV Perdana Utama). The letter spelled out that the specifications and terms of clearing done mechanically without burning. Works undertaken include: cutting small logs diameter < 15 cm, topped, chipping, stacking, made of a new canal with a size of 8 x 3 m and 6 x 3 m, deepening and cleaning the canal with the excavator.	
<b>Status: Comply</b>	
<b>5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</b>	
<b>5.6.1; 5.6.2 and 5.6.3</b>	
Same with the activities of ASA-3, PT BGR has shown record in the form of a matrix Identification of Pollution and Emissions that inform: Group of emissions and pollution, the type of pollution/emissions, pollution sources, and management measures for each type of emission/pollution.	
<ul style="list-style-type: none"> <li>a) Air Pollution and Emission in the form smoke and dust coming from the boiler chimney, generators, car transport, and roads. As for the control measures of the company include the use of masks, fiber grate boiler cleansing routine, regular cleaning dust collector, water lock routine inspection, ducting leaks routine inspection, checking periodically, maintenance of roads, speed restrictions and installation of smoke density.</li> </ul>	

- b) Noise in the form of a sound that has intensity above 85 dBA sourced from operational turbines, generators, polishing drum round, nut cracker, ripple mill. The control measure the company has done is giving earplug for workers, and production machinery maintenance.
- c) Water and soil pollution (oil leaks, spills of diesel oil and chemical spills originating from oil warehouse, chemical warehouse and diesel tanks, laboratories). The control measures are undertaken to minimize oil spills, oil and chemical runoff using a tray.

The Company also conducts regular environmental monitoring covers emissions generators, boiler emissions, ambient air and noise regularly every 6 months. For example testing conducted by PT Global Quality Analytical in December 2015 to the results of emission testing generators, boiler emissions and ambient air throughout the test parameters are in compliance with the quality standards set (Regulation Of Environmental Ministry No. 21 of 2008 on Standards of Emission Sources not Move for Businesses and Or Activity Thermal Power plant; Regulation Of Environmental Ministry No. 07 of 2007 Quality Standard Emission Sources Moving For Boiler, and Government Regulation No. 41 of 1999 on Air Pollution Control). As for the measurement of noise intensity in the Engine Room (96.8 dBA), Boiler (94.3 dBA) and Kernel Plant (92.6 dBA) are known to exceed the threshold limit specified in Regulation of Labour Ministry No. 13 of 2011.

Control of air quality, ambient air, and the noise made by the company are:

- Perform scheduling several routine engine maintenance activities, for example: oil generators changes, turbine oil change and repair the boiler. Include repair doors rostar, conveyor body temple distonir fuel, boiler body casing, replace the plat form, installation of flint, cleaning ash/crust inside the boiler (1 week), and boiler inspection was performed 1 week.
- Provision of PPE such as ear plugs,
- Installing a silencer on the engine and parts of the unit
- Planting trees around the factory.

The certificate holder has not been able to show the results of calculation of GHG and reporting evidence. **Non Conformity No. 2016.3 with Minor category.**

**5.6.3 Status: Non Conformity No. 2016.3 with Minor category**

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

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

**6.1.1 & 6.1.2**  
 Assessment of social and environmental impacts at company stills same as the previous assessment. In addition, Company has been assessing social and environmental impacts caused from replanting activities that will be conducted for period 2015-2018, assessment conducted in October 2015. The report is still in draft report made together consultants from AKSENTA. Social impact assessment that carried out in 2010 has involved the participation of stakeholders such as the village authorities and government agencies held on January 8, 2010.

**6.1.3**  
 To reduce the negative impacts that arise, company has made social impact management program for period 2015-2016 each village around the estate, among others socialization of handling complaints (June 2015), and socialization of traditional Rights and Legal Rights (June 2015), Socialization of Information and Communication (June 2015), socialization of harvesting, maintenance and construction of roads (July 2015), socialization handling conflict and compensation (September 2015), road maintenance program (every 6 months), school bus transport and kindergarten assistance (every month).

Company has made plans to mitigate social impact is done by evaluating the impact using the questionnaire to determine the positive and negative impacts. Questionnaires performed last in April 2016 and conducted in 8 villages. Company also appoint an officer to responsible the reduction of social impact by the letter from Chairman of SOU 21 on May 28, 2015 which explains the officer is assistant and first foreman of all Plasma Divisions.

**6.1.4**

Company has conducted a review of social impact management plan. Evaluation was done by the participation of local communities by distributing questionnaires to 8 villages (Trimulya Jaya, Petaling Jaya, Sido Mukti, Mingkung Jaya, Gambut Jaya, Sumber Agung, Sungai Gelam, Ladang Panjang). The last evaluation was conducted in April 2016.

Evaluation was done involving smallholders and stakeholders around company. There are a recording of social impact assessment questionnaire example questionnaires from smallholder in Sumber Agung Village, smallholder in Gambut Jaya Village, entrepreneurs from Desa Petaling Jaya, teacher from Mingkung Jaya Village, Head of Rural Affairs from Tri Mulya Jaya Village. Based on the results of Social Impact Evaluation in April 2016 based on questionnaire, it can be concluded that the main impact of which still needs to be improved are fostering in the agronomist sector.

**6.1.5**

Company shows the fostering of agronomist sector to smallholders, for example:

- Socialization of Quality TBS and use of the owl to reduce rat attacks was conducted on November 4, 2015 for 9 farmers in Farmers Group Mingkung Jaya, KUD Sumber Mitra Inti Makmur.
- Training of Controlling nettle caterpillars with Trunk Injection and use of chemicals Lancer conducted on January 20, 2016 with trainee is 10 farmers from KUD Marga Jaya.
- Training of controlling Rat Pests & Ganoderma Diseases conducted on January 22, 2016 with trainee is 16 farmers from KUD Karya Mandiri

Based on interviews with Village cooperatives, explained that the company has conducted training for farmers like caterpillar pest control using trunk injection.

**Status: Comply**

**6.2**

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

**6.2.1**

Company has been consistent documented SOP Communication and Consultation with the Community (Doc No. 006/BGR-KKM/II/I, February 10, 2013) which is a guide for communication and consultation with the community. In the procedure described on the mechanism of communication with community begins with providing a letter through the village head, analyzing the response letter from the public, if necessary, held a meeting with the public to communicate directly, if a response within the limits of authority manager unit will be immediately given a decision and, if so without the authority manager then the unit will be delivered to the head of department and unit managers will send a letter of response to the public.

**6.2.2**

Corporate officer responsible for executing the procedures of communication and consultation is the management of the operational unit Mill and Estate, Head Department and the relevant departments in accordance with SOP Communication and Consultation with the Community (Doc No. 006/BGR-KKM/II/I, February 10, 2013). Officers appointed by SOU PT BGR Manager and Manager of the Department of Agronomy. Based on interviews with the Head of Sungai Gelam Village submitted that the Village Head in communication or consultation with management through the Estate Manager. It ensures that stakeholders have been informed the officer in charge of communication and consulting PT BGR.

**6.2.3**

Companies can consistently show a list of stakeholders compiled and updated in 2016 for example Regional Government Sumargi - Head of Petaling Jaya Village, Amdi - Head of Ladang Panjang Village, Suharto – Head of Sumber Agung Village, Girah Purnomo – Head of Mingkung Jaya Village, Wihermanto – Head of Peat Jaya Village, Mak Man – Head of Sungai Parit Village, Amin – Head of Sungai Gelam Village, etc.) and identified more than 60 stakeholders. List of stakeholders was created to ensure especially the affected party can provide feedback to the organization (input from stakeholders).



Records of all communication and consultation is documented in the book list of incoming and outgoing mail, based on observations until April 2016 documents related to communication and consultation with the community in the form of correspondence regarding the request for funding to the Village or the lending activity of heavy equipment to repair roads.

**Status: Comply**

**6.3**

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

**6.3.1**

The Company has consistently documented procedures for dealing with complaints submitted by all affected parties, among others:

- SOP Handling Community Complaints on 11 April 2013 the governing mechanism of public grievance to management and guide the management in handling public complaints as well as the recording of complaints in monitoring registry book handling complaints. In SOP also stated that any public complaints must be received and recorded for later resolved and the management must provide protection against the complainant or the complainant.
- SOP Handling Employee Complaints on 30 April 2013), which regulates the mechanism of grievance from employees to management and guide the management in handling employee complaints and record complaints handling in monitoring registry book complaint. In SOP also stated that any employee complaints must be received and recorded for later resolved and the management must provide protection against the complainant.

In the procedure stated that those responsible for receiving grievances and complaints from community by Head of Section were subsequently forwarded and responded to by Manager Estate/Mill. As for complaints of employees responsible for receiving complaints and grievances is supervision/assistant who subsequently forwarded and responded to by Manager Estate/Mill.

**6.3.2**

Based on interviews with LPE and LPF Warehouse clerk submitted that if there are a grievances or complaints, employees will communicate to immediate supervisor and will be followed by the manager. A complaints from the employee, for example concerning the damage to the housing facilities such as a leaky roof or the floor was broken, and the responses from the company to repair the damaged housing facilities.

The results of the public consultation with relevant stakeholders for example the Head of Sungai Gelam Village submitted that if any grievances to the company conducted through correspondence to the management of PT BGR and the response submitted by the Estate Manager. So far the subject submitted to PT BGR for example relating to requests for funding for lending activities in the village or heavy equipment to repair roads. The company also has documented complaint resolution processes that have occurred, for example:

- Complaints from “Kelompok 440” that have occurred since 2000 and was completed in 2011 through legal means.
- Complaints from “Yayasan WCL” on 2015 for allegation of noncompliance on the agreement of land provision of plasma covering 1,000 ha and encroachment of forest production area in KPHP III, Lalan, Mangsang Mendis, South Sumatra Province. The “Yayasan WCL”, Environmental and Forestry Ministry, and the company has conducted field verification in March 2016 to follow up on it. Based on minutes of meeting known that land office of Musi Banyuasin, South Sumatera has conducted measurements of PT BGR oil palm plantations covering an area of 18.82 hectares which located on South Sumatera Province on 17 October 2014. The company said the area is obtained from the compensation process with the community jambi. Based on the letter of Commissioner BGR on September 2014 carried out termination the operations of plantation that entered South Sumatra Province. All documents related land complaints have been documented and stored by the garden manager and PSD.

Field visit showed that the area outside the provincial boundary markers have been demarcated in the form of trenches and palm trees located in South Sumatra Province is not managed by the company.

**Status: Comply**

**6.4**

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

**their own representative institutions.**

**6.4.1**

PT BGR has had SOP of Occupancy Land Acquisition which described about the mechanisms to identify and calculate the land compensation. In this procedure was explained that the process of land identification is involved the community and the village government.

**6.4.2 & 6.4.3**

The results of document review, field visit and interviews show that the company does not perform new expansion since ASA-3 until ASA-4.

**Status: Comply**

**6.5**

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

**6.5.1**

Wage system PT BGR consistently prepared based on the Jambi Governor Decree No. 460/KEP.GUB/DISSOSNAKERTRANS/2015 Minimum Wage Fixing Jambi year of 2016 amounting to IDR 1,906,650.00 per month for a period of 7 hours per day and 40 hours a week. This decision came into force on January 1, 2016. Based on observations recapitulate document Mill and Estate employee wages month March 2016, it is known that salary levels in accordance with the provisions of the Minimum Wages.

**6.5.2**

Collective Labour Agreement 2015-2017 between Sumatra Plantation Company Cooperation Agency with the Central Board of the Federation of Unions of Agricultural and Plantation Workers Union of Indonesia with effective from 21 April 2015 until April 20, 2017 has been through a decree of the Director General of Industrial Relations and Social Security labor with No. 88/PHIJSK-PPKAD/PKB/VI/2015 on June 18, 2015. Agreement in a language understood by the workers and explain the recognition organization, recruitment, working hours, wages, contract labor, aid sick days, be absent work, payment of meal, overtime, provisions on premiums, feast day allowance, insurance social worker, equipment work and OHS, Provident Fund Benefit, special provisions for motor vehicle workers, workers brought in from outside the region, type of work, layoffs, severance pay, obligations of the company and the workers, a means of solving labor disputes and strikes. Overall agreement has been in accordance with the provisions of the applicable labor regulations.

The employment status of prevailing in PT BGR is permanent workers (monthly and daily workers) and contract workers. For contract workers, among the companies with contract workers bound in the employment agreement. The company showed the Local Employment Contract Agreement No. POM/LPF/SPK-LKL/CEC/IV/2015/194 Mill office worker working Compound entry date March 2, 2015. The employment agreement was made in a language that is easy to understand, based on interviews with Head of Administration submitted that each chapter was explained to the workers and the subsequent agreement signed by both parties, ie between the workers with the company, without any coercion whatsoever. The agreement has been load requirements according to the applicable provisions of the labor law.

**6.5.3**

Associated facilities and infrastructure and public facilities for the employees of PT BGR, is consistent with the activities of ASA-3. From the results of field observations in employee housing LPE and LPF is known that the company has endeavored to provide adequate facilities for employees, among others, housing, clean water facilities, lighting facilities, clinics, educational facilities (kindergarten), daycare, sports facilities, bus schools, and places of worship.

**6.5.4**

The results of a public consultation with the Gender Committee on PT BGR submitted that the company has demonstrated efforts to improve workers' access to decent food and fairly by providing vehicles to transport workers to meet basic needs to the city at the time of receipt of salary. The company also has documented the locations that became a source of decent food and affordable prices that describe the distance from the location of the employee housing. Based on the Decree No. 91/BGR/SK/IV/2015 there are three locations that is at Petaling Village Monday market with a distance of 4 km, Tuesday market

in Simpang Pramuka Village with a distance of 20 km and a Saturday market in the village of Ladang Panjang with a distance of 5 km.

Status: Comply

**6.6**

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

**6.6.1; 6.6.2**

Until the activities of ASA-4 consistently PT BGR has been documenting and implementing the policies related to giving freedom to all workers to form and join unions workers desired. Policies are available in point 5 of the Code of Sustainable Plantation Management No. 724/TQEM-SPMS/09 dated April 1, 2010, signed by the CEO (Chief Executive Officer). In the ASA-4 votes are not there is a change management unions that are formed in PT BGR, still referring to the Decree No. 17/PC-K.SPSI F.SPPP/Ma.Jambi/III/2012 regarding Ratification/Confirmation Composition and Personnel Management Work unit Federation of Trade Unions of Agricultural and Plantation Workers Union of Indonesia PT Bahari Gembira Ria service period of 2012 until 2017.

Public consultation through interviews with trade union officials submitted that:

- The Company has granted the freedom of association and no intimidation by the company against union officers.
- Meeting with management internally and done and the results of the meeting are documented in the form of news events.
- The company consistently implements the provisions of the applicable minimum wage, for the 2016 implementation of the wage in April 2016 and rapel payment of wages for the month of January to March, 2016.
- All employees have enrolled in the program Workers Social Security Agency Employment and Health.
- Performance appraisals are conducted one year that will affect the grade/class salaries for Monthly Workers and or promotion of becoming Daily Worker to Monthly Worker.
- Communication between the union and the company have been good, if there is a complaint or a request for information from the union then the company has responded well and quickly.
- One of the complaints from workers regarding health care still felt a lot better when the health service is made in full by the company. However, the unions understand this case because Workers Social Security Agency is an obligation of compliance with applicable regulations.

The result of the above interview was presented to the company at the time of audit activities. Things that need to be confirmed and verified concerning the above matters have been addressed by the company well.

Status: Comply

**6.7**

**Children are not employed or exploited.**

**6.7.1**

The company has consistently apply the conditions set out in the Memorandum of Head Plantation Operations Minamas Plantation Number POD-UM 121/VI/2010 dated June 7, 2010, concerning policies for the protection of children, including Point 6 states the prohibition to use the workforce under age in accordance with Labour Law is still valid. The results of document review and employee data in March 2016 is not found employees aged less than 18 years old at the time of recruitment, and field observations it is known that workers understand the provisions of the minimum age requirements are allowed to work and are not allowed to bring children under age at the time of work in the field.

Status: Comply

**6.8**

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

**6.8.1**

Consistently up activities of ASA-4, the company has documented Social Policy in the Guidelines of Management of Plantation Husbandry No. Policy 724/TQEM-SPMS/09 points 1, that all staff/employees should be treated properly and fairly in matters

relating to matters the hiring, advancement, conditions and job description, regardless of the race, degrees, ethnicity, gender, skin color, imperfections (defects), sexual orientation, organizational membership, political views, religion and age. Available documents hike grade/class and document rotation and mutation of work not discriminate workers based on class, race, ethnicity, nationality, and religion.

**6.8.2**

Interviews with worker union stated that no intimidation by the company against union officers. It also conducted interviews with Committee Gender of PT BGR, submitted that there was no reporting of discrimination, especially women workers conducted by the company. The Company has provided the opportunity and the chance to work without distinction of sex.

**6.8.3**

In the process of selection and recruitment of workers of PT BGR refers Employee Recruitment Procedures (Document No. 431/HRM-RCT/07, May 24, 2007) signed by GM HRM. In the procedure described on the admission requirements of prospective employees and stages of the selection process to be admitted to the workers in accordance with the expertise, capacity, quality of workers and the needs of the company.

For the performance appraisal process for career development or increase/promotion refers to the Memorandum of General HRM No. 331/HRM-i3/VII/2013 dated 09 July 2013. As in the evaluation criteria include the ability factor, responsibility, work performance, honesty, discipline, loyalty, hard work and a sense of ownership factor and other factors that need to be added in the evaluation. Results of interviews with worker union PT BGR delivered that performance appraisal was performed 1 year that will affect the grade / class salaries for Monthly Workers and or promotion of becoming Daily Permanent Worker to Monthly Worker has been carried out transparently.

**Status: Comply**

**6.9**

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

**6.9.1; 6.9.2 and 6.9.3**

Until the activities of ASA-4 is known there are no policy changes owned PT BGR policy to prevent all forms of abuse and sexual violence, as well as a policy to protect the reproductive rights of all workers. Additionally related to specific complaints mechanisms that protect the complainant has been provided in the document Guidelines for Implementation of Gender Policy Committee (No. Doc KP/02, dated March 2, 2013). Furthermore, to implement policies related to the above, the Committee Gender has been formed on PT BGR which is the organization responsible for ensuring the policy is applied across all operational units.

To ensure that policies and procedures have been applied to the operational activities of the Mill and Estate then conducted public consultations through interviews with the Committee Gender of PT BGR. From the interview given to the following aspects:

1. Socialization of sexual harassment policy and protection of women's rights has been communicated to all workers as well as the guarantee of protection for complainants or victims and witnesses.
2. In the period 2015-2016 there are no reports of sexual abuse, violence against women and violations of workers' reproductive rights policy.
3. The company has consistently implemented a policy of protection of reproductive rights through the provision of H1 for female workers who experience pain on the first/second during menstruation and H2 for pregnant women workers who give birth (1.5 months prior to giving birth and 1.5 months after birth) or who had a miscarriage given time off for 1.5 months.

**Status: Comply**

**6.10**

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

**6.10.1; 6.10.2**

Interviews with Farmers Group Sumber Raharjo KUD Makarti, Farmers Group Margo Mulyo 2 KUD Karya Mandiri and Farmers Group Mingkung Jaya KUD Mitra Inti Sumber Makmur informed that PT BGR in pricing FFB has referred to the prices set by the Plantation Agency of Jambi Province. Pricing is conducted once every 2 weeks. FFB prices published in office KUD farmers in the area and there is also the mill of PT BGR.

Team Meeting/Working Group Pricing FFB Jambi dated 21 April 2016 took place at the Plantation Agency of Jambi Province, attended by the Partner company, Planters and other related institutions. Meeting Pricing FFB Palm Oil for a period of 22 until 28 April 2016, at which meeting participants.

1. The index 'K' that applies is the index "K" that had been established on 14 April 2016/Week for the second month running up to the second week of next month.
2. From the analysis and core CPO prices as follows:
  - a. The average CPO price of IDR 8,097.53
  - b. Average price of palm kernel IDR 6,731.33
  - c. Index "K" the results of the analysis of pricing FFB dated 14 April 2016 88.91%
3. The calculation of FFB  
Age three year old plant set an average price of IDR 1,474.01 and up to age 25 years in the plant set an average price of IDR 1,751.67

**6.10.3**

Until ASA-4 activities an agreement concluded between the companies with the farmers still valid. The agreement regarding the construction of plasma submitted by farmers and in accordance with the provisions of Regulation of the PIR Transmigration. Both sides still agree (agreement) whereby the company will build up to produce palm oil and obtain certification of property rights; whereas for the farmer is obliged to return the investment for the construction of estate and sends FFB to the company. The agreement is valid up to 25 years from planting in farmers. That is the average age of the plant was started-year-old youngest years 1993/1994 and 1997/1998 were scattered on 6 KUD (KUD Manggar Jaya village of Sumber Agung, KUD Karya Maju village of Gambut Jaya, KUD Nargab Jaya village of Petaling Jaya, KUD Makarti village of Sidomukti, KUD Karya Mandiri village of Trimulya, KUD Mitra Inti Sumber Makmur village of Mingkung Jaya)

**6.10.4**

Based on interviews with Farmers Group Sumber Raharjo KUD Makarti, Farmers Group Margo Mulyo 2 KUD Karya Mandiri and Farmers Group Mingkung Jaya KUD Mitra Inti Sumber Makmur informed that the payment results conducted every 1 month from the company through the KUD. The company indicated Cash Voucher No. 033/CV/04/2016 dated April 14, 2016 for the payment of FFB Smallholder period 01 to 31 March, 2016.

**Status: Comply**

**6.11**

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

**6.11.1**

The company has contributed to local development through CSR activities are performed each year in the villages surrounding the company (Ladang Panjang Village, Petaling Village, Sumber Agung Village, Gambut Jaya Village, Trimulya Jaya Village, Mingkung Jaya Village, Sungai Gelam Village). Here are some CSR activities that have been realized in 2015/2016 include: provision of teacher salaries elementary school 122/IX, provision of plant seeds and fruits, road maintenance 7 village (Ladang Panjang Village, Petaling Village, Sumber Agung Village, Gambut Jaya Village, Trimulya Jaya Village, Mingkung Jaya Village, Sungai Gelam Village), washing aid channels, giving gifts, incentives Head of Village, incentives Community leaders, donation independence day, etc. The interview with Community Leader of Ladang Panjang Village submitted that the benefits of the PT BGR is the construction of roads, provision of rural road maintenance, support for the activities of religious holidays and provide jobs. In addition to the CSR activities of PT BGR also contribute to local development through the fulfillment of the obligations of the property tax and tax payments local District Muaro Jambi street lighting tax Non State Electricity Company.

**6.11.2**

Efforts are being made to improve productivity of the company (smallholders) is through socialization and/or training provided. The trainings have been done for example socialization quality FFB and treatment or handling Palm Plantation for Farmers on August 28, 2015 which is located in Farmers Tri Mulyo V, socialization pest control rats and disease *Ganoderma* on January 22, 2016 in KUD Karya Mandiri, socialization handling attacks caterpillar leaf in Estate Farmers on January 22, 2016 to Farmers Group Mawar Abadi I, etc.

**Status: Comply**



**6.12**

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

**6.12.1**

The employment status of prevailing in PT BGR permanent workers (Monthly Workers and Daily Permanent Workers) and contract workers. For permanent employees the company shows Appointment Monthly Workers and Daily Permanent Workers, while for contract workers bound in the Letter of Employment Agreement between the companies with the workers, which the agreement has complied with labor laws. Interviews with the management explained that each year an evaluation for each employee whose results are used to determine the career path of the employee concerned, and a letter of agreement work is read in advance by the employee before it is signed so that the positions, duties and responsibilities have been understood and executed in accordance with the agreed conditions.

In addition to the management also conducted interviews with the unions. Part of the union said there was no compulsion for employees to do certain jobs and positions, employees understand their rights and obligations in the work in accordance with labor agreements are made.

**6.12.2**

To prove that there are no substitutions of the company's contract shows the Local Employment Contract Agreement No. POM/LPF/SPK-LKL/CEC/IV/2015/194 Mill office worker working Compound entry date March 2, 2015 is valid for 1 year. The employment agreement was made in a language that is easy to understand, based on interviews with Head of Administration submitted that each chapter was explained to the workers and the subsequent agreement signed by both parties, ie between the workers with the company, without any coercion whatsoever. The agreement has been load requirements according to the applicable provisions of the labor law.

**6.12.3**

The results of observations document a list of employees in March 2016 working on the operational activities of the Mill and Estate with the status of permanent workers (Monthly Workers and Daily Permanent Workers) and contract workers came from various regions in Indonesia for example, Sumatra, Java, Kalimantan, Nusa Tenggara, Bali , etc.

Interviews with district Labor Agency of District Muaro Jambi explained that PT BGR does not hire workers with AKAD system (Inter-City Inter-regional), but the workers themselves must come to apply for jobs at companies both local workers and migrant workers from outside the area.

**Status: Comply**

**6.13**

**Growers and millers respect human rights**

Until the activities of ASA-4, PT BGR consistently documented policies in respect for human rights contained in the Social Policy adopted by the Head Plantation Upstream Indonesia in December 2011. The policy also consistently disseminated to all employees, for example, on March 3, 2016 submitted to the Foreman and workers Division I, II and III LPE, and on April 27, 2016 submitted to the workers in the LPF. According to interviews with workers workshop LPF known that the worker has to know human rights-related policies owned by PT BGR.

**Status: Comply**

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

**7.1**

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

**7.1.1; 7.1.2 & 7.1.3**

The results of document review, field visit and interviews show that the company does not perform new expansion since ASA-3 until ASA-4 entire for own estate or smallholder

**Status: Comply**

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

**7.2.1**  
Based on the document soil survey conducted by Minamas Research Center for the period 2015-2020 which describes the class of land suitability in the company, among others:

Class of land suitability	Ha	%
S2fnwe	545	19.10
S3fn	206	7.22
S3f	66	2.31
S3n	380	13.32
S3r	1,294	45.36
S3fr	362	12.69

In the report there is also a management plan for the area include:

- Planting cover crops
- Application empty bunch
- Conducting chemical fertilizers appropriately
- Making the field drain

Based on the field in division II and III, company has implemented management plan for the area include application of selective spraying in order to Fern Plants into a cover crop, has implemented the application empty bunch in Division III with adose of 250 kg / tree and drainage on peatland at Division II.

**7.2.2**  
Based on documents soil survey conducted by Minamas Research Center for period 2015-2020. Explained that the topography in company between flat and undulating with a slope of 0-6<sup>o</sup> classes. Based on the field in Division I & III, there are no areas with steep slopes, area expanses are from flat till undulating.

**Status: Comply**

**7.3 New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.**

**7.3.1**  
Document review and interview showed that the company is performed land clearing after November 1, 2005 without preceded by the identification of HCV. Sime Darby Plantation Sdn Bhd, as the parent of PT BGR has conducted disclouser of liability in accordance with the letter from the Head of PSQM Department on July 15, 2015 which explained that PT BGR is performed land clearing without a prior HCV assessmen in area of 105.6 Ha. But, based on document review and interview known that there is an area of 379.33 hectares which opened Since Nov 2005 without a prior HCV assessment. Based on the explanation is found **Non conformity No. 2016.04 with Major category**

**7.3.2**  
The letter also explained that the Land Use Change Analysis (LUCA) report of PT BGR will be reported in August 2015. But until the audit process (ASA-4) The company could not show the evidence that the LUCA report for PT BGR has been reported to the RSPO secretariat. Based on the explanation is found **Non conformity No. 2016.05 with Major category**

**7.3.3; 7.3.4 & 7.3.5**  
The results of document review and field visit show that the company does not perform new expansion since ASA-3 until ASA-4. The oldest planting year in PT BGR is 1997. Areas defined as HCV has been managed by the management unit as described in Criterion 5.2.

**7.3.1 Status: Non conformity No. 2016.04 with Major category**

**7.3.2 Status: Non conformity No. 2016.05 with Major category**

**7.4**

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

**7.4.1**

Based on soil survey documents that made by Minamas Research Center for period 2015-2020, there are maps of soil types with scale 1: 45,000 which explains that there are two types of soil that is peat (Typic Haplofibrist and typic Haplosaprist) and mineral soil (Aquic paleudult, Typic paleudult, Typic Dystrupdept). Based on documents and field visits in Division I and III are known that fragile soil at PT.BGR is peat soil.

**7.4.2**

Company showed peatland management activities, among other:

- Measurement of surface peat soils (subsidence) that is regularly measured every 6 months. There is a recent measurements were carried out in December 2015 and January 2016:

Division	Block	Installation dates	Subsidences till this meansurment
1	A006	Januari 2012	11 Cm
1	A009	Januari 2012	12 Cm
2	B015	Januari 2012	10 Cm

Based visit on block B015, it is known markers are still in good condition and protected by a fence. When visiting, subsidence of peat soil from the starting point is 10 cm.

- Have drainage for water management with the following data is:

Division	Field Drain (M)	Collection Drain (M)	Main Drain (M)
1	84,000	14,730	3,381
2	239,860	17,600	10,500

- Monitoring of ground water level by using piezometers is conducted every month. There are 12 units in Division 2 and 14 units in Division 1.
- Measurement yard stick (water level) is done every day. There are 6 sticks in Division II and 4 units in the division 1

Based on the field, measuring of yard stick (water level) between 10-20 cm and in piezometer at level of 25-30 cm, this is because a few months of high rainfall. It can be shown in the rainfall data in Monthly Report for example in January 2016 there were 14 rainy days with 201 mm; February 2016 16 rainy days with 278 mm; March 2016 16 rainy days with 347 mm. Company has taken action to open up the entire water gate, during the visit at block B18 it is known the water gate is in open state.

**Status: Comply**

**7.5**

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

**7.5.1**

The results of document review, field visit and interviews show that the company does not perform new expansion since ASA-3 until ASA-4 entire for own estate or smallholder.

**Status: Comply**

**7.6**

**Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.**

**7.6.1;7.6.2; 7.6.3; 7.6.4; 7.6.5 & 7.6.6**

The results of document review, field visit and interviews show that the company does not perform new expansion since ASA-3 until ASA-4 entire for own estate or smallholder.

**Status: Comply**

<b>7.7</b> <b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>	
<b>7.7.2; 7.7.2</b> The results of document review, field visit and interviews show that the company does not perform new expansion since ASA-3 until ASA-4 entire for own estate or smallholder.	
<b>Status: Comply</b>	
<b>7.8</b> <b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
<b>7.8.1; 7.8.2</b> The results of document review, field visit and interviews show that the company does not perform new expansion since ASA-3 until ASA-4 entire for own estate or smallholder.	
<b>Status: Comply</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1</b> <b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
<b>8.1.1</b> Continuous improvement efforts that have been made by the management unit are: <ul style="list-style-type: none"> <li>• The Company has conducted an internal audit of RSPO on 1 to 24 April 2016, with the scope of PT BGR and smallholder. These activities are carried out directly by the internal team who has been trained sustainable palm oil.</li> <li>• The Company has committed to no longer use paraquat since 2008 and does not use pesticides with active ingredient Brodifakum since 2011.</li> <li>• The company has been monitoring and evaluating continuously plantation and mill operations, such as:                         <ul style="list-style-type: none"> <li>- The quality of emissions from the generator in the mill.</li> <li>- The quality of emissions from the boiler in the mill.</li> <li>- The quality of ground water in the area around land application.</li> <li>- The quality of ambient air in the settlements around the mill.</li> <li>- The social conditions in the villages around the company.</li> </ul> </li> </ul> <p>Plan of the Integrated Pest Management (IPM) are listed in Agronomy Procedure No. 110/EST-ARM/13 section 15 concerning plant protections. In the procedure explained that the census pests and diseases conducted regularly every month, pest control using pesticides do if the census had been above the threshold and there is a pest control using natural enemies and the use of beneficial plants.</p> <p>Based on the field in divisi 2 and 3, is known the companies planted the beneficial plant with the kind <i>Turnera subulata</i>, <i>Casia cobanensis</i> and <i>Antigonon leptopus</i> for control the pest and owl cages are used to reproduce the owl to control rodent pest.</p>	
<b>Status: Comply</b>	

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
<p><b>E.1.1</b>  <b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</b></p> <p>Ladang Panjang Factory is used RSPO supply chain of Mass Balance module because they still received FFB from the estate which has not been certified with RSPO that is Smallholder Scheme.</p>	
	Status: Comply
E.2	Explanation
<p><b>E.2.1</b>  <b>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&amp;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.</b></p> <p>Estimates of CPO and PK produced by Ladang Panjang Factory obtained from the data of 12 months before the audit activities and have been described in this ASA-4 report.</p>	
	Status: Comply
<p><b>E.2.2</b>  <b>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).</b></p> <ul style="list-style-type: none"> <li>• RSPO IT Platform member registration number: RSPO_PO1000000315</li> </ul> <p>Ladang Panjang Factory did not perform delivery / sale of CSPO and CSPK during the period of July 9, 2015 to April 24, 2016 to outsiders or other unit either through etrace or greenpalm.</p>	
	Status: Comply
E.3	Documented procedures
<p><b>E.3.1</b>  <b>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:</b></p> <ol style="list-style-type: none"> <li><b>Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li><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.</b></li> </ol> <p>Ladang Panjang Factory has had SOP of Supply Chain Products of RSPO Mass Balance which described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system. To improve the understanding of each Parties related to the supply chain, then the management unit is conducted socialization to the relevant parties. The last socialization activities carried out on April 22, 2016 which was attended by 18 people from the mill manager, PSQM assistant, Section head of administrator, grading, weighing administrator and bookkeeping.</p> <p>The results of interviews with security and the weightbrige operator showed that workers have already known the duties and</p>	



responsibilities of each in the implementation of SCCS

Status: Comply

**E.3.2**

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

Ladang Panjang Factory has had SOP of Supply Chain Products of RSPO Mass Balance, among others, described about the process of FFB reception from the supplier estates. The results of field visits and document review showed that the FFB received by the mill comes from the estate that has been certified with RSPO and the estate that has not been certified with RSPO. To find the source of FFB comes from the estate that has been certified with RSPO and then it's labeled on the Delivery Order Letter in the form of stamp RSPO CERTIFIED

Status: Comply

**E.4 Purchasing and goods in**

**E.4.1**

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

- Certified and non-certified FFB received period of 9 Juli 2015 to 24 April 2016

Month	FFB		
	RSPO Certified	Non Certified	Total
9 - 31 Juli 15	2,852.64	7,849.95	10,702.59
Agust 15	6,281.89	11,081.97	17,363.86
Sept 15	5,839.03	10,358.70	16,197.73
Okt 15	5,414.23	8,617.94	14,032.17
Nov 15	4,058.64	7,491.21	11,549.85
Des 15	4,080.41	5,621.50	9,701.91
Jan 16	3,253.11	4,712.55	7,965.66
Feb 16	2,766.79	3,775.85	6,542.64
Mar 16	2,120.10	2,582.61	4,702.71
1 – 24 Apr 16	1,536.60	1,967.62	3,504.22
<b>TOTAL</b>	<b>38,203.44</b>	<b>64,059.90</b>	<b>102,263.34</b>

Status: Comply

**E.4.2**

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

Ladang Panjang Factory has had SOP of Supply Chain Products that describes the provision of information to CB if there is excess production of RSPO-certified products. The results of interviews with representatives of the management unit indicates that the management unit has been understood about the procedures for providing information if there is excess production of RSPO-certified products. Document review showed that the production of RSPO certified products do not exceed the estimated production in the RSPO certificate attachment of ASA-3.

Status: Comply

**E.5 Record keeping**

**E.5.1**

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

Ladang Panjang Factory has had a monthly report which described about the Acceptance of FFB, Production of CPO and PK, Delivery of CPO and PK. During the period of August 2015 to March 2016 there is no shipment of RSPO certified products (CSPO and CSPK). There is the following product shipment data from Ladang Panjang Factory:

Period	CPO Shipment (ton)		PK Shipment (ton)	
	RSPO	Non Cert		RSPO
August 2015	-	4,715.26	-	980.88
September 2015	-	2,813.70	-	591.08
October 2015	-	3,006.02	-	863.71
November 2015	-	2,432.97	-	242.39
December 2015	-	2,074.58	-	788.20
January 2016	-	1,803.33	-	400.00
February 2016	-	1,409.56	-	218.67
March 2016	-	1,090.53	-	379.17
<b>Total</b>	-	<b>19,345.95</b>	-	<b>4,464.10</b>

**Status: Comply**

**E.5.2**

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

Ladang Panjang Factory does not perform activities of palm kernel crushing to the independent palm kernel crushers.

**Status: Comply**

**3.3 Conformity Checklist of Certificate and Logo Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-4</b>	BGR has logo and certificate approval/permit from MUTU,	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA-4</b>	The Company does not use the logo on-product and off-product in the scope of PT BGR	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA-4</b>	The Company does not use the logo on-product and off-product in the scope of PT BGR	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-4</b>	The Company does not use the logo on-product and off-product in the scope of PT BGR	√
	<b>Status: Comply</b>	

**3.4 Summary of RSPO Partial Certification**

<b>Name of organization: PT Guthrie Pecconina Indonesia (Sungai Jernih Estate and KKPA GPI).</b>		
<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	<b>X or√</b>
	<p>There is some evidence compliance with laws that include:</p> <ol style="list-style-type: none"> <li>1. Control over the land legally in accordance with Law No. 5 of 1960, Agrarian, namely in the form of HGU Certificate No. 664/2003, 552/2003 to 10139.91 ha area.</li> <li>2. Provide social security workers, such as BPJS workers.</li> <li>3. Provide program equipment Occupational Health and Safety for all employees in accordance with Law No. 1 1970.</li> <li>4. Have the environmental document</li> <li>5. Not clearing land by burning in accordance with Law No. 18 of 2004.</li> <li>6. Providing wages above the minimum wage.</li> </ol> <p>Related to the company's compliance with the legality of land tenure, the implementation of environmental governance and social, labor protection, as well as the submission of the report, several relevant agencies (Environment Agency Musi Banyuasin, Government of Musi Banyuasin, and the Department of Forestry and Plantations Banyuasin) District) states that GPI is quite obedient and consistent rules.</p>	√
	<b>Status: Comply</b>	
<b>2.2</b>	<b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>	<b>X or√</b>
	<p>Sungai Jernih Estate and KKPA GPI has shown the right to control and use the land in the form:</p> <ul style="list-style-type: none"> <li>• Location permit appropriate Banyuasin Regent Decree No. 262 Year 2011 dated February 14, 2011 for an area of 4,000 ha.</li> <li>• Location permits appropriate Banyuasin Regent Decree No. 0217 Year 2010 dated February 8, 2010 for an area of 2,000 ha.</li> <li>• Determination of Smallholders Candidates for KUD in accordance with the Sinar Delima Banyuasin Regent Decree No. 0258 Year 2010 dated February 17, 2010 which explained that there are 262 candidates for smallholders with an area of 524 hectares from the village Gajah Mati.</li> <li>• Cooperation Agreement with KUD Sinar Delima No. 001/Plasma/GPI-KUD//2012 on the development of Palm Oil Partnership KKPA (Primary Cooperatives Members).</li> <li>• Determination of Smallholders Candidates KUD Mudah Rasan Jaya accordance MUBA Regent Decree No. 1191 of 2012 dated October 30, 2012 explaining that there 622 smallholder's candidates with an area of 1,244 Ha derived from Serasan Jaya Village and Gajah Mati.</li> <li>• Cooperation Agreement with KUD Mudah Rasan Jaya No. 008/kemitraan/GPI-MRS/IX/2014 on the development of Palm Oil Partnership KKPA (Primary Cooperatives Members).</li> <li>• There are news handover of land from land owners and board Individual Business Rights and Rights Recognition Letters. Such as news handover of land in the name of Aziz Ali with pedestal Individual Business Rights and Recognition of Rights Letter dated July 9, 2007 for a land area of 2.8 ha is known by the Head of Gajah Mati Village and acknowledgment of Rights on behalf of Aziz Ali for an area of 2.8 ha Gajah Mati Village dated February 24, 2008 and registered at the District Office No. 593/126/2009/XII/2008 dated December 3, 2008.</li> <li>• IUP Smallholders based Regent Decree 0265 in 2010 to 800 ha Owner Estate and smallholder's plantation area of 1,200 ha in the village Gajah Mati, Sungai Jernih district.</li> <li>• IUP Smallholders based Regent Decree 282/KPTS/IUP/Disbun/2011 for Owner Estate area of 1,600 ha and smallholder plantation area of 2,400 ha.</li> </ul>	√
	<b>Status: Comply</b>	

6.3	<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>	X or√
	The Company has a procedure Consultation and Communication with Society (RSPO/6.2/KKM), Handling Complaints from Society (RSPO/6.3/PKM), Handling Complaints from Workers (RSPO/6.5/PKK) and Handling Conflict (RSPO/2.2/PK) is implemented participate to the surrounding community estate, among others: (1) Talang Piase Village; (2) Dusun III Talang Ilo; (3) Napal Village; (4) Karang Ringin II Village; (5) Rantau Kasih Village. Technical settlement of disputes in an effective, timely, and the correct way is set in the mechanism (flow chart) handling of complaints, with the following picture: Complaints of internal/external accepted by Haed of Section noted, and then delivered to the manager to make a decision or if necessary consult to head the department and the last to a decision. Complaints of workers can be completed for about two days (calculated from complaints go into management to the realization of the settlement), while the time for handling complaints from the public depending on the type of complaints submitted, if the complaint is light and the existing facilities available can be completed less than three days, will but if complaints rather large/significant and need consultation invitation central management, approximately one week. Complaints from communities have been documented in the complaint Log Book society.	√
	<b>Status: Comply</b>	
6.4	<b>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.</b>	X or√
	The procedure to identify and calculate compensation for loss of legal or customary rights over the land covered by the procedure (SOP) Conflict Resolution (RSPO/2.2/PK).	√
	All the evidence of conflict resolution is available on site, including news handover of land from land owners and board Individual Business Rights and Rights Recognition Letters.	
	<b>Status: Comply</b>	
7.3	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	X or√
	The management unit has identified HCV conducted in July 2011 by the RSPO Approve assessor.	√
	<b>Status: Comply</b>	
7.5	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	X or√
	The procedure to identify and calculate compensation for loss of legal or customary rights over the land covered by the SOP Conflict Resolution (RSPO/2.2/PK). No changes (revisions) to the contents or compensation calculation mechanism - the same as the results of previous audits.	√
	Smallholder's development is done by agreement between KUD Sinar Delima PT GPI accordance with the Cooperation Agreement No. 001/Plasma/GPI-KUD/II/2012 on the development of Palm Oil Partnership KKPA (Primary Cooperatives Members).	
	<b>Status: Comply</b>	
7.6	<b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	X or√
	The procedure to identify and calculate compensation for loss of legal or customary rights over the land covered by the procedure (SOP) Conflict Resolution (RSPO/2.2/PK).	√
	All the evidence of conflict resolution is available on site, including news handover of land from land owners and board Individual Business Rights and Rights Recognition Letters.	
	<b>Status: Comply</b>	



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

3.5.1 Identification of Findings, Corrective Actions and Observations at [ASA-3](#) Assessment

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

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

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							classification of the river watershed. • Environment Ministry Regulation (Permen LH) No.07 of 2014 concerning environmental Losses due to pollution or environmental damage. • REGULATION OF THE MINISTER OF ENVIRONMENT AND FORESTRY No. P.89Menlhk-II / 2015. Non-Conformance Completed		
2015.3	Minor 2.1.3	<b>Mechanisms to ensure compliance towards the implemented rules</b>  The management unit has not been able to show evidence of a mechanism to ensure compliance to implemented regulations.	Minor	Estate and Mill	ASA-04	The management unit must be able to show evidence of a mechanism to ensure compliance to implemented regulations.	<b>Root Cause :</b> The Company since 2010 already have legal requirements SOP, the reason why this procedure is not carried out because the company not yet has a PIC to update the Act.  <b>Corrective Action:</b> The Company appoint PIC to update the Act and inform management so the legal requirement can be implemented  <b>Preventive Action:</b> Ensure the PIC to update the act and inform management if there is changes in regulation.  <b>Auditor Response</b> <b>Verification, June 1, 2015</b> The company has shown evidence of improvement in the form of document for an evaluation of compliance to applicable	Closed	25 April 2016

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							<p>regulation, which explains the basic rules, the indicators related to the RSPO and the status of fulfillment. But the company has not shown evidence of a mechanism to ensure the implementation of the regulations. The <b>Non-Conformance is hncompleted.</b></p> <p><b>Verifiication 25 April 2016</b> The management unit has demonstrated a mechanism to ensure the implementation of regulatory compliance is described in SOP legal requirements (010/PH-BGR/VIII/10) dated 10 August 2010. The company also shows the implementation of these procedures include evaluation of regulatory compliance.</p>		
2015.4	Major 2.2.4	<p><b>Evidence of Conflict Resolution</b> There is an information regard to claim to land in Parit village, and arang-arang village in Div II, that is stiiil in process to obtain LUT. This land conflict has been handled by a meeting with the parties who stated its claim at a meeting in February 2014 and the company has been reported to the Central Office this issue to head office. It is suggested not to use that land. This case is a potential conflict that had been</p>	Major	Estates	21 June 2015	<p>Companies must show the conditions for conflict resolution processes that can be accepted and implemented by the parties involved</p>	<p><b>Root Cause:</b> Information of the status of the land has not been delivered by the head office to the management unit</p> <p><b>Corrective Action:</b> Asking for information regarding to the status of land to head office</p> <p><b>Preventive Action:</b> Set up the mechanism of request of information for internal between head office and units.</p>	Closed with observ ation	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
		<p>handled by the company in order to be completed (conflict resolution). But the company has not been able to show evidence of the action taken in accordance with the SOP of document Conflict Resolution PK Rev 0 April 2, 2009.</p> <p>..</p>					<p><b>Auditor Response :</b>  <b>Verification June 1, 2015</b>            The company has shown evidence of improvement in the form of evidence for resolution of the land which has been occupied and is still in the process of LUT located in Div II area of approximately 400 hectares. Documents shown is a letter from EM Ladang Panjang Estate to GM PSD Letter No. 239 / BGR-INT / VII / 2014 dated July 16, 2014 on previous petition responses letter No. 190 / BGR-INT / V / 2014, the letter explained that EM Ladang Panjang have informed the PSD related to the land which has been occupied and is still in the process of LUT in order to be added to the core area, and requests for information about the status of the land.</p> <p>Associated with that, GM PSD has responded to the letter on August 6, 2014 by letter No. 099 / PSD.JKT / 08:14, the letter explains that relates to the addition of a core area of 400 hectares of land to be taken out of the land occupation in Div II, GM PSD said that today the area still belongs to the Sirangrang village and Sei Gelam Village and there is no final decision of Pemda Muaro Jambi yet, so over the area, that was recommended not to do compensation. <b>Non-Conformance</b></p>		



Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							Completed		
2015.5	Major 4.6.11	<p><b>Specific annual medical surveillance for pesticide operators</b></p> <p>The Company has conducted periodic medical examinations for sprayer personnel including a physical examination, blood and spirometry, but the company has not made cholinesterase examination (blood chemistry) to sprayer personnel</p>	Major	Estate	21 June 2015	Companies must be able to show evidence of inspection (specific annual medical supervision) in this case, it has been done cholinesterase test toward sprayer personnel.	<p><b>Root Cause :</b> Misconceptions of hospitals to request from the company to conduct health checks for employees</p> <p><b>Corrective Action:</b> The Company has drawn up a plan of employee health examination (spraying personnel) type of cholinesterase, the company showed evidence of the progress of plan realization by conducting gradually checking in each week, in collaboration with the laboratory of Prodia. It has been conducted an examination of four personnel on April 23, 2015. Lab Prodia provide letter explaining that the CHE examination has been carried out and wait for the results of the examination process in the lab</p> <p><b>Preventive Action:</b> The Company will revise SPK with hospitals to include the examination of CHE to sprayer personnel</p> <p><b>Auditor Response:</b> <b>Verification, April 27, 2015</b> The company has shown evidence of improvement so that Non-Conformance Completed</p>	Closed	27 April 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
2015.6	Minor 5.1.2	<p><b>Reduction of negative impacts, scheduling and PIC</b></p> <p>The management unit has not been able to show the document of negative impact reduction plan, scheduling and PIC for implementation that is integrated into the management plan in accordance with the reference document EIA and SIA.</p>	Minor	Estate and Mill	ASA-04	<p>The management unit must be able to show the document of negative impact reduction plan, scheduling and PIC for implementation that is integrated into the management plan in accordance with the reference document EIA and SIA.</p>	<p><b>Root Cause :</b> Management unit has not conduct a social impact management in accordance with AMDAL and SIA</p> <p><b>Corrective Action:</b> Conducting social impact management according to AMDAL and SIA document</p> <p><b>Preventive Action:</b> Set a schedule and PIC for social impact management.</p> <p><b>Auditor Response</b> <b>Verification, June 1, 2015</b> The company has shown evidence of improvement in the form of questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaire per village), the recapitulation of the questionnaire, questionnaire analysis, program of management impacts per 2015 (those are socialization, environment and nature conservation programs, community services public education facilities), and the report of the realization of the social impact reduction such as photos and minutes events. The company also showed the appointment of 12 officer who responsible for the prevention social impact on May 8, 2015.</p>	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							Based on the document review, it was stated that Non-Conformance completed.		
2015.7	Minor 5.1.3	<p><b>Evaluation of participatory monitoring and Implementation plans, at least once every two years.</b></p> <p>The management unit has not been able to provide evidence of evaluation for monitoring plan and implementation of participatory negative impact reduction. That should be done at least every 2 years</p>	Minor	Estate and Mill	ASA-04	The management unit must be able to provide evidence of evaluation for monitoring plan and implementation of participatory negative impact reduction. That should be done at least every 2 years	<p><b>Root Cause :</b> Management unit has not conduct a social impact management in accordance with AMDAL and SIA</p> <p><b>Corrective Action:</b> Conducting social impact management according to AMDAL and SIA document</p> <p><b>Preventive Action:</b> Set a schedule and PIC for social impact management.</p> <p><b>Auditor Response Verification June 1, 2015</b> The company has shown evidence of improvement in the form of questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaires per village). the recapitulation of the questionnaire and, questionnaire analysis that has been done based on evidences, then Non-Conformance stated completed</p>	Closed	1 June 2015
2015.8	Major 6.1.1	<p><b>Social impact analysis or social impact assessment (SIA) including documented meeting notes.</b></p>	Major	Estate and Mill	21 June 2015	The management unit must be able to show a record of the meeting with the parties.	<p><b>Root Cause :</b> Management unit has not conduct a social impact management in accordance with AMDAL and SIA</p>	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
		The management unit has provide document of a social impact assessment (SIA) , but hasn't yet to show a record of the meeting with the parties, eg: FGD with the parties and interviews result					<p><b>Corrective Action:</b> Conducting social impact management according to AMDAL and SIA document</p> <p><b>Preventive Action:</b> Set a schedule and PIC for social impact management.</p> <p><b>Auditor Response</b> <b>Verification, June 1, 2015</b> The company has shown evidence of improvement in the form of questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaire per village), the recapitulation of the questionnaire, questionnaire analysis, program of management impacts per 2015 (those are socialization, environment and nature conservation programs, community services public education facilities), and the report of the realization of the social impact reduction such as photos and minutes events. In addition the company also shows the minutes of socialization and submission of documents of general procedures for conflict resolution, land claims, the handling of public complaints and grievances of employees, for example in the village Trimulya held on May 13, 2015, attended by 4 participants. The company also showed the appointment of 12 officer</p>		

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							who responsible for the prevention social impact on May 8, 2015. <b>Based on the document review, it was stated that Non- Conformance completed.</b>		
2015.9	Major 6.1.2	<p><b>Participation Evidence of Affected Parties</b></p> <p>Regard to Major indicators 6.1.1, the management unit has not been able to show evidence that the impact assessment has been carried out with the involvement of the parties in accordance with the reference document of SIA.</p>	Major	Estate and Mill	21 June 2015	The management unit must be able to show evidence that the impact assessment has been carried out with the involvement of the parties.	<p><b>Root Cause :</b></p> <p>Management unit has not conduct a social impact management in accordance with AMDAL and SIA</p> <p><b>Corrective Action:</b></p> <p>Conducting social impact management according to AMDAL and SIA document</p> <p><b>Preventive Action:</b></p> <p>Set a schedule and PIC for social impact management.</p> <p><b>Auditor Response ;</b></p> <p><b>Verification, June 1, 2015</b></p> <p>The company has shown evidence of improvement in the form of questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaire per village), the recapitulation of the questionnaire, questionnaire analysis, program of management impacts per 2015 (those are socialization, environment and nature conservation programs, community services public education facilities), and the report of the realization of the social impact reduction</p>	Closed	1 June 2015



Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							such as photos and minutes events. In addition the company also shows the minutes of socialization and submission of documents of general procedures for conflict resolution, land claims, the handling of public complaints and grievances of employees, for example in the village Trimulya held on May 13, 2015, attended by 4 participants. <b>Based on the document review, it was stated that Non-Conformance completed.</b>		
2015.10	Major 6.1.3	<p><b>Scheduling and PIC of Reduction of negative impacts, consulting with many parties</b></p> <p>The management unit has not been able to show the monitoring document of negative impact reduction plan, consulting and PIC in accordance with the reference document SIA.</p>	Major	Estate and Mill	21 June 2015	The management unit must be able to show the monitoring document of negative impact reduction plan, consulting and PIC in implementation.	<p><b>Root Cause :</b> Management unit has not conduct a social impact management in accordance with AMDAL and SIA</p> <p><b>Corrective Action:</b> Conducting social impact management according to AMDAL and SIA document</p> <p><b>Preventive Action:</b> Set a schedule and PIC for social impact management.</p> <p><b>Verification, June 1, 2015</b> The company has shown evidence of improvement in the form of questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaire per village), the recapitulation of the questionnaire, questionnaire analysis,</p>	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							program of management impacts per 2015 (those are socialization, environment and nature conservation programs, community services public education facilities), and the report of the realization of the social impact reduction such as photos and minutes events. In addition the company also shows the minutes of socialization and submission of documents of general procedures for conflict resolution, land claims, the handling of public complaints and grievances of employees, for example in the village Trimulya held on May 13, 2015, attended by 4 participants. The company also showed the appointment of 12 officer who responsible for the prevention social impact on May 8, 2015. <b>Based on the document review, it was stated that Non- Conformance completed.</b>		
2015.11	Minor 6.1.4	<p><b>Evidence of the review carried out at least 2 years and involving stakeholders</b></p> <p>The management unit has not shown any evidence that the review of the plan has been carried out with the participation of all parties affected by a minimum of 2 years in accordance with the reference document SIA</p>	Minor	Estate and Mill	ASA-04	The management unit must be able to show any evidence that the review of the plan has been carried out with the participation of all parties affected	<p><b>Root Cause :</b> Management unit has not conduct a social impact management in accordance with AMDAL and SIA</p> <p><b>Corrective Action:</b> Conducting social impact management according to AMDAL and SIA document</p> <p><b>Preventive Action:</b> Set a schedule and PIC for social impact</p>	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							management.  <b>Auditor Response</b> <b>Verification June 1, 2015</b> The company has shown evidence of improvement in the form of questionnaires plan and evaluation of social impact towards 8 villages (20 questionnaires per village). the recapitulation of the questionnaire and, questionnaire analysis that has been done based on evidences, then Non-Conformance stated completed		
2015.12	Minor 6.1.5	<p><b>Identification of impacts and follow-up at the farmer scheme</b></p> <p>The company has noticed the smallholder's farmers that have cooperation through socialization and / or training provided. The training / socialization provided to farmers. . However, regard to the impact on smallholders (plasma) as a result of the activities of the company both estate and palm oil mill that the company has not been able to show the identified impacts and follow-up to the scheme of smallholders.</p>	Minor	Estate	ASA-04	<p>Perusahaan harus menunjukkan perhatian khusus (tindak lanjut) yang diberikan pada dampak-dampak terhadap skema petani penggarap (plasma) berdasarkan hasil identifikasi</p> <p>the company must be able to show special attention to the identified impacts and follow-up to the scheme of smallholders</p>	<p><b>Root Cause :</b> Management unit has not conduct a social impact management in accordance with AMDAL and SIA</p> <p><b>Corrective Action:</b> Conducting social impact management according to AMDAL and SIA document</p> <p><b>Preventive Action:</b> Set a schedule and PIC for social impact management.</p> <p><b>Auditor Reponse:</b> <b>Verification of date of June 19, 2015</b> The company has shown evidence of improvement in the form of evidence of consultation with the village surrounding. The participants are members of</p>	Closed	19 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							cooperatives village, those are the village of Gelam River, S Agung Village, Mingkung Jaya Village, and Petaling Jaya village. Consultation was held on June 6, 2015, attended by 17 participants. List of attendee and photo of activities were available. <b>Non-Conformance completed.</b>		
2015.13	Major 6.3.1	<p><b>Public Complaints Procedure</b></p> <p>The Company has a public complaints procedure (SOP: 005 / BGR-PKM / II / 11 dated 11 April 2013). Based on interviews with representatives of Sumber Agung village, it was known that the company has not been able to show clearly understood the system between communities and PT BGR, if there are complaints in the community, they directly submit complaints to the company by mail and / or orally.</p>	Major	Estates & Mill	21 June 2015	Companies must have a system that is open to all affected parties, which must complete a clash with appropriate way, timely and effectively.	<p><b>Root Cause :</b></p> <p>The SOP of complaint procedure has not been socialized yet to the village around the company</p> <p><b>Corrective Action:</b></p> <p>Socializing SOP of complaint procedure to the village around the company</p> <p><b>Preventive Action:</b></p> <p>Socializing SOP of complaint procedure to the village around the company</p> <p><b>Auditor Response</b></p> <p><b>Verification of June 1, 2015</b></p> <p>company shows socialization minutes and submitted document of general procedures related to solution to the conflict, land claims, the handling of public complaints and grievances of employees, for example in the village Trimulya held on May 13, 2015, attended by 4 participants. Petaling Jaya village conducted it on May</p>	Closed	1 June 2015

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
							25, 2015, attended by 6 participants. <b>Non-Conformance completed.</b>		
2015.14	Major 6.4.3	<p><b>Setting an open publication on the compensation procedures</b></p> <p>All are set in the SOP regarding the negotiation and compensation is set to be documented with evidence. The company in oral explanation states that it already has been published already land activities in the form of a compensation map. Publication aims to explain the legitimacy of the compensation process and usually published in the local village head's office. However this publication is not regulated in SOP Procedure Acquisition of land occupation No 343 / PSD-OKUP / 11 dated February 23, 2012.</p>	Major	Estates	21 June 2015	The Company must demonstrate the procedures and the results of any negotiated agreements and compensation claims that should be documented, with evidence of the involvement of those affected, as well as open to the public	<p><b>Root Cause :</b> SOP regarding the negotiation and compensation has not been revised</p> <p><b>Corrective Action:</b> To revise SOP regarding the negotiation and compensation</p> <p><b>Preventive Action:</b> To revise SOP regarding the negotiation and compensation</p> <p><b>Auditor Response :</b> <b>Verification, June 1, 2015</b> The company has shown evidence of improvement through documents of land claim settlement scheme, the scheme has explained the stages of completion of the land claim cases ranging from source cases (people, group of communities and individuals) to the stage of completion of such consultation, and the legal path or perform realization / payment.</p> <p>But the company has not shown evidence regard to the publication of the activities of land that has been negotiated in the form of a compensation persil in accordance with SOPs (SOP Procedure Acquisition of</p>	Closed	19 June 2015



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

Car No	Ref Std	Finding	Grade	Area	Time Limit	Corrective Action	Observation	Status	Closed Date
2015.15	SCCS E.3.1	<p><b>SCCS Nov 2014</b></p> <ul style="list-style-type: none"> <li>- The Company has a product supply chain system procedure (SOP-026 / BGR / 12) to identify the raw materials and end products so that will be able to know the relationship of raw material and product quality in order to easily perform product resulted. SCCS Procedure adopted by the company and has not been adjusted to the standard of RSPO SCCS 21 November 2014.</li> <li>- Procedure of products supply chain system (SOP-026 / BGR / 12) does not explain the mechanism of information delivery if there was an excess of product to the certification institution</li> </ul>	NC	Mill	31 May 2016	POM shall have procedures and / or written work instructions to ensure implementation of all the elements that include requirements of SCCS November 2014.	<p><b>Root Cause :</b> SOP of product supply chain system has not been revised</p> <p><b>Corrective Action:</b> To revise SOP of product supply chain system</p> <p><b>Preventive Action:</b> To revise SOP of product supply chain system</p> <p><b>Auditor Response 15 June 2015</b> The Company has demonstrated its revised SOP SCCS and has been adapted to the new standard reference (SOP / 4.1 / KP). Non-Conformance completed</p>	Closed	15 June 2015
2015.16	RSPO Certification System 4.2.3 and Attachment	<p><b>The unit of certification is plant and its supply bases</b></p> <p>The company could not demonstrate the implementation of planning to ensure that all suppliers, in this case is the plasma farmer can be certified within 3 years. All external suppliers (plasma) in accordance with a</p>	NC	Estate and Mill	ASA-04	The company must be able to demonstrate the implementation of planning to ensure that all suppliers, in this case is the plasma farmer can be certified within 3 years. All external suppliers (farmers) in accordance with a scheme	<p><b>Root Cause :</b> All contracted supplier (plasma) has not been agree for implementing RSPO P&amp;C</p> <p><b>Corrective Action:</b> Conduct socialization related to the implementation of the RSPO to KUD PT BGR</p>	Closed With observ ation	19 June 2015

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

3.5.2 Identification of Findings, Corrective Actions and Observations at [ASA-4](#) Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
2016.1	2.1.1	<p><b>Regulatory Compliance</b> The results of the review of documents and interviews with workers in mind that Ladang Panjang Estate handed over the main work (harvest) to third parties (contractors), it is not in accordance with the Ministerial Regulation No. 19 year of 2012 and SK GAPKI No. SK/002/PPG/II/2013.</p>	Estate	Major	28 June 2016	Companies must show proof that all the main work on the operational activities are not handed over to third parties (contractors)	<p><b>Root cause:</b> Lack of socialization on Permenaker 19 of 2012 and GAPKI Decree No. SK/ 002 / PPG/II/2013 from Labor Agency of Muaro Jambi Regency, as the company will update new regulation by access website (www.jdih.com), to be performed with a period once a month by PIC appointed management (PSQM Departments/ESH).</p> <p><b>Corrective action:</b> Estate Manager Ladang Panjang on 30 April 2016 issued Letter No. 131/BGR-INT/IV/2016 regarding the termination of the employment contract Agreement Letter Harvest a.n Toyib and Agreement Letter No. 132/BGR-INT/IV/2016 regarding the termination of the employment contract SPK Harvest a.n Emery after the date of May 1, 2016.</p> <p><b>Preventive action:</b> The Company will evaluate any laws and regulations in force</p>	Closed	20 June 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
							<p>regarding employment each month by the PIC is the designated management so in accordance with the actual conditions there. HRM particularly in the recruitment of employees to coordinate so as not violating the SOP of labor recruitment in accordance with company policy and Indonesia legislation.</p> <p><b>Auditor Observation</b>  <b>03 May 2016</b>                      The company indicated Letter No. 131/BGR-INT/IV/2016 and No. 132/BGR-INT/IV/ 2016 dated 30 April 2016 regarding the termination of Harvest employment contract which Agreement Letter No. 20 / BGR-LPE/SPK/III/2016 and Agreement Letter No. 19/BGR-LPE/ SPK/III/ 2016 as of May 1, 2016.</p> <p>Based on explanation above, the Nonconformity No. 2016.1 has been fulfilled.</p>		
2016.2	4.3.5	<p><b>Assessment Drainability Level</b>                      Under the plan replanting, it is known that the year 2016/2017 will be replanting in the area of peatland in</p>	Estate	Minor	Re-Certification	Companies must be able to show the drainability level before replanting in peatlands in order to	<p><b>Root cause:</b>                      Because the company did not know about the RSPO request on replanting and the authority of</p>	Closed	27 June 2016



CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
		Division 1 block A009, A010 and A011. But the company has not been able to show the drainability level before replanting in peatlands in order to determine the long-term viability of drainability levels required for planting oil palm.				determine the long-term viability of drainability levels required for planting oil palm.	<p>assessment is on research team/MRC.</p> <p><b>Corrective action:</b> Creating a letter to the MRC research team to examine or assess the level of drainability before replanting in peatlands. The company has a letter from the MRC said it will conduct a study in early May 30 to June 5, 2016. The result of the study replanting has been done by the MRC on 1 to 4 June, 2016 shows that the area of peatland in PT BGR still can last up to ±100 years.</p> <p><b>Preventive action:</b> The company will do an analysis of the drainability peatland will be replanted by the MRC research team. The company has demonstrated replanting plan assessment activities to other blocks that will replanted.</p> <p>The Company has demonstrated an assessment program of the peat drainability rate in March from the year 2017 to 2029.</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
							<p><b>Auditor Observation 27 May 2016</b></p> <p>The company shows the letter from MRC dated May 25, 2016 that states will conduct the evaluation of land in the area that will be replanted in the period 2016/2017. The management unit has also submitted a report on a study has been carried out on 1 to 4 June 2016. Based on results of the study, explained that the area block A009, A010 and A011 (2016/2017 replanted areas) can still be used up to ± 100 years to achieve the conditions elevation level with the Parit river.</p> <p>Based on the explanation above, Nonconformity No. 2016.2 has been fulfilled.</p>		
2016.3	5.6.3	<p><b>Calculation and Reporting of GHG</b></p> <p>The certificate holder has not been able to show the results of calculation of GHG and reporting evidence.</p>	Kebun dan pabrik	Minor	Re-Certification	The certificate holder has been able to show the results of calculation of GHG using PalmGHG Calculator RSPO Version 2.1.1 and reporting evidence to RSPO secretariat.	<p><b>Root cause:</b></p> <p>The company could not show data calculation of GHG because the calculation performed by the Center PSQM Dept in Jakarta. In addition to the calculations using the calculator GHG previous version.</p> <p><b>Corrective action:</b></p>	Closed	03 May 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
							<p>The company has demonstrated GHG calculation using palm GHG calculator version 2.1.1 and proof of delivery GHG report to the RSPO Secretariat on May 2, 2016.</p> <p><b>Preventive action:</b> The Company will update the GHG calculating data for each year to Center PSQM and PSQM in unit management will always coordinate with Center PSQM Dept. in calculating the GHG.</p> <p><b>Auditor Observation</b> <b>03 May 2016</b> The company showed PalmGHG Summary Report is the result of the calculation of GHG Ladang Panjang Factory (year of assessment 2015) using RSPO calculator PalmGHG version 2.1.1 as well as proof of reporting to the RSPO Secretariat on May 2, 2016 (via email to <a href="mailto:meliissa.chin@rspo.org">meliissa.chin@rspo.org</a>)</p> <p>Based on the explanation above, Nonconformity No. 2016.3 has been fulfilled.</p>		
2016.4	7.3.1	New Plantings Since November	Estate	Major	28 June	Companies must show	<b>Root cause:</b>	<b>Closed</b>	<b>28 June</b>

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
		<p><b>2005</b> Sime Darby Plantation as a group of PT BGR has sent information about the area opened without identification of HCV since November 2005 until December 2009. The letter was sent by the Department Head PSQM Sime Darby Plantation on the 15th of July 2015 explained that there are 105.06 ha area of PT BGR opened without analysis of HCV. However, based on a review of documents and interviews it is known that there is an area of 379.33 hectares which opened Since Nov 2005 without prior analysis of HCV.</p>	and Mill		2016	proof that the areal extents opened since November 2005 to December 2009 without analysis of HCV has been preceded by field conditions and reported to the RSPO.	<ul style="list-style-type: none"> <li>The difference of the total area opened without identification of HCV since November 2005 until in December 2009 because already re-blocking on 2010.</li> <li>Sime Darby, Golden Hope and Guthrie merger in 2008. After the merger there are changes in the financial year period January to December already July to June. In operation there is still a mistake taking the data at the time. Plantation Operation Department (POD) Staff in Jakarta do count less precise formula Pull Excel data for July to June and not January to December.</li> </ul> <p><b>Corrective action</b></p> <ul style="list-style-type: none"> <li>The Company has been in communication with the Sime Darby through e-mail dated June 10, 2016 to re-submit the report of disclosure of liability and LUCA submission data in accordance with actual conditions. Sime Darby Plantation has also been in communication with the RSPO by letter dated June 24, 2016</li> </ul>		2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
							<p>informing about the raw liability for LUCA submission update in June 2016. The RSPO has received the letter on June 28, 2016 and to inform Sime Darby Plantation to revise such data using templates disclosure and LUCA.</p> <ul style="list-style-type: none"> <li>PSQM cross-checking all the data that has been conveyed to Sime Darby and RSPO. Incorrect data is already in corrections and updates back to the Sime Darby on June 10, 2016.</li> <li>Sime Darby after getting approval management and revision LUCA RSPO update on June 24, 2016 and the RSPO gives respond back on June 28, 2016.</li> </ul> <p><b>Preventive action:</b> System applications have been converted from Excel to SAP. POD Staff should be carefully and accurately perform complex calculations on the data prior to the data at present. Must be checked repeatedly.</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
							<p><b>Auditor Observation</b>  <b>23 May 2016</b>            The Company has not shown any evidence or explanation regarding the extent of the data discrepancy between the letter sent by the Head Department PSQM of Sime Darby Plantation on 15 July 2015 and the results of the audit report. Based on these reports note that the area reported an area of 105.06 hectares located in Block B022 and A012 partially, but based on the operational map in mind that there are also areas of planting 2007 and 2009 in Block A012, A013 and A014. The company could not show the disclosure of liability for the area opened from 1 November 2005 at Block A012, A013 and A014.</p> <p><b>28 June 2016</b>            The company has a letter from Sime Darby Plantation dated June 24, 2016 to inform to RSPO that raw data changes of LUCA liability for submission and the RSPO has confirmed receipt of the information on 28 June 2016. The RSPO also inform Sime Darby Plantation to revise such data</p>		



CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
							<p>using templates of disclosure and LUCA.</p> <p>Based on the explanation above, Nonconformity No. 2016.4 has been fulfilled.</p>		
2016.5	7.3.2	<p><b>Analysis of Vegetation Changes</b> Sime Darby Plantation as a group of PT BGR has sent a report Land Use Change Analysis (LUCA) for the area opened without identification of HCV since November 2005 until December 2009. The letter was sent by the Department Head PSQM Sime Darby Plantation on the 15th of July 2015 explained that LUCA report for PT BGR will be reported in August 2015. However, until the company has not been able to show proof that the report LUCA's PT BGR has reported to the RSPO secretariat.</p>	Estate and Mill	Major	28 June 2016	Companies must show proof that the analysis of vegetation change/LUCA for area opened since November 2005 to December 2009 without identifying HCV activity, has been reported in the RSPO.	<p><b>Root cause:</b> The Company has not shown evidence of LUCA for clearance area since November 2005 to December 2009 without performing the HCV identification, which has been reported on the RSPO, because the document in Jakarta.</p> <p><b>Corrective action:</b> PT BGR has shown document of submission records to RSPO which explain LUCA data has been received by the RSPO in end of September 2015. The company has been in communication with the Sime Darby via email dated June 10, 2016 to re-submit a report disclosure of liability and LUC accordance with actual conditions.</p> <p><b>Preventive action:</b> The company requested satellite</p>	Closed	28 June 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
							<p>imagery data to the PSQM Dept, if any area opened since November 2005 to December 2009 without performing the HCV identification, which has been reported on the RSPO.</p> <p><b>Auditor Observation</b>  <b>23 May 2016</b>                      The company has shown evidence that LUC data for PT BGR has been accepted by the RSPO in September 2015. In addition the company also showed RSPO Remediation and Compensation Liabilities Report which also explains LUC analysis for an area of 105.06 hectares located in Block B022 and A012 partially. Based on the operational map in mind that there are also areas of planting 2007 and 2009 in Block A012, A013 and A014 and the company has not been able to show LUC analysis for the area opened from 1 November 2005 in Block A012, A013 and A014.</p> <p>The company has shown a letter from Sime Darby Plantation dated June 24, 2016 to inform the RSPO that raw data changes LUCA</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
							<p>liability for submission and the RSPO has confirmed receipt of that information on 28 June 2016. The RSPO also inform Sime Darby Plantation to revise such data using RSPO templates of disclosure and LUCA.</p> <p>Based on the explanation above, Nonconformity No. 2016.5 has been fulfilled.</p>		
2016.6	RSPO Certification System 4.2.4.c	<p><b>Challenging Time Bound Plan</b> Revised Plan Schedule of certification (Time Bound Plan) indicated by the management unit has not been sufficient, such as:</p> <ul style="list-style-type: none"> <li>• Certification Plan smallholders PT BGR planned in 2020 (supposedly 2015). Justification given for this change is the new MoU, but management unit can not explain the MoU in question.</li> <li>• Time Bound Plan Karya Palma Estate (PT Sandika Natapalma) and PT Budidaya Agrolestari including Sungai Putih Estate (Full Manage Smallholders - Koperasi Perkebunan <b>Sejahtera Palma Sejati &amp; Mitra Usahatani</b></li> </ul>	BGR (Sime Darby Plantation Sdn Bhd)	Major	28 June 2016	Sime Darby Plantation Sdn Bhd should be able to demonstrate changes Time Bound Plan as well as a sufficient justification in accordance with RSPO Certification System	<p><b>Root cause:</b> Sime Darby Plantation Sdn Bhd through Minamas Plantation not renews the Time Bound Plan due to personnel responsible (Head of PSQM Indonesia) do not give annual regular information updates to the CB.</p> <p><b>Corrective action</b></p> <ul style="list-style-type: none"> <li>• Sime Darby Plantation Sdn Bhd through Minamas Plantation has revised the Time Bound Plan by setting Karya Palma Estate (PT Sandika Natapalma) and PT Budidaya Agrolestari planned in 2017.</li> <li>• Head of PSQM Indonesia will inform the CB annually in</li> </ul>	Closed with Observation	28 June 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
		<p><b>Sejahtera</b> are planned in 2018 (supposedly 2017)</p> <p>It is not in accordance with the RSPO Certification System 4.2.3 all FFB derived from a self-managed farm should produce to the certified standard. Factory (Certificate Holder) should develop and implement a plan to ensure that 100% of smallholders and plantation has been certified within 3 years (since Mill certified)</p>					<p>the month of January or if there is a change or expansion of the operational area, especially in Indonesia.</p> <p><b>Preventive action:</b> Sime Darby Plantation Sdn Bhd through Minamas Plantation will notify CB if there are updates and changes to Time Bound Plan are due to the addition / expansion of the operating area or the addition of new plants.</p> <p><b>Auditor Observation</b> <b>21 June 2016</b> <b>Point b</b> The company showed a revised document Time Bound Plan by setting Karya Palma Estate (PT Sandika Natapalma) and PT Budidaya Agrolestari planned in 2017. The document was sent via email by the Minamas Plantation (Sime Darby Indonesia) on June 17, 2016 and has been verified by the team auditor.</p> <p><b>28 June 2016</b> <b>Point a</b> The company showed the</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation and Date	Status	Closing Date
							<p>document as a justification for the change time bound plan smallholders PT BGR, among others:</p> <ul style="list-style-type: none"> <li>Minutes of the Meeting of Socialization ISPO-RSPO with KUD Mitra PT BGR on May 26, 2015 with an agreement that KUD willing to participate in the ISPO-RSPO certification if the five demands/requests KUD carried out by PT BGR.</li> <li>Letter No. 46/KUD K.M/IV/2016 dated 23 April 2016 regarding the statement to the RSPO certification for KUD Karya Mandiri.</li> <li>PT BGR shows the process of negotiations with SNV consultant for the certification smallholder's process. The decision is still in progress at the Sime Darby. Already four meetings with SNV.</li> </ul> <p>Based on the explanation above, it will be observed in the next assessment activities.</p>		

**3.5.3 Opportunity for Improvement**

No	Ref Std	Descriptions
1	2.2.1	The Company has an opportunity to ensure the legality of the whole land documents issued by the competent authority.
2	4.6.11	Companies need to ensure the implementation of the program medical check up for pesticide operator planned in mid year 2016 ( <i>Observation</i> )
3	4.7.2	<ul style="list-style-type: none"> <li>The Company shall reevaluate PPE (Aphrone) used by spraying operator is resistant to water/pesticide mixture.</li> <li>The Company may increase the risk identification by detailing the types of PPE according to the product label</li> </ul>
4	4.7.3	The Company need to ensure the implementation of OHS Electrical training to employees who planned in August 2016 ( <i>Observation</i> ).
5	5.1.3	The Company has an opportunity to complete the wildlife monitoring location data in the report on RKL-RPL.
6	5.2.4	The Company has an opportunity to document monitoring results of HCV which has been conducted every month
7	5.3.3	The Company need to ensure the hazardous waste storage in accordance with the Ladang Panjang Estate shelf life is permitted. ( <i>Observation</i> )

**3.5.4 Noteworthy Positive Components**

No	Ref Std	Descriptions
1	-	The company's commitment to implement the principles of sustainable management of oil palm
2	-	Have the Blue PROPER years 2014-2015 of the Ministry of Environment and Forests Indonesia



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

Issue from Stakeholder	Management Response	Auditor Response
<p><b>National Land Agency Muaro Jambi District</b></p> <ul style="list-style-type: none"> <li>• Areas PT BGR is forest area which is released, where in the area there is no settlement.</li> <li>• At the beginning of the measurement area acreage by National Land Agency, the area is still flooded with water up to chest height adult.</li> <li>• Surrounding communities already had smallholdings, but many are bought and sold.</li> <li>• Generally PT BGR is now better.</li> <li>• Of the 14,000 ha area that is released from a forest area, which can be managed only <math>\pm</math> 6.000 hectares (including smallholders)</li> <li>• For the operational BGR border areas adjacent to South Sumatra, there are demarcation back between Jambi and South Sumatra Province. PT BGR coming into South Sumatra Province is now not managed by the company.</li> <li>• Currently there are no cases of land conflict in the area of operations.</li> <li>• In this month (April 2016) are handing over land to the community in the form of smallholder plantation area of 21 hectares. Selection of candidates submitted to the land owner cooperatives and village administration.</li> <li>• Currently for new permits must be adjusted with the RTRW Muaro Jambi year of 2014.</li> <li>• PT BGR is currently performing the process to obtain the</li> </ul>	<ul style="list-style-type: none"> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• True, PT BGR only manage area covering <math>\pm</math> 4,459.76 Ha and the rest area of <math>\pm</math> 9,889.24 Ha was manage by the other company</li> <li>• Until now, the company did not know about border assertion of Sumatera Selatan Province and Jambi Provice in PT BGR. The area that goes to Sumatera Selatan Province as 18.82 Ha, now is terminated its management until the legality of the area got permission from Sumatera Selatan Province.</li> <li>• True</li> <li>• Not yet hand over to communities because the Company has not received an official decree from the Muaro Jambi Regent.</li> <li>• In accordance as informed</li> <li>• True, in accordance with Presiden Instruction No 6 of</li> </ul>	<p>This is in accordance with the criteria 2.1 and 2.2</p>

<p>HGU for the area on peat land, but due to a moratorium permit on peat land, the land can not be processed.</p>	<p>2013</p>	
<p><b>Department of Manpower and Transmigration Muaro Jambi District</b></p> <ul style="list-style-type: none"> <li>• There are two organizational structures P2K3 Estate and Mill that have appropriate regulations. The Secretary is an OHS expert however necessary to ensure that the appointment of OHS experts devoted to PT BGR.</li> <li>• Reports P2K3 has reported regularly but the content still needs to be improved reports related to the recording of the minutes of the activities undertaken P2K3 eg accident investigation, monthly meetings, etc.</li> <li>• Accident reports have been reported in P2K3 but the data is not in accordance with BPJS workers. In the accident report data is zero accidents, but in BPJS there are work accident claims.</li> <li>• The Company has reported the chemicals used by the company.</li> <li>• Certification First Aid officer, welder and firefighters have not been certified in accordance with the appointment of Ministry Labor RI.</li> <li>• Mill has permission machines and companies need to ensure regular testing carried out in accordance with the time limit provision in the deed permits the machine.</li> <li>• PPE has been given to the employee. Necessary to ensure guests visiting should be equipped with PPE</li> <li>• Paramedics and physicians must have a certificate HIPERKES.</li> <li>• The company has consistently been implementing the</li> </ul>	<ul style="list-style-type: none"> <li>• OHS expert appointment at PT Minamas based on Sumatera Region (PT Minamas Nusa Gemilang) especially for Minamas Staff which on Sumatera Region because on certain period the staff shall mutation to another unit under Minamas Group.</li> <li>• Accident investigation and monthly meetings will be added to P2K3 report for next reports.</li> <li>• The report will be will be adjusted to actual conditions.</li> <li>• In accordance as informed</li> <li>• The company has made certification program for First Aid officer, welder and firefighters that have not been certified in accordance with the appointment of Ministry Labor RI.</li> <li>• The company has made a regular testing program for machine in accordance with the time limit provision in the deed permits the machine.</li> <li>• True and the company also provide guests with PPE</li> <li>• The doctor and paramedic already has HIPERKES certificate</li> <li>• In accordance as informed</li> </ul>	<p>This is in accordance with the criteria 1.1; 2.1; 4.7; 6.5; 6.6 and 6.12</p>

<p>provisions of the applicable minimum wage.</p> <ul style="list-style-type: none"> <li>Workers have been registered at the BPJS Workers and BPJS Health.</li> <li>For the main job is not allowed handed over to third parties (contractors) with reference to the applicable regulations (Ministerial Regulation No. 19 of 2012).</li> <li>Companies need to ensure that contractors working with the company must have a legal entity.</li> <li>No reporting of industrial relations problems eg labor discrimination, the case of layoffs, worker demonstrations, etc.</li> <li>No there are migrant workers/ AKAD system (Inter-City Inter-regional), and foreign workers working in the company.</li> <li>There are two unions in the company that SPPP PUK SPSI and SPM.</li> <li>Communication with the agency has been good, if there is a request for information from the department have been addressed by the company.</li> <li>The official recalled that there were requests for information on Licensed OHS on March 30, 2016, and the company must immediately address it.</li> </ul>	<ul style="list-style-type: none"> <li>In accordance as informed</li> <li>The company has terminate the harvest contract for third party as of May 1, 2016</li> <li>The company will ensure each contractor have a legal entity</li> <li>In accordance as informed</li> <li>In accordance as informed</li> <li>In accordance as informed</li> <li>Will be maintained</li> <li>The company will be sent the information soon</li> </ul>	<p>Will be observed at next surveillance</p>
<p><b>Plantation Agency Muaro Jambi District</b></p> <ul style="list-style-type: none"> <li>The company has been fitted by NPWP and Acta.</li> <li>The Company has had extensive IUP with 3,056.81 ha and capacity of the plant capacity if 45 Ton FFB/Hour with the coordinates of X: 244249.98 Y: 1309744.8947</li> <li>There are fire control personnel with the number of 41 people and There were no fires cases.</li> <li>Portable fire is sufficient but should be improved by making a tower 15 meters high with a ratio of 1: 500 Ha</li> </ul>	<ul style="list-style-type: none"> <li>In accordance as informed</li> <li>In accordance as informed</li> <li>In accordance as informed</li> <li>The company is still waiting for regulations governing the manufacture of tower 15 meters high with a ratio of 1: 500</li> </ul>	<p>This is in accordance with the criteria 1.1; 2.1; 2.2; 4.5; 5.5; 6.10 and 6.11.</p>

<p>in Estate.</p> <ul style="list-style-type: none"> <li>• IPM activities of the company include owl, beneficial plant, trunk injection and chemical knapsack.</li> <li>• The Company shall administer 43 farmers.</li> <li>• The company has implemented CSR well and reported regularly.</li> <li>• The Company has reported monthly activity reports plantation statement regarding acreage, production data and the problems related to the development of plasma plantations (23 ha not been submitted to the plasma, their bad loans and their existing 116.06 Ha SHM), (reported in February)</li> <li>• Liability Smallholders in IUP in 2014 have been met by Smallholders PIR TRANS broadly 5,797.06 Ha</li> <li>• The company has a concession with an area of 1,202.04 hectares and there are areas within the concession process.</li> <li>• There is no overlapping</li> <li>• Assessment of Plantation Business revalued in 2016.</li> <li>• There are regulations related to fire Land of Plantation Agency last week but the company did not attend and there is no response to the invitation.</li> <li>• Water management on peatland done well, but need to be ascertained again for laundering channels regularly.</li> <li>• The company has implemented the purchase price in accordance with the FFB Pricing Plantation Office province. (Provision priced done every 2 weeks). The latest pricing was published on 21 April 2016 for example, the price for the 10-20 ages IDR 1,890.97 CPO, IDR 8,057.53 PK and IDR 6,700.33 IK 88.91%.</li> </ul>	<p>Ha in both the own estate and plasma. For now the company is still meet the firefighters exequipment in accordance with legislation existing</p> <ul style="list-style-type: none"> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• The company already response by phone to the institution</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> </ul>	
<p><b>Environment Bodies Muaro Jambi District</b></p>		

<ul style="list-style-type: none"> <li>• The report shall as RKL-RPL, hazardous waste report, liquid waste report, has been reported in accordance with regulations</li> <li>• Licensing of the company remained as hazardous waste temporary storage permits follow PP 101 2014 and Land Application licenses.</li> <li>• The Company has conducted CSR activities.</li> <li>• There is no environmental pollution issues in the company including land fires cases.</li> <li>• Communication between the agencies by the company has been running well.</li> </ul>	<ul style="list-style-type: none"> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> </ul>	<p>This is in accordance with the criteria 12.1; 4.4; 5.1; 5.3 and 6.2</p>
<p><b>Head of Sungai Gelam Villager</b></p> <ul style="list-style-type: none"> <li>• There is still a dispute over land with a group of 440. There is information that the company has won the dispute of a legal decision, but the village did not know the results of the legal decision.</li> <li>• Process HGU on peatland has not been approved because it must resolve the dispute with the group 440.</li> <li>• There is not the issue of environmental pollution and fires around the company.</li> <li>• There are still traditional activities such as “Sedekah Bumi”.</li> <li>• Reporting complaints through the Estate Manager.</li> <li>• The company must be active for the development of the village and surrounding communities.</li> <li>• The village has not been engaged by the company in the management of social impacts, for example related to the program activities of community development / CSR or the needs of the village so that the right target.</li> </ul>	<ul style="list-style-type: none"> <li>• The company will be informed the head of Sungai Gelam Village related to legal decision from judiciary</li> <li>• The company will resolve a dispute with a group of 440 that the concession process on peat lan can be approved by the village head Sungai Gelam.</li> <li>• True</li> <li>• The company will actively participate in cultural activities such as “Sedekah Bumi”</li> <li>• True</li> <li>• The company will be active for the development of the village and surrounding communities.</li> <li>• The company will involve the village authorities in the management of social impacts, for example related to the CSR program.</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of information to the head of Sungai Gelam will be verified again when the next visit.</li> <li>• HGU process will be observed during next surveillace</li> <li>• This is in accordance with the criteria 5.1; 5.3; 6.3 and 6.11</li> <li>• The company has distributed questionnaires to the village to get input from community representatives.</li> </ul>

<p><b>Contractor Local (Harvesting Activity Division III)</b></p> <ul style="list-style-type: none"> <li>• Making the Agreement Letter has been agreed by both parties.</li> <li>• Payments made through the chairman contractor.</li> <li>• Agreement Letter held by the company, the contractor does not have the Agreement Letter.</li> <li>• Payment has been paid in accordance with the Agreement Letter</li> <li>• Calculation of payments are made in a transparent and mutually agreed.</li> <li>• PPE workers provided by contractors, in case of work accidents are borne by the contractor.</li> <li>• Has knowing grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> </ul>	<p>This is in accordance with the criteria 4.7; 6.3 and 6.10</p>
<p><b>Contractor Local (FFB Transporter Division I)</b></p> <ul style="list-style-type: none"> <li>• Making the Agreement Letter has been agreed by both parties</li> <li>• The contractor already has a copy of Agreement Letter</li> <li>• Calculation of payments are made in a transparent and mutually agreed</li> <li>• Payment is ± 20 days after payment calculation recapitulation.</li> <li>• PPE workers provided by contractors, in case of work accidents are borne by the contractor.</li> <li>• The Company has socialized about OHS</li> <li>• Has knowing grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> </ul>	<p>This is in accordance with the criteria 4.7; 6.3; 6.5 dan 6.6</p>
<p><b>Worker Union</b></p> <ul style="list-style-type: none"> <li>• The Company has granted the freedom of association and no intimidation by the company against union</li> </ul>	<ul style="list-style-type: none"> <li>• In accordance as informed</li> </ul>	<p>This is in accordance with the criteria 4.7; 6.3; 6.5 and 6.6</p>



<p>officers.</p> <ul style="list-style-type: none"> <li>• Meeting with management internally and done and the results of the meeting are documented in the form of news events.</li> <li>• The company consistently implements the provisions of the applicable minimum wage, for the 2016 implementation of the wage in April 2016 and rapel payment of wages for the month of January to March, 2016.</li> <li>• All employees have enrolled in the program Workers Social Security Agency Employment and Health.</li> <li>• Performance appraisals are conducted one year that will affect the grade/class salaries for Monthly Workers and or promotion of becoming Daily Worker to Monthly Worker.</li> <li>• Communication between the union and the company have been good, if there is a complaint or a request for information from the union then the company has responded well and quickly.</li> <li>• One of the complaints from workers regarding health care still felt a lot better when the health service is made in full by the company. However, the unions understand this case because Workers Social Security Agency is an obligation of compliance with applicable regulations.</li> </ul>	<ul style="list-style-type: none"> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> </ul>	
<p><b>Gender Committee PT BGR</b></p> <ul style="list-style-type: none"> <li>• Socialization of sexual harassment policy and protection of women's rights has been communicated to all workers as well as the guarantee of protection for complainants or victims and witnesses.</li> <li>• In the period 2015-2016 there are no reports of sexual abuse, violence against women and violations of workers' reproductive rights policy.</li> </ul>	<ul style="list-style-type: none"> <li>• In accordance as informed</li> <li>• In accordance as informed</li> </ul>	<p>This is in accordance with the criteria 6.5; 6.8 and 6.9</p>

<ul style="list-style-type: none"> <li>• The company has consistently implemented a policy of protection of reproductive rights through the provision of H1 for female workers who experience pain on the first/second during menstruation and H2 for pregnant women workers who give birth (1.5 months prior to giving birth and 1.5 months after birth) or who had a miscarriage given time off for 1.5 months.</li> <li>• There was no reporting of discrimination, especially women workers conducted by the company. The Company has provided the opportunity and the chance to work without distinction of sex.</li> <li>• The company has demonstrated efforts to improve workers' access to decent food and fairly by providing vehicles to transport workers to meet basic needs to the city at the time of receipt of salary.</li> </ul>	<ul style="list-style-type: none"> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> </ul>	
<p><b>Smallholder group of Sumber Raharjo, Koperasi Makarti</b></p> <ul style="list-style-type: none"> <li>• Farmers felt had never heard of the RSPO</li> <li>• The companies that often communication with plasma foreman and plasma assistant</li> <li>• There are still three people have not paid off the credit installment payment of the total membership of 38 people.</li> <li>• Payment of results conducted every 1 month from the company to the cooperative.</li> <li>• Never difference in yield with the payment.</li> <li>• FFB price used is the price Plantation Agency.</li> <li>• The Company has never provided information related to</li> </ul>	<ul style="list-style-type: none"> <li>• The Company has socialized RSPO to smallholders, PT. BGR has also received a visit pre Survey conducted by a team together with the RPOI and SNV "during a meeting in the village office of Sido Mukti has explained the functions and benefits of RSPO".</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> </ul>	<p>The company has shown documentation of RSPO socialization to smallholders. Companies need to improve the effectiveness so the understanding of RSPO be better in smallholders</p> <p>This is in accordance with the criteria 6.10 and 6.11</p>

<p>the use of useful plants like <i>Turnera</i></p>	<ul style="list-style-type: none"> <li>The company has provided guidance on useful plants and have been practicing how to plant directly in each - each group</li> </ul>	
<p><b>Smallholder group of Margo Mulyo 2, Koperasi Karya Mandiri</b></p> <ul style="list-style-type: none"> <li>There is still a member of the farmers who are still making payments on credit.</li> <li>Total members of farmers is 29 people</li> <li>Companies often socialize but had never given practice field</li> <li>The road condition is not good, the company is expected to provide assistance related to roadwork.</li> <li>Companies often suspicious of farmers, for example, FFB widely considered to be the fruit is not clear yet if the FFB bit too questionable.</li> <li>FFB price used is the price Plantation Agency.</li> <li>The company never gives useful plants like <i>Turnera</i>, but did not explain their role.</li> </ul>	<ul style="list-style-type: none"> <li>In accordance as informed</li> <li>In accordance as informed</li> <li>Companies at the socialization has given examples of the application of the material presented. However, The company did not provide fertilizer, Agrochemical, etc, for smallholder because the company only coaching not provide smallholdings upkeep.</li> <li>The company has been doing road maintenance on main road consistently, as evidenced by the company has been allocating manual road maintenance every day as much as 2 workers.</li> <li>Suspicion of the company to farmers only form of the company consistency to ensure the FFB supply chain that enter to the mill is really from smallholdings.</li> <li>In accordance as informed</li> <li>The company has provided guidance on useful plants and have been practicing how to plant directly in each - each group</li> </ul>	<p>The company has demonstrated socialization documents related to the activities of plantation upkeep</p> <p>This is in accordance with the criteria 4.3; 4.5 and 6.10</p>
<p><b>Smallholder group of Mingkung Jaya 6, Koperasi Mitra Inti Sumber Makmur</b></p> <ul style="list-style-type: none"> <li>SHM has been submitted, but the remaining 40 people were</li> <li>40s people still credit of 416 people.</li> <li>Farmers often ask for help but were not given such an</li> </ul>	<ul style="list-style-type: none"> <li>In accordance as informed</li> <li>In accordance as informed</li> <li>PT. BGR never provide assistance empty bunch because</li> </ul>	<p>This is in accordance with the criteria 6.11</p>

<p>empty bunch and road maintenance.</p> <ul style="list-style-type: none"> <li>• Never happen caterpillar fire, but the company did not provide any help.</li> <li>• FFB price used is the price Plantation Agency</li> </ul>	<p>the management did not give permission to sell / give empty bunch to farmers. Road maintenance was done by PT. BGR consistently.</p> <ul style="list-style-type: none"> <li>• The company has provided guidance on useful plants and have been practicing how to plant directly</li> <li>• In accordance as informed</li> </ul>	
<p><b>Farmers Groups 440 (Sungai Gelam Village and Parit Village)</b></p> <ul style="list-style-type: none"> <li>• Areas that are considered problematic by farmer groups KK 440 is an area of 880 hectares. This is in accordance with the minutes of deliberation dated 2 September 2000.</li> <li>• In 2006 there is a letter from the Governor of Jambi to the Regent Muaro Jambi to immediately resolve land conflicts in PT BGR.</li> <li>• In 2008, there is a regent letter stating the area of PT BGR will be reimbursed by the government. It is relied upon by the community to occupy the area of operations of PT BGR land farmer groups 440.</li> </ul>	<ul style="list-style-type: none"> <li>• Letter from Labor and Transmigration Agency of Jambi Province date 14-Mar-2002- Labor and Transmigration Agency of Batang Hari Regency does not represent Labor and Transmigration Agency of Jambi Province, so the participation of 440 family is considered there was never any program. PT BGR as a company in charge of develop the plantation and the Ministry of Manpower and Transmigration in charge of putting farmers participating.</li> <li>• Date 23-02-2006 meeting of government institution of Muaro Jambi Regency with PT BGR, group 440 and group 133: government of Muaro Jambi Regency will take measurements of existing core areas in spatial Ministry (Estimated Size 58 kav or 116 Ha). After completion of the measurement will be set allocation for group 440 and group 133 by the government and PT. BGR (note; until now the measurements by the Government not been implemented).</li> <li>• As per the information from the meeting with Regent of Muaro Jambi on May 14, 2007, stated that to resolve the claims of group 440 and group 133 has offered a land area of 2,000 Ha. For the offer, PT. BGR is ready to receive and develop the plantatation for groups 440 and group 133, but until now the promised land was never realized. The reality is different from the letter of Muaro</li> </ul>	<p>The results of the field visit and document review showed that the area was once a problem is in the area of Ladang Panjang Estate Division I and II. This problem has been resolved through legal means in 2010 and 2011.</p>

<ul style="list-style-type: none"> <li>• There is a possibility the operational BGR (Division I and II) outside their permit. Based on the map of the forest area release, in an indication of the operational area in the whole area according PT BGR map area release.</li> <li>• There acreage cultivated by Mr. Herman CS (25 people) with its own land 2 hectares in 2003, but was banned by PT BGR (Mr. Bus, Mr Renaldi and Mr Andi Basri) as notified would be used as conservation areas (water catchment ). PT BGR then give the compensation (slash wages) of IDR 500,000/ha.</li> <li>• Areas PT BGR in Division III when in the field verification into the area of Production Forest Management Unit Lalang in Musi Banyuasin, South Sumatra Province.</li> </ul>	<p>Jambi Regent No. 593 / 468 / Pem, dated Aug. 29, 2008 to the President Director of PT. BGR to immediately distribute 1,000 hectares of own estate to the group 440. On this letter, the Board of Directors of PT. BGR has submitted a letter of clarification to the Muaro Jambi Regent date 10/10/2008 PT. BGR that stated remain willing to develop smallholdings in a new location in 2000 Ha and not to share the own estate of 1000 ha to group 440.</p> <ul style="list-style-type: none"> <li>• The operations area of PT. BGR (Division I and II) in accordance with the forest release licenses and permits issued by the BPN in 2014 covering an area of 1,806 Ha.</li> <li>• Not True, Pak Bus in 2003 has not been served in PT BGR, Pak Bus Start the tasked In 2004.</li> <li>• PT BGR manage in the area based on the location permit from the Regent of Batang Hari (15-Feb-1995) No. 040 / BPN / II / 1995 covering an area of 5,000 Ha and permit the location of Regent Muaro (28-Mar-2000) No. 04 of the 200 area of 1,350 Ha. PT. BGR in the land acquisition is through a process of community land compensation in the form of farming, fields, shrubs (not with the opening of standing timber Forest). at this time the operations area of PT BGR in Sumatra Selatan Province (20.7 Ha) is no longer manage by company. PT BGR has sent a letter of application for registration the land to the Musi Banyuasin Regency (17-Sept-14), PT BGR already requested location permit to the Musi Banyuasin Regency (22-Sep-14), PT. BGR already ask for measuring the circumference to the Sumatra Selatan land office (22-</li> </ul>	<p>The Company does not manage the area which located in Sumatra Selatan Province since 2014 and process the permit to Government of Musi Banyuasin Regency, Sumatera SelatanProvince.</p>
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	<p>Sep-14). PT. BGR has also been asked for further guidance from Government of Musi Banyuasin Regency in several meetings.</p>	
<p><b>Head of Ladang Panjang Village</b></p> <ul style="list-style-type: none"> <li>The head of the new village office for 20 days.</li> <li>The company seems to have never contributed to the village of Ladang Panjang.</li> <li>Ladang Panjang Village is planning to visit BGR for gathering and questioning the contribution given to the village.</li> <li>There has never been a case of pollution or waste disposal in any place</li> </ul>	<ul style="list-style-type: none"> <li>In accordance as informed</li> <li>The Company has been contributing to the Ladang Panjang Village, eg: improvement of the road with road grader, support the sacrificial cow.</li> <li>Company with open arms waiting for the arrival of the Ladang Panjang Village authorities for gathering and answering contribution given to the village.</li> <li>In accordance as informed</li> </ul>	<p>This is in accordance with the criteria 1.1 and 5.1</p>
<p><b>Community Leader of Ladang Panjang Village</b></p> <ul style="list-style-type: none"> <li>Mr. Junaidi is one of the community leaders who participate in the land acquisition process PT BGR since the beginning of development.</li> <li>Initially permission PT BGR ± 1,228 Ha, but there is issued for entry into the territory of South Sumatra province.</li> <li>There is no compulsion in the process of land acquisition.</li> <li>Prices used for land acquisition is agreed by both parties.</li> <li>There have been land claims and has resolved to make payments 2 times that in the name of Mr. Nurdin.</li> <li>The area of operations in the Division III-PT BGR 40% is arable land the villagers Ladang Panjang and 60% is arable communities outside the village of Ladang Panjang.</li> <li>Benefits of the PT BGR are the construction of roads,</li> </ul>	<ul style="list-style-type: none"> <li>In accordance as informed</li> <li>In accordance as informed</li> <li>In accordance as informed</li> <li>In accordance as informed</li> <li>In accordance as informed</li> <li>In accordance as informed</li> </ul>	<p>This is in accordance with the criteria 2.2; 2.3; 5.1 and 6.1</p>



<p>provision of rural road maintenance, and support for the activities of religious holidays and provide jobs.</p> <ul style="list-style-type: none"> <li>• There is no indigenous land in the area of operations of PT BGR. Altogether an individual have the arable land.</li> <li>• No cases of land contamination and waste disposal arbitrarily to 1 years back (2015).</li> </ul>	<ul style="list-style-type: none"> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> </ul>	
<p><b>CV 4Z (Transporter Kernel and CPO)</b></p> <ul style="list-style-type: none"> <li>• Ladang Panjang Factory always checks the completeness of PPE and letters of administration prior to entry into the factory area.</li> <li>• When you sign kernel trucks inspected the condition of the sinks and if there is dirt it should be cleaned. As for the tanker CPO sometimes not checked.</li> <li>• During the process of loading the product, plant and security officers always supervise.</li> <li>• To tanker CPO and kernel has loaded it will be given the seal.</li> <li>• When the vehicle is out then being checked again the related administrative documents (weigh tickets and a covering letter).</li> <li>• The driver will also re-examine the administration brought as quantity, no vehicles and no seal.</li> <li>• The hope for queuing incoming CPO transport trucks at the mill is not too long</li> </ul>	<ul style="list-style-type: none"> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• In accordance as informed</li> <li>• will be improved</li> </ul>	<p>This is in accordance with the criteria 4.7</p>
<p><b>Yayasan Pelestarian Hutan "WANA CIPTA LESTARI"</b></p> <p><b>Negative issues</b></p> <p>a. Changes in landscapes and ecosystems. The change from forests with diverse species of trees (<i>oligokuitur</i>) to</p>	<ul style="list-style-type: none"> <li>• PT. BGR will conduct the management of oil palm plantations that are environmentally friendly in</li> </ul>	<ul style="list-style-type: none"> <li>• Utilization of land for oil palm plantation does eliminate the biodiversity of species, but this is done in accordance</li> </ul>

<p>plantation monoculture will bring major changes to the local ecosystem. Variations humans and plasma nuftah life will be eroded by the animals and plants that do not help manipulatiip soil fertility and water retention.</p> <p>b. Impoverishment of ground water sources, because the palm trees is plants that absorb water in much for growth. Soils under palm difficult macro form pores that can connect surface water of rain to be absorbed into the water percolation and eventually become a source of groundwater.</p> <p>c. Always injustices which harm local communities, because the company does not give scope for pro-people management. That is because companies always put people's interests above the business role. Some examples occur almost throughout Indonesia between enterprises palm oil mills with the community, and ultimately the power of money, people certainly kaiah and become peiengkap sufferers. Cases like these are experienced by the people of the village and the village of Sungai Gelam Trenches are currently in progress. PT. BGR greedy do not want to give people the rights that have been agreed</p> <p><b>Regulations are not complied</b></p> <p>a. Based on the boundary Jambi and South Sumatra Provonce, which is essentially are:</p> <ul style="list-style-type: none"> <li>- Map of <i>Rupa Bumi Indonesia</i> sheets: 1716-52, 1716-53 and 1716-54, Bakosurtanal scale of 1: 50,000</li> <li>- Map of forest and water conservation as well as certain areas designated as forest in Jambi province scale of 1: 250,000 (Appendix SK. Ministry of Forestry No. 863/Menhut-I/2014 date. October 12, 2014).</li> </ul>	<p>accordance with the conditions of the estate so that the functions of protected areas can optimally so that the negative impacts can be minimized and positive impact can be optimized.</p> <ul style="list-style-type: none"> <li>• The company will coordinate with the parties that the Water Management can be integrated as a whole and the rate of subsidence can be reduced as low as possible</li> <li>• PT BGR has actually been conduct pro-community management by develop a nucleus estate of 3,008.04 ha (75.20% of 4000 Ha) and smallholdings covering an area of 5,797 hectares with the pattern of Pir-Trans (96.61% of 6000 Ha) it is in accordance with Annex decree Minister of Agriculture No. 77 / kpts / KB.510 / 2/88.</li> <li>• PT BGR manage in the area based on the location permit from the Regent of Batang Hari (15-Feb-1995) No. 040 / BPN / II / 1995 covering an area of 5,000 Ha and permit the location of Regent Muaro (28-Mar-2000) No. 04 of the 200 area of 1,350 Ha. PT. BGR in the land acquisition is through a process of community land compensation in the form of farming, fields, shrubs (not with the opening of standing timber Forest). at this time the operations area of PT BGR in Sumatra Selatan Province (20.7 Ha) is no longer manage by company. PT BGR has sent a letter of application for registration the land to the Musi Banyuasin</li> </ul>	<p>with the rules that apply in Indonesia. In addition there are some areas that are still protected by the company because they have functions such as riparian.</p> <ul style="list-style-type: none"> <li>• The company always monitoring the quality of ground water in the plantation area and settlements. This test is conducted every six months and until the current condition the groundwater quality in wells is still meet with standards and always available.</li> <li>• The results of the field visit showed that the area is managed by PT BGR currently on licenses that have been owned. The Company does not manage the area which located in Sumatra Selatan Province since 2014 and process the permit to Government of Musi Banyuasin Regency, Sumatera SelatanProvince</li> </ul>
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<ul style="list-style-type: none"> <li>- Map of forest and water conservation as well as certain areas designated as forest land in South Sumatra province, a scale of 1: 250,000 (Appendix SK Menhut No. 866/Menhut-11/2014 date. October 12, 2014).</li> <li>- A basic map Jambi forestry thematic scale of 1: 250,000.</li> <li>- Coordinates as measured by WCL team coordinator Jambi</li> </ul> <p>(Up to this time limit Jambi and South Sumatra Province. There has never been changed by the government),</p> <p>b. Related basic provincial boundaries as described above, then there has been a violation by PT. BGR against various provisions of the legislation, namely:</p> <ul style="list-style-type: none"> <li>- PP No. 61/61 year of 2012 on Procedures and Functions Appropriation Changes in Forest Areas of Article 51 B, paragraph 1 by not exchanging forest.</li> <li>- SK. Minister of Forestry No. SK. 789/Menhut-11/2009 on the establishment of a model KPHP Lalan, where the areas encroached upon entry KPHP Lalan</li> <li>- Regulation of the Minister of Agrarian No. 5 year of 2015 of Location Permit article 9, paragraph 1 and paragraph 5</li> <li>- Regulation of the Minister of Agriculture No. 98/Permentan/OT.140/9/2013 does not realize consultation between PT. BGR with villagers in Sungai Gelam and Parit year of 2000 and did not carry out the letter of the Regent Muaro Jambi date August 3, 2008 addressed to the President Director of PT BGR.</li> </ul> <p><b>Community Rights</b> Farmers Group 440 KK families that have been agreed by PT</p>	<p>Regency (17-Sept-14), PT BGR already requested location permit to the Musi Banyuasin Regency (22-Sep-14), PT. BGR already ask for measuring the circumference to the Sumatera Selatan land office (22-Sep-14). PT. BGR has also been asked for further guidance from Government of Musi Banyuasin Regency in several meetings.</p> <p>• As per the information from the meeting with Regent of</p>	
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<p>BGR, Regent Muaro Jambi and the community for 18 years had never met. Public material losses if the area was owned by farmer groups 440 KK could reach tens of billions of rupiah</p>	<p>Muaro Jambi on May 14, 2007, stated that to resolve the claims of group 440 and group 133 has offered a land area of 2,000 Ha. For the offer, PT. BGR is ready to receive and develop the plantatation for groups 440 and group 133, but until now the Promised Land was never realized.</p>	<ul style="list-style-type: none"><li>• The Company takes legal action for the case with a group 440.</li></ul>
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**4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

**4.1 Formal Sign-off of Assessment Findings**

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

Signed on behalf of:

PT Bahari Gembira Ria  
Head of PSQM



**Mohamad Pirabharan**  
Tuesday, 28 June 2016

Mutuagung Lestari  
Lead Auditor



**Ardiansyah**  
Tuesday, 28 June 2016

**APPENDICES**

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Contact	Date	Response	
						Yes	No
1	Department of Manpower and Transmigration (Head of Employment Section, Head of Industrial Relations Section)	Muaro Jambi	-	Interview	April 26, 2016	√	
2	National Land Agency (NLA/BPN (Head of Land, Planning, Setting Section)	Muaro Jambi	-	Interview	April 26, 2016	√	
3	Plantation Agency (Head of Post Crop Development and Head of UTP Division)	Muaro Jambi	-	Interview	April 26, 2016	√	
4	BLHD ( Head of Enviroment Damage Section and Head of Subdivision Hazardous Waste Management)	Muaro Jambi	-	Interview	April 26, 2016	√	
5	Sungai Gelam Village (Head of Village)	Sungai Gelam Village	-	Interview	April 26, 2016	√	
6	Head of village and Community Leader Ladang Panjang village	Ladang Panjang village	-	Interview	April 26, 2016	√	
7	"Kelompok Tani 440"	Sungai Gelam Village and Parit Village	-	Interview	April 26 and 27, 2016	√	
8	Yayasan Pelestarian Hutan Wana Cipta Lestari (NGO)	Bogor	-	Interview and email	April 20, 2016	√	
9	Kontraktor (Zuwanda) FFB Transporter and Harvesting	Muaro Jambi District	-	Interview	April 25, 2016	√	
10	Worker Union	PT BGR	-	Interview	April 25, 2016	√	
11	Genfer Commitee	PT BGR	-	Interview	April 25, 2016	√	
12	Contractor of PK and CPO Transporter	Muaro Jambi District	-	Interview	April 27, 2016	√	



Appendix 2. Assessment Program			
DATE		25 until 29 April 2016	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 25 April 2016</b>			
06.00 – 07.00	06.00 – 07.00	JAKARTA → JAMBI	ARD / NK / MR
07.00 – 09.00	07.00 – 09.00	JAMBI → SITE	
09.00 – 10.00	09.00 – 10.00	Opening Meeting	ARD / NK / MR
10.00 – 12.00	10.00 – 12.00	Document verification and previous nonconformance verification (ST-2 until ASA-03)	
12.00 – 14.00	12.00 – 14.00	BREAK	ARD / NK / MR
14.00 – 17.00	14.00 – 17.00	Public Consultation with contractor local and smallholders	MR
		Public Consultation with worker union and committee gender	NK
		Public Consultation with contractor transporter PK and CPO	ARD
<b>Tuesday, 26 April 2016</b>			
08.00 – 12.00	08.00 – 12.00	Public consultation <ul style="list-style-type: none"> <li>With agencies Muaro Jambi District (BLHD, Disnaker, Disbun)</li> <li>BPN Muaro Jambi District</li> <li>Sungai Gelam Village, Parit and Ladang Panjang Village</li> </ul>	NK & MR ARD ARD
12.00 – 13.00	12.00 – 13.00	BREAK	ARD / NK / MR
13.00 – 16.00	13.00 – 16.00	<ul style="list-style-type: none"> <li>Continued Public Consultation</li> </ul>	ARD / NK / MR
16.00 – 17.00	16.00 – 17.00	<ul style="list-style-type: none"> <li>Public consultation clarification</li> </ul>	
<b>Wednesday, 27 April 2016</b>			
08.00 – 12.00	08.00 – 12.00	Field Observation : Ladang Panjang Estate (Division 3) <ul style="list-style-type: none"> <li>BMP</li> <li>Facility Worker Welfare</li> <li>Legal operational, Conservation Area,</li> </ul>	MR NK ARD
11.30 – 14.00	11.30 – 14.00	<b>BREAK</b>	ARD / NK / MR
14.00 – 17.00	14.00 – 17.00	Field Observation : Ladang Panjang Estate (Division 1 and 2) <ul style="list-style-type: none"> <li>Management Peat Land</li> <li>HCV and conflict area (if any)</li> <li>Facility Worker Welfare</li> </ul>	MR ARD NK
<b>Thursday, 28 April 2015</b>			
08.00 – 12.00	08.00 – 12.00	Field Observation : Ladang Panjang Factory <ul style="list-style-type: none"> <li>Grading, process station, boiler and engine room</li> <li>Pos security, weight bridge and WWTP</li> <li>Workshop, Hazardous Waste Temporary Storage, and Chemical Storage</li> </ul>	MR ARD NK
12.00 – 14.00	12.00 – 14.00	<b>BREAK</b>	ARD / NK / MR

DATE		25 until 29 April 2016	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
14.00 – 17.00	14.00 – 17.00	Verification SCCS, Time Bound Plan and Partial Certification Verification field visit	ARD / NK / MR
<b>Friday, 29 April 2016</b>			
08.00 – 10.00	08.00 – 10.00	Closing Meeting	ARD / NK / MR
11.00 – 13.00	11.00 – 13.00	SITE → JAMBI	ARD / NK / MR
13.00 – 15.00	13.00 – 15.00	JAMBI → JAKARTA	

Note:

- ARD : Ardiansyah
- NK : Naila Karima
- MR : Muhammad Rinaldi