

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

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

Name of Management Organisation : **Leidong West Mill, PT Maskapai Perkebunan Leidong West Indonesia subsidiary of SMART Tbk**
 Plantation Name : **PT Maskapai Perkebunan Leidong West Indonesia – Leidong West Selatan Estate and Leidong West Utara Estate
PT Bumi Permai Lestari – Bukit Intan Estate and Bukit Mas Estate**
 Location : **Village of Terentang, Sub District of Kelapa, District of Bangka Barat, Province of Bangka Belitung, Indonesia**
 Certificate Code : **MUTU-RSPO/041**
 Date of Certificate Issue : 16 May 2014 Date of License Issue : 16 May 2016
 Date of Certificate Expiry : 15 May 2019 Date of License Expiry : 15 May 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-01	9 – 12 February 2015	Taufik Margani (LA Witnessing), Trismadi Nurbayuto (LA Witnessed), I Wayan Sudi antara, Panggading Hariara N, Rudi Ramdani	Octo HPN Nainggolan	Tony Arifiarachman
ASA-02	22 – 26 February 2016	Ardiansyah (LA), Abdul Rahman, Andi Pratama Pasaribu	Octo HPN Nainggolan	Taufik Margani

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	26 March 2016

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FIGURE

Figure 1. Location Map of PT Maskapai Perkebunan Leidong West Indonesia and PT Bumi Permai Lestari

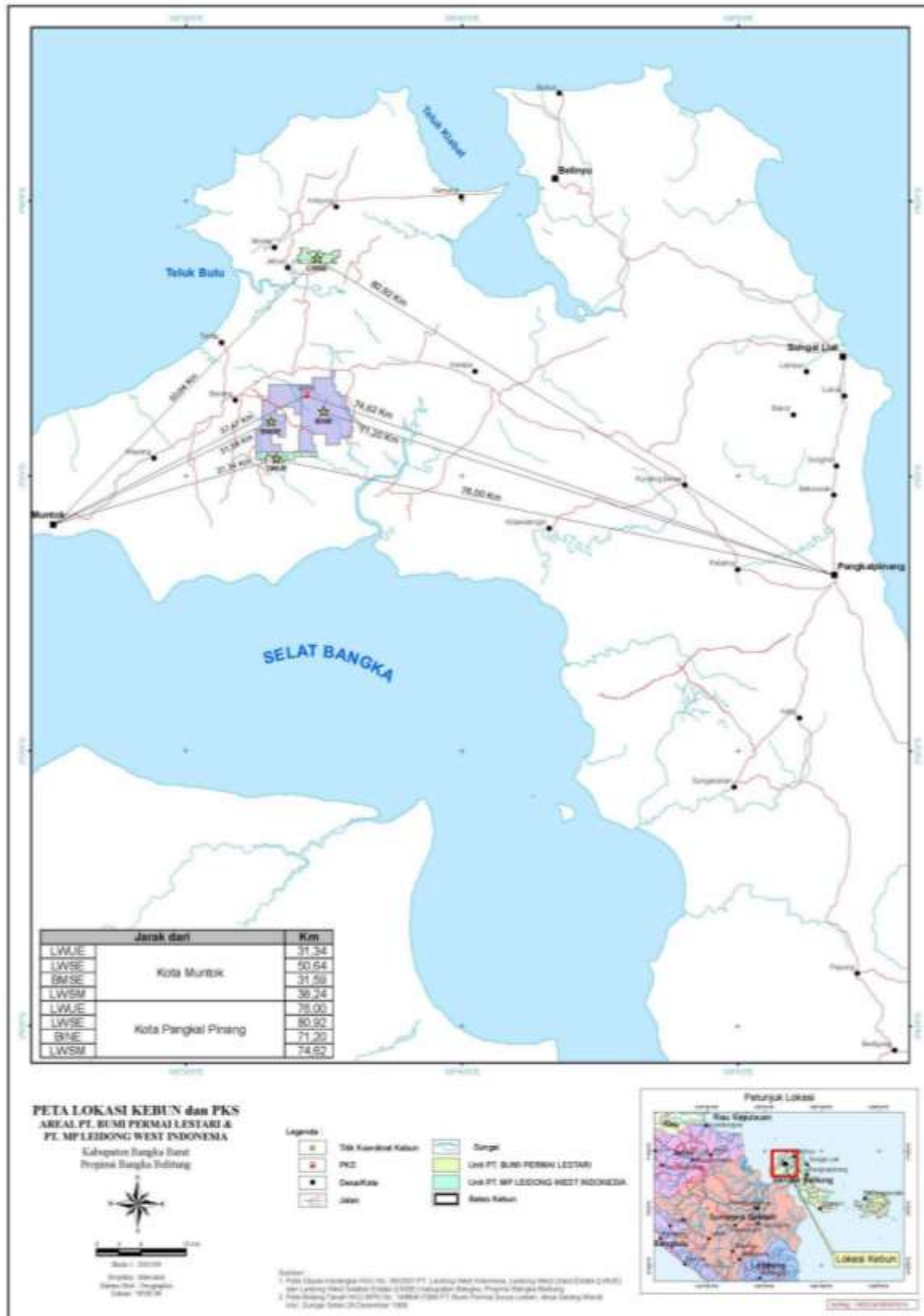


Figure 2. Operational Map of PT Maskapai Perkebunan Leidong West Indonesia – Leidong West Selatan Estate

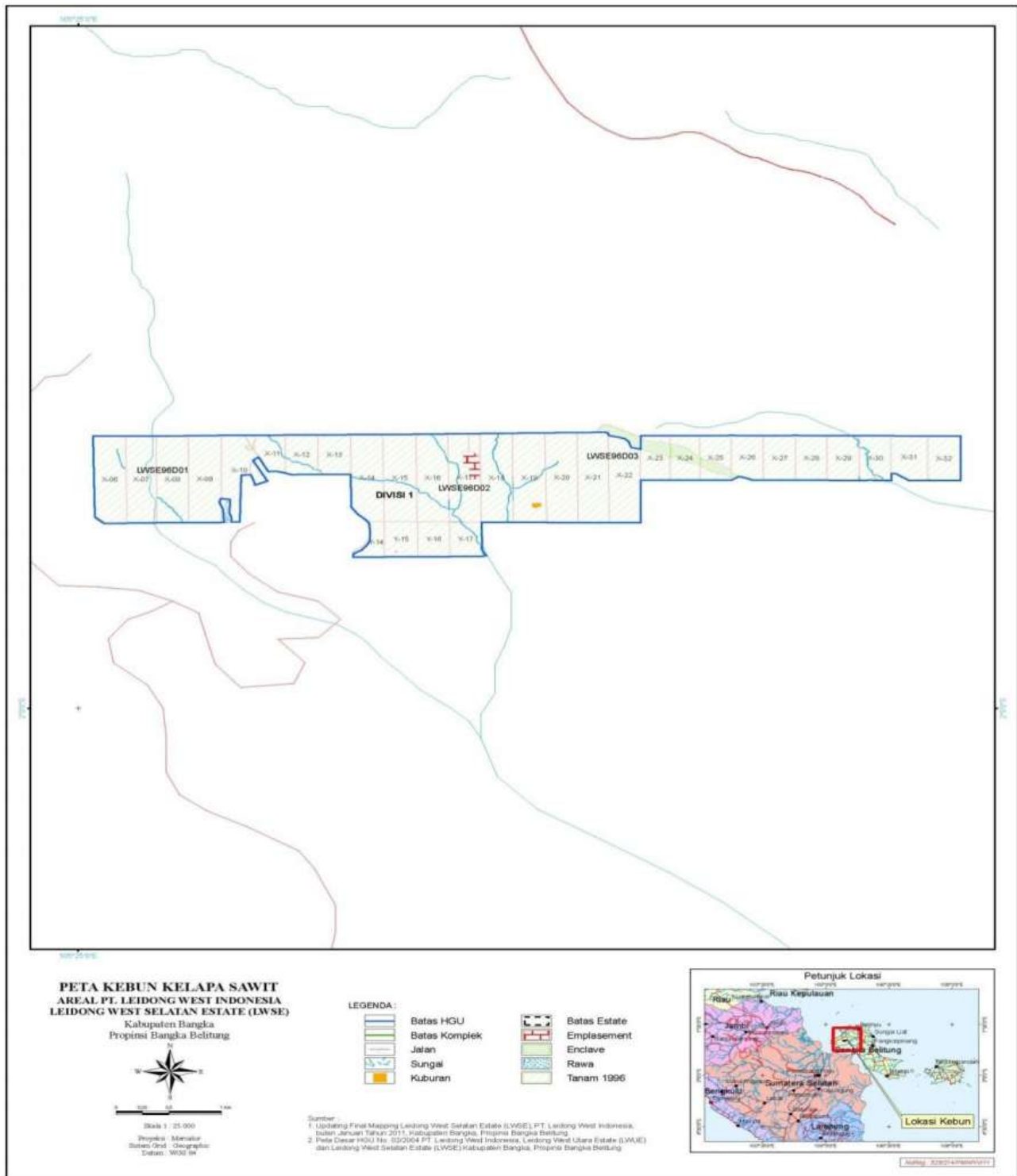


Figure 3. Operational Map of PT Maskapai Perkebunan Leidong West Indonesia – Leidong West Utara Estate

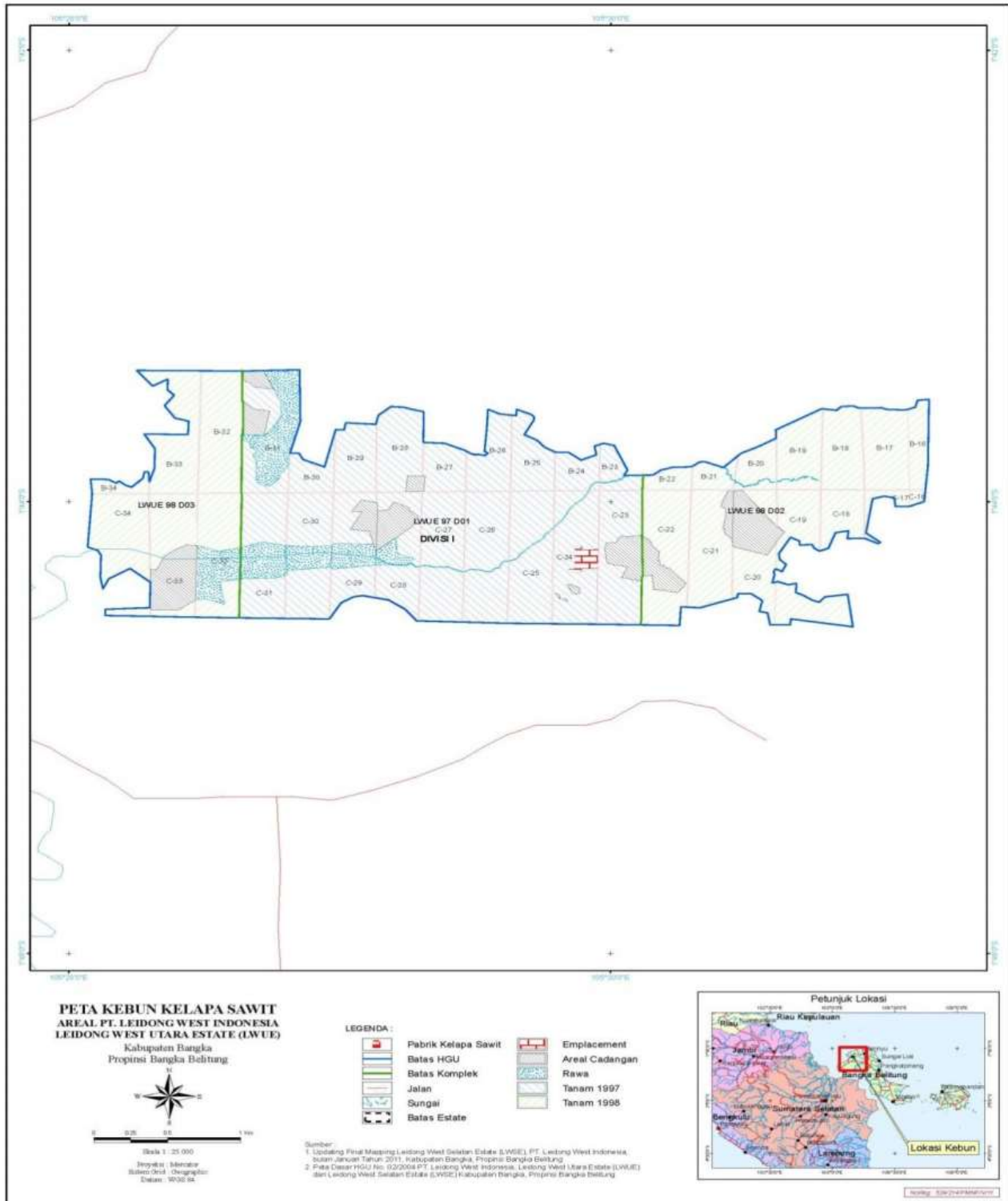


Figure 4. Operational Map of PT Bumi Permai Lestari – Bukit Intan Estate

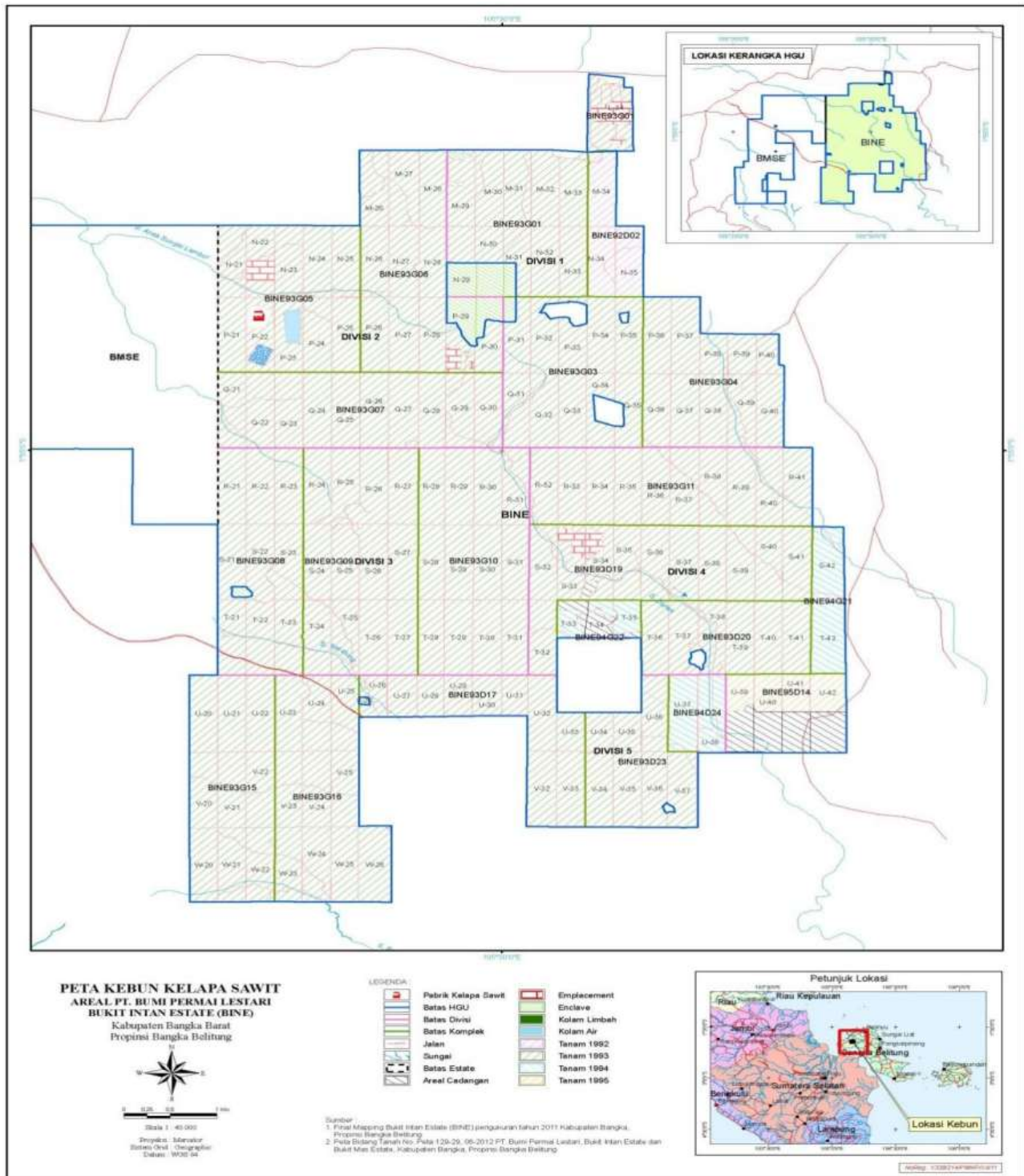
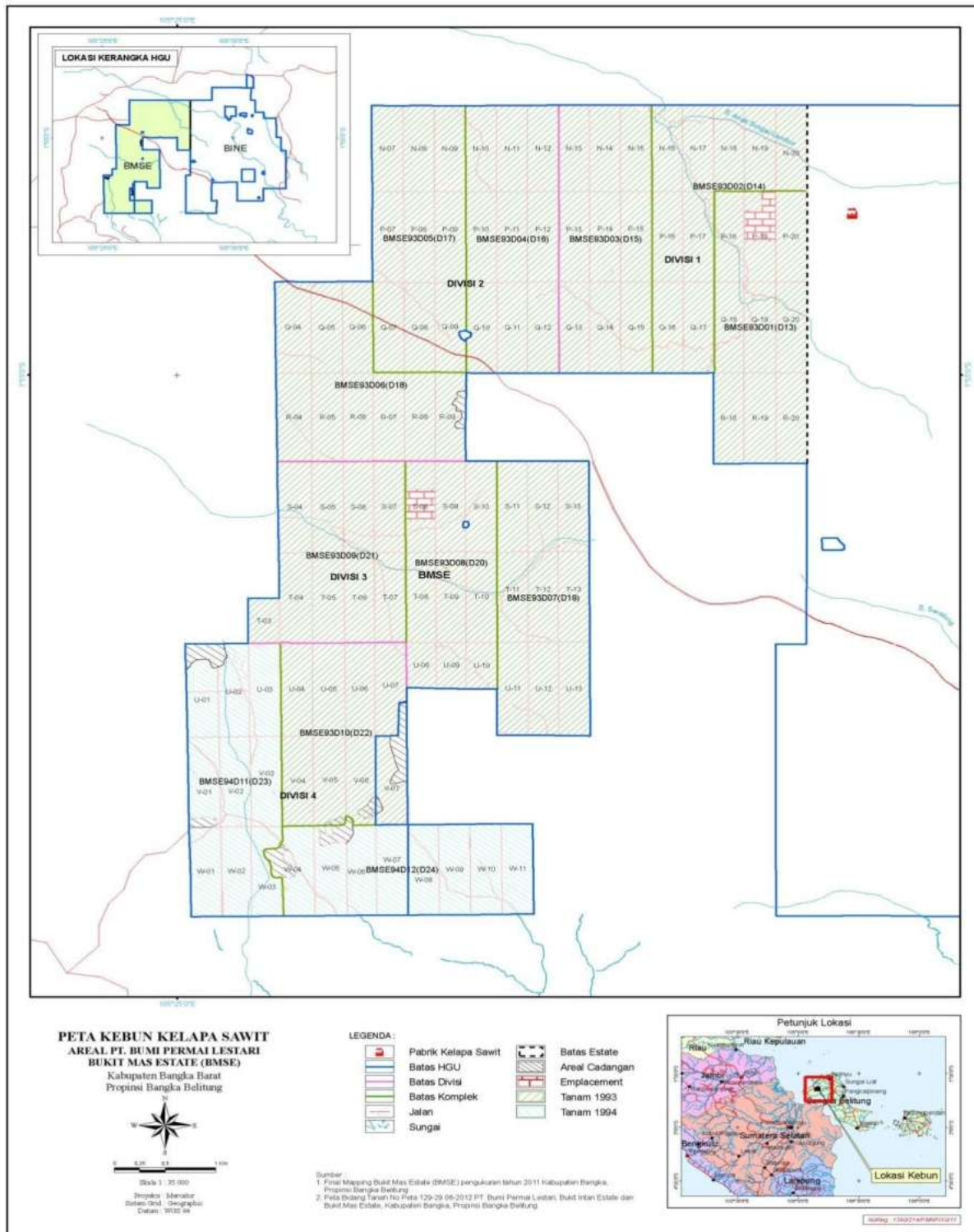


Figure 5. Operational Map of PT Bumi Permai Lestari – Bukit Mas Estate



Glossary

ASA	:	Annual Surveillance Assessment
BABEL	:	Bangka Belitung
BINE	:	Bukit Intan Estate
BMSE	:	Bukit Mas Estate
BOB	:	Barn Owl Box
BOD	:	Biological Oxygen Demand
BPL	:	Bumi Permai Lestari
CEO	:	Chief Executive Officer
CPO	:	Crude Palm Oil
CSPO	:	Certified Sustainability Palm Oil
CSPK	:	Certified Sustainability Palm Kernel
CSR	:	Corporate Social Responsibility
EBS	:	Empty Bunch Spreader
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunch
FPIC	:	Free Prior Informed and Consent
GHG	:	Greenhouse Gas
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
ISCC	:	International Sustainability of Carbon Certification
IUCN	:	International Union for Conservation of Nature
IUP	:	<i>Ijin Usaha Perkebunan</i> (Plantation Business Permit)
KER	:	Kernel Extraction Rate
KKPA	:	<i>Kredit Kepada Koperasi Primer untuk Anggotanya</i> (Cooperative Credit Scheme)
LD	:	Lethal Dosage
LPUP	:	<i>Laporan Perkembangan Usaha Perkebunan</i> (Progress Report on the Implementation of Plantation Business)
LTA	:	Lost Time Accident
LWSE	:	Leidong West Utara Estate
LWUE	:	Leidong West Selatan Estate
MPLWI	:	Maskapai Perkebunan Leidong West Indonesia
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OFI	:	Oppurtunity for Improvement
OHS	:	Occupational Health and Safety
OIA	:	Operational Internal Audit
PIC	:	Personal in Charge
PK	:	Palm Kernel
KDA	:	Kresna Duta Agroindo

SKU	:	Satya Kisma Usaha
SOP	:	Standard Operation Procedure
TN	:	Tapian Nadenggan
PMNP	:	Plantation Monitoring and Planning Division
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PSM	:	<i>Perkebunan Sinarmas</i> (Sinarmas Plantation)
PUP	:	<i>Penilaian Usaha Perkebunan</i> (Plantation Business Assessment)
RC	:	Regional Controller
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> (Environmental Management Plan and Environmental Monitoring Plan)
RSPO	:	Roundtable Sustainable Palm Oil
SCCS	:	Supply Chain Certifications System
SEIA	:	Social Environmental Impact Assesment
SIA	:	Social Impact Assessment
SMARTRI	:	SMART Research Institute
SMD	:	Senior Managing Director
SMK3	:	<i>Sistem Manajemen Keselamatan dan Kesehatan kerja</i> (OHS Management System)
SPO	:	Sustainable Palm Oil
ST	:	Stage
SOP	:	Standart Opeartional Prosedur
VPA	:	Vice President Agronomy
WHO	:	World Health Organization
WTP	:	<i>Water Treatment Plant</i>
WWTP	:	<i>Waste Water Treatment Plant</i>

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT									
1.1 Assessment Standard Used		<ul style="list-style-type: none"> RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013. RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D for CPO Mill) 							
1.2 Organisation Information									
1.2.1	Organisation name listed in the certificate	PT Maskapai Perkebunan Leidong West Indonesia subsidiary of SMART Tbk							
1.2.2	Contact person	Ismu Zulfikar							
1.2.3	Organisation address and site address	Head Office : Sinarmas Land Tower 2, 30th Floor JL. MH Thamrin No 51 Kav 22 Jakarta 10350 Indonesia Liaison Office: Sinarmas Land Tower 2, 30th Floor JL. MH Thamrin No 51 Kav 22 Jakarta 10350 Indonesia							
1.2.4	Telephone	(+62-21) 318 1388							
1.2.5	Fax	(+62-21) 318 1389							
1.2.6	E-mail	ismu-zulfikar@smart-tbk.com							
1.2.7	Web page address	www.smart-tbk.com							
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Departement)							
1.2.9	Registered as RSPO member	Registration No. 1- 0019 - 05 - 000 - 00 Date 30 January 2005							
1.3 Type of Assessment									
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base <ul style="list-style-type: none"> Leidong West Mill, Leidong West Selatan Estate, Leidong West Utara Estate, Bukit Intan Estate and Bukit Mas Estate 							
1.3.2	Type of certificate	Single							
1.4 Locations of Mill and Plantation									
1.4.1	Location of Mill								
	Name of Mill	Location	<table border="1"> <thead> <tr> <th colspan="2">Coordinate</th> </tr> <tr> <th>Latitude</th> <th>Longitude</th> </tr> </thead> <tbody> <tr> <td>S 01° 54' 05"</td> <td>E 105° 28' 35"</td> </tr> </tbody> </table>	Coordinate		Latitude	Longitude	S 01° 54' 05"	E 105° 28' 35"
Coordinate									
Latitude	Longitude								
S 01° 54' 05"	E 105° 28' 35"								
	Leidong West Mill	Village of Terentang, Sub District of Kelapa, District of Bangka Barat, Provice of Bangka Belitung							

1.4.2	Location of Certification Scope of Supply Base					
	Name of Supply Base	Location	Coordinate			
			Latitude	Longitude		
	Leidong West Selatan Estate (LWUE)	Village of Berang, Sub District of Simpang Teritip; District of Bangka Barat, Province of Bangka Belitung	S 01° 58' 24"	E 105° 26' 59"		
	Leidong West Utara Estate (LWSE)	Village of Mislak, Tumbak Petar, Jebus and Ranggi Asam; Sub District of Jebus; District of Bangka Barat, Province of Bangka Belitung	S 01° 44' 17"	E 105° 29' 53"		
	Bukit Intan Estate (BINE)	Village of Terentang and Kacung, Sub District of Kelapa; District of Bangka Barat, Province of Bangka Belitung	S 01° 52' 33"	E 105° 30' 35"		
	Bukit Mas Estate (BMSE)	Villages of Ibul; Sub District of Kelapa; District of Bangka Barat, Province of Bangka Belitung	S 01° 54' 03"	E 105° 28' 05"		
1.5	Description of Area Statement					
1.5.1	Tenure					
	• State		9,623.37 Ha			
	• Community		- Ha			
1.5.2	Area Statement					
		PT MP LWI (Ha)	PT BPL (Ha)	TOTAL (Ha)		
	• Total area	1,389.25	9,623.39	9,623.37		
	• Mature area	1,288.75	8,962.39	8,962.39		
	• Mill/ Building	7.44	78.87	78.87		
	• Infrastructure	35.67	324.03	324.03		
	• Trench/ swamp/ river	37.82	53.60	53.60		
	• Other	-	75.03	75.03		
	• Reserve area	19.57	109.88	129.45		
	• HCV*	101.99	209.32	311.31		
	<i>*HCV area are included within planted area.</i>					
•						
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		Leidong Wes Selatan Estate	Leidong Wes Utara Estate	Bukit Intan Estate	Bukit Mas Estate	Total
	1992	-	-	85.28	-	85.28
	1993	-	-	4,354.02	2,534.01	6,888.03
	1994	-	-	156.68	482.76	639.44
	1995	-	-	60.89	-	60.89
	1996	627.12	-	-	-	627.12
	1997	-	341.45	-	-	341.45

	1998	-	320.18	-	-	320.18	
	TOTAL	627.63	661.63	4,656.87	3,016.77	8,962.39	
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		1 st Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Leidong West	60	273,104	58,663	21.48	16,761	6.14
	<i>*Production data source from February 2015 – January 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)	%
	Leidong West Selatan Estate	642.73	627.12	17,731	27.70	17,731	100
	Leidong West Utara Estate	746.52	661.63	17,501	26.45	17,501	100
	Bukit Intan Estate	5,050.61	4,565.87	112,098	24.07	112,098	100
	Bukit Mas Estate	3,183.51	3,016.77	79,248	26.27	79,248	100
	TOTAL	9,623.37	8,962.39	226,219	25.24	226,219	100
	<i>*Production data source from February 2015 – January 2016</i>						
1.7.3	FFB description from other source						
	Name of sources		Organisation	Location	Supplied to Mill		
					FFB (tonnes/year)		
	Bukit Perak Estate (Certified)		PT BPL	Bangka Barat	1,060		
	Bukit Permata Estate (Certified)		PT BPL	Bangka Barat	25,397		
	Bukit Permai Estate (Non Certified)		-	Bangka Selatan	17,077		
	Bukit Lestari Estate (Non Certified)		-	Bangka Selatan	3,352		
	TOTAL				46,885		
	<i>*Production data source from February 2015 – January 2016</i> <i>Since 27 Februari 2016, Leidong West Mill didn't receive FFB from non certified estate</i>						
1.7.4	Jenis Produk			FFB, CPO, PK			
1.8	Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 16 May 2015 to 15 May 2016 (tonnes/year)		Actual certified product 16 May 2015 s.d. 23 February 2016 (tonnes/year)		
	• FFB Production		271,284		222,244		
	• CPO Production		59,579		47,782		
	• Palm Kernel (PK) Production		16,545		13,335		

1.8.2	Estimate of Certified FFB Claim						
	Name of Estates		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Leidong West Selatan Estate		642.73	627.12	17,559	28.00	
	Leidong West Utara Estate		746.52	661.63	19,187	29.00	
	Bukit Intan Estate		5,050.61	4,656.87	111,864	24.50	
	Bukit Mas Estate		3,183.51	3,016.77	79,944	26.50	
	TOTAL		9,623.37	8,962.39	228,554	25.50	
<i>*Projected FFB production for 16 May 2016 – 15 May 2017</i>							
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Leidong West	30	228,554	49,139	21.5	13,713	6.0
<i>*Projected CSPO and CSPK production for 16 May 2016 – 15 May 2017</i>							
1.9	Other Certifications						
	ISCC			ISCC EU assestment by GutCert No. EU-ISCC-Cert-DE104-07781527 valid from 14 August 2015 until 13 August 2016			
	ISPO			ISPO certificate by Mutuagung Lestari No No. MUTU-ISPO/049 valid from 5 February 2016 until 4 February 2021			
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
	Unit Management		Estate (Supply Base)	Time Bound	Location	Status	
	Mill	Time Bound					
	Padang Halaban (PT SMART Tbk)	2011	Padang Halaban	2011	North Sumatera	Certified	
			Penantian	2011	North Sumatera	Certified	
			Adipati	2011	North Sumatera	Certified	
			Kanopan Ulu	2011	North Sumatera	Certified	
	Batu Ampar (PT SMART Tbk)	2012	Batu Ampar	2012	South Kalimantan	Certified	
			Batu Mulia	2012	South Kalimantan	Certified	
			Sungai Panci	2012	South Kalimantan	Certified	
			Sungai Panci KKPA	2012	South Kalimantan	Certified	
	Tanah Laut (PT SMART Tbk)	2012	Tanah Laut	2012	South Kalimantan	Certified	
			Kinta Pura	2012	South Kalimantan	Certified	
	Langga Payung (PT TN)	2012	Langga Payung	2012	North Sumatera	Certified	
			Paya Baung	2012	North Sumatera	Certified	

			Normark	2012	North Sumatera	Certified
	Hanau (PT TN)	2012	Hanau	2012	Central Kalimantan	Certified
			Tasik Mas	2012	Central Kalimantan	Certified
			Tanjung Paring	2012	Central Kalimantan	Certified
			Langadang	2012	Central Kalimantan	Certified
			Medang Sari	2012	Central Kalimantan	Certified
	Semilar (PT TN)	2013	Semilar	2013	Central Kalimantan	Certified
			Sei Rindu	2013	Central Kalimantan	Certified
			Mandang	2013	Central Kalimantan	Certified
			Puri	2013	Central Kalimantan	Certified
	Jak Luay (PT TN)	2015	Pantun Mas	2015	East Kalimantan	Certified
			Pantun Mas KKPA	2015	East Kalimantan	-
			Jak Luay	2015	East Kalimantan	Certified
			Jak Luay KKPA	2015	East Kalimantan	-
			Long Buluh	2015	East Kalimantan	Certified
			Bukit Subur	2015	East Kalimantan	Certified
			Bukit Subur KKPA	2015	East Kalimantan	-
	Leidong West (PT MP Leidong West Indonesia)	2014	Leidong West Utara	2014	Bangka Belitung	Certified
			Leidong West Selatan	2014	Bangka Belitung	Certified
	Muara Wahau (PT KDA)	2014	Muara Wahau	2014	East Kalimantan	Certified
			Gunung Kombeng	2014	East Kalimantan	Certified
	Gunung Kombeng (PT KDA)	2015	Gunung Kombeng KKPA	2015	East Kalimantan	-
			Rantau Panjang KKPA	2015	East Kalimantan	-
	Jelatang (PT KDA)	2014	Bangko	2014	Jambi	Certified
			Kubang Ujo Plasma	2015	Jambi	-
			Pamenang Plasma	2015	Jambi	-
	Pelakar (PT KDA)	2015	Pelakar	2015	Jambi	ST-1
			Tiga Serumpun KKPA	2015	Jambi	ST-1
			Batang Merangin Estate	2015	Jambi	ST-1
	Langling (PT KDA)	2014	Bangko	2014	Jambi	Certified
			Bangko Plasma	2015	Jambi	-
			Batang Gading	2015	Jambi	ST-1
			Batang Gading KKPA	2015	Jambi	-
			Bukit Bungkul KKPA	2015	Jambi	-
	Sungai Bengkal (PT SKU)	2015	Sungai Bengkal	2015	Jambi	Certified
			Sungai Bengkal KKPA	2015	Jambi	Certified
			Muara Kilis	2015	Jambi	Certified
			Muara Kilis KKPA	2015	Jambi	-
	Bukit Kapur	2015	Bukit Kapur	2015	East Kalimantan	ST-1

	(PT SMART Tbk)		Sungai Cantung	2015	East Kalimantan	ST-1
	Not all units under SMART Tbk has certified RSPO, there are still some units, especially the smallholdings which refuse to follow the RSPO certification, but the management unit is still communicating with the smallholdings for the implementation of RSPO certification. There are two mills that do not meet the time bound plan and the company has provided the justification namely for Pelakar Mill cannot perform ST-2 because it was through the process of disclosure of liability and for Bukit Kapur Mill cannot show the land rights (Land Use Title still in the process).					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	The company did not have cooperative with scheme smallholder					

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-1	<ol style="list-style-type: none"> 1. Trismadi Nurbayuto (Lead Auditor Witnessed). Associate Degree from the Forestry Faculty IPB and Bachelor of Economics from the Department of Agribusiness, Faculty of Economics and Management, IPB. Specialists in the Environmental Social Impact Assessment (SEIA) and the High Conservation Value (HCV). He participated in HCV Management Training, Lead Auditor's ISPO training, Lead Auditor's RSPO, training of ISO 9001:2008 Quality Management System and ISO 14001:2004 Environmental Management System. Previously worked in the private oil palm plantations, and became HCV assessor who registered at the Roundtable on Sustainable Palm Oil (RSPO). He has been involved in the activities of SEIA and Identification of HCV in Palm Plantation. Currently has been several times following audit activities related to sustainable palm oil certification system as an social and environment auditor's. On this assessment observed SCCS, Legality and OHS. 2. Taufik Margani (Lead Auditor Witnessing). Bachelor of Science in Forestry, majoring in Forest Management. Specialist in Ecology and Environmental. He has led several audits for Sustainable Forest Management in Indonesia (under LEI- Indonesian Ecolabel Institute and FSC- Forest Stewardship Council) and he is a Lead Auditor for FSC chain of custody and Forest Management. Other experience: He is IRCA Lead auditor IRCA registered for Environment Management System and Quality Management System. Since 1999 he has been working for independent certification body and has conducted Environment Management System audits in Indonesia and Malaysia. Currently he is the General Manager of Management System Certification. 3. Rudi Ramdani. (Auditor). Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty of Bogor Agriculture Institute. He has working experienced. He has working experience more than two years as an operational staff in a private oil palm plantation company in Indonesia. Several training he has followed namely: Indonesian Sustainable Palm Oil auditor, Awareness RSPO , Management System Certification (ISO 9001-2008) training 4. Panggading Hariara (Auditor). Bachelor of Social and Political Science. Experience as a social activist in Indonesia and the Commonwealth Commission on Child Protection. Attended training including ISO 9001:2008 Auditor, Social Accountability 8000, Indonesian Sustainable Palm Oil (ISPO) Auditor and has attended five (5) times the related audit system of sustainable palm oil certification as an auditor. At this time his activities in RSPO certification are to assess the social aspects. 5. I Wayan Sudiantara(Auditor). Bachelor of Agricultural Engineering at Bogor Agricultural University. Experienced in preparation of the EIA since 1990 (having a certificate of competency Chairman of the Drafting Team EIA), involved as auditor appraiser Sustainable Forest performance business both schemes Indonesian Ecolabelling Institute / LEI since 1997 and the scheme of the Ministry of Forestry since 2002 (a certified auditor and LEI) . Ever worked in Konsultasn Forestry, experienced in the assessment of the ISPO as auditor (have passed training ISPO). In this activity it performs assessments on environmental aspects and HCV.
ASA-2	<ol style="list-style-type: none"> 1. Ardiansyah (Lead Auditor). Bachelor of Forest Resources Conservation, Department of Forestry, Bogor Agricultural University. He has followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Diameter, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. During the assessment the auditor verified the environmental aspect, legal aspect, HCV and SCCS. 2. Abdul Rahman (Auditor). Bachelor of Environmental Engineering, Islamic University of Indonesia and Master of Management & Utilization of Waste, Gadjah Mada University. He has experience in mitigation of greenhouse gas emissions. He was listed as the Social Carbon Validator for a carbon project in Indonesia. During this time he was active in various seminars and forums for the development of standards and methodology of greenhouse gases in Indonesia. In addition he has experience as document drafting team effort Environmental Management and Environmental Monitoring Effort (UKL - UPL) for 1 year at environment consultant. He has been involved in water sampling methodology and analysis training, waste management training, auditor ISO 9001 - QMS, ISO 14064 - GHG and ISO 14001 - EMS training, Ahli K3 Umum (OHSAS Expert) training (based on government regulation), also ISO 50001 – Energy Management System training. During this audit, he assigned to verify Occupational and Healthy System/OHS and worker welfare aspect.

3. **Andi Pratama Pasaribu (Auditor).** Bachelor of the social economy, agribusiness a course of study agricultural university faculty of Jember. He had followed the training of auditor sustainable Indonesian palm oil (ISPO). He has attending several training such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, Awareness ISO 22000 etc. Former, He has experience of work for five years as an operational staff in several plantation companies in Indonesia private oil palm plantation. Currently working on certification body as independent auditors. During this audit, he assigned to verify best management practices and integrated pest management.

2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-2	<p>Number of auditors : 3 auditor</p> <p>Number of days for ASA-2 at site : 5 days</p> <p>Number of working days for ASA-2 at site : 15 Working days</p>
2.2.2	Assessment Process
ASA-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Maskapai Perkebunan Leidong West Indonesia and PT Bumi Perma Lestari to the requirements of RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Several opportunities for improvement of the results ASA- 2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA-3</p> <p>The assessment program please find Appendix 2.</p>
2.2.3	Location of Assessment
ASA-2	<p>Sampling locations are determined by using the formula $0,8\sqrt{y}$ from the total of supplier estate and considered the issues arising from the assessment of documents and stakeholder consultation which are fundamental and crucial. At the time of this assessment, the locations of the sample are Leidong West Mill, Leidong West Selatan Estate, Bukit Intan Estate and Bukit Mas Estate.</p> <p>The locations visited are presented as follows:</p> <p>Bukit Intan Estate</p> <ol style="list-style-type: none"> Block N-29, Division 1. Observation of implementation on harvest and picking loose fruits activities, as well as interviews related to the procedures of work, wages, and the use of PPE. Block N-29 and M-34, Division 1. Observation on the implementation of rat pest control by using natural enemies, namely <i>Tyto alba</i>. Block M-28, Division 2. Observation on spray activities for weed control (<i>circle and path</i>), and interviews related to the procedures of work, wages, the use of PPE, prohibited area to spray, health examinations and the management of former pesticide containers. Block S-25, Division III. Observation on erosion monitoring instruments with the slopes of 15%. Block M-33, Division I. Observation on mill waste utilization such as empty fruit bunch for organic fertilization. Road axis of CPO. Observation on the condition of roads used for the access in and out of LWSM in transporting the CPO. Block Q-26, Division II. Observation on the effluent application area, technical of waste drainage and

- monitoring the environmental impact.
8. **Block P-23, Division II.** Observations related to the monitoring of the environment quality as a result of the application of effluent in the monitoring wells.
 9. **Block M-28/M-29, Division I.** Observation on domestic waste management.
 10. **Fertilizer and Chemical Warehouse.** Observation on hazardous waste management and interviews related to the medical examination, the use of PPE, First aid equipment and training ever given.
 11. **Fire extinguishers.** Observation of the condition of fire extinguishers and the preparedness of fire emergency response team.
 12. **Hazardous waste temporary warehouse.** Observations of hazardous waste management, hazardous symbols are used, supporting facilities such as eye shower.
 13. **Workshop.** Observations of waste management and the use of PPE, as well as interviews related to the safe job training ever given, accident insurance, health insurance and workers welfare.
 14. **Spray equipment washing place, bathroom, and the storage of PPE for sprayers in Division I.** Observations on the management of hazardous waste, PPE storage, self-cleaning place, the management of washing waste and emergency response equipment.
 15. **Housing in Division I.** Observation of domestic waste management, sanitation and public facilities provided.
 16. **Block T-42.** Observation of legal boundary pole namely National Land Agency 214.
 17. **Block U-42.** Observation of legal boundary pole namely XX.
 18. **Block U-42.** Observation of legal boundary pole namely National Land Agency 214A.
 19. **Block L-34.** Observation of legal boundary pole namely National Land Agency 01.
 20. **Block M-38.** Observation of legal boundary pole namely 217.
 21. **Block M-38.** Observation of legal boundary pole namely National Land Agency 218.
 22. **Block V-26.** Observation of legal boundary pole namely National Land Agency 227.
 23. **Block U-38.** Observation of HCV management in the form of Duren Riparian.
 24. **Block U-26.** Observation of HCV management in the form of sacred tombs.
 25. **Block N-29.** Observation of HCV management in the form of hill called as Bukit Selam.
- Bukit Mas Estate**
26. **Block U-02.** Observation of legal boundary pole namely National Land Agency 264.
 27. **Block W-01.** Observation of legal boundary pole namely National Land Agency 263A.
 28. **Block U-02.** Observation of legal boundary pole namely National Land Agency 265A.
 29. **Block N-16/17/18.** Observation of HCV management in the form of Lambur Riparian and Lambur tributary riparian.
- Leidong West Selatan Estate**
30. **Block X-17, Division 1.** Observation of implementation on harvest and picking loose fruits activities, as well as interviews related to the procedures of work, wages, and the use of PPE, equality of rights, freedom of association, anti-discrimination policies and policies to protect certain animals.
 31. **Block X-6, Division 1.** Observation on the implementation of rat pest control by using natural enemies, namely *Tyto alba*.
 32. **Block X-11, Division 1.** Observation on the construction of new bridge to support the transportation access and evacuation of FFB from estate to the mill.
 33. **Block X-25, Division I.** Observation on the management of domestic waste.
 34. **Fertilizer and Chemical Warehouse.** Observation on hazardous waste management and interviews related to the medical examination, the use of PPE, First aid equipment and training ever given.
 35. **Fire extinguishers.** Observation of the condition of fire extinguishers and the preparedness of fire emergency response team.
 36. **Hazardous waste temporary warehouse.** Observations of hazardous waste management, hazardous symbols are used, supporting facilities such as eye shower.
 37. **Spray equipment washing place, bathroom, and the storage of PPE for sprayers in Division I.** Observations on the management of hazardous waste, PPE storage, self-cleaning place, the management of washing waste and emergency response equipment.
 38. **Housing in Division I.** Observation of domestic waste management, sanitation and public facilities provided.
 39. **Block X-32.** Observation of legal boundary pole owned by PT BPL No. 230.

40. **Block X-06.** Observation of legal boundary pole namely 01.
41. **Block X-06.** Observation of legal boundary pole namely 33.
42. **Block X-30.** Observation of legal boundary pole namely 08.
43. **Block X-21.** Observation of legal boundary pole namely 05.
44. **Block X-09.** Observation of legal boundary pole namely 02.
45. **Block X-12.** Observation of legal boundary pole namely 03.
46. **Block X30.** Observation of HCV management in the form of Batu Riparian.
47. **Block X-23 until X-21.** Observation of HCV management in the form of sacred area which called as Bukit Asam.

Leidong West Mill

48. **Loading ramp.** Observation on the activities of receiving and sorting of FFB and interviews related to the understanding of the work procedures and PPE.
49. **Process activity.** Observation on the processing activities in the mill start from sterilizer, tippler, press station, clarification station, nut and kernel stations, engine room and boiler stations and the interviews related to the PPE, understanding of OHS, health examinations and workers welfare.
50. **Hydrant system.** Observation on the preparedness of hydrant system as the one of the tools of fire emergency and interviews related to the training which is provided.
51. **Security post.** Interviews related to the reception of FFB, delivery of CPO and PK.
52. **Weighbridge.** Field observations and interviews related to the process of FFB, CPO and PK weighing.
53. **WTP.** Observation of water management, recording of water usage and waste management from WTP and interviews related to the medical examinations and the management of used chemical containers.
54. **Fiber storage.** Observation on the management of fiber waste.
55. **WWTP.** Observation related to the management and processing of effluent.
56. **Hazardous Waste Temporary Warehouse.** Observations of hazardous waste management, hazardous symbols are used, supporting facilities such as eye shower.
57. **Workshop.** Observations of waste management and the use of PPE, as well as interviews related to the safe job training ever given, accident insurance, health insurance and workers welfare.
58. **Chemical Warehouse.** Observations of hazardous waste management and interviews related to the medical examination, the use of PPE, first aid equipment and training ever given.

Stakeholders

59. **Government Agencies of West Bangka Regency (Regional Environmental Agency; Labor, Transmigration and Social Agency; Agriculture agency, Plantation agency and animal husbandry Agency).** Interviews related to the regulatory compliance, pollution issues, labor issues, land conflict issues and OHS.
60. **Terentang Village and Simpang Ibul Village.** Interviews related to the issue of environmental pollution, social aspect, economic and cultural.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-2	<p>Public consultation with stakeholders for PT Maskapai Perkebunan Leidong West Indonesia and PT Bumi Permai Lestari done through:</p> <ol style="list-style-type: none"> (1) Public announcement on the MUTU website (www.mutucertification.com) dated February 1, 2016. (2) Visits and direct interviews with stakeholders (Regional Environmental Agency; Labor, Transmigration and Social Agency; Agriculture agency, Plantation agency and animal husbandry Agency) dated February 22, 2016. (3) Direct interviews with stakeholders in the villages which are directly adjacent to the estate area (Village of Terentang, and Simpang Ibul) dated February 23, 2016. (4) Visits and direct interviews with Gender Committee, Workers Union and Local contractors on 23, 24 and 25 February 2016. (5) Consultations with NGO through email (Sawit Watch and Walhi Bangka Belitung) dated February 18, 2016.

	Some feedbacks from stakeholders have been clarified by PT Maskapai Perkebunan Leidong West Indonesia and PT Bumi Permai Lestari.
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-3) will be determined one year after this ASA-2 (February 2017).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Leidong West Mill – PT Maskapai Perkebunan Leidong West Indonesia, PT SMART Tbk operation consisting of one (1) mill and four (4) oil palm estates.

During the assessment, there were three (3) Nonconformities were assigned against SCCS and three (3) 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 actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic). Those corrective actions taken that consist of three 3 Major non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Leidong West Mill – PT Maskapai Perkebunan Leidong West Indonesia, PT SMART 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	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>The company has had a request and response mechanism of the information set forth in the SOP of Communication and Consultation dated July 1, 2014. In the document regulated the procedure of submission and response flow of informations, both from internal and external stakeholders. Each incoming mail must be made the response planning by the head unit no later than three weeks after the letter was received and will be recorded in the book of incoming mail by SPO Officer. Then the letter will be submitted to the head unit to be selected. If the letter is listed in the Information list then it will be made the response planning by the unit head, but if not, it will be asked for the considerations to the top management. Top management will consider and determine the response and coordinate with the relevant agencies if needed. The response will be presented to the stakeholders who are requesting for the information equipped with an official receipt and recorded in the document of communication and consultation books.</p>	
1.2.1	<p>Based on the book of incoming mail in 2015, it is known that there were requests for information but there was a letter of invitation and requests for assistance. The company has always responded the incoming mail, for example, Letter from Labor Agency No. 560/502 / I.13 / 01/2015 dated August 5, 2015 to the Regional SPO regarding to the socialization of OHS expert empowerment. On the incoming mail, then the company sent a response letter No. 012 / RC-BB / ST / VIII / 2015 dated August 11, 2015 regarding to the socialization attending of OHS expert empowerment. Interviews with workers in the estate known that they have got the socialization from the company related to the type of information that is accessible for the public.</p> <p>Based on public consultation to the relevant agencies known that the company has been actively reporting, for example Guiding Committee of Occupational Safety & Health report, workplace accidents report, and routine medical checkup. The results of public consultation with Ibul Village communities known that there are public concerns regarding to the water</p>	

condition of Lembur River and the communities have not been informed about the results of the water quality testing. Based on the information from the representatives of the management, it is known that the company will immediately inform the test results to Ibul Village representatives. This will be verified again on the next visit (**OFI**).

Status: OFI

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 a list of public documents described in the document of information list for stakeholders. In the document stated a list of information that can be accessed by the public, among others:

- Information of the number of employees and a list of basic wages;
- Information of Tax Id Number;
- Information of payment of local taxes / retributions;
- Information of Environment document;
- Information of certificate of incorporation and the deed of its amendment, the data of area and production, and the application data;
- Information of land tenure evidence;
- Information of SIA identifying reports;
- Information of community empowerment program reports;
- Information of Guiding Committee of Occupational Safety & Health reports;
- Information of continuous improvement program documents;
- Information of RSPO audit report documents;
- Information of human rights policy document;
- Information of grievance details (SOP of grievance / social);
- Information of negotiation procedure (FPIC).

As described in the SOP of Communication and consultation stated that if the requested information is not contained in the list of the information in the document of information list to the stakeholders, then it is necessary to advance the consideration from top management first. In addition, the company has conducted socialization regarding to the SOP of Communication and consultation for workers, for example, on March 4, 2015 in the Meeting Room at Bukit Intan Estate. Interviews with workers in the estate are known that they have got socialization from the companies related to the types of information that is accessible by the public.

Status: Comply

1.3

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

1.3.1

The Company has a policy of business ethics dated August 1, 2014 which describes about the commitment to behave ethically in all transactions and business operations which are guided with the *shared values* of company, among others, integrity, positive attitude, commitment, continuous improvement, innovation and loyalty and in accordance with the principle of sustainable oil palm plantation. This policy is applied by means of, among others:

- The company will continue to socialize and practice the *shared values* to all employees.
- The company applying the standards of ethical behavior in all business activities, including how to act and behave towards each other, the stakeholders, the environment and the wider society.
- The company recognizes, implements and promotes *Good Corporate Governance* through transparently and openly business practices.
- The company will give strict punishment to the employee according to the applicable laws on all forms of corruption and fraud in the use of funds and resources.

The business ethics policy has been socialized to all employees in PT BPL & PT MPLWI, for example, which was held on April 7, 2015 for employees in Division I of South Leidong West and on March 4, 2015 for employees in Division I of Bukit

Intan Estate. According to the interviews with workers and contractors, it is known that the company has the program on the policy.

Minor 2.1.1	Status: Non Conformity No. 2015.01 with minor category is closed
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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 obedience on the local, national and international regulations, such as:

- Have a document of land rights in the form of Land Use Title for the entire operational areas.
- Have a Plantation Business Permit for oil palm plantation and the processing mill.
- Have a document of EIA for the entire operational activities.
- Have a permit of temporary storage for hazardous waste.
- Have a permit to utilize the effluent on land.
- Giving wages according to the minimum wages set by the government.
- Workers in specific places have been equipped with the permit according to the requirements set by the governments.
- Conducting health examinations on workers routinely.
- Reporting the management and monitoring of environment, effluent and hazardous waste management to the local governments.

2.1.2

The company has owned the mechanism to identified, implemented and evaluated the obedience with laws related to the oil palm plantations described in SOP of Regulations and other requirements. This procedure has described about the PIC who is responsible to conduct the identification of regulations and the PIC who is responsible to conduct the evaluation of regulations. **PIC who is responsible to conduct the identification is SADV and SPO PSM. While the PIC who is responsible to conduct the evaluation is SPO officer and OHS expert.**

Based on the mechanism, The company identified the type of legislation that must be met and classified in a group of HCV, Employment, Environment, Licensing and OHS. The identification results of the rules are documented in the "Regulation List Document". The document verification results showed that all regulations related to oil palm plantations have been described in the updated list of rules in 2015/2016, for example:

- Law No. 37 Year 2014 about Conservations of soil and water;
- Law No. 18 Year 2013 about Prevention and eradication of forest destruction;
- Law No. 39 Year 2014 about Plantation;
- Law No. 40 Year 2004 about the system of national social security;
- Government Regulation No. 66 Year 2014 about environmental health;
- Government Regulation No. 86 Year 2013 about The Procedure of Administrative Sanctions impositions to the Employer besides the State Organizer and Everyone, besides the Employer, Worker and Beneficiaries in the Implementation of the Social Security Contribution;
- Regulation of Forest Ministry No. 60 Year 2014 Classification of river watershed;
- Joint Regulation of Interior Minister, Minister of Forestry, Minister of Public Works, National Land Agency No. 8 / SKB / X / 2014 about the Procedures for Settlement of Land Tenure located in the Forest Areas.
- Regulation of the Minister of Environment and Forestry No. 1 Year 2015 about the Amendment on the Regulation of the Minister of Environment and Forestry No. P.97 / Menhut-II / 2014 About Delegation of Authority on the Provision of Licensing and Non licensing in the Environment and Forestry in the Context of the Implementation of One Stop Service to the Head of Investment Coordinating Board, etc.

Based on the explanation **Non conformity No. 2015.01 with minor category stated fulfilled**. The company has had the entire copy of the rules / laws kept in the office of each unit, such as Bukit Intan Estate can show a copy of the Government Regulation No. 101 Year 2013 about Hazardous Waste Management.

2.1.3 & 2.1.4

All regulations which are noted in the list of rules are always evaluated regularly at least once a year or if there are

regulatory / latest requirements referenced. The latest evaluation results showed that the management unit has complied with all regulations related to the activities of oil palm plantations, for example Government Regulation No. 45 Year 2015 about the Implementation of the pension insurance program. Based on the interviews with relevant agencies (Plantation Agency, Labor and the Environment Agency) known that the management unit has fulfilled the regulations related to the plantation, employment and environment.

Status: Comply

2.2

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

2.2.1

The company has had the land rights in the form of Land Use Title (HGU) as described in the Audit Report ST-2 and up to ASA-02, the company has not expanded the area or made changes to the Land Use Title documents. Land Use Title owned by the company is covering an area of 9,623.37 hectares consisting of 3 certificates of Land Use Title.



2.2.2

The management unit has monitored the legal boundaries pole every 3 months and 1 pole is maintained every year. Examination results for 2015 showed that all the pole conditions (96 poles) in PT BPL (Bukit Mas Estate and Bukit Intan Estate) and the whole pole (33 poles) in PT MP LWI (South Leidong West Estate) are in good condition. The results of field visits in PT BPL (Bukit Intan Estate, Bukit Mas Estate) showed that the legal boundaries pole 1, 214, 217, 218, 227, 230, and 263A, 264 and 265A are found in well-maintained condition. While field visits in PT MP LWI (South Leidong West Estate) showed that the legal boundaries pole 01, 02, 03, 05, 08 and 33 are in good condition.

2.2.3; 2.2.4; 2.2.5 & 2.2.6

Based on the consultation results with Plantation Agency of West Bangka Regency and the surrounding communities (Terentang village and Ibul village) known that there was never a dispute / conflict of land between the community and the company. Although there has been no conflict and claims, the company has had a Social Conflict Handling SOP involving the parties in the conflict resolution. Besides, the management unit also has a commitment to prohibit the use of mercenaries and paramilitary personnel in the operations of the company in accordance with the Circular from RC Bangka Belitung No. 006 / RC-BB / BABEL / 01/2016 dated January 4, 2016 to the entire unit leaders.

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

The ownership status of the land for management units within the scope of the audit was a State land and community land that has been done for compensation at the time of the initial development of plantations (in 1998). Evidence of community land acquisition is completely documented and stored by the company Legal department. Land acquisition at the beginning of the construction was done through a system of FPIC and recognized by the various parties involved (*stakeholders*).

The results of document review, field visits and interviews showed that since the activities of ASA-1 up to ASA-2, the company did not expand their land.

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 established long-term plans for the year of 2016 to 2020 which has been approved by top management. In the planning documents are described the company target including the production estimates (CPO and PK), operating costs (estate and mill), estimated price of CPO and PK, yield target (OER and KER), statement area, estimated profit and other financial parameters.

To prove the company financial capability in the long term, the company shows the proof of payment of the annual tax, payment of local resource tax (the use of surface water) and public accountants audit report which shows that the company has the ability to run the business in the long term.

3.1.2

In the company's long-term plan also included replanting plan to replace the old plant which started declining the productivity. The program is based on the evaluation of several factors namely Yield / ha (<14 tons of FFB / ha), plant age (> 25 years), plant height (> 13 meters) and the density of plants per hectare (<100 palm trees / Ha).

The program has been drafted showed that replanting activities will begin in 2017 at PT BPL and for PT MP LWI in the next 5 years is not going to do the replanting. Based on the information from management staff and funding, long-term work plan including replanting above is always evaluated every year. It is intended to maximize the potential of resources owned by the company in order to reach the optimal target. Thus, it can be concluded that the company has set up long-term business plan and has implemented it well.

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

The company already has SOP for plantations and palm oil mill consisting of:

- Technical Guidelines for Oil Palm Cultivation compiled in 2012.
- Processing guidelines compiled in 2013.
- Technical Guidelines on land clearing compiled in 2010.
- General SOP compiled in 2014.
- Certification SOP compiled in 2014.
- Environmental SOP compiled in 2014.
- HCV SOP compiled in 2014.
- OHS SOP compiled in 2014.
- Social SOP compiled in 2014.

Based on the field visits and observations on the implementation of Agronomic SOP especially in the harvest activities in Block N29 of Bukit Intan Estate and block X17 of South Leidong West Estate, known that the activities are in accordance with the standard operating procedures that have been set. The harvesting plots setting are done regularly, the implementation of the harvest is in accordance with the rules of harvest (appropriate maturity criteria), and pruning is done periodically. The workers could explain well about the mechanisms of wage and have used the PPE according to HIRARC determined by the company.

4.1.2 & 4.1.3

To ensure consistency with the established procedures, the company is routinely conduct internal audit of agronomic and process activities. Internal audits are conducted by the Department of Operational Internal Audit (OIA) in every semester. Each unit can showed a record of the implementation of internal audit in the first semester of 2015 which were conducted in March and the second semester of 2015 conducted in December. The notes of the non conformity in these activities

have been corrected and verified by the top management at the unit (manager, RC and VPA).

4.1.4

Leidong West Mill did not perform acceptance / purchase of fruits from third parties, but received FFB from other companies that are still in one group. All the data of FFB reception has been documented in a daily report production, for example, the report on February 23, 2016 showed that the FFB is received from Bukit Intan Estate, Bukit Mas Estate, South Leidong West Estate, North Leidong West Estate, Bumi Bangka Lestari and Bumi Permai Surya Lestari.

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

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

1. Soil and leaf sampling by SMARTRI is conducted regularly to ensure the elements that plants need in order to produce optimally. The results of soil and leaf analysis tested will be the basis for determining the dose of fertilizer in every garden.
2. Fertilization activities that promote the principles of timely, targeted, precise dosage and proper application. In addition, for marginal soils (sandy) will be given extra fertilizer in the form of empty fruit bunch applications with a dose of 40 tons / ha.
3. Maintenance of ground cover plants to reduce evaporation (maintaining the soil moisture), such as the planting the legumes and maintenance the fern *Nephrolepis bisserata*.

4.2.2

The Company has documented the records of the use of fertilizers both organic and inorganic fertilizers. Some documents showed the note, among others report on the realization of fertilization, EFB realization documents and document of effluent applications to the oil palm. Waste utilized in Bukit Intan Estate and South Leidong West Estate is the EFB and POME. Based on the document review known that throughout 2015, POME has been exploited as much as 187,026 m3. The results of field visits in block Q26 of Bukit Intan Estate showed that the POME application activity has gone well and there have been no official records of their pollution due to the POME application in the field.

4.2.3

The Company has documented the records of the use of fertilizers both organic and inorganic fertilizers. Some documents showed the note, among others report on the realization of fertilization, EFB realization documents and document of effluent applications to the oil palm. Waste utilized in Bukit Intan Estate and South Leidong West Estate is the EFB and POME. Based on the document review known that throughout 2015, POME has been exploited as much as 187,026 m3. The results of field visits in block Q26 of Bukit Intan Estate showed that the POME application activity has gone well and there have been no official records of their pollution due to the POME application in the field.

4.2.4

The results of the visit to the empty fruit bunch application activity as an extra fertilizer in Block M33 of Bukit Intan Estate showed that the application is done mechanically by means of *Empty Bunch Spreader* (EBS) and manually block X6 of South Leidong West Estate. This activity showed the company's efforts to increase the soil organic content thereby increasing the soil nutrients which are needed by root. In addition, empty fruit bunch also serves as a mulch to keep the soil moist and reduce the risk of run-off during the rainy season.



Aplikasi EFB secara mekanis

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1 & 4.3.2

The Company has mapped the land based on the land suitability classes conducted by *Plantation Monitoring and Planning Division* in 2006. The results of mapping showed that:

1. Bukit Intan Estate consists of areas with land suitability classes of N (not suitable) and S2 class (marginally suitable / medium suitable). The mapped area covering of 5,050.61 ha and has been mapped in the soil map units with a scale of 1: 50,000.
2. South Leidong West Estate consists of areas with land suitability classes of N (not suitable), and S3 class (marginal) and S2 class (marginally suitable / medium suitable). The mapped area covering of 642.73 ha and has been mapped in the soil map units with a scale of 1: 50,000.

Based on the results of semi-detailed soil surveys known that the slope of the land in the operational area of PT BPL and PT MP LWI ranged between 0 to 15%, however, it is not the limiting factor of land suitability. The field visit in slopes area of 15%, namely Block S25 of Division 3 showed there has been erosion pole which is installed to measure the level of erosion. The note of measurements conducted every month by environmental staff showed there is no erosion since it was first installed in 2015. Efforts are being made to minimize the erosion is compiling the midrib with the methods of *U-Shape* and maintaining the ground cover plants.

4.3.3



Main Road Bukit Intan Estate



Collection Road Leidong West Selatan Estate

The Company has compiled a maintenance plans for roads and bridges where all the roads will get the maintenance rotation mechanically once a year. While for the manual maintenance, it is incidental for roads that need the maintenance as a result of damage to the road or drainage channels. The results of field visits in some streets axis (*main road*) and block roads (*collection road*) Bukit Intan Estate and South Leidong West Estate showed the road conditions quite good and can be passed by the operation vehicle.

4.3.4 & 4.3.5

Based on the data from semi-detailed soil survey report, it is not identified soil with peat classification in the operations area of the company.

4.3.6

Field observations in Bukit Intan Estate showed physical layer of top soil tend to be mixed with sand. The company carries out the addition of the organic fertilizer that is effluent (POME) and empty fruit bunch (EFB) to increase the organic matter content in the soil. Utilization of POME conducted on areas that have been determined by a dose of 375 m³ / ha / year. While for EFB applications conducted with a dose of 40 tons / ha. The results of interviews with EBS operator in Block M33, Division 1 of Bukit Intan Estate, a dose of 40 tons per hectare / year requires 7 to 8 EFB transport trips where each trip are carrying 5 tons of EFB.

Status: Comply

4.4

Practices maintain the quality and availability of surface and ground water.
4.4.1

The Company has procedures of Management and Monitoring of Water Resources which regulates in detail the efforts of management and monitoring of water resources including the activities of establishment of riparian and riparian protection. Based on the identification document of High Conservation Value (HCV) known that there are several rivers flowing through the area of the company namely Lambur River, Duren River, Pelur river, Batu river, Seralung river, River in Block X8 and swamp area.

4.4.2

The results of field visits in Batu Riparian (Block X-30 South Leidong West Estate), Lambur River (Block N16 / 17/18 Bukit Mas Estate), Lambur Tributary (Block N16 / 17 Bukit Mas Estate) and Duren River (Block U -38, Bukit Intan Estate) known that there are no indications of chemical applications along the riparian. The company has marked the border boundary with a distance of 50 meters and there is a sign board of HCV areas, protected species and other restrictions to undermine the HCV area. The management unit has also planted vetiver grass and maintained the vegetation of ground cover. The results of interviews with sprayers in Bukit Intan Estate and South Leidong West Estate showed that workers have known about the ban on the use of chemicals on the riparian.

4.4.3

Effluent produced by the mill is managed on Waste Water Treatment Plant (WWTP) before it is applied to the estate. Examination of documents showed that the effluent quality monitoring conducted regularly every month by the Environmental Laboratory of Environmental Body in South Sumatra province. The test results for 2015 showed that all the test parameters are met the quality standards according to the regulations.

4.4.4

From the results of interviews and field visits obtained information that the water used for mill processing activities are came from reservoirs. The use of water by the mill has been regularly monitored by using flow meter. The results of the document examination showed that the use of water in the mill is under the budget set (1.16 M3 waters / Ton of FFB).

Status: Comply

4.5
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.
4.5.1

The Company has a program of integrated pest management (IPM) which is planned according to the SOP guidance and specific policy in the field. The programs, among others:

- Census on rat attacks conducted every month. In general, in the year of 2015 to 2016, there have been no records of attacks above the economic thresholds ($\geq 5\%$) in Bukit Intan Estate and South Leidong West Estate.
- BOB monitoring program every month. Based on the records in the Owl's Nest monitoring document in January 2016, there are 481 units BOB in Bukit Intan Estate and 42 units in the South Leidong West Estate.
- Maintenance of host plants that are natural enemies for the palm oil leaf-eating caterpillars every month. The activities carried out in the form of weeding, replanting the dead plants and repairing the timber which is a place to grow Antigonon.
- Early detection of Oil Palm Leaf Eaters Caterpillar every two months. Based on the recapitulation data of Oil Palm Leaf Eaters Caterpillar detection in 2015, there were no attacks at all in the estate of LWSE and BINE.

Interviews with research staff and field staff showed that the activities of integrated pest management which is promoting the biological control by using natural enemies, such as rat pest control by utilizing the natural enemies, that is Tyto alba and snakes. Especially for Tyto alba, is made special development by building BOB and introduction of owl to the field. While for the utilization of snake is done naturally by issuing a ban on hunting / killing the species of snakes to all employees. Census of rat pest attack was recorded regularly every month based on the record of the rat average on fruits in the Fruit Collecting Point and reported by the census officers to the estate manager. Likewise with owl nest monitoring data which is reported to the manager every month.

Field observations in Bukit Intan Estate and South Leidong West Estate, there are no signs of an explosive pests attack both Oil Palm Leaf Eaters Caterpillar and rat. Some BOB observed such as BOB in Block N28 and M34 of Bukit Intan Estate and block X6 of South Leidong West Estate showed entirely are occupied by owls.

4.5.2

To maintain the employee skills related to the integrated pest activities, the company has carried out activities of integrated pest management training, for example, training on IPM and Fertilizing refreshment in 2016 held on February 12, 2016 located in the long house of Bukit Intan Estate attended by 51 participants consisting of all estates in PT MP LWI and PT BPL. Material presented, among others, about the census of pest disease, control efforts both in biological, mechanical and chemical. Based on the interviews known that training about IPM and other agronomic activities regularly conducted every year for the purpose of refreshment to the IPM officers and responsible supervisors.

Status: Comply

4.6

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

4.6.1

The results of document observations (warehouse stock card and print out of the realization of chemical control) showed that there were six types of pesticides used in daily operational activities in Bukit Intan Estate and South Leidong West Estate. All types of pesticides used have been registered in the book of pesticide and fertilizer commission issued by the Ministry of Agriculture in 2014. Justification of the pesticides used depends on the identification of weeds in the field and SOP of Weed Controls.

4.6.2

The Company has documented the records of pesticide toxicity (LD50) in each estate in the document of monthly Pesticide Toxicity Data. In the document is documented about the product names are used, the active ingredients, LD50, the percentage of active ingredients, the number of applications, and the total of active ingredient, FFB production and pesticide unit. Toxicity of pesticides in November 2015 for pesticide with isopropyl aminaglifosat active ingredient in Bukit Intan Estate amounted to 0.000002420721 ppm where the number of FFB production amounted to 9,686 tons. While the numbers of paraquat toxicity in the same month in South Leidong West Estate amounted to 0.000047629640 ppm with the number of FFB production amounted to 1,552 tons. Note of the pesticides toxicity is calculated and documented by the sustainability officer in each estate regularly every month.

4.6.3

Based on the study of documents and interviews show that pesticides are used only for weed control and there are no pesticides used to control pests and diseases. This is showed that the integrated pest management activities have gone well. In addition, the company is also made efforts to minimize the use of pesticides, among others:

- Implementation of selective spraying, for example, the use of paraquat in 2015 to control fern weeds. As for the light weeds in the circle and path are used isopropyl aminaglifosat which is effective for narrow-leaved weeds.
- The transformation of the use of spray nozzle from low volume (LV) becomes very low volume (VLV) to reduce the use of water and herbicides. The use of VLV also proved more effective in killing weeds because of very small droplets released and more easily enter through the stomata of the plant / weed targets.

4.6.4

In 2015, the company was still using the pesticide with paraquat active ingredient and no longer used since the beginning of 2016. The rest of paraquat are still in the warehouse and has been returned to the supplier, for example, the minutes of the refund for the remaining stock in paraquat warehouse of Bukit Intan Estate to PT Rolimex Kimia Nusamas on December 16, 2015. The cessation of paraquat is the one of the company's commitment to minimizing the toxic risks to workers and the environment.

4.6.5

Based on interviews with spraying teams in Bukit Intan Estate and South Leidong West Estate showed that the whole spraying team (supervisors and employees) have been trained in the use of limited pesticides on 7 to 8 May 2015 in Bukit Perak Estate. In addition, they have learned about how to handle pesticides and function of personal protective equipment (PPE) that they used. Before starting to work also delivered the safe working procedures and obligations to use PPE by the

supervisor and staff.

4.6.6

Field visits in the central warehouse in Bukit Intan Estate and South Leidong West Estate showed that all pesticides used are kept separately from other materials. The warehouse has been equipped with PPE, OHS symbols, hazardous symbols, emergency shower, eye washer, and MSDS.

4.6.7

The results of interviews with sprayers in Bukit Intan Estate and South Leidong West Estate showed that they have understood the working procedure of the pesticides application. In addition, they can also explain some of the things that have been established to ensure the job security of pesticide use, such as:

- Material Safety Data Sheet (MSDS).
- The use of appropriate personal protective equipment such as gloves, masks, goggles, helmet, apron and boots.
- Installation of the signs in the area which has been applied pesticides in the block has been completed applied.
- Installation of forbidden sign pole for pesticide applications in the riparian.

4.6.8

The results of the study of documents and interviews with estate managers showed that there is no application of pesticides from the air.

4.6.9 & 4.6.10

Results of interviews with sprayer teams in Bukit Intan Estate and South Leidong West Estate showed that the sprayer team members have understood the procedures for the use of pesticides in accordance with the procedure. According to interviews with workers and managers of the estate, it is known that the whole of working tools and used pesticide containers for spraying are stored in the pesticide warehouse after washing and then rinsing. There is no former container that may be used again or take home. To maintain the competence and capabilities of workers, routinely performed socialization on the use of pesticides, such as socialization of MSDS on March 3, 2015 to the employees in Division 2 of Bukit Intan Estate and on March 6, 2015 to the employees in Division 4 of Bukit Intan Estate.

4.6.11

Specific annual medical supervision to the pesticide operator has been done by the company regularly, for example:

- Special Health Examination (cholinesterase and Spirometry) to 55 sprayers (including the supervisor and warehouse officer) Bukit Intan Estate on December 17, 2015. The test results showed all workers in a state of normal (healthy for work);
- Special Health Examination (cholinesterase and Spirometry) to 9 sprayers (including the supervisor and a warehouse officer) South Leidong West Estate on December 17, 2015. The test results showed all workers in a state of normal (healthy for work);
- Special medical examinations (cholinesterase and spirometry) to 14 workers in LWUE. The results of medical examinations showed all workers in a condition fit to work.

Based on the explanation **Non conformity No. 2015.02 with minor category stated fulfilled**

4.6.12

The company has had a memorandum from VPA PSM 2, dated April 8, 2011 which stated that all pregnant and nursing women are prohibited to work as sprayers. This policy is always communicated to the workers, for example, socialization on March 10, 2015 in Division I of Bukit Intan Estate and on April 20, 2015 in the Division I of Leidong West Selatan Estate. The results of field visits and interviews with sprayers in Bukit Intan Estate and Leidong West Selatan Estate showed that there were no pregnant women who worked as a sprayer.

Status: Comply

4.7

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

4.7.1

The company has owned OHS policies signed by President Director on November 1, 2013. The contents of the policies, among others:

- Communicating the policies and Management System of Occupational Health and Safety procedures to all employees and stakeholders to ensure that they have understood the obligations relating to the company activities;
- Obey all laws, regulations and other rules related to the OHS;
- Ensuring the application of Management System of Occupational Health and Safety as a part of the company's operation;
- Identify, assess and control hazards in any activity that is in the working environment with a continuous improvement approach to prevent the accidents and occupational diseases;
- Managing and monitoring the indicators of Management System of Occupational Health and Safety and perform continuous improvement to improve the management of OHS.

OHS plan which includes all activities have been documented and implemented well in the OHS document of estate and mill, for example, Hazard Source Identification, Assessment and Risk Management; risk management, risk identification results; identification of areas prone to fire; OHS policy socialization; PPE provision for all workers; periodic health examinations; etc.

4.7.2

The entire operations that may threaten the safety and health risks have been assessed in accordance with the procedure of hazard identification, assessment and risk management. Implementation of the procedure is the identification document of hazards and risk control for each unit that is renewed every year. Leidong West Mill has shown the Document of Hazard Source Identification, Assessment and Risk Management (ISBPR) made by the Secretary of Guiding Committee of Occupational Safety & Health on January 4, 2016 for the period from January to December 2016. The identification is done by considering the routine and non-routine works, a source of danger, potential impact and control. The results of field visits showed that the workers had given PPE according to the job risk such as, apron for sprayers, ear muff for workers in the boiler station and safety shoes for the workers at the grading station.

4.7.3

All workers involved in the operations have been given training in safe work practices, such as:

- Training on the use of limited pesticides on May 7 to 8, 2015 to the sprayers in Bukit Intan Estate.
- Fire simulation training in land and housing on February 6, 2016, followed by 85 workers in Leidong West Selatan Estate.
- Boiler operators have been trained and have Operator license.
- Wheel loader operators have been trained and have the operator license and able to simulated the use of their vehicle properly.
- Welders have been trained and have the certificate.

4.7.4

Each unit has formed a Guiding Committee of Occupational Safety & Health (P2K3) as the organization which is responsible for OHS. Guiding Committee of Occupational Safety & Health Board was ratified by the Labor Agency of West Bangka Regency on May 31, 2012 for Bukit Intan Estate and on February 9, 2015 for Leidong West Mill. Secretary of each Guiding Committee of Occupational Safety & Health structure is an OHS expert that has been proved by a certificate of OHS experts and Appointment Decree of OHS Expert. Every month the Guiding Committee of Occupational Safety & Health organizations conduct regular meetings to discuss the whole issue of OHS, for example, a meeting on January 5, 2016 that discusses the preparation and review of Hazard Source Identification, Assessment and Risk Management, quarterly reports, the preparation of the visit ASA - 2 RSPO, etc. **The results of interviews with workers known that the meeting to discuss the OHS activities have been conducted regularly every month. The workers are always given an understanding of OHS importance.**

4.7.5 & 4.7.7

The management unit of estate and mill has owned the procedure related to the emergencies described in the SOP of preparedness and emergency response. The SOP including the flowchart of emergency preparedness, simulation of emergencies and handling of emergencies. Field visit in the mill showed the emergency response teams can simulating the use of hydrant to anticipate fire emergencies.

In addition the company also has the SOP of handling of accidents and occupational diseases, among others:

- Victims of occupational accidents are evacuated from the locations and performed first aid measures by first aid officers by using existing infrastructure in the first aid box and the means on the field according to the victim's condition.
- The officer who is handling the first aid should have followed first aid training from the company's doctor and obtain the first aid license from the local labor agency.
- If the condition of the victim after the handling is in good condition then the first aid officer recommends to works as usual.
- If after the treatment with first aid box but not yet recovered or the victim state do not allow the first aid action then the victim was taken directly to the company clinic. Handling the victim in the company clinic conducted by the company doctor. The company doctor will recommend whether the victim can continue the work or the workers need to do more action.

Worker who has been trained first aid in the workplace is a person who is responsible on the field that is the supervisor. The company has demonstrated record of first aid training was held on February 2, 2016 involving all the responsible workers in the field (45 estate and mill supervisors). The management unit of estate and mill also provides first aid equipment in the workplace consisting of first aid box in the room and first aid mobile for the field. Each unit is always record the every accident that happened and report on the Guiding Committee of Occupational Safety & Health activity report. Based on the document study known that during 2016 there were no workplace accidents in Bukit Intan Estate, Leidong West Selatan Estate and Leidong West Mill. Based on interviews known that if there is a work accident, each unit will perform the calculations of Lost Time Accident (LTA) according to the rules from the General Director of Industrial Relations and the Supervisory of Employment No. KEP.84 / BW / 1998.

4.7.6

The company has provided accident insurance for their employees in accordance with the conditions set by the government in the form Employment Social Insurance Agency. Each unit can show the payment proof of Employment Social Insurance Agency dues; for example, Bukit Intan Estate pays the Employment Social Insurance Agency dues for 821 workers (BHL, SKU, and Staff) in the period of January 2016 paid on February 1, 2016.

	Status: Comply	
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4.8

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

4.8.1

Each unit has had a training program for workers in the period of 2016 consisting of the preparedness of emergency response, First Aid, integrated pest management, fertilization, Employment Social Insurance Agency socialization, socialization of ISCC / RSPO, environmental and HCV management. This program was created based on the training needs analysis prepared by SPO officer and ratified by the leaders of each unit.

4.8.2

The company has had a worker training records for each unit which is stored properly. Based on the interviews with workers, it is known that workers have been trained in accordance with the work being done.

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

5.1

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

5.1.1

PT BPL or PT MP LWI is unchanged in the acreage, scope of activities and the mill capacity, so that still use the old environmental documents, namely:

- Documents of Environmental Management and Environmental Monitoring Efforts for Oil Palm Plantation and Mill of PT

MPLWI in Jebus District, Bangka Regency, South Sumatera Province ratified by Agribusiness Body of Agriculture Ministry.

- Document of Environmental Management in Palm Oil Mill is 60 Tons FFB / Hour in Terentang Village, Kelapa District, West Bangka Regency, Bangka Belitung Province ratified by the Regional Environmental Impact Management Agency of West Bangka regency on September 21, 2011.
- EIA document of oil palm plantation and processing mill of PT BPL in Kelapa District, Bangka regency, South Sumatera Province ratified by the Minister of Agriculture on February 16, 1996.

5.1.2 & 5.1.3

The Company has conducted environmental management and monitoring in accordance with environmental documents owned and report to the relevant agencies regularly. The company can show the proof of report delivery of the implementation of environmental management and monitoring for example, the implementation report on second semester of 2015, PT BPL reported to Local Environmental Body of West Bangka Regency on February 25, 2016. **PIC responsible for the environmental management is SPO officer and the environmental body (Legal Environment Monitoring System/LEMS).**

The results of a public consultation with Local Environmental Body of West Bangka Regency showed that there was never any issue of environmental pollution caused by the company's operational activities.

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 management unit has made the identification of HCV in 2010 conducted by *RSPO Approve* assessor. The HCV identification process carried out by using the Identification Guide of High Conservation Values in Indonesia on 2008. Documents of the high conservation value identification have been conducted *peer review* by an external consultant who is also *RSPO Approve Assessor* in October 2010. From the documents, identified the High Conservation Value (HCV) 1.1; 1.2; 1.3; 4.1; 5 and 6 with a total area of 311.31 hectares. Based on the identification found no rare or endangered species, but identified the types of fauna which are protected, among others White-throated kingfisher (*Halcyon smyrnensis*) and Root Tiger (*Felis bengalensis*).

5.2.2 & 5.2.3



HCV management activities conducted by the management unit is maintenance the attributes of HCV (HCV limits, warning board, poster of protected species), HCV socialization (public and workers), HCV maintenance area, patrol around HCV areas, monitoring of fauna species, monitoring of flora species, planting plants for erosion barriers and maintenance of plant for erosion barriers. The results of interviews with sprayers in Bukit Intan Estate and Leidong West Selatan Estate showed that they have already known about the HCV area and prohibition to conduct spraying on the riparian by referring to the HCV pole or red paint marks (X sign or circle) on the palm tree. Workers also have known about the kinds of protected animals and sanctions received if

hunting the protected wildlife. The results of field visits in Batu riparian in Block X-30, Leidong West Selatan Estate showed that the condition of riparian is planted with oil palm and there are plant which barriers to erosion in the form of vetiver grass at the riparian.

5.2.4

The company has owned semester report which described the results of management and monitoring of HCV and the evaluation on the activities that have been done during 6 months. Based on the reports in the second semester of 2015 known that there are several wildlife at the time of early identification (2010) listed but in the routine monitoring was not found, among others, porcupine and small antelope. Some assumptions which make the wildlife were not found at the time of monitoring is when the identification of the wildlife is listed as a result of information from the communities, allegedly the encounter with the animals occurred a few years ago.

5.2.5

HCV identification results showed that there are community areas that contain HCV as a sacred area of Bukit Asam and Bukit Selam. Each unit has made an agreement with the village to protect the area, for example, a letter of agreement on February 23, 2016 between the managers of Leidong West Selatan Estate with Village Chief of Berang to protect the sacred areas of Bukit Asam. The results of the field visit showed that the Leidong West Selatan Estate has protected the sacred areas of Bukit Asam that crosses the area of the estate operational.

	Status: Comply	
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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

The company has had the identification records of waste sources on the environmental aspects document. Solid waste generated among others; shells, fiber, empty fruit bunch, hazardous waste and boiler ash. While the effluent generated among others, in the form of CPO spills, herbicide spills and effluent from spray equipment washing. The results of field visits, interviews and document review showed that the waste has been managed in accordance with the SOP of Waste Management, for example:

- Pesticide packaging waste is managed by washing and then stored in the Hazardous Waste Temporary Warehouse. The Company is also working with PT Primanru Jaya as the transporter and collector of hazardous waste. The latest hazardous waste shipments took place on February 15, 2016 for used oil, used batteries, former oil filters, dust cloth, the used TL lamps.
- Shell and fiber are utilized as boiler fuel.
- Mill effluent is managed in WWTP and then utilized in plantation area according to the permit from West Bangka Regent.
- Emission from machine is managed by regular maintenance.
- Infectious waste is sent to the Arsani Hospital in Sungai Liat.
- Household waste is discarded to the landfill once every week located in the estate area (> 1 km from housing).

The results of interviews with workers and communities showed that the company never disposed the waste in any place.

	Status: Comply	
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5.4

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

5.4.1

The efforts made by the company to make the efficiency in the use of fossil fuels, among others, with shells and fiber utilization as a fuel for the boiler. The results of document verification showed that the use of fiber and shell as a fuel for the boiler can saved the use of diesel fuel between 18.94 to 22.52 liters / Ton of CPO in October to December 2015.

	Status: Comply	
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5.5

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

5.5.1 & 5.5.2

The company has owned policies and procedures of land clearing without burning contained in the procedure of land clearing / new land preparation which described about the process of land clearing process without burning. The results of

the document study, public consultation and field visits showed that since the ASA-1 until ASA-2, the company did not do new land clearing or replanting.

Status: Comply

5.6

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

5.6.1

To reduce the pollution and emissions, the company has identified the pollution and emission sources and the step of its management which described in the SOP of Waste Management. In addition, the company also identifying the GHG sources which are accompanied by its management plan.

5.6.2

The company has made efforts to reduce the pollution through the planting of trees, machine maintenance, reducing the use of fossil fuels, effluent management and waste utilization. The Company also conducts regular environmental monitoring includes surface water quality, generator emissions, boiler emissions and ambient air. The monitoring was conducted to evaluate the management that has been done. The monitoring results of generator emissions, boiler emissions and ambient air for the second half of 2015 is known that all test parameters have met the standard. Field observations in the WWTP of Leidong West Mill showed no indication of leakage in the WWTP and the effluent has been used to the estate land.

5.6.3

The company has owned a system to monitor the air pollution generated by the estate and mill contained in the SOP of GHG calculations and SOP of GHG mitigation. GHG calculation is conducted once every year by using the methods of Palm GHG Calculator Version 2.1.1. The company has shown the results of GHG calculations in the period of 2015 and the evidence of GHG calculation results delivery to the RSPO reported on February 8, 2016.

Status: Comply

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

6.1

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

6.1.1 & 6.1.2

The company has owned a document of *Social Impact Assessment* (SIA) which described about the survey of the condition of social, economy, culture and community perception in the village around the estate / mill. This activity was conducted on 2012 which covered the population, education, livelihood, income, health, facility and infrastructure, customs and culture of the people, the negative and positive impacts. The preparation of these documents is done by involving the affected parties with a help of the questionnaire and a public consultation on May 11, 2012.

6.1.3

The company also has a document of management report and social impact monitoring for the period of 2014 and 2015 which described about the type of impact, management plan, monitoring plan and the activity time. Management and monitoring activities have been conducted with the participation of the community and the participation proof has been included in the implementation reports, and the results are used to consider the management activity for the following year. Based on the results of management in 2014 and 2015, there are several management activities that are less effective such as CSR programs that are less targeted and impact bias and in 2016, the company has developed CSR program by mapping the needs of the community together.

6.1.4

Reviews of the social impact management activities will be conducted every two years according to the SOP of

Management and Monitoring of Social Impact. Results of interviews with social staff known that the review activities will be conducted in 2017 and this will be observed on the next visit. **OFI**

Based on the results of public consultation with the community representatives of Terentang village and Ibul village, it is known that the company is quite active in local development such as provision of places of worship and educational development. The presence of oil palm plantations and mills also has a positive effect on employment and there are a lot of local communities who work in the company.

6.1.5

The results of document review and interviews known that the company does not have the scheme smallholders.

Status: OFI

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 & 6.2.2

The Company has procedures of communication and consultation with external parties. The company has also appointed the responsible officers for consultation and communication with the public, who is the manager of each unit. Results of public consultation with the surrounding villages showed that the village has known how to communicate with the company, other than that the village also has known the manager who is the communications officer.

6.2.3

The company has a list of stakeholders consists of 12 government agencies; 8 villages; 5 community leaders; 6 workers union; 4 local contractors, and two NGOs. Note of the communication can be shown by the company in the report documents of social impact monitoring. Communication with stakeholders among others, evidenced by the meeting records with community representatives of Dendang village on December 18, 2015. Results of the meeting among others, assistance for cheap cooking oil is expected to be added to the quota according to the number of households in the village.

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 the SOP of Handling the Complaints and grievances that explain about the process of delivering and handling of complaints and grievances from both internal and external. In the SOP also mentioned that the company guarantees the anonymity of the reporting and the revealer of the case (*whistleblower*).

6.3.2

The whole records and handling related to the complaints / objections are recorded in the Handling Monitoring Form of Complaints and dissatisfaction. Based on the form is known that during the period of 2015 until February 2016 there were no complaints presented. According to the interviews with workers and village communities known that there were no complaints or dissatisfaction of employees and external (community).

Status: Comply

6.4

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

6.4.1

The company has had a procedure of SOP for Compensation for Soil / Land explaining about the mechanisms to identify and calculate the land compensation. In this procedure was explained that the identification process of the company's land are involving the community, the village administration and the district government.

6.4.2 & 6.4.3

The results of document review, field visits and interviews with stakeholders (villages and government agencies) showed that since the activities of ASA-1 until ASA-2, the company did not expand their land. Implementation of land compensation performed last time in 2004.

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

The management unit of estate and mill is given wages / salaries in accordance with the minimum standards set by the government, that is Regent Decree of Bangka Belitung Province No. 188.44 / 1146 / TK.T / 2015 on November 13, 2015 with a value of Rp 2,341,500. The results of the study of documents and interviews with workers known that there are no workers who earn the salaries below the minimum standards.

6.5.2

Labor laws for permanent workers are set in the Collective Labor Agreement (CLA) between the workers union with the company that has been registered to the Labor and Transmigration Agency of West Bangka Regency on March 15, 2011. The Collective Labor Agreement is discussing the rules on leave, work defaulters, payment of meal allowance, overtime and overtime wages, provisions about premiums, and others. While the labor laws for temporary workers are set in the work agreement. In the work agreement is arranged about the duties, obligations and responsibilities, honorarium and facilities provided, working time and the end of the work agreement. All the documents were made in the language that can be easily understood by workers, namely Indonesian language.

The results of public consultation with Labor and Transmigration Agency of West Bangka Regency showed that the Collective Labor Agreement between the company and workers union have expired and not been renewed. The Labor and Transmigration Agency is encouraged the company to immediately negotiate with the workers union to discuss the Collective Labor Agreement. Consultation with Agriculture and Plantation Workers Union of MP LWI PT and PT BPL stated that they are supported Labor and Transmigration Agency statement. The company has sent a letter to workers union on February 24, 2016 to discuss the order on making the Collective Labor Agreement. The letter was received by workers union on the same date and this letter was also sent to Labor and Transmigration Agency of West Bangka Regency. The results of the Collective Labor Agreement renewal will be verified again on the next visit (OFI).

6.5.3 & 6.5.4

The results of field visits in the housing of Bukit Intan Estate and Leidong West Selatan Estate showed that the management unit has provided decent housing facilities equipped with clean water and lighting. In addition, the unit has also set up the supporting facilities such as smart homes, clinics, sports facilities, daycares, places of worship and places of education (kindergarten and elementary). The results of interviews with worker families showed that the management unit is allowing the payday market (second and fourth weeks) and there is also a cafeteria as a place to purchase foods.

Status: OFI

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

The Company has established policies related to the freedom of association contained in the Circular Letter from the CEO of PSM 2 on December 14, 2010 regarding to the freedom of association in the organization of workers / laborers. According to the interviews with workers union revealed that the workers have a workers union named Agriculture and Plantation Workers Union - Indonesian Workers Union (SPPP – SPSI) of PT MPLWI – PT BPL. Interview with Vice Chairman of Agriculture and Plantation Workers Union - Indonesian Workers Union known that all employees are given the freedom of association and assembly. Currently, the workers union members amounted to ± 1,500 people. In addition, the company also facilitated a meeting of workers union by lending meeting buildings and others.

6.6.2

The meeting between the company representatives with the workers union has been documented and held by each party, for example, the minutes of negotiation in resolving the industrial disputes by bipartite basis on May 4, 2015 held in the meeting room of Pangkal Pinang Office (representative office of PSM 2 in the Region of Bangka Belitung).

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

The Company has a policy to not use underage workers or child labor contained in the circular letter from HR Directors on March 31, 2009 regarding to the minimum age limit. In the letter set that the minimum age of recruitment is 18 years old. Based on the document verification of employee list showed that there are no workers under 18 years old.

Based on interviews with employees in the estate and mill, there are no employees who are under 18 years old. In addition, the employees also have understood that the company does not accept employees younger than 18 years old.

Status: Comply

6.8

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

6.8.1 & 6.8.2

The company has had a policy of equality in work / career that is contained in the Circular Letter from CEO 2 on October 1, 2015 which governing that each work unit must perform industrial relations regardless of race, disability, political affiliation, religion, race and gender in all types of work, The study results of employee list document showed that the composition of workers consist of various ethnic, gender and sex. Based on interviews with employees in Bukit Intan Estate and Leidong West Selatan Estate, so far the employees have never felt discriminated or discrimination in the work / career. The acceptance of employees also opened to anyone interested and has the appropriate competencies.

6.8.3

The company has had a guidelines in the process of selection, hiring and promotion of work, the guidelines contained in the company SOP, as follows:

- SOP of labor procurement, explaining about the process and the stages of the recruitment starts from the registration of labor, the selection process, interviews, deals on the compensation package, medical tests, the selection result decision and decree of employment.
- SOP of promotion, described about the mechanism of rank / grade promotion and job promotion.
- SOP of acceptance and employee appointment, described the recruitment process guidelines both Daily Workers, Work Agreement of Specific Time and permanent employees.

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

The Company has a policy to prevent all forms of harassment and sexual violence as well as the protection of reproductive rights to all workers, especially women as outlined in the Circular Letter from CEO 2 on January 10, 2011. The follow-up from the policy is the formation of female committees in each unit that serves as a forum for communication, consultation and counseling for women. The female committee is actively socialized to all workers, especially for women not to hesitate to report to the female committee in case of sexual harassment and violence against women. Based on the information from the chairman / board of female committees in each unit, the female workers have known about the mechanisms for reporting in cases of harassment against female workers. According to interviews with female workers also showed that they had known about the prohibition of sexual harassment policies and mechanisms for reporting in cases of harassment.

Protection of women's rights set forth in the Collective Labor Agreement which stated that pregnant women / childbirth and menstruation have the right to leave in the dependents. The results of interviews with female workers who worked as a sprayer in Bukit Intan Estate known that the company provides maternity leave for 3 months to female workers and menstruation leave up to 2 days.

6.9.3

The company has SOP for handling the complaints or dissatisfactions which regulates about the mechanism to handle and accept the complaints and the company guarantees the anonymity of the reporting and the revealer of the case (*whistleblower*).

	Status: Comply	
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6.10

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

6.10.1 & 6.10.2

Leidong West Mill does not accept FFB from outside suppliers or smallholders, while PT MPLWI and PT BPL does not have a partnership of smallholders. Thus, there is no supply of FFB and pricing of FFB by the company.

6.10.3

Based on the study of the documents, the company has a partnership with a second party for jobs such as road hardening, construction of box culvert, bridge, harvesting bridge, transport of FFB and others. In cooperation with other parties, the company is documented the entire agreements in the form of Work Agreement (SPK). Work Agreement draft that has been made will be refunded to the parties to read the contents and if it has been agreed, it will be signed between the two sides above the stamp and the copies are held by each party.

6.10.4

The Company has already paid its liability for Work Agreement that agreed, for example Work Agreement No. 020 / BINE / JKTO / 05/2015 - box culverts, bridges and harvesting bridge on May 29, 2015. The work was handed over on November 25, 2015 and paid on December 17, 2015 via bank transfer. In addition, based on the information from the road maintenance contractor, PT Tiga Berdikari known that the payment has been implemented on time and the contractor also holds a copy of the Work Agreement.

	Status: Comply	
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6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The company's contribution to local development is done through the payment of taxes and fees to local governments regularly, in cooperation with local contractor and the realization of CSR to the communities around the plantations. Some forms of CSR contributions realized during 2015 include assistance in the aspects of education, health, road improvements, village government activities, social aspects of religion, etc.

6.11.2

At this time PT MPLWI and PT BPL does not have a scheme smallholder (smallholdings)

	Status: Comply	
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6.12

No forms of forced or trafficked labour are used.

6.12.1 & 6.12.2

Based on information from Social, Labor and Transmigration Agency of West Bangka Regency are known that there are no migrant workers or who came up with the Inter-regional Labor Force (AKAD) in PT MPLWI and PT BPL.

6.12.3

The observation results of documents and interviews with employees, there are no migrant employees. All employees who

work in the company came alone and without coercion from any party. Especially for employees with Work Agreement of Specific Time (PKWT), there are no changes in the types of jobs that are written on the copy of the contract with the actual work in the field. It has been proven in an interview with Work Agreement of Specific Time worker who works as loose fruits picker (picker). A copy of the employment contract signed by the employee in accordance with the actual job execution.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

The Company has established policies related to social and community roles (*social and community engagement policy*) set by the President Director on November 10, 2011. This policy describes about:

1. *Free, prior and informed consent* (FPIC) to indigenous and local communities.
2. Handling of complaint which is responsible.
3. Achieving a resolution of the conflict which is responsible
4. Open and constructive role from local, national and international stakeholders
5. Empowerment program for local community development
6. Respect for human rights (HAM)
7. Recognize, respect and strengthen the rights of workers, and
8. Compliance with all applicable laws and regulations and the principles and the criteria of certification which is internationally recognized.

Each unit has socialized the policy to employees, such as socialization to mill workers was held on December 1, 2015, to workers in Bukit Intan Estate on February 12, 2016 and employees in Leidong West Selatan on December 21, 2015. Interviews with workers in the mill showed that they had learned about social policy and community roles.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

The management unit is not performed expanding and developing the plantations area after November 2005. The results of the document study and interviews with management showed that the planting has done last in 1998. The results of the document study and field visits showed the planting year in Bukit Intan Estate, Bukit Mas Estate, Leidong West Utara Estate, and Leidong West Selatan Estate consists from 1992 to 1998.

Status: NA

PRINCIPLE #8 Commitment to continuous improvement in key areas of activity

8.1

Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

8.1.1

Continuous improvement efforts that have been made by the management unit, among others:

- The Company has conducted RSPO internal audit activity on 14 to 17 December 2015. These activities are carried out directly by the internal audit team of environment, health, safety and social division. The RSPO internal audit found 9 non conformities and the management has improved as documented in the Management Review document of RSPO - ISPO of PT. MPLWI and PT. BPL on December 23, 2015.
- The Company has committed to no longer use limited pesticides with paraquat types since 2016.
- The annual innovation program conducted in each unit. Some of these innovations include the use of FFB control tools such as three in one axes and fiber to improve soil quality on sandy areas. While the forms of innovation that is realized in the mill is the installation of *continuous condensate chamber* to facilitate control of the condensate drain and the installation of *liner stainless shaft digester* to increase the *life time*.
- The company has monitored and evaluated continuously the activities of plantation and mill, such as:
 - a. The quality of emissions from generator in the mill.

- b. The quality of emissions from boiler in the mill.
- c. The quality of ground water in the area around LA.
- d. The quality of ambient air in settlements around the mill.
- e. Social conditions in the village around the company.

Status: Comply

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements	
D1	Definition	
D.1.1		
A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.		
The results of ASA-1 audit showed that the SCCS module for CPO Mill chosen by Leidong West Mill is segregation (standard 2011) or Identity Preserved (standard 2013), but at the time of ASA-2 audit known that the mill received FFB from plantations that have not been certified RSPO since March 2015. The results of interviews and field visits showed that Leidong West Mill is processed certified and non-certified FFB without separating the materials. based on the description found Non conformity No. 2016.01		
	Status: Non Conformity No. 2016.01	
D.2	Explanation	
D.2.1		
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.		
Estimated tonnage of CPO and PK described in the report of RSPO ASA-2.		
	Status: Comply	
D.2.2		
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).		
• RSPO IT Platform member registration number: RSPO_PO1000001372		
Leidong West Mill did not sell CSPO during the period of May 16, 2015 to February 23, 2016 to outsiders or other units. As for CSPK, there are delivery to PT Sumber Indah Perkasa (Lampung) and PT SMART (Belawan) with details:		
• Certified Palm Kernel sold to each buyer in the period of May 16, 2015 to February 23, 2015		
Date	Buyer/Aim	Volume (Ton)
April 24, 2015	PT Sumber Indah Perkasa (Lampung)	253.90
April 6, 2015		350.00
May 26, 2015		300.00
June 8, 2015		200.00
June 8, 2015		500.00
June 16, 2015		346.00
May 26, 2015		150.00
June 23, 2015		200.00
July 2, 2015		46.10
June 16, 2015		103.90
June 23, 2015		150.00
July 2, 2015		300.00

July 28, 2015		250.00
July 8, 2015		350.00
July 15, 2015		150.00
July 28, 2015		500.00
August 5, 2015		304.91
August 26, 2015		50.00
August 5, 2015		195.09
August 11, 2015		450.00
August 26, 2015		300.00
September 2, 2015		400.00
September 8, 2015		450.00
September 15, 2015		424.65
September 23, 2015		200.00
September 15, 2015		75.35
September 23, 2015		200.00
November 5, 2015		124.65
December 15, 2015		39.65
November 5, 2015		125.35
October 6, 2015		200.00
October 20, 2015		350.00
December 15, 2015	PT SMART (belawan)	60.35
January 27, 2016	PT SMART (belawan)	139.650
Total		8,239.65

Status: Comply

D.3

Documented procedures

D.3.1

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

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

Leidong West Mill has had SOP of RSPO Supply Chain Products of Segregation Model. This procedure of which describes the parties involved in the process of SCCS, duties and responsibilities of each party, the admissions process of FFB, weighing the weight / volume, checking the quality of raw materials, processing, monitoring of processed products and delivery of products.

The results of field visits and interviews at the security post and Weigh bridge known that the workers have known their duties related to SCCS.

Status: Comply

D.3.2

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

Leidong West Mill has had SOP of SCCS as described in the report of ASA-1. The results of field visits, document review and interviews is known that the plant received FFB from the estates that have been certified RSPO and estates that have not received RSPO certificate since March 2015. The procedure owned does not explain how the mechanism for separating certified and non-certified FFB at the time of processing, Based on the explanation is found **Non conformity No. 2016.02.**

	Status: Non Conformity No. 2016.02																																																			
D.4	Purchasing and goods in																																																			
D.4.1																																																				
The site shall verify and document the volumes of certified and non-certified FFBs received.																																																				
Verification of certified FFB performed in the Delivery Order Letter (SPB) and the weigh tickets, and it will be recapitulated every day in the daily reports.																																																				
<ul style="list-style-type: none"> Certified and non-certified FFB received in the period of May 16, 2015 to February 23, 2015 <table border="1"> <thead> <tr> <th rowspan="2">Month</th><th colspan="3">FFB</th></tr> <tr> <th>RSPO Certified</th><th>Non Certified</th><th>Total</th></tr> </thead> <tbody> <tr> <td>May 16, 2015</td><td>12,262.90</td><td>637.21</td><td>12,900.11</td></tr> <tr> <td>June 2015</td><td>21,488.12</td><td>1,111.51</td><td>22,599.63</td></tr> <tr> <td>July 2015</td><td>26,380.48</td><td>666.96</td><td>27,047.44</td></tr> <tr> <td>August 2015</td><td>22,128.20</td><td>1,034.24</td><td>23,162.44</td></tr> <tr> <td>September 2015</td><td>22,400.82</td><td>1,981.38</td><td>24,382.20</td></tr> <tr> <td>October 2015</td><td>24,468.88</td><td>2,705.13</td><td>27,174.01</td></tr> <tr> <td>November 2015</td><td>27,221.09</td><td>3,242.93</td><td>30,464.02</td></tr> <tr> <td>December 2015</td><td>26,424.63</td><td>3,812.18</td><td>30,236.81</td></tr> <tr> <td>January 2016</td><td>19,303.40</td><td>2,804.34</td><td>22,107.74</td></tr> <tr> <td>February 1 to 23, 2016</td><td>9,629.77</td><td>1,778.06</td><td>11,407.83</td></tr> <tr> <td>TOTAL</td><td>211,708.29</td><td>19,773.94</td><td>231,482.23</td></tr> </tbody> </table>		Month	FFB			RSPO Certified	Non Certified	Total	May 16, 2015	12,262.90	637.21	12,900.11	June 2015	21,488.12	1,111.51	22,599.63	July 2015	26,380.48	666.96	27,047.44	August 2015	22,128.20	1,034.24	23,162.44	September 2015	22,400.82	1,981.38	24,382.20	October 2015	24,468.88	2,705.13	27,174.01	November 2015	27,221.09	3,242.93	30,464.02	December 2015	26,424.63	3,812.18	30,236.81	January 2016	19,303.40	2,804.34	22,107.74	February 1 to 23, 2016	9,629.77	1,778.06	11,407.83	TOTAL	211,708.29	19,773.94	231,482.23
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	Status: Comply																																																			
D.4.2																																																				
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.																																																				
Leidong West Mill has informed the Certification Body (CB) when there is excess of certified products as shown by letter No. 001 / MGR / I / 2016 on January 27, 2016 about the reporting of excess production of RSPO-certified products. This letter informed that the production from May 16, 2015 to December 2015 is:																																																				
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Excess production in Leidong West Mill because in that period Bukit Perak Mill which is a factory owned by PT Bumi Permai Lestari (BPL) is doing the repairing process so that, FFB from Bukit Perak Estate and Bukit Permata Estate sent to Leidong West Mill.																																																				
	Status: Comply																																																			
D.5	Record keeping																																																			
D.5.1																																																				
The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.																																																				
Leidong West Mill has had a report that describes the Acceptance of FFB, CPO Production, PK Production, CPO Shipment, PK Shipment and product stocks in Leidong West Mill has been noted the entire of FFB received, CSPO and CSPK production, and shipment of CSPO and CSPK every month. During the period of May 2015 to January 2016 there is no shipment of CSPO and there is PK shipment as much as 8,239.65 tons. This is CSPO delivery during the period of May 2015 to January 2016.																																																				

Period	CPO shipment (ton)			PK shipment (ton)		
	RSPO	Non Cert	ISCC	RSPO	Non Cert	ISCC
May 2015	-	-	4,421.470	-	700.000	-
June 2015	-	-	5,520.430	2,100.000	-	-
July 2015	-	-	5,081.980	800.000	-	-
August 2015	-	-	4,576.560	1,554.910	-	-
September 2015	-	989.310	6,228.460	2,269.740	-	-
October 2015	-	993.660	5,373.110	600.000	600.000	-
November 2015	-	885.830	5,907.320	-	2,150.000	-
December 2015	-	790.800	4,774.540	715.000	700.000	-
January 2016	-	658.420	2,974.310	200.000	1,000.000	-
Total	-	4,318.020	44,858.180	8,239.650	5,150.000	-

	Status: Comply
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D.6	Processing
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D.6.1	
The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage	
Leidong West Mill has had SOP of SCCS as described in the report of ASA-1. The results of field visits, document reviews and interviews known that since March 2015 the mill is received FFB from the estates that have been certified RSPO and estates that have not received RSPO certificate. Leidong West Mill does not separate between RSPO-certified products (CSPO and CSPK) and not during the storage and shipping of products. Based on the explanation is found Non conformity No. 2016.03	
	Status: Non Conformity No. 2016.01

D.6.2	
The objective is for 100 % segregated material to be reached	
Leidong West Mill is targeting 100% on processing the FFB from the estate which is certified by RSPO.	
	Status: Comply

3.3 Conformity Checklist of Certificate and Logo Use

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

3.4 Summary of RSPO Partial Certification
Management unit(s) observed:

Pelakar Mill (PT Kresna Duta Agrindo, Jambi), supply base: Pelakar Estate (PLKE), Batang Merangin Estate (BMRE), Batang Tembesi Estate (BTME).

2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	<p>This company has the evaluation mechanism to measure its compliance toward palm oil plantation related regulation through the SOP regulation and other regulations (SOP / SPO / SMART / LH-03) that issued by EHSD (Environment Health and Safety Department) on 1st July 2010. The SOP explains that the identification and verification on the entire relevant regulation are conducted every six months. Some evidence of regulatory compliance to law such as:</p> <ul style="list-style-type: none"> • HGU Decree by National Land Agency No: 26/HGU/BPN/96 dated 29 July 1996 and HGU certificate by National Land Agency of Sarolangun Bangko Regency No: 1/Tanjung dated 8 October 1996 which cover area of 2,715 Ha. • HGB Decree of Pelakar Mill by National Land Agency of Jambi Province No: 07/HGB.2/BPN/1999 dated 26 July 1999 and HGB certificate of Pelakar Mill by National Land Agency of Sarolangun Bangko Regency No:1/Tanjung dated 3 August 1999. • HGU Decree by National Land Agency No: 32/HGU/BPN RI/2010 dated 1 June 2010 and HGU certificate by National Land Agency of Sarolangun Bangko Regency No: 2/Tanjung dated 23 August 2010 which cover area of 1,799.00 Ha. • HGU Decree by National Land Agency No: 40-540.1-06-2007 dated 18 September 2007 and HGU certificate by National Land Agency of Sarolangun Bangko Regency No: 1/Tanah Abang dated 31 January 2008 which cover area of 86.4 Ha. • HGU Decree by National Land Agency No: 71/HGU/BPN/98 dated 5 October 1998 and HGU certificate by National Land Agency of Sarolangun Bangko Regency No: 2 dated 24 November 1998 which cover area of 5,022 Ha. • <i>Surat Pendaftaran Usaha Perkebunan (SPUP)</i> by Forestry and Plantation Department No 960/Menhutbun-VII/2000 which cover of 3 POM (30 ton/h, 60 ton/h & 60 t/h) and plantation for an area 8,359 Ha. • IUP from Sarolangun Regent No. 02 of 2009 for an area 1,822 Ha. • IUP-B from Merangin Regent No. 09/Disbunhut/2014 for oil palm plantation for an area 837.84 Ha 	√
	Status: Comply	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	Land use right which owned by company is Land Use Title (<i>Hak Guna Usaha/ HGU</i>) for an areal 9,622 Ha which consist of HGU certificate No. 1 of 1996, HGU certificate No. 2 of 2010, HGU certificate No. 1 of 2008 and HGU certificate No. 2 of 1998.	√
	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 parties.	X or√
	Unit Management has had mechanism related documented system for dealing with complaints and grievances consist of SOP-IK cultivation technic for palm oil plantation, SCEP policy (Social And Community Engagement Policy), Company has the SOP for complaint and grievance management for internal-external and has a mechanism for conflict resolution.	√
	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	X or√

	and other stakeholders to express their views through their own representative institutions.	
	The company has had record of land compensation document. Beside that the company has land compensation procedure (SOP / NP / SMART / VII / D & L 002) dated 1 July 2010. This procedure explain about job description, steps of socialization process, identification, negotiation, land compensation payment and documentation of payment. This procedure also explain of compensation process based on agreement, consultation and dialogue by involving the participation from local community leader and local government. The company also has SOP Free Prior Informed and Consent (SOP/SMART/SENS-CSR/SADV/II/003).	√
	Status: Comply	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	X or√
	HCV identification has been done by RSPO Approve Assessor on 2013. The company also has report Liability Data and Zero Liability Disclosure for all Sinarmas Group include Pelakar Mill and supply base to RSPO by email on 29 August 2014.	√
	Status: Comply	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	HCV identification has been done by RSPO Approve Assessor on 2013. The also has conducted land compensation on area which use for operational of caompany.	√
	Status: Comply	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	The company has had record of land compensation document. Beside that the company has land compensation procedure (SOP / NP / SMART / VII / D & L 002) dated 1 July 2010. This procedure explain about job description, steps of socialization process, identification, negotiation, land compensation payment and documentation of payment. This procedure also explain of compensation process based on agreement, consultation and dialogue by involving the participation from local community leader and local government. The company also has SOP Free Prior Informed and Consent (SOP/SMART/SENS-CSR/SADV/II/003).	√
	Status: Comply	

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

3.5.1 Identification of Findings, Corrective Actions and Observations at **ASA-1** Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2015.01.	Minor 2.1.1	<p>The evaluation mechanism for compliance toward the applicable regulations and policies.</p> <p>Based on document's review over the compliance toward the applicable regulations and policies, its known that some regulation have not been stated in the document, such as:</p> <ul style="list-style-type: none"> • Law No. 37 in 2014 and water conservation • Ministry of Forestry Decree No. 60 on 2014 classification of river's flows area. • Law No. 18 in 2013 related to prevention and eradication on forest destruction. • Law No. 39 in 2014 related to plantation. • Ministry of home Affairs, Ministry of Forestry and Plantation, National Land Agency Collective Decree No. 8 in 2014 regarding the settlement mechanism for land occupation within the forest 	Estate & Mill	Minor	S-2	<p>The management unit must present the evaluation evidence on the compliance toward the applicable regulations and policies.</p>	<p><i>Root cause:</i> The regulations have not been updated because not coordinate with SADV-HO.</p> <p><i>Problem Solving:</i> Coordination with SADV-HO as well as updating the existing regulations.</p> <p><i>Preventive action:</i> Coordination with SADV-HO in early semester minimal once a year for updating the regulations.</p> <p><i>Auditor observation:</i> <u>February 25, 2016</u> The management unit has shown the regulation list and the evaluation which has been updated in 2015/2016, for example, Statue No. 37 Year 2014, Regulation of Forestry Ministry No. 60 Year 2014, Statue No. 18 Year 2013, Statue No. 39 Year 2014, Regulation of Environmental Ministry No. 97 Year 2014, etc.</p>	Closed	February, 25 th 2016

		<p>area</p> <ul style="list-style-type: none"> Ministry of Environment Decree No. 97 in 2014 regarding the handover of responsibility to grant the permit for environment and forestry to investment coordination bureau. Law No. 66 in 2014 regarding the environment health Law No. 40 in 2004 regarding the national social insurance system Government regulation No. 86 in 2013 regarding the implementation of social insurance. 							
2015.02.	Minor 4.6.2.	<p>Special medical examination for spraying personnel.</p> <p>Based on documents' review of special medical examination on 7th October 2014 from UPT Balai Hiperkes, Bangka Belitung Province for spraying personnel in 2014, its known that:</p> <p>LWUE: there were 9 out of 15 spraying personnel who did not followed the special medical examination.</p> <p>BMSE: 1-spraying personnel (spraying supervisor) did not follow the special medical examination.</p>	Estate	Minor	S-2	<p>The management unit must present the evidence that spraying personnel have participated in special medical examination.</p>	<p><i>Root cause:</i></p> <p>The medical examination was carried out by the Technical implementation Unit of Hygiene Company and Occupational Health in Bangka Belitung which the time and the equipment is limited, other than that the sprayers did not come at the time of health examination activities. In addition, there is a typing error when ASA - 1 previously written as many as 15 workers but there should be 14 workers.</p> <p><i>Problem solving:</i></p> <p>All employees are required to do the examination in 2015 by companies that</p>	Closed	February, 25 th 2016

							<p>already have the inspection tools.</p> <p><i>Preventive action:</i> The company has had special equipment for medical examination. Every worker associated with spraying should conduct a special inspection twice a year by the company.</p> <p><i>Auditor Observations:</i> February 25, 2016</p> <ul style="list-style-type: none"> The Company has conducted special medical examinations (cholinesterase and spirometry) to 14 workers in LWUE. The results of medical examinations showed all workers in the fit condition to work. The Company has conducted special medical examinations (cholinesterase and spirometry) to spray supervisor in BMSE. The results of medical examinations showed the worker is fit to work. <p>The company can show the evidence of appropriate improvement so that Non Conformity No. 2015.02 stated fulfilled.</p>		
2015.03.	RSPO Certification System 4.2.4.c	<p>Implementation of Time Bound Plan</p> <p>There was evidence on <i>time bound plan</i> revision for SMART Tbk, for instance Pelakar Mill and its supply base. However, company cannot present the</p>	-	Minor	S-2	<p>The management unit must present the evidence of the justified <i>Time Bound Plan</i> revision.</p>	<p><i>Root cause:</i> Justification has not been done on a time bound plan if there is a unit that did not materialize the implementation of certification.</p>	Closed	February, 25 th 2016

	(Minor).	evidence of the justified <i>Time Bound Plan</i> revision.					<p><i>Problem solving:</i> Identifying the readiness of the unit in the certification and justified on a time bound plan.</p> <p><i>Preventive action:</i> Review periodically for time bound plan and create a Justification for a unit that has not been certified in the SMART TBK.</p> <p><i>Auditor observation:</i> <u>February 25, 2016</u> The company has shown the evidence of justification of time bound plan revision for Pelakar mill unit and other units. Based on the explanation known that Pelakar Mill cannot be certified in 2014 because the designated certification institute has not received evidence that has been certified by ASI so that need to be delayed to 2015, while</p>		
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3.5.2 Identification of Findings, Corrective Actions and Observations at [ASA-2](#) Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2016.0 1	D1.1	Change of Supply Chain Module Based on the audit results of ASA-1 known that SCCS module for CPO Mill selected by Leidong West Mill is a segregation (in 2011 standard), but at the time of ASA-2 audit known that the mill	NC	Mill	March 25, 2016	The management unit must show the evidence of compliance with the selected requirements of SCCS.	<i>Root cause:</i> Leidong West Mill still receive FFB from the estate that has not been certified RSPO since March 2015 because Bukit Perak Mill experienced overhaul thus reducing the number of production and	Closed	March 22, 2016

		received FFB from plantations that have not been certified RSPO since March 2015. The results of interviews and field visits showed that Leidong West Mill is processing certified and non-certified FFB without separating the materials.				divert the FFB from the estate that has not been certified to Leidong West Mill. Because the lack of communication in the unit, then the transferred FFB is not yet certified, while the SCCS model used is segregation (standard 2011) or IP (standard 2014). <i>Corrective action:</i> Statement letter from Babel PC on February 29, 2016 stated that PT MP LWI (LWSM) implementing RSPO SCCS (standard 2014) module D-CPO Mills: IP and since that date only received FFB from the estate that has been certified. Acceptance of Non Certified FFB last held on February 27, 2016. The management unit has shown the evidence of kernel BIN washing No. 1 - 6 was held since February 29 until March 3, 2016. The storage tank No. 1 has been washed on 14 to 18 December 2015 and not used until the audit process. As for the storage tank No. 2 conducted washing on February 29 to March 5, 2016. The management unit also shows the summary of FFB receipt in February and March 2016 which explained that since February 27, 2016 Leidong West Indonesia Mill did not receive FFB from the estate that has not been certified.		
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							<p><i>Preventive action:</i> The management unit has conducted socialization related to PT MP LWI (LWSM) is implemented RSPO SCCS (2014 standard) module D-CPO Mills: IP and PC policies about the mill only receives FFB from units that have certified RSPO on March 21, 2016. In the same case namely Bukit Perak Mill experienced overhaul, then FFB will be transferred is FFB from the estates that have been certified.</p> <p><i>Auditor observation on March 22, 2016:</i> The management unit has shown evidence of corrective and preventive measures taken to avoid the same thing repeated. Non conformity 2016.03 stated fulfilled.</p>		
2016.02	D.3.2	<p>Processing procedures of Certified and Non-Certified FFB Leidong West Mill has procedures of SCCS but not yet explain the separation mechanism of certified and non certified FFB in their processing.</p>	NC	Mill	March 25, 2016	The management unit must explain about the separation mechanism of certified and non certified FFB in their processing	<p><i>Root cause:</i> Leidong West Mill still receive FFB from the estates that have not been certified RSPO since March 2015 because Bukit Perak Mill experienced overhaul thus reducing the number of production and divert the FFB from the estates that have not been certified to Leidong West Mill. Because the lack of communication in the unit, then the transferred FFB is not yet certified while the SCCS models used are segregation (standard 2011) or IP (standard 2014).</p>	Closed	March 22, 2016

							<p><i>Corrective action:</i> Statement letter from Babel PC on February 29, 2016 stated that PT MP LWI (LWSM) implementing RSPO SCCS (standard 2014) module D-CPO Mills: IP and since that date only received FFB from the estate that has been certified. Acceptance of Non Certified FFB last held on February 27, 2016.</p> <p>The management unit has shown the evidence of kernel BIN washing No. 1 - 6 was held since February 29 until March 3, 2016. The storage tank No. 1 has been washed on 14 to 18 December 2015 and not used until the audit process. As for the storage tank No. 2 conducted washing on February 29 to March 5, 2016.</p> <p>The management unit also shows the summary of FFB receipt in February and March 2016 which explained that since February 27, 2016 Leidong West Indonesia Mill did not receive FFB from the estate that has not been certified.</p> <p><i>Preventive action:</i> The management unit has conducted socialization related to PT MP LWI (LWSM) is implemented RSPO SCCS (2014 standard) module D-CPO Mills: IP and PC policies about the mill only receives FFB from units that have</p>		
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							<p>certified RSPO on March 21, 2016. In the same case namely Bukit Perak Mill experienced overhaul, then FFB will be transferred is FFB from the estates that have been certified.</p> <p><i>Auditor observation on March 22, 2016:</i> The management unit has shown evidence of corrective and preventive measures taken to avoid the same thing repeated. Non conformity 2016.03 stated fulfilled.</p>		
2016.03	D.6.1	<p>Separation of Certified Products of RSPO and Non RSPO Leidong West Mill does not separate between RSPO certified products and not the RSPO certified products during the storage and shipping products.</p>	NC	Mill	March 25, 2016	The management unit must show proof of a certified product separation and not at the time of delivery and storage of products	<p><i>Root cause:</i> Leidong West Mill still receive FFB from the estate that has not been certified RSPO since March 2015 because Bukit Perak Mill experienced overhaul thus reducing the number of production and divert the FFB from the estate that has not been certified to Leidong West Mill. Because the lack of communication in the unit, then the transferred FFB is not yet certified, while the SCCS model used is segregation (standard 2011) or IP (standard 2014).</p> <p><i>Corrective action:</i> Statement letter from Babel PC on February 29, 2016 stated that PT MP LWI (LWSM) implementing RSPO SCCS (standard 2014) module D-CPO Mills: IP and since that date only received FFB from the estate that has been certified.</p>	Closed	March 22, 2016

							<p>Acceptance of Non Certified FFB last held on February 27, 2016.</p> <p>The management unit has shown the evidence of kernel BIN washing No. 1 - 6 was held since February 29 until March 3, 2016. The storage tank No. 1 has been washed on 14 to 18 December 2015 and not used until the audit process. As for the storage tank No. 2 conducted washing on February 29 to March 5, 2016.</p> <p>The management unit also shows the summary of FFB receipt in February and March 2016 which explained that since February 27, 2016 Leidong West Indonesia Mill did not receive FFB from the estate that has not been certified.</p> <p><i>Preventive action:</i> The management unit has conducted socialization related to PT MP LWI (LWSM) is implemented RSPO SCCS (2014 standard) module D-CPO Mills: IP and PC policies about the mill only receives FFB from units that have certified RSPO on March 21, 2016. In the same case namely Bukit Perak Mill experienced overhaul, then FFB will be transferred is FFB from the estates that have been certified.</p> <p><i>Auditor observation on March 22, 2016:</i></p>		
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							The management unit has shown evidence of corrective and preventive measures taken to avoid the same thing repeated. Non conformity 2016.03 stated fulfilled.		
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3.5.2 Opportunity for Improvement

No	Ref Std	Descriptions
1	1.1.1	The management Unit provides sufficient information related to environmental issues, especially to the community representatives in Ibul Village (public concern on the water pollution from the mill operations).
2	6.1.4	The management unit performs a review on the results of management and monitoring of social impacts that have been implemented (Observation).
3	6.5.2	The management unit performs a peer review together with Workers Union related to the preparation of Collective Labor Agreement (Observation).

3.5.3 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	The company's commitment to implement the principles of sustainable oil palm plantation management
2	-	Personal competence (Staff) in their respective fields
3	-	Has been certified ISCC.
4	-	Has been certified Blue Proper.

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

Issue from the Publik (Institution / NGO / Community)	Management Response	Auditor Response
Labor, Transmigration, and Social Agency of West Bangka Regency 1. The company routinely reporting Guiding Committee of Occupational Safety & Health; 2. The Company routinely reporting workplace accidents; 3. The company routinely performs periodic medical examinations to workers; 4. The company routinely provides personal protective equipment for workers; 5. The company routinely performs payment of Employment Social Insurance Agency; 6. Heavy equipment operator and steam boiler operator have owned license and still valid; 7. There is no issue of industrial relations problems besides strikes in August 2015. 8. Accordance with the letter from Labor Agency of West Bangka Regency No. 560 / I.13.01 / 2015 on November 2015, PT MPLWI (Leidong West Mill) is not yet reported the labor compulsory reports in 2015 and also there are 17 workers with Work Agreement of Specific Time status but has not listed their name to the Labor Agency of West Bangka Regency; and the company has not made the inspection and testing of electrical installations in the workplace. 9. CLA (Collective Labor Agreement) between PT. BPL and PT. MPLWI with workers union of PT. BPL and PT. MPLWI has expired and has not been renewed; 10. Have occurred strike from the company labor. According to the Labor Agency, the strike has been resolved through	1. Reports of Guiding Committee of Occupational Safety & Health reported routinely every 3 months 2. Routinely reporting the workplace accidents attached in the report of Guiding Committee of Occupational Safety & Health every 3 months 3. Special medical examinations carried out every semester, periodic medical examination conducted once a year and if there are new workers 4. Personal Protective Equipment (PPE) given every semester for harvesters and once a year for other workers 5. Employment Social Insurance Agency payments made every month 6. Heavy equipment operators have owned Operator License and still valid 7. Strikes happen in August 2015 has been resolved with the Indonesian Workers Union (SPSI) 8. Labor compulsory reports of MP LWI 2015 have been reported on February 23, 2016. 17 Work Agreement of Specific Time has been listed his name to the Labor Agency of West Bangka on February 23, 2016. The inspection and testing of electrical installations in the workplace of LWSM already made on March 5, 2016 9. The Company and Indonesian Workers Union have conducted negotiations to discuss the Collective Labor Agreement on March 21, 2016	Fulfillment of companies' compliance related to the employment is in accordance with applicable regulations. It has been described in criteria 2.1 (compliance of rules), 4.7 (relating to OHS), principle 6 (related to social employment and wages).

Issue from the Publik (Institution / NGO / Community)	Management Response	Auditor Response
<p>collective agreement, but the follow-up from the collective agreement has not been reported the results to the labor agency;</p> <p>11. The Company has registered the Bipartite Cooperation Institution to be listed to the Labor Agency but cannot be processed because one of the requirements for the registration which is the treatise document of the Bipartite Cooperation Institution negotiation has not been given (incomplete).</p>	<p>10. Follow-up of "COLLECTIVE AGREEMENT" between the company and Indonesian Workers Union will be reported to Labor and Transmigration Agency</p> <p>11. Management of Bipartite Cooperation Institution has not finished processing because the treatise document of Bipartite Cooperation Institution negotiation will be given to the Labor and Transmigration Agency of West Bangka Regency</p>	
<p>Agriculture, Plantation and Animal Husbandry Agency of West Bangka Regency</p> <p>1. The company already has land rights documents, plantation business permit (SPUP) and environmental documents (DELH).</p> <p>2. The company routinely has reported the development of plantations every semester.</p> <p>3. The company has earned the grade ratings of estate class in 2015 with the title of estate class III.</p> <p>4. So far there has been no issue of land disputes between company and communities based on the reports that the entry / received by the agency.</p> <p>5. There is no mining activity in the estate area.</p> <p>6. The company awarded grade III estate where there are assessment subsystems unfavorable related to the reporting compliance before 2015 and the lack of scheme smallholders.</p> <p>7. The company to date has not been willing to accept external FFB.</p> <p>8. In 2010 ever existed submission of smallholdings procurement from Tebing Village and other villagers, but until now there has</p>	<p>1. The company is always committed to the permits and other legals</p> <p>2. The company routinely reports the development of plantations every semester</p> <p>3. The Estate Class Ranking in the assessment in 2015 with the title of estate class III</p> <p>4. There are no issues of land disputes between the company and surrounding communities</p> <p>5. There is no mining in the Company Land Use Title</p> <p>6. The company is awarded Class III, Compliance on report will be corrected to be timely. The company has no revitalization for smallholdings</p> <p>7. LWSM mill only receives certified FFB</p> <p>8. The Company has not received an application related to the smallholdings procurement in Tebing Village.</p>	<p>The Company has complied with all the regulations relating to the estate operational. For example, the Land Use Title (HGU, plantation business permit (IUP) for the estate and the processing, environmental impact assessment documents, fulfillment on labor wages and so forth. This is in accordance with the principles of 2.1 and 2.2 RSPO.</p>

Issue from the Publik (Institution / NGO / Community)	Management Response	Auditor Response
been no official response from the community.		
Regional Environmental Agency of West Bangka 1. The company routinely reports the obligations of monitoring and managing the environment. 2. So far, there are no records related to issues of environmental pollution received by the Local Environmental Body of West Bangka. 3. The company already has permits related to environmental management in its operational activities. For example, the document of environmental evaluation (DELH) permits on the use of effluent from the POM (<i>land application</i>) and permits for hazardous waste temporary warehouse (TPS LB3). 4. Based on the annual monitoring reports compiled based on field visits by Local Environmental Body team, PT. LWI has managed the environment (water, soil and air) well. While PT. BPL is still need to improve related air pollution control (PPU), particularly concerning to the specifications of sampling chimney. 5. Based on the Local Environmental Body records, reporting related to the environment has not yet timely. Related to this, Local Environmental Body has appealed the company to report the activities of environmental monitoring and management quickly via email wasdalbabar@yahoo.co.id . But so far the appeal has not responded by the company.	1. The company routinely reports every semester (Environmental Management Plan / Environmental Monitoring Plan. LA Reports and Hazardous Waste Reports) 2. The company is always committed to keep the environment 3. The company has permits related to the environmental 4. PT.LWI will always manage the environment properly and in accordance with the applicable rules. 5. PT.BPL immediately improve the sampling Chimney in accordance with the specifications of sampling Chimney 6. The company always reports relating to the environment through Environmental Management Plan / Environmental Monitoring Plan and delivered directly to Local Environmental Body in order to get the evidence of handover report	The company has managed the environmental aspects well, on the whole has been described in criteria 4.4; 5.3 and 5.1. In addition, the company has demonstrated the compliance with the environmental regulations as noted in the criteria 2.1.
Gender Committee in PT. MPLWI and PT. BPL 1. No incident of sexual harassment or sexual violence that afflicts children and women in the area of PT. MPLWI and	1. Copy of Gender Committee Appointment Decree already granted on February 29, 2016 to the Gender Committee	The company's policy related to the discrimination against workers and the protection on the reproductive

Issue from the Publik (Institution / NGO / Community)	Management Response	Auditor Response
<p>PT. BPL;</p> <ol style="list-style-type: none"> There is no discrimination in obtaining equal work between men and women in the company area; Gender Committee is routinely conducted socialization orally to female employees as well as to the worker's wife; The copy of Gender Committee Appointment Decree was not given to the Gender Committee boards. 	<p>boards</p> <ol style="list-style-type: none"> The Company does not discriminate the difference between men and women Socialization of Gender Committee has always given to female employees and employees wife. Gender Committee Decree issued by Indonesian Workers Union has been given to Gender Committee on February 29, 2016. 	<p>rights has been socialized and known to all employees. It is written on the criteria 6.8 and 6.9.</p>
<p>Agricultural and Plantation Workers Union in PT. MPLWI and PT. BPL</p> <ol style="list-style-type: none"> The company gives the freedom to workers to assembly and associated; Strikes occurred in August 2015; The strike was based on the changes in the rules of premiums payment for supervisor I, supervisor and production administrator to the new system using OER system; The strike ended after the agreement between the companies with the worker unions that poured into the Collective Agreement and signed by both parties on August 19, 2015; Information at this time is a follow up from collective agreements, especially the problem on the survey and evaluation of CSR not delivered by the company to the workers union; Collective Labor Agreement (PKB) has expired; There is no clear mechanism on the difference between the salary system for daily Workers and Unit Payment Workers. 	<ol style="list-style-type: none"> The company gives the opportunity for freedom to the workers union. Strike in August 2015 has been completed with deliberation and consensus. Premium Payment which are demanded by the supervisor had been restored to the previous system. Completion of the strike has been agreed between the two parties poured into collective agreements and signed by both parties. Survey and Evaluation on the issue of CSR delivered to the management and to the village government. Collective Labor Agreement that have expired will be held negotiations with Indonesian Workers Union to discuss about the new Collective Labor Agreement. The mechanism of employee salaries in accordance with the applicable rules and there is a difference between Unit Payment in Class H and Class B 	<p>The Company has granted freedom to all employees to unionize. In addition, the company has met the employees' rights. This is in accordance with the criteria 6.5 and 6.6.</p>

Issue from the Publik (Institution / NGO / Community)	Management Response	Auditor Response
<p>Terentang Village (Former Village Head)</p> <ol style="list-style-type: none"> 1. Village area through plantations ± 2,500 ha 2. The village has only one Hutment consisted of 11 Neighborhood Association with 788 Heads of family. 3. There are 60% of local residents who work in the company (estate and mill). 4. Communication with the company has been good, if the village wants to communicate, can directly contact manager. 5. The company has always helped the villagers for the village party activities performed every year. Village party activities usually Khataman Al-Quran by children. 6. There is no issue of land disputes with the company 7. Land acquisition carried out in 1992. 8. Village governments have never heard related plantation revitalization program (revitbun) from plantation agency. 9. The company does not have a routine CSR program, all this time CSR activities most requested by the village. 10. Assistance ever given by the company including aid for small mosque building material, power poles and trellises for small mosque. But in 2015 there is a request for assistance to make public bath which is not yet responded by the company. 11. Communication between BIN Transport and communities should be improved, such as job vacancy notices to Terentang Village communities. As for job vacancy information from the estate and mill has already done. 12. The company has done socialization about HCV and wildlife protection. 13. There is no issue of waste disposal by the company. 	<ol style="list-style-type: none"> 1. Socialization of Plantation Land Revitalization Program (Revbun) to village 2. The Company has an annual CSR program and one of them is helping the village requests 3. Request for help to make public baths in Terentang Village will be responded in 2016 4. Manager of Bukit Intan Estate (Bine) has informed the Manager of Bukit Intan Transport (BINT) through letter on February 24, 2016, concerning to the results of the public consultation with Terentang village so that BINT can improve communication with the village mainly related to the job vacancy information. 5. Socialization of HCV and collective agreement of HCV area management has been done by Terentang village. 	<p>This is in accordance with Criteria 2.2; 2.3; 5.2; 5.3; 6.2 and 6.10.</p>

Issue from the Publik (Institution / NGO / Community)	Management Response	Auditor Response
<p>Ibul Village (Temporary Village Chief, Staff of Government Development)</p> <ol style="list-style-type: none"> 1. The village has 2 Hutments consists of 10 Neighborhood Association with 728 Heads of Family. There is 1 Neighborhood Association which is located within the plantation site, namely Neighborhood Association 10 from Ibul Hutment. 2. There are local communities who work in the company, but the villagers do not know exactly the numbers. 3. There is no land conflict issue with the company. Land acquisition has been carried out by the company in 1990. 4. The negative impact felt by the public is the condition of Lambur River which is unfavorable. The river water has been deprecated by community and the fish in the river is no longer there. The company also has not had communicated more related to the water management of Lambur River. 5. CSR provided by the company include the provision of bins in 2015, assistance for daycares development in 2014, medical examination in 2013, as well as clean water supplies from mills if there is party activity. CSR activities more performed based on the community requests through proposals. 6. The company ever socialized about HCV and wildlife protection. At this time, the hunting has been much reduced than before. 7. There are no issues of social conflict between the company and villagers 	<ol style="list-style-type: none"> 1. The number of local communities in Ibul village who works in the company amounted to 60 People 2. Results of surface water analysis in Lambur River in 2015 will be submitted to Ibul communities. Will be performed again communication and coordination with the village related to the water in Lambur river 3. Realization of CSR in 2015 in Ibul Village is landfills in 2015, the health examination in 2013, and Al-Qur'an Education Parks in 2014 4. Socialization related to the HCV and collective agreements on HCV area management has been done with Ibul Village 	<p>This is in accordance with criteria 2.2; 2.3; 5.2; and 6.10. Communication related to the provision of information on the results of Lambur river water analysis to Ibul village will be observed again on the next visit.</p>

Issue from the Publik (Institution / NGO / Community)	Management Response	Auditor Response
Road maintenance contractors (CV Bangka Jasa) <ol style="list-style-type: none"> The work being done is the provision of soil pile for road maintenance. The Company has conducted socialization related to the prohibition of corruption and the RSPO. The contractor has holded a copy of Cooperative Agreement Letter. The Company has made payment for work in accordance with the agreement. Contractor workers have been given PPE and Driving License. Contractor workers have been registered in the Social Insurance Agency. All this time the cooperation is done well and no complaints from contractors. 	<ol style="list-style-type: none"> The company is conducted socialization on the use of PPE to all workers in the company area 	<p>The Company formed a partnership with local contractors in a fair, legal and transparent. It fits with the criteria of 2.2; 6:10.</p>
Contractor of Kernel Transport (PT Tiga Berdikari) <ol style="list-style-type: none"> Transport vehicles that will enter are always checked by security guards. Examinations performed on the vehicle tanks, delivery letters, and the completeness of vehicle documents. The company has ever socialized related to RSPO and contractors are also aware that the products being transported are RSPO products in accordance with the delivery letter that brought. The transport destination is written clearly in the delivery letter that brought. Contractor workers have been given PPE and the completeness of PPE is always checked before doing the 	<ol style="list-style-type: none"> Inspection of incoming and outcoming vehicle to the mill is in accordance with company SOP RSPO socialization to the Contractors is conducted once a year In accordance with the company SOP Contractor and company are committed to the use of PPE according to the company SOP 	<p>The company has socialized the supply chain procedures in the RSPO. The employment contracts are done fairly, legally and transparently and follow the rules of OHS. It fits with the criteria of 4.8; 6:10.</p>

Issue from the Publik (Institution / NGO / Community)	Management Response	Auditor Response
<p>activities.</p> <p>5. Vehicles that have been checked by security guards will be given permission to enter and do the loading. The loading will be supervised by the dispatch operator. Once loading is complete, it will be installed tarps and given seal by the dispatch operator. When the vehicle is go out, the seal will be confirmed again by security guards to be installed properly.</p> <p>6. During the transport of heavy equipment will be monitored by supervisor.</p>		
<p>Sawit Watch</p> <p>There is no issue</p>		
<p>Walhi of Bangka Belitung</p> <p>There is no issue</p>		

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**4.1 Formal Sign-off of Assessment Findings**

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

Signed on behalf of:

PT MP Leidong West Indonesia
PT Bumi Permai Lestari
SMART Tbk

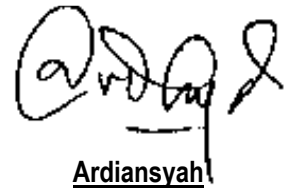


Ismu Zulfikar

Tuesday, 29 Marc 2016

Mutuagung Lestari

Lead Auditor



Ardiansyah

Tuesday, 29 Marc 2016

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

No	Institution/NGO/ Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Agriculture, plantation and animal husbandry agency	District of Bangka Barat	-	Direct interview	February, 22 nd 2016	√	
2	Worker, transmigration and social agency	District of Bangka Barat	-	Direct interview	February, 22 nd 2016	√	
3	Monitoring of environmental impact division of environmental agency	District of Bangka Barat	-	Direct interview	February, 22 nd 2016	√	
4	Gender committee PT. MPLWI and PT. BPL	Terentang Village, District of Bangka Barat	-	Direct interview	February, 23 rd 2016	√	
5	Agriculture and plantation labour union PT. MPLWI and PT. BPL	Terentang Village, District of Bangka Barat	-	Direct interview	February, 23 ^d 2016	√	
6	Ex village head of Terentang Village.	Terentang Village, District of Bangka Barat	-	Direct interview	February, 23 rd 2016	√	
7	Village head caretaker, government and development staff of Ibul Village	Ibul Village, District of Bangka Barat	-	Direct interview	February, 22 nd 2016	√	
8	Road maintenance contractor (CV Bangka Jasa)	Pangkal Pinang	-	Direct interview	February, 25 th 2016	√	
9	PK transporter (PT. Tiga Berdikari)	Pangkal Pinang	-	Direct interview	February, 24 nd 2016	√	
10	Sawit Watch	Bogor	info@sawitwatch.or.id		February, 18 th 2016		√
11	Walhi of Bangka Belitung	Pangkal Pinang	uday@walhi.or.id dan udaywalhi@gmail.com	Email	February, 18 th 2016		√

Appendix 2. Assessment Program

DATE	22 – 26 February 2016	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 22 February 2016		
07.00 – 08.30 09.00 – 11.30	JAKARTA → BANGKA (PANGKAL PINANG) BANGKA (PANGKAL PINANG) → PT. MP LWI	• ARD/ ABD/ APP • ARD/ ABD/ APP
09.00 – 10.30 10.30 – 13.30	PANGKAL PINANG → Bangka Barat District Government Stakeholders consultation to Related Government Institution (Bangka Barat District Government and local NGO)	• ARD/ ABD/ APP
14.00 – 14.30 14.30 – 17.00	• OPENING MEETING • Document Review and Review of Previous Visit Non-conformance (Surveillance 1)	• ARD/ ABD/ APP • ARD/ ABD/ APP
Tuesday, 23 February 2016		
08.00 - 12.00	Field Observation BUKIT INTAN Estate • Manuring, Spraying, Harvesting, best agricultural practices • Worker Welfare (payments, complaint mechanism) • Hazardous Waste Material (B3) management • Worker facilities (housing, health clinic, clean water, etc) and • Land Fire facilities, Storage, ect.. • Legal operational and Conservation Area	• APP • ABD • ABD • ABD • ABD • ARD
08.00 – 12.00	Stakeholders consultation to • Nearest village and community leader	• ARD
12.00 – 14.00	BREAK	
14.00 – 17.00	Stakeholders consultation to • Local contractors • Gender committee • Labour union	• APP • APP • ABD
	Document Review	• ARD/ ABD/ APP
Wednesday, 24 February 2016		
08.00 – 12.00	• Clarification of Public Consultation • Document Review	• ARD/ ABD/ APP • ARD/ ABD/ APP
12.00 – 14.00	BREAK	
14.00 – 17.00	Field Observation to LEIDONG WEST POM • Processing • Occupational Health and Safety (OHS/K3) • WWTP/IPAL • Hazardous Waste Material • Fire Fighting Facilities • Supply Chain	• APP • ABD • APP • ABD • ABD • ARD
Thursday, 25 February 2016		
08.00 – 12.00	Field Observation LEIDONG WEST SELATAN Estate • Manuring, Spraying, Harvesting, best agricultural practices • Worker Welfare (payments, complaint mechanism) • Hazardous Waste Material (B3) management • Legal operational and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) and • Land Fire facilities, Storage, ect..	• APP • ABD • ABD • ARD • ABD • ABD

DATE	22 – 26 February 2016	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	BREAK	
14.00 – 17.00	<ul style="list-style-type: none"> • Clarification of Field Observation • Continued of Document Review 	<ul style="list-style-type: none"> • ARD/ ABD/ APP • ARD/ ABD / APP
Friday, 26 February 2016		
08.30 - 09.30	CLOSING MEETING	• ARD/ ABD / APP
09.30 – 12.30	PT MP LWI – PANGKAL PINANG	• ARD/ ABD / APP
12.00 -	PANGKAL PINANG – JAKARTA	• ARD/ ABD / APP