

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

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

Name of Management Organisation : Mandah Palm Oil Mill – PT Bhumireksa Nusasejati subsidiary of Sime Darby Plantation Sdn Bhd
Plantation Name : Mandah Estate and Rotan Semelur Estate
Location : Village of Bente, Sub District of Mandah, District of Indragiri Hilir, Province of Riau, Indonesia
Certificate Code : **MUTU-RSPO/036**
Date of Certificate Issue : 01 April 2014 Date of License Issue : 01 April 2016
Date of Certificate Expiry : 31 March 2019 Date of License Expiry : 31 March 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	14 – 17 March 2016	Trismadi Nurbayuto (Lead Auditor), Oktovianus Rusmin, Yuniar Mitikauji, Afiffuddin (Observer)	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	23 May 2016

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Figure 1. Location Map of PT Bhumireksa Nusasejati



Figure 2. Operational Map of PT Bhumireksa Nusasejati

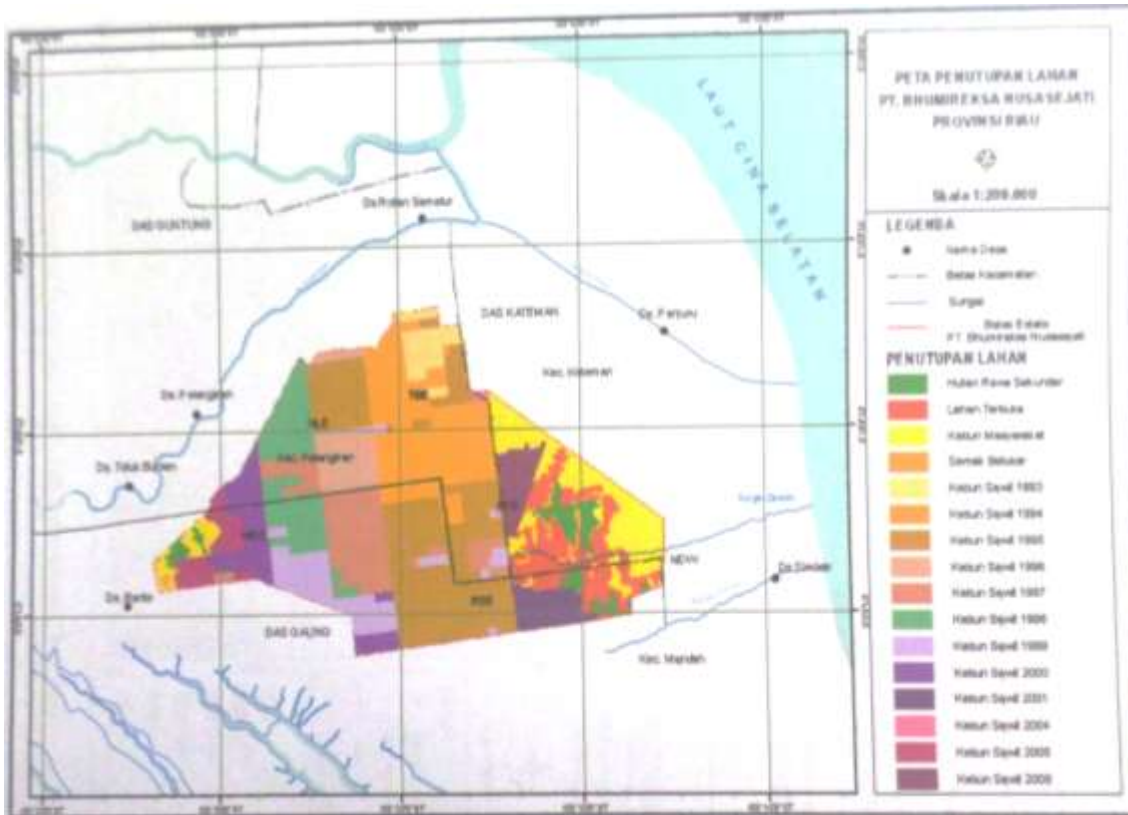
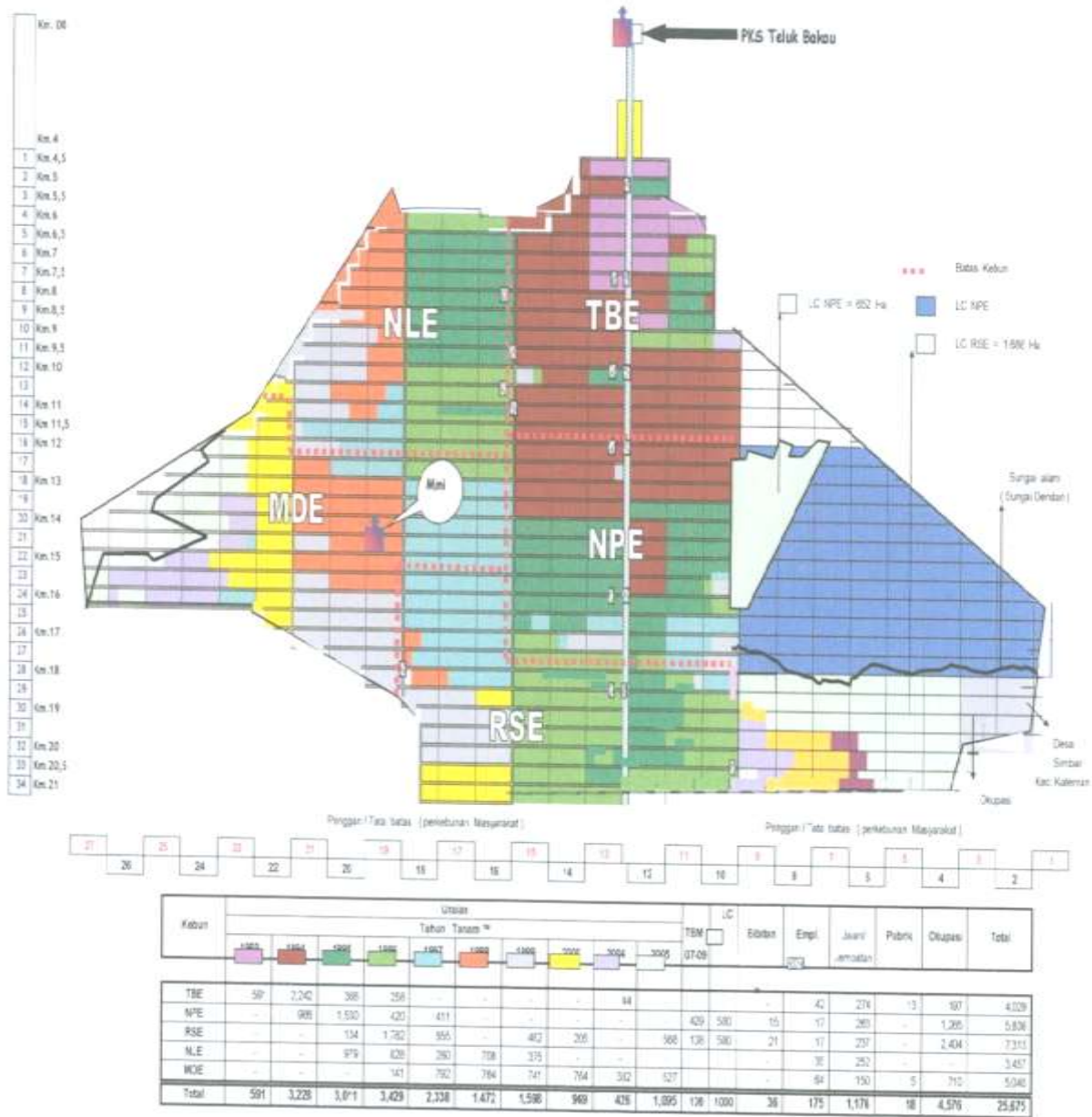


Figure 2. Operational Map of PT Bhumireksa Nusasejati



Abbreviations Used

AMDAL / SEIA	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Social and Environmental Impact Assessment)
BNS	:	Bhumireksa Nusasejati
BOD	:	Biological Oxygen Demand
BPJS TK	:	<i>Badan Penyelenggara Jaminan Sosial Tenaga Kerja</i> (Social Security Administrator for worker)
BPJS Kesehatan	:	<i>Badan Penyelenggara Jaminan Sosial Kesehatan</i> (Social Security Administrator of Health)
BPN	:	<i>Badan Pertanahan Nasional</i> (National Land Agency)
CSR	:	Corporate Social Responsibility
CPO	:	Crude Palm Oil
EFB	:	Empty Fruit Bunch
ESH	:	Environment and Occupational Safety and Health
FFB	:	Fresh Fruit Bunches
HCV	:	<i>High Conservation Value</i> (Nilai Konservasi Tinggi)
HGU	:	<i>Hak Guna Usaha</i> . (Land Use Permit)
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
IUP	:	<i>Izin Usaha Perkebunan</i> . (Plantation Business License)
JAMSOSTEK	:	<i>Jaminan Sosial Tenaga Kerja</i> (Social Assurance of Labor)
JAMKESMAS	:	<i>Jaminan Kesehatan Masyarakat</i> (community health security from government to the underprivileged)
KK	:	<i>Kartu Keluarga</i> (letters which describe the Family members)
KTP	:	<i>Kartu Tanda Penduduk</i> (Personal Identity Card)
LUCA	:	Land Use Change Analysis
MDE	:	Mandah Estate
MRC	:	Minamas Research Centre
NC	:	Non Conformity
NLE	:	Nusa Lestari Estate
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembina Keselamatan and Kesehatan Kerja</i> (Occupational Safety and Health Committee)
PK	:	Palm Kernel
PKO	:	Palm Kernel Oil
POM	:	Palm Oil Mill
PPE	:	Personal Protection Equipment
PSD	:	Plantation Services Departement
PSQM-EHS	:	Plantation Sustainability and Quality Management-Environment Health and Safety
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> (Environmental Management and Monitoring Plan)
RSE	:	Rotan Semelur Estate
RSPO	:	Roundtable on Sustainable Palm Oil
SIA	:	Social Impact Assessment
SCCS	:	Supply Chain Certification System
SOP	:	Standard Operating Procedure
SOU	:	Strategic Operation Unit
UKL/UPL	:	<i>Upaya Kelola Lingkungan/ Upaya Pemantauan Lingkungan</i> (Environmental Management and Monitoring Efforts)
WWTP	:	Wastewater Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • <i>RSPO Principles and Criteria (P&C) for the Production of Sustainable Palm Oil - April 25th, 2013.</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on November 21st, 2014 (Module D for CPO Mill)</i> 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Bhumireksa Nusasejati – Sime Darby Plantation Sdn. Bhd.	
1.2.2	Contact person	Mohamad Pirabaharan (Head of PSQM Plantation Minamas Indonesia)	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> • Head Office : SIME DARBY Plantation Sdn Bhd No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301 • Representative offices submission of applications : The Plaza Office Tower, 36th Floor, Jl. M. H. Thamrin Kav. 28 – 30, Jakarta 10350 	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	mohamad.pirabaharan@simedarby.com	
1.2.7	Web page address	www.simedarby.com	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM Plantation Minamas Indonesia)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 – 7 September 2004	
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"> • Mandah Palm Oil Mill, Mandah Estate and Rotan Semelur Estate 	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Mandah POM	Bente Village, Mandah Sub-district, Indragiri Hilir District, Riau Province., Indonesia	00° 06' 57.5" S 103° 32' 56.9" E
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	GPS
			Latitude Longitude

	Mandah Estate	Rotan Semelur Village, Pelangiran Sub-district, Indragiri Hilir District, Riau Province., Indonesia	00° 03' 50" - 00° 07' 30" S	103° 31' 17" - 103° 40' 56" E
	Rotan Semelur Estate	Rotan Semelur Village, Pelangiran Sub-district, Indragiri Hilir District, Riau Province., Indonesia	00° 05' 41" - 00° 09' 40" S	103° 28' 28" - 103° 34' 34" E
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State	a. HGU (land title) certificate Number 01 dated 23 May 1996 for 13,900 Ha* b. HGU (land title) certificate Number 02 dated 23 May 1996 for 11,762 Ha*		
	• Community			
		*HGU for all estate under PT BNS		
1.5.2	Area Statement			
	• Total area		12,366.18	Ha
	• Mature area		7,413.00	Ha
	• Immature area		805.00	Ha
	• Mill		14.00	Ha
	• Emplacement		121.18	Ha
	• Infrastructure		378.00	Ha
	• Nursery		21.00	Ha
	• Occupation		2,908.08	Ha
	• HCV		*705.92	Ha
Current conditions HCV area is public land planted with coconut				
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Mandah Estate (Ha)	Rotan Semelur Estate (Ha)	Total (Ha)
	1996	0	1,369.00	1,369.00
	1997	707.00	846.00	1,553.00
	1998	810.00	0	810.00
	1999	645.00	482.00	1,127.00
	2000	642.00	205.00	847.00
	2004	521.00	0	521.00
	2005	510.00	568.00	1,078.00
	2007	0	108.00	108.00
	2014	276.00	529.00	805.00
	TOTAL	4,111.00	4,107.00	8,218.00
1.6.2	New Planting area after January 2010	Ha		
1.6.3	Planting Cycle	1 st	25 Years	
1.7	Description of Mill and Supply Base			
1.7.1	Description of Mill			

	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Mandah POM	45	139,453.99	32,023.8 3	22.96	5,886.48	4.22
<i>*Production data source from 12 months before assessment (March 2015 to February 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)	%
	Mandah Estate	5,053.18	4,111	77,527.15	18.86	77,527.15	100
	Rotan Semelur Estate	7,313	4,107	54,203.83	13.20	54,203.83	100
	TOTAL	12,336.18	8,218.00	131,730.98	16.03	131,730.98	100
<i>*Production data source from 12 months before assessment (March 2015 to February 2016)</i>							
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location			Supplied to Mill	
						FFB (tonnes/year)	
	Teluk Bakau Estate (RSPO Certified)	PT Bhumireksa Nusasejati	Sub District Mandah; District Indragiri Hilir; Province of Riau			98.89	
	Nusa Perkasa Estate (RSPO Certified)	PT Bhumireksa Nusasejati	Sub District Mandah; District Indragiri Hilir; Province of Riau			4,609.20	
	Nusa Lestari Estate (RSPO Certified)	PT Bhumireksa Nusasejati	Sub District Mandah; District Indragiri Hilir; Province of Riau			3,178.27	
	TOTAL					7,886.37	
<i>*Source Production Data on 12 months before assessment (March 2015 to February 2016)</i>							
1.7.4	Product categories			FFB, CPO, PK			
1.8	Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim 1 April 2015 to 31 March 2016 (tonnes/year)		Actual certified product 1 April 2015 to 16 March 2016 (tonnes/year)	
	• FFB Production			138,364.73		136,309.15	
	• CPO Production			32,515.71		31,240.72	
	• Palm Kernel (PK) Production			6,364.77		5,815.03	
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Mandah Estate	5,053.18	4,111	74,803	18		
	Rotan Semelur Estate	7,313	4,107	59,514	14		
	TOTAL	12,336.18	8,218	134,317	16		
<i>*Projected FFB production for 12 months of certificate (April 2016 to March 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 (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
Mandah POM	45	134,317	31,564	23.50	6,179	4.60

**Projected CSPO and CSPK production for 12 months of certificate (April 2016 to March 2017)*

1.9 Other Certifications

ISO 9001:2008	-
ISO 14001: 2004	-
OHSAS 18001:2007	-
ISCC	-
Others	ISPO (Certified number MUTU-ISPO/003) Since December 04 th , 2012 – December 03 rd , 2017.

1.10 Time Bound Plan
1.10.1 Time Bound Plan for Other Management Units

Management Unit		Estate (Supply Base)	Time Bound	Location
MILL	Time Bound			
Sekunzir. PT. Indotruba Tengah	Certified 2010	Sekunzir	Certified 2010	Seruyan and West Kotawaringin District – Central Kalimantan
		Seruyan	Certified 2010	
Manggala. PT. Tunggal Mitra Plantations	Certified 2010	Manggala 1	Certified 2010	Rokan Hilir District – Riau
		Manggala 2	Certified 2010	
		Manggala 3	Certified 2010	
PT. Sime Indo Agro	Certified 2010	PT. Sime Indo Agro	Certified 2010	Sanggau District – West Kalimantan
Teluk Siak. PT Aneka Inti Persada	Certified 2011	Teluk Siak	Certified 2011	Pekanbaru, Siak District – Riau
		Pinang Sebatang	Certified 2011	
		Aneka Persada	Certified 2011	
Sungai Pinang. PT. Bina Sains Cemerlang	Certified 2012	Sungai Pinang	Certified 2012	Musi Rawas District – South Sumatera
		Bukit Pinang	Certified 2012	
Sukamandang. PT. Kridatama Lancar	Certified 2011	Sukamandang	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan
		Sapiri	Certified 2011	
		Baras Danum	Certified 2011	
		Kuala Kuayan	Certified 2011	
Pematang. PT. Teguh Sempurna	Certified 2011	Pematang	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan
		Kawan Batu	Certified 2011	
		Hatan Tiring	Certified 2011	
		Batang Garing	Certified 2011	
Alur Dumai. PT Lahan Tani Sakti	Certified 2011	Alur Dumai	Certified 2011	Rokan Hilir District – Riau
Teluk Bakau.	Certified 2011	Teluk Bakau	Certified 2011	Indra Giri Hilir District – Riau
		Nusa Perkasa	Certified 2011	

PT. Bhumireksa Nusa Sejati		Nusa Lestari	Certified 2011	
Mandah. PT. Bhumireksa Nusa Sejati	Certified 2014	Mandah	Certified 2011	Indra Giri Hilir District – Riau
		Rotan Semelur	Certified 2011	
Angsana Mini. PT Sajang Heulang	Certified 2011	KKPA-1 PT.SHE	Certified 2013	Tanah Bumbu District – South Kalimantan
		Pantai Bonati	Certified 2011	
Angsana. PT Ladangrumpun Suburabadi	Certified 2011	Angsana	Certified 2011	Tanah Bumbu District – South Kalimantan
		Gunung Sari	Certified 2011	
		KKPA-4 PT.SHE	Certified 2013	
Mustika. PT Sajang Heulang	Certified 2013	KKPA-2 PT.SHE	Certified 2013	Tanah Bumbu District – South Kalimantan
		KKPA-3 PT.SHE	Certified 2013	
		KKPA-5 PT.SHE	Certified 2013	
Gunung Aru. PT Bersama Sejahtera Sakti	Certified 2011	Gunung Aru	Certified 2011	Kotabaru District – South Kalimantan
		Gunung Kemasam	Certified 2011	
		Laut Timur	Certified 2011	
		Pantai Timur	Certified 2011	
Bebunga. PT. Langgeng Muaramakmur	Certified 2011	Sungai Cengal	Certified 2011	Kotabaru District – South Kalimantan
		Bebunga	Certified 2011	
		KKPA Sungai Cengal	Certified 2015	
Pondok Labu. PT Paripurna Swakarsa	Certified 2012	Binturung	Certified 2012	Kotabaru District – South Kalimantan
		Pondok Labu	Certified 2012	
		Rampa	Certified 2012	
		Sesulung	Certified 2012	
Selabak. PT Swadaya Andhika	Certified 2012	Selabak	Certified 2012	Kotabaru District – South Kalimantan
		Randi	Certified 2012	
		Sangkoh	Certified 2012	
		Lanting	Certified 2012	
Rantau. PT Laguna Mandiri	Certified 2012	Rantau	Certified 2012	Kotabaru District – South Kalimantan
		Matalok	Certified 2012	
Betung. PT Laguna Mandiri	Certified 2014	Betung	Certified 2012	Kotabaru District – South Kalimantan
		Sekayu	Certified 2012	
Ungkaya. PT Tamaco Graha Krida	Certified 2012	Ungkaya	Certified 2012	Morowali District – Sulawesi Tengah
		Plasma TGK	Audited 2015	
Ladang Panjang. PT Bahari Gembira Ria	Certified 2012	Ladang Panjang	Certified 2012	Muaro Jambi District - Jambi
		Plasma BGR	2015	
Rantau Panjang. PT Guthrie Pecconina Indonesia	Certified 2012	Rantau Panjang	Certified 2012	Musi Banyuasin District – South Sumatera
		Bumi Ayu	Certified 2012	
		Karang Ringin	Certified 2012	
		Napal	Certified 2012	
		Mangun Jaya	Certified 2012	
		KKPA Sungai Pinang	2015	

Blang Simpo. PT Perkasa Subur Sakti	Certified 2013	Tamiang (PT PPP)	Certified 2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam
		Batang Ara ((PT PSK))	Certified 2013	
		Blang Simpo-01 (PT PPP)	Certified 2013	
		Blang Simpo-02 (PT PPP)	Certified 2013	
MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2020	Sanggau District – West Kalimantan
		MAS 1	2020	
		MAS 1	2020	
Lembiru. PT Sandika Nata Palma	Certified 2014	Lembiru	Certified 2014	Ketapang District – West Kalimantan
		Awatan	Certified 2014	
PT. Budidaya Agro Lestari	2018	Karya Palma	2016	Ketapang District – West Kalimantan
		Pelanjau	2018	
		Sungai Putih	2018	
		Baturus	2018	
<p>Sime Darby has been certified at all management unit POM in Malaysia (39 Unit management) and Indonesia (21 Unit management). There's several change's for time bound plan that cause for delayed certification process, such as: PT Mitra Austral Sejahtera, still has unfinished social issue from Serikat Petani Kelapa Sawit (SPKS), but the progress is on going. PT. Budidaya Agro Lestari is waiting for Surat Keputusan Rencana Tata Ruang dan Wilayah Province Kalimantan Barat. TBP for Karya Palma Estate (PT. Sandika Nata Palma) is planned on 2016.</p>				
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard			
	PT Bhumireksa Nusasejati does not receive FFB from smallholders or outgrowers.			

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-2	<ol style="list-style-type: none"> 1. Trismadi Nurbayuto (Lead Auditor). Bachelor of Economics from the Department of Agribusiness, Faculty of Economics and Management, Bogor Agricultural University. Specialists for Social and Environmental Impact Assessment (SEIA) and High Conservation Value (HCV). Has attended several training such as: HCV, Auditor for Indonesian Sustainable Palm Oil (ISPO) training and Auditor /Lead auditor Management System Certification (ISO 9001-2008), RSPO Lead Auditor training, Health and Safety Auditor by Manpower Ministry RI. Previously worked in the private oil palm plantations, became HCV assessor who registered at the Roundtable on Sustainable Palm Oil (RSPO) until 2014. He has been involved in the SEIA and Identification of HCV in Plantation Company. At this assessment was observed and audit on social welfare workers, occupational Health and Safety aspect and Best Agriculture Practices aspect. 2. Oktovianus Rusmin (Auditor). Bachelor's Degree in Social & Political Sciences Department of Anthropology. Specialists in the field of Social and Cultural (Social Impact & Conflict Resolution) and HCV. Already participated in Forest Management Auditor Training (FSC Standard), ISO 14001 Environmental Management System Training, SVLK (wood legality) Auditor, Indonesian Sustainable Palm Oil (ISPO) and RSPO Lead Auditor Training. He was several times involved in the assessment of Sustainable Forest Management Certification (Standard LEI) and Gap Analysis Audit (FSC Standard). Had worked at the Center for study of Anthropology University of Indonesia and Social Advisor at Tropical Forest Trust (TFT) Indonesia. He was numerously involved in Social Impact Assessment and HCV Identification in Palm Oil Plantations and Natural Forest concessions and was approved as HCV assessor by RSPO for Social Discipline Specialist. Have been involved in several palm oil certifications as Auditor and Lead Auditor. In this assessment he conducted an assessment on Legality, Social aspect and Supply Chain Aspect. 3. Yuniar Mitikauji (Auditor). Master Program in Environment from Melbourne University and Bachelor of Forestry with Silviculture Stream from Gadjah Mada University. She was working as a research assistant in Forestry Faculty, Gadjah Mada University. She played a role as a project manager of land rehabilitation project of Samboja Lestari in East Kalimantan. Currently she is working as an auditor in PT Mutuagung Lestari. She joined wildlife statistical analysis short course held by Cardiff University in cooperation with University of Sabah. She had joined ISPO training held by ISPO Committee, Ministry of Agriculture and RSPO Lead Auditor Training held by Daemeter Consulting and Proforest as well. Further she joined HCV Training held by Mutuagung Lestari. In this assessment, conducted the assessment on environmental aspect, waste water management and High Conservation Value. 4. Afifuddin (Observer). Associate of Oil Palm Plantations, Bogor Agricultural Institute. He have 5 years experience working as a staff operational plantations at private oil palm plantation companies in Indonesia. He has attended the RSPO Awareness training.
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 auditors + 1 observer Number of days for ASA-2 at site : 4 days Number of working days for ASA-2 at site : 12 mandays</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 Bhumireksa Nusasejati to the requirements of RSPO Principles and Criteria (P&C) 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) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-2 delivered by the MUTU auditor to the management unit and</p>

the results are the subject will be verified at the next assessment phase (ASA-3). Improvement of findings from main assesment findings were observed by auditors at this ASA-2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3.

The assessment program please find Appendix 2

2.2.3 Locations of Assessment

ASA-2 Number of units in this certification activity are two estates, which supply the raw material (FFB) to one palm oil mill. In conducting the assessment, the team of auditors used the $0.8\sqrt{y}$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one palm oil mill (Mandah POM) and two estates (Mandah Estate and Rotan Semelur Estate)

Mandah Estate:

1. **Herbicide Application (Block G023 of Division II).** Observation and interview with forewoman and sprayer. According to the result of interview, the forewoman and sprayers have aware of the work instruction in term of the proper herbicide application, they also have aware of the dangerous chemicals symbols and prohibition of herbicide application in canal buffer zone. Furthermore, they have demonstrated it (herbicide usage) properly. They have used proper PPE and they have aware of the waging system, according to interview with woman workers there is no pregnant or breast-feeding woman. Based on observation that known a forewoman take along a first aids.
2. **Beneficial Plant (Block G023, G024, G025 Division II).** Observation the beneficial plant as the biological predator of palm oil leaf eater. The species of beneficial plant i.a. *Turnera subulata* and *Antigonon leptosus*.
3. **Manuring (Block G029 Division III).** Observation in term of the manuring implementation referring the SOP of manuring. The manurer is able to demonstrate the manuring application referring the dosage, accurate, and effective. The manurer also describes the regulation in term of manuring program, they have used proper PPE and they have aware of the waging system, according to interview with woman workers there is no pregnant or breast-feeding woman. Based on observation that known a foreman take along a first aids.
4. **Harvesting (Block G018 Division II).** Observation and interview with foreman and harvester in term of work procedure, OHS aspect, waging system and harvest premium. According to the result of interview, the harvesters have aware and they have demonstrated the harvesting work instruction referring the procedure. They also have aware of the waging system and harvest premium. Based on observation that known a foreman take along a first aids.
5. **Nest Box (Block G019 Division II).** According to auditor observation the Barn Owl Box is in active conditions.
6. **Piezometer and Water Level Stick Measuring.** Observation of the management and monitoring of water level in the peat land by installing the piezometer and monitoring the water level.
7. **Subsidence Pole (Block G021 Division II).** Observation of monitoring activity of peat land subsidence in the form of the installation of subsidence poles according to the types and the depth of the peat.
8. **Fire monitoring tower (Block F019 Division I).** Observation on land fire emergency response facilities. The fire monitoring tower is functioned as the fire monitoring spot in the range of monitoring up to 2 Km (without binocular). The procedure of monitoring is conducted each 2 hours (started from 8.00 a.m to 6 p.m) and it is reported to the office of estate.
9. **Replanting Area (Block F019 Division I).** Observation on replanting, there is no indication of fire used on the replanting program.
10. **Teluk Bunian Village (Parit Gurah Baru).** Interview with the chief of hamlet, head of neighbourhood association and several villagers. Interview in term of social interaction between the locals and PT Bhumireksa Nusasejati, CD/CSR program and social and environment impacts caused by estate and mill management and the information request received by the company.
11. **Boundary Pole Inspection.** Inspect of Mandah Estate poles (sample pole 77, 84, 88 and 95)

12. **Housing complex Division V.** Observing the condition of the housing complex on issues on company provided facility for its employee, clean water accessibility, sanitation, domestic waste management, the complaint mechanism on facility issue, etc.
13. **Hazardous waste storage.** Observing the condition of the storage, the recording mechanism, the understanding of the personnel in charge on his duty and how the hazardous waste is kept, categorized and grouped.
14. **Workshop.** Observing the workshop condition, OHS implementation, hazardous waste handling and interviewing the workshop worker on their understanding of their duty in accordance with the SOP.
15. **Engine room.** Observing OHS implementation especially related to emergency response and the provision of fire extinguisher.
16. **Chemical storage.** Observing the storing system for each chemical type, the recording of incoming and outgoing chemical stock and the handling of pre-mixture agrochemical.
17. **Fuel storage.** Observing OHS implementation especially related to emergency response and the provision of fire extinguisher.
18. **House of washing for agrochemical equipment used.** Observing the facility of washing, the handling of agrochemical rinse water, the equipment storage and how the agrochemical equipment is stored and that it is understood by the spraying team.
19. **Clinic facility.** Observing and interviews about health facilities for workers, periodic inspection, the drugs existence and medical waste management.
20. **School facility (elementary school).** Observing and interview the facility provided, the employment status of the teacher, the funding of the school operational, the access of the surrounding local children to attend the school.
21. **Toddler daycare facility in Division I and II.** Observing and interviewing on provided facility of the daycare and the employment status of the daycare carer.
22. **Landfill Division I and II.** Observing the condition of the landfill and the system of handling domestic waste
23. **Potential HCV area bordered with Gurah Village.** Observing the condition of potential HCV area and the management effort on RTE protection

Rotan Semelur Estate:

1. **Herbicide Application (Block D029 of Division I).** Observation and interview with foreman and sprayer. According to the result of interview, the forewoman and sprayers have aware of the work instruction in term of the proper herbicide application, they also have aware of the dangerous chemicals symbols and prohibition of herbicide application in canal buffer zone. Furthermore, they have demonstrated it (herbicide usage) properly. They have used proper PPE and they have aware of the waging system, according to interview with woman workers there is no pregnant or breast-feeding woman. Based on observation that known a foreman take a long a first aids.
2. **Beneficial Plant (Block D029, D030, D031 Division II).** Observation the beneficial plant as the biological predator of palm oil leaf eater. The species of beneficial plant i.a. *Turnera subulata* and *Antigonon leptosus*.
3. **Manuring (Block D032 Division II).** Observation in term of the manuring implementation referring the SOP of manuring. The manurer is able to demonstrate the manuring application referring the dosage, accurate, and effective. The manurer also describes the regulation in term of manuring program, they have used proper PPE and they have aware of the waging system, according to interview with woman workers there is no pregnant or breast-feeding woman. Based on observation that known a foreman take along a first aids.
4. **Harvesting (Block D034 Division I).** Observation and interview with foreman and harvester in term of work procedure, OHS aspect, waging system and harvest premium. According to the result of interview, the harvesters have aware and they have demonstrated the harvesting work instruction referring the procedure. They also have aware of the waging system and harvest premium. Based on observation that known a foreman take along a first aids.
5. **Nest Box (Block E033 Division I).** According to auditor observation the Barn Owl Box is in active conditions.

6. **Piezometer and Water Level Stick Measuring.** Observation of the management and monitoring of water level in the peat land by installing the piezometer and monitoring the water level.
7. **Subsidence Pole (Block D030 Division I).** Observation of monitoring activity of peat land subsidence in the form of the installation of subsidence poles according to the types and the depth of the peat.
8. **Fire monitoring tower (Block C034 Division V).** Observation on land fire emergency response facilities. The fire monitoring tower is functioned as the fire monitoring spot in the range of monitoring up to 2 Km (without binocular). The procedure of monitoring is conducted each 2 hours (started from 8.00 a.m to 6 p.m) and it is reported to the office of estate.
9. **Replanting Area (Block D033 Division I).** Observation on replanting, there is no indication of fire used on the replanting program.
10. **Bente Village (Parit Berayun I).** Interview with the chief of hamlet, head of neighbourhood association and several villagers. Interview in term of social interaction between the locals and PT Bhumireksa Nusasejati, CD/CSR program and social and environment impacts caused by estate and mill management and the information request received by the company.
11. **Boundary Pole Inspection:** inspect of Rotan Semelur Estate poles (sample pole 50, 55 and 60)
12. **Housing complex Divison I and II:** observing the condition of the housing complex on issues on company provided facility for its employee, clean water accessibility, sanitation, domestic waste management, the complaint mechanism on facility issue, etc.
13. **Hazardous waste storage:** observing the condition of the storage, the recording mechanism, the understanding of the personnel in charge on his duty and how the hazardous waste is kept, categorized and grouped.
14. **Workshop:** observing the workshop condition, OHS implementation, hazardous waste handling and interviewing the workshop worker on their understanding of their duty in accordance with the SOP.
15. **Engine room:** observing OHS implementation especially related to emergency response and the provision of fire extinguisher.
16. **Chemical storage:** observing the storing system for each chemical type, the recording of incoming and outgoing chemical stock and the handling of pre-mixture agrochemical.
17. **Fuel storage:** observing OHS implementation especially related to emergency response and the provision of fire extinguisher.
18. **House of washing for agrochemical equipment used:** observing the facility of washing, the handling of agrochemical rinse water, the equipment storage and how the agrochemical equipment is stored and that it is understood by the spraying team.
19. **Clinic facility:** observing and interviews about health facilities for workers, periodic inspection, the drugs existence and medical waste management.
20. **School facility (elementary school):** observing and interview the facility provided, the employment status of the teacher, the funding of the school operational, the access of the surrounding local children to attend the school.
21. **Toddler daycare facility in Division V:** observing and interviewing on provided facility of the daycare and the employment status of the daycare carer.
22. **Landfill Division I and II:** observing the condition of the landfill and the system of handling domestic waste
23. **Potential HCV area:** observing the condition of potential HCV area and the management effort on RTE protection

Mandah Factory:

1. **Security Post.** Officers ensure the pontoon unit entering the mill area in an orderly manner and workers are using specified PPE.
2. **Weight Bridge.** Workers have understood how to work well and based on interviews known that wage and granting the overtime are in accordance with the provisions.
3. **Loading Ramp Station.** The implementation of FFB grading. Samples were taken from the pontoon unit as many as 100 bunches and found that 100 percent in a state of mature (ripe), lose fruits are weighed by using a shovel that has been calibrated and obtained the lose fruits as many as 800 Kg.
4. **Sterilizer Station.** There are 5 units oblique sterilization system with each capacity 13 ton. There are signs of

- safety work and employees are using PPE according to the level of the job risk. Each operator can explain their work in accordance with their respective stations.
5. **Pressing Station.** There are 4 units presser with each capacity. There are signs of safety work and employees are using PPE according to the level of the job risk. Each operator can explain their work in accordance with their respective stations.
 6. **Power plan Station.** There are signs of safety work and employees are using PPE according to the level of the job risk and can explain well about their work.
 7. **WTP Station.** The company has WTP with water sources from the canal that used for the needs of the POM processing.. Officers of WTP can explain the technical work of WTP.
 8. **Hazardous Waste Warehouse.** Hazardous Waste Warehouse buildings are already appropriate with the provisions, the airways are pretty good, provided OHS signs, emergency equipment and hazardous waste are recorded in the logbook.
 9. **Workshop.** There is a workshop equipment in neatly and provided signs of safety work and emergency equipment such as fire extinguisher and First Aid box.
 10. **Diesel Fuel Tank.** Diesel fuel tank provided with a *safety container* in case if there's a leak. There are also signs of OHS and Fire Extinguisher.
 11. **Hydrant Installation.** Function properly and emergency response personnel quite understand how to use the hydrant.
 12. **Mandah POM Office:** SCCS Verification (verification of procedure, sample of FFB Delivery Note, FFB Weight Ticket, training recorded, etc)
 13. **Weight bridge station:** Observation of grading mechanism and process of FFB received
 14. **Waste Water Treatment Plant:** observing the condition of the facility, how it is managed, the understanding of the PIC regarding his/her duty, the operational of the WWTP equipment, the monitoring system and the recording and communication to other related division in this case is the laboratory division and land application
 15. **Workshop:** observing the workshop condition, OHS implementation, hazardous waste handling and interviewing the workshop worker on their understanding of their duty in accordance with the SOP.
 16. **Engine room:** observing OHS implementation especially related to emergency response and the provision of fire extinguisher.
 17. **Chemical storage:** observing the storing system for each chemical type and record of incoming and outgoing chemical stock
 18. **Fuel storage:** observing OHS implementation especially related to emergency response and the provision of fire extinguisher.
 19. **Waste of FFB processing dumping area:** observing the condition of the dumping area of the waste generated from FFB processing since there is no utilization of fiber and shell.

2.3 Stakeholder Consultation and Stakeholders Contacted

2.3.1 Summary of stakeholder consultation process.

ASA-2 Summary of stakeholder consultation process
 Consultation of stakeholders for PT Bhumireksa Nusasejati was held by :

1. Public announcement on the MUTU website (www.mutucertification.com) at February 29th 2016.
2. Stakeholder consultations with NGOs have been conducted by sending questionnaires via email to several NGOs (Non Government Organization) on March 10th 2016.
3. Public consultation meeting with internal stakeholders (worker union, committee gender and local communities) by interviews at 15 to 16 March 2016.
4. Stakeholder consultations with government have been conducted by sending questionnaires via email to several governments in Indragiri Hilir District on March 11th 2016.

Numbers of input from stakeholders were clarified by PT Bhumireksa Nusasejati

2.3.2 Stakeholder contacted

Please find appendix 1

2.4 Determining Next Assessment

The next visit (**ASA-3**) will be determined nine month to one year after this **ASA-2** (*January or March 2017*).

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Mandah POM – PT Bhumireksa Nusasejati, Sime Darby Plantation Sdn Bhd operation consisting of one (1) mill and two (2) oil palm estates.

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

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. document record and photographic. Those corrective actions taken that consist of **one (1)** Major non-conformity(s) and **two (2)** Minor non-conformity(s) had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that of Mandah POM – PT Bhumireksa Nusasejati, Sime Darby Plantation Sdn Bhd complied with the requirements of **RSPO Principles & Criteria (P&C) for the Production of Sustainable Palm Oil – 25th April, 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).**

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **Suspend**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
<p>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.</p>		
<p>1.1.1 The management unit presented the updated version of stakeholder’s list (period January 2016). The list provides information about stakeholder based on categories, such as Local Government category, Central Government category, NGO category, as well other stakeholders. The Plantation Services Department (PSD) updates list of stakeholder annually.</p> <p>Company provides information, which can be accessed by public audience that has been regulated in RSPO that covers some documents such as: legal document, environment and social policy document, human right policy, HCV document, related plan and analysis over social and environment impact and so forth.</p> <p>1.1.2 The approved SOP for information request (RSPO/1.1/PI) by Mill and Estate Manager on 15 st September 2014 explains the response mechanism toward stakeholder. The incoming information request letter will be submitted to the unit operation’s manager, by which letter on the response over the letter will be prepared by operational unit manager. In case the response needs an approval from Head Departement and/or other Departements, hence the response requires approval from Head Departement and/or other Departements. Once the approval is obtained, thus the letter will be re-submitted to the operational unit. The operational unit management will send the response letter to related stakeholder based on the request. The incoming letter is recorded in capital office.</p>		

Procedures period of the provision of information to information requests to the company are described in SOP Information Requests before, which is 10 days after the date it received the letter.

Based on observation over the incoming letters and out-going letters from March 2015 to February 2016, there is no information request from stakeholder, only in a form of grant request, for instance on 28th October 2015 from committee of Christmas Oikumene Indragiri Hilir District related to grant proposal request for Christmas celebrate that has been submitted to company. Moreover, the response from company can be seen from letter No. 45/SK-TGP/BNS/XII/2015 on 18th December 2015 about an apology for solicitation of funds is still in the process to GM Estate South Riau.

Status: Comply

1.2

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

1.2.1

Company has consistently provides data and information that can be accessed by public audience as well the confidential data based on RSPO's requirements.

List of information that can be obtained by stakeholder, such as :

1. Legal: permit's documents (location permit, plantation business permit, HGU certificate or related documents on HGU certificate bases on its stage).
2. Environment: environment and social impact analysis document (AMDAL/UKL-UPL), Environment management and monitoring reports (environment management report and environment monitoring report).
3. Social: social activity document and relationship with local community.
4. Documentation over occupational health and safety.
5. Documentation over sustainable improvement program.
6. Documentation over Human Rights Policy.
7. Documentation over public summary of certification assessment report.
8. HCV Documentation.
9. Documentation pollution prevention and reduction plans.
10. Documentation of complaints and grievances.
11. Documentation of negotiation procedures.

All above document is available for public.

The confidential documents, which cannot be accessed by public, such as: financial data related to costumers and or vendors as well as individual/ private data.

Status: Comply

1.3

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

1.3.1

The management unit presented business ethic policy (No Policy 440/HRM-COC/07) that has been approved by GM, SGM, HPO, and GHPI on 24th May 2007. The management unit developed business ethic by considering the expectation from stakeholder, including the ethical consideration when preparing report and penalty. Moreover, commitment on the interaction with stakeholders has become main consideration and part of company's business ethic and part of value added. Stakeholders and their expectations are described in detail. Apart from business ethics, the management unit also made work ethic that regulated code of conduct for personnel as an individual inside and outside company.

Company has a written document, which consists of commitment toward integrity code and ethic code. The policy has been socialized to the entire level of personnel, such as On 12 September 2015 at the Office of GM South Riau presented by I Putu Endra (Manager Mandah Estate) to the entire staff of PT. BNS . This policy dissemination has also been presented to employees as on 16 September 2015 was attended by staff and employees and delivered by Army Andika (Senior Assistant).

Based on interviews with employees, it is known that they are know with the business ethic policy which has been communicated to all employees.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**2.1****There is compliance with all applicable local, national and ratified international laws and regulations.****2.1.1**

The company consistently meets all applicable legal requirements relating to oil palm plantations, as indicated by:

Land legality

1. Location permit that covers the plantation area in a form of approval letter for land preparation from Riau Governor with decree number: 525/Bappeda-FP/89/731 on 14th March 1989 for an area of ± 100,000 Ha (a hundred thousand hectare) in Kateman Sub-district, Indragiri Hilir Sub-district for hibrida coconut tree and sugar cane tree as well as agriculture for cassava plantation.
2. Business title that covers an area of 25,662 Ha, including:
 - HGU certifiante No. 01, Riau province, Indragiri Hilir Sub-district, Kateman Sub-district, Rotan Semelur Village, list of content 208 No. 5761 1996, list of content 307 No. 698 1996, 05.04.08.02.2.00001 that covers an area of 13.900 Ha that valid from 23rd May 1996 to 23rd May 2031.
 - HGU certificate No. 02, Riau province, Indragiri Hilir Sub-district, Kateman Sub-district, list of content 208 No. 5762 1996, list of content 307 No. 699 1996, 05.04.08.03.2.00002 Seluas 11.762 Ha, that valid from 23rd May 1996 to 23rd May 2031.

Environment's management

The company has managed its environment as per regulated by government and company's environmental impact assessment document (RKL/RPL document). Environmental management effort conducted by the company among others are:

- The unit audit has its each licensed hazardous storage for each unit management (MDE, RSE and MDF) and the management of hazardous waste has been in accordance with the regulation (refers to criteria 5.3)
- The unit audit has reported its environmental impact management and monitoring report to the government concerned agency every semester.
- MDF has tested its effluent monthly before drained to the water body as regulated.
- The unit audit has reported its hazardous waste balance sheet every quarter to District Environmental Agency
- The unit audit has handed over its hazardous waste to licensed third party and has an agreement on hazardous waste disposal.

Minimum Wage

Decree from Riau Governor No. Kpts.15 / I / 2016 regarding to the minimum wage districts / cities for Riau Province in 2016 for minimum wage Indragiri Hilir amount IDR. 2,163,658 per month. Memorandum of Human Resources Management Minamas Plantation No. 182 / HRM - i3 / IV -2015 on 8th April 2015 concerning wage PT BNS amount IDR. 2,000,250 / month or IDR. 80,010, - / day. This HRM Memorandum is still valid until today because of the latest HRM memorandum to the basic salary PT. BNS 2016 not yet.

Based on observation on personnel salary in PT Bhumireksa Nusasejati in February 2016, company has paid personnel's salary based on the applicable minimum wage of the latest HRM memorandum.

Based on review a list of employees, it is known that there are 46 employees (Working Agreement with specific time periods/PKWT) in MDF and 69 employees PKWT at MDE. However, the management unit has not been able to show evidence that all employees have register as BPJS health member; and also there is no evidence that all PKWT in MDF has register as BPJS Worker member accordance with national regulation. This was raised as noncompliance with major categories, look at **NCR 2016.01**.

Collective Labor Agreement

Regulation of Labor and Transmigration Ministry No. 28 Year 2014 about Procedures for Making and Ratification of Regulations. PT BNS have a Collective Labor Agreement year 2014 to 2016 with a registration of work agreement based on Decree from

Decree from Director General of Industrial Relation and Manpower Social Insurance number 117/PHIJSK-PKKAD/PKB/VII/2014 which has been signed by parties who made an agreement on 11 th July 2014.

Workers Union Throughout Indonesia-Workers Union

The Company has complied Act No. 21 of 2000 about Workers Union / Labor Unions

And evidence of compliance as follows:

Minutes of the meeting of the Representative Work Unit - Federation of Unions of Agricultural and Plantation Indonesian Workers Union (PUK - SP.PP-SPSI) on 7 May 2015 which was attended by representatives from each unit. The meeting is to negotiate a few things, as follows :

1. Payroll and scheduling of rice supply
 Representative Work Unit - Federation of Unions of Agricultural and Plantation Indonesian Workers Union (PUK - SP.PP-SPSI) request to the management schedule of payment of wage and scheduling of rice supply is not too late , up to 5th date of each month.
2. Employees of contractors
 Request to the management unit of Mandah Factory and Teluk Bakau Factory immediately raised employees of contractors become employees.

Representative Work Unit - Federation of Unions of Agricultural and Plantation Indonesian Workers Union (PUK - SP.PP-SPSI) wrote to the Management (Leader of SOU 19 and 20 PT BNS) number 07 / PUK - SPPP - SPSI / PT BNS / V / 2015 regarding the bipartite negotiation I with the subject matter of schedule payroll and scheduling of rice supply PT BNS and employees of contractors which has not been promoted to the employees.

2.1.2

The PT Bhumireksa Nusasejati was consistency to shows the effort for comply with regulation change. For example, related to adjustment to minimum wage for the workers that every year is change depend on the regulation by the regional government (Governor). There was sighted of Decision Letter by Riau Governor (Number: Kpts.15/I/2016, dated January 1, 2016 in related to minimum wage in Riau Province on 2016. The document was contained information that the minimum wage for 2016 is IDR 2.163.658 per month. Based on document verification for sample payment for the workers that shows is the PT Bhumireksa Nusa Lestari was implemented the standard of minimum wage based on those regulation.

2.1.3

To ensure the compliance toward legal requirements, company has the evaluation mechanism, which is updated every year. The evaluation on regulation’s compliance has been completed with list of regulation for plantation sub-sectoras well as the monitoring over its compliance. In 2015, generally 100% of regulation;s requirement has been Comply related to plantation’s legality, occupation health and safety requirement, manpower, environment and social.

2.1.4

Evaluation mechanism over the compliance of legal regulations has been stated in Standard Operating Procedure (SOP) over legal requirement’s compliance (RSPO/.2./PH) on 01st Augustus 2011 that regulates the evaluation over regulation’s compliance related to the operation of Minamas Plantation unit. Person in charge is PSD manager and ESH manager and company’s representative reviews the summary of regulation every six months.

Major 2.1.1.	Status: Non Conformity with Major Categories (NCR 2016.01)
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2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.

2.2.1

PT Bhumireksa Nusasejati has 2 POM (Teluk Bakau POM and Mandah POM) and 5 estate units of supply bases (Teluk Bakau Estate, Nusa Perkasa Estate, Nusa Lestari Estate, Mandah Estate and Rotan Semelur Estate) which are covered on 2 Land Use Title (HGU) certificate. For Mandah POM with 2 supplier estates (Mandah Estate and Rotan Semelur Estate).

- Land Use Title (HGU) number 01, Riau Province, Indragiri Hilir District, Kateman Sub-District, Rotan Semelur Village, 208 No. 5761 1996, 307 No. 698 1996, 05.04.08.02.2.00001 for 13.900 Ha which is valid for 35 years May 23rd 1996 to May 23rd 2031.

- Land Use Title (HGU) number 02, Riau Province, Indragiri Hilir District, Kateman Sub-District, Tagaraja Village, 208 No. 5762 1996, 307 No. 699 1996, 05.04.08.03.2.00002 for 11.762 Ha hich is valid for 35 years May 23rd 1996 to May 23rd 2031.

There are also other documents. For example:

- Letter of plantation business registration number HK.350/184/Bun.5/III/2001 on behalf of PT Bhumireksa Nusasejati dated March 16th 2001 for 25,662 Ha and 1 unit of processing unit with capacity of 30 Ton of FFB/Hours (**Teluk Bakau Factory, RSPO Certified 2010**), the estate suppliers are Teluk Bakau Estate, Nusa Perkasa Estate, Nusa Lestari Estate, Mandah Estate and Rotan Semelur Estate.
- Palm oil processing permit on behalf of PT. Bhumieksa Nusasejati (**Mandah POM**) issued by Indragiri Hilir Government in permit number 503/BP2MPD-IUP-P/VIII/2013/1 dated August 22nd 2013 with mill capacity for 45 ton of FFB/Hours (estate suppliers are Mandah Estate and Rotan Semelur Estate - **RSPO Certified Tahun 2014**).

2.2.2

According to the data of the boundary pole of PT Bhumireksa Nusasejati, there are 25 Land Use Title (HGU) boundary poles (9 poles in Rotan Semelur Estate and 4 poles in Mandah Estate) which is considered as the estate supplier for Mandah POM. The rest of the poles are belong to Teluk Bakau POM estate supplier (5 poles in Teluk Bakau Estate and 4 poles in Nusa Lestari Estate). There are also small poles (119 supporting poles) which were added by the company (19 poles in Mandah Estate and 35 poles in Rotan Semelur Estate). There is also SOP of pole maintenance (6/BNS-PPB/VIII/14) which describes that the pole census is conducted each semester and pole maintenance is conducted annually. According to the field visit to inspect Mandah Estate poles (Land Use Title (HGU) pole 77, 84, 88 and 95 and in Rotan Semelur Estate (Land Use Title (HGU) pole 50, 55 and 60), that shws the boundaries poles in good condition and the number of pole it is clearly.

On maintaining boundary stake, the management unit has the SOP for HGU stake maintenance (RSPO/6-1/PPHGU). The procedure explains the mechanism for periodically maintaining BPN stake. Based on data of PT BNS's boundary stake, it's known that there are 42 boundary stakes.

2.2.3

The company has had procedure of conflict resolution consisted of SOP of conflict resolution (No. RSPO/2.2/PK). It was legalized on September 1st 2012. The document describes the stages of conflict resolution through procedure of written claim/complaint and the MoU. There is also SOP of the occupied land compensation (No. 343/PSD-OKUP/11). The SOP was legalized on February 23rd 2012. The document describes the procedure of land acquisition (supported with the flow chart). The procedure has been consulted to the several parties. The evidence of the records are the socialization of the SOP of occupation to the settler of Rotan Semelur Village, Pelangiran Sub-District. The socialization was legalized on August 13th 2012. The socialization was attended by the village representative (Chief of Rotan Semelur Village, Secretary of Village, Chief of Hamlet, the Head of Neighbourhood Association) and Socialization of SOP of compensation request of Mandah Estate unit. It was attended by 16 participants on October 15th 2010.

2.2.4 & 2.2.5

During the ASA 02, there is no land compensation process. The information stays similar. The documents are maintained I the office of Legal Division (Plantation Services Department in Head Office of Jakarta). According to the result of stakeholder consultation by conducting field visit to the nearby villages (Parit Parit Berayun I – Bente Village and Parit Gurah Baru – Teluk Bunian Village), There is no land dispute or issue between the locals and the company.

2.2.6

Based observation surround of plantation and mill area, along with interview of Village Head and the non formal local leader in Gurah Baruh Canal, Teluk Bunian Village and Bente Village, there is no information and indication of military force by the company in their operation process. Based on information from the villager that several of Security Officer by the PT BNS Mandah POM was recruit from local community.

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

Based on HCV assessment report of PT Bhumireksa Nusasejati in 2009 by sustainable palm oil Indonesia Foundation/ Kelapa

Sawit Berkelanjutan Indonesia (YASBI) and Replanting assessment for Period 2013 – 2015 by AKSENTA consultant, it is known that there is no area within traditional ownership. Interview with local villages, such as Rotan Semelur and Hidayah Village revealed that there is no indigenous or traditional land within PT BNS's palm oil plantation area.

2.3.2

Land compensation was conducted through communication and negotiation process with the previous landowner and there were evidence over land compensation process with the previous land owner. There is a land compensation record and implementation of land compensation over the plantation area, which previously were plantations that belong to local communities. Documentation for land compensation, which completed with location map, such as in a form of land compensation invoice, letter that acknowledge there is no conflict over the land, and photos during the compensation payment as well as land release letter. The land release letter states that landowner (first party) is aware and on behalf of themselves received land compensation and plantation above that the land. Head of Village, Head of Sub-district and other local government officials witnessed the land compensation process. For instance land compensation record on 12th May 2011 for an area of 8.13 Ha in Gurah Baru Trench, Teluk Bunian Village, Pelangiran Sub-district, Indragiri Hilir District. Until the Surveillance 02, PT Bhumireksa Nusasejati does not open new plantation area and there is no more land compensation process. The land compensation process has been finished on previous period.

According to the result of stakeholder consultation by conducting field visit to the nearby villages (Parit Parit Berayun I – Bente Village and Parit Gurah Baru – Teluk Bunian Village) and interview the settlers on the area nearby estate are generally Melayu and Banjar Tribe and there is no traditional right ownership land. There is no land dispute or issue between the locals and the company. All have been bordered by canals.

2.3.3

All the documents process of land acquisition and land compensation has been documented in each estate. These documents was filed in Indonesian language. The document of land use legalities; Land Use Right (HGU Certificate), Certificate, Permit of Plantation Business (IUP), etc.) was keep properly.

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 owned long term management plan in form of budget plan period of 2016 – 2019 for MDE, budget plan period of 2016 – 2021 for RSE and budget plan period of 2018 – 2021 for MDF. For the two estate the long term budget plan consists information on area statement, planting year, planted area, mature area, FFB production (ton/ha), direct cost (harvesting, transport, water management, weeding , cencus, boundaries, path, PnD, supplying, manuring, analysis, sanitation), fixed cost (salary, statutory payment, general building, general expense, security, training, ICT, ESH, implements, amenities, health, building, social, transport n travel, foreign worker, road n bridges upkeep) and analysis cost to maturity/replanting (LC, water management, planting, covers, weeding, path, pest n disease, supplying, sanitation and manuring). Meanwhile, for mill, the long term budget plan consists information on forecast mill intake (FFB), CPO extraction, kernel extraction rate, processing cost, administration cost, training cost, environment cost, health cost and transport cost.

3.1.2.

There are replanting plan for MDE (2015 – 2019) and RSE (2016 – 2019). The replanting plan informs the hectarage of replanting area, budget cost of land preparation, road and bridges, water management, planting, path, supplying, sanitation, cover crop, weeding, pest and disease and manuring. Total replanting of MDE is 4,111 Ha and RSE is 4,107 Ha. The long term replanting plan is detailed into annual budget plan for operationals.

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 has procedures of Estate operational start from Land Clearing until Harvesting in Agricultural Reference Manual of Oil Palm Planting No. 110/EST-ARM/13 dated September 1, 2013 signed by Head, Plantation Upstream of Indonesia

Minamas. SOP document has been distributed on September 16, 2013 to all unit head of estates and mills. The company also has a reception process procedure of FFB until to the *dispatch* of CPO and kernel, in a palm oil mill engineering guidelines Parts I and II, Minamas Plantation on April 30, 2007.

Procedures associated with the operational in general have been socialized to all employees in accordance with their respective fields of work. From the results of field visits in Mandah Estate and Rotan Semelur Estate on the harvest, fertilize and spray found that the employee can demonstrate how to work in accordance with the existing procedures. Employees of the mill during the field visit as an operator of weighbridge, grading officer, boiler operator, pressing operator, clarification operator and operator of WTP can also explain the duties and responsibilities in accordance with the existing working procedures.

4.1.2

The Company has the SOP document manufacturing procedures (023 / BNS-PDS / 10) was ratified on July 1, 2010. In the SOP include mechanisms in the preparation of SOP and personnel who responsible and a list of available SOP. Related to the monitoring of the SOP implementation is described in the Guidelines for Sustainable Plantation Management (724 / TQEM-SPMS / 09) was ratified on August 27, 2010. In Chapter VII of the SOP, the Implementation and Monitoring are describes the implementation of internal audits, external audits, management evaluation, evaluation level, evaluation feedback and procedure revisions. Officers who conduct audits and evaluations required a competence that expected by the company.

4.1.3

Operational activities are documented on a daily, monthly and annual as examples, the report in January 2016 of Mandah and Rotan Semelur Estates in which there are contained planting areas, the realization of replanting, production and maintenance which is then evaluated related to the work achievement in every month. Based on observations in the field, in Mandah and Rotan Semelur Estate on the harvest, fertilize and spray activities known that the supervisor in the field is recording the results of the work every day which is then recapitulate in the estate office. It also carried out by *weighbridge* officer in Mandah Factory noted the results of the scales of each pontoon unit every day as well as the grading officer noted the grading results every day.

The Company also conducts internal audits for operations for example, in Mandah Estate on October 29th, 2015, six of the audit findings have been conducted the evaluation and follow-up the revision which completed. Operational audit in the Rotan Semelur estate is done on December 22nd, 2014. Findings include pest and disease controls, harvesting intervals, and fertilizing practices have been evaluated and followed up.

4.1.4

Mandah Factory has documented the whole of FFB received in a document of acceptance fruits that describes the amount (tonnage) of incoming FFB and its sender. According to documents verification and interviews with management known that Mandah Factory did not make a purchase of FFB from a third party and the entire FFB are come from the company under the management of PT. BNS i.a. Nusa Perkasa Estate, Nusa Lestari Estate and Teluk Bakau Estate.

Until ASA 02, Mandah POM has been receiving FFB supply from (RSPO Certified) which are Mandah Estate and Rotan Semelur Estate and several FFB supply from Nusa Lestari Estate since January – February 2016 (other estates are also a supply base for Teluk Bakau Mill - PT BNS, RSPO Certified 2011) once they achieved RSPO certificate. There is no FFB from outsider.

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 a SOP related to the fertilization activities contained in the *Agricultural Reference Manual* (ARM) Policy No. 110/EST-ARM/13 Part 8 about the fertilization of Oil Palm Tree which include: technical fertilization, EFB application and compost application on immature plants (TBM) and mature plants (TM), placement of fertilizer and manure application on a 'focal feeding' on the ground of *inlandmarginal*. The implementation from the SOP is monitored periodically with the operational audit or *Plantation advisory*. In addition, the implementation of fertilization are supervised by a supervisor, assistant and evaluated again by the manager.

4.2.2

Realization of fertilization for the period of July 2014 - June 2015 has been completed. The fertilization report is in accordance

with the estate monthly reports, for the period July 2015 - June 2016 is still in progress and the following is the realization of fertilization up to January 2016 for the period of July 2015 to June 2016:

Estate	Type of Fertilizer							
	NPK 44		HGFB		CuSO ₄		ZnSO ₄	
	Bgt	Act	Bgt	Act	Bgt	Act	Bgt	Act
Mandah	9,252	2,824	3,419	2,565	3,419	255	3,419	1,746
Rotan Semelur	1,617.03	1,617	47.04	58	45.35	36	33.29	26.00

4.2.3

The company carried out the analysis of leaves and soil as a reference in fertilizer recommendation. Soil and leaf analysis are performed by MINAMAS Research Centre (MRC), the research team analyzed the content of plant nutrients (Nitrogen, Phosphate, Potassium, Magnesium, Boron and Carbon) for fertilizer recommendation in the next year. Based on leaf analysis (2014), for example: the fertilizer need year of 2015/2016 on June '15 Copper sulphate 56.23 ton for Mandah Estate and 34.25 ton for Rotan Semelur Estate. Companies can also show the results of the soil analysis as an example in Mandah Estate, test report received on December 2011 with organic content: C 24.01%, Total N 0.30%, Zn 3.07 ppm, Fe 0.17 ppb. Rotan Semelur Estate, test report with organic content: C 24.83%, Total N 0.36%, Zn 26.9 ppm, Fe 0.18 ppb.

4.2.4

All area of PT. BNS is peat land its contain minerals, there is no EFB application and effluent of POM application. However the Company conducted recycling of replanting residue; it is seen during a field visit in the replanting area of Mandah estate in blocks F018 and Rota Semelur Estate in block D033. The company carried out replanting mechanically without combustion method but Chipping method, the results of the chopped palm plant are reassembled in pile in the field.

The unit audit has recycled the nutrient from the replanting activity by conducting chipping and put in the Closed Ended Conservation Trenches (CECT) system in which all chipping material is sinked under water surface to prevent rhino beetle using the chipping material as their nest for reproduction.

Based on field observation in Mill, it's known that EFB not applied in the field, but it is burn on incinerator.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1 & 4.3.2

PT BNS has conducted Semi-Detail Soil Survey on 2008. The survey was cooperating with Param Agricultural Soil Surveys (M) SDN. BHD. According to the report, there are 2 type of soils which are Typic Haplochemist which contributes 94.4 %, Typic Suifihemist seluas 5.6 %. The topography information, climate, type of soil, soil fertility, peat depth and drainage are fully described.

PT BNS re-measure the peat depth within its operational area by using systematic method with the distance of each monitoring spot is 500 m x 1.000 m on 2011. The marginal land status is obviously mapped on the map of peatland for each estate. The hectarage of peat depth, hectarage of the peat maturity level, sampling spot, mill location, emplacement location for each estate and the whole PT BNS estate are informed. The report is supported with the map of peat depth in scale 1: 48,000. The location of the peat with depth > 3 meter and the peat with depth < 3 meter for each estate is shown on the map. Based on observations to subsidence pole at Block G021, Division II, Mandah Estate and observation to subsidence pole at Block D030 Division I, Rotan Semelur Estate lobtained information about the average of subsidence level changes. The average of subsidence level changes in 2016 is 0.5 cm/years.

According to the result of field visit or document verification, the entire area of PT BNS is constituted by peatland area and it is managed by implementing peatland water management.

Water Management is divided into two zone. For example, in Mandah Estate:

- a. Upper zone consisted of Division I : KCB 13,5, KCB 14,5 Div II: KCB 12,5, KCB 13, KCB 13,5, KCB 14, KCB 14,5 and KCB 15), Division II, Division IV and Division V).

b. Lower zone ; Division I (KCB 12, 12,5, 13, 15), Division II (KCB 12)

4.3.3

According to the topography, the main transportation is conducted by using cannal, therefore, the cannals maintenance is important and it is written on the program of cannals maintenance. PT BNS has had program of cannal maintenance for each budget year. For example, the cannal maintenance program consisted of branch cannal, collector cannal and supporting cannal is available in Mandah Estate. The cannal maintenance is in form of the regular trench cleaning for each 4 month. The realized canal maintenance in block G023/G024 Mandah estate through the length of 3,000 meters on October 2015. While the realized canal maintenance in block C034/C035 Rotan Semelur Estate through the length of 3,000 meters on August 2015. According to field observation in main canal, the condition of grass has begun to grow again.

4.3.4 & 4.3.5

Entire work area of PT BNS is the peatland area. Therefore, the company implements water management program which covers:

- a. Water management zoning in peat land area where each zone has different water management in term of the operational technique. There are 2 zones in PT BNS which are the upper zone and lower zone. It is purposed to keep the water level in upper zone.
- b. Canal construction as the water level controller consisted of the main canal, branch canal, and supporting canal.
- c. Water level monitoring is conducted daily and the water level is maintained on the level of -20 to -40 Cm for the upper zone and on the level of -50 to -80 Cm on the lower level. According to field observation on water stick level Rotan Semelur estate is showing at -63 cm.
- d. Peatland subsidence monitoring is conducted in each semester. For example, the measurement in block F019 and Block G021.

Certificate holder has implemented the Best Management Practices according to RSPO manual guidance of Peat management.

4.3.6

The company has showed Replanting SEIA documents company replanting in PT. BNS period 2015 – 2018 with covering an area of 2,811.44 ha respectively: 567.02 ha in Teluk Bakau Estate, in the Nusa Perkasa Estate 705.00 ha, 847.42 ha in the Nusa Lestari Estate, and 692.00 ha in the Mandah Estate. Although the area is included in the section of the watershed Kateman, but the development of drainage patterns in the PT. BNS that causes surface flow patterns that occur and does not follow the structure of the surface flow by topography, but by zoning water management (Zoning System).

Status: Comply

4.4

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

4.4.1.

The unit management has built its water management plan inline with the development of the plantation. Water zoning was developed to maintain water level in two different elevation of the company area. The water management plan is focused on maintaining water level at level of 50 – 80 cm under soil surface. The water management plan includes plans on water use efficiency, access clean water for employee especially during dry season and avoding contamination on water body as well as the protection of alongside of canal system from erosion by planting erosion protection plant.

4.4.2.

Further, the effort have been taken by the company are:

- Water level monitoring with average water level for period of July – December 2015 was 89 cm. The low level of water level is due to the long dry season in 2015.
- Precipitation monitoring using ombrometer
- Soil subsidence monitoring
- Protection of edge of the canal system by planting erosion protection plant
- Maintenance of canal system to maintain its function especially for transport system and maintain the level of dissolved oxygen required by organism and microorganism in the water body system.
- Surface water quality monitoring (canal water quality test)
- Waste water treatment plant (WWTP) for effluent treatment before drained to water body.

- Monitoring on monthly mill's treated effluent quality and report it to the related agency within quarterly mill's effluent report. In December 2015, the BOD of the the treated effluent was above the threshold. The company has evaluated it as a result of levee leakage between effluent ponds and maximizing the function of spray system in the final pond. The company has fixed the leakage and the BOD monitoring in the next month of January 2016 is back to comply with the regulated threshold.
- Water zoning management with water gate controlling system to maintain water level
- Socialization on SOP of related water management
- Circulate the policy on spraying prohibition in canal buffer zone (8m from main canal system and 4m from secondary canal system) from SOU of Teluk Bakau Estate No. 006/BNS-TBE/EM/X/2009 to avoid water contamination from poison.
- Monitoring of water use efficiency for FFB process. The average of water use for FFB process during July – December 2015 is 1.12 out of budget of 1.25. Therefore the efficiency of water use is still be maintained well.

The sign of 4m spraying prohibition border can't be found during the field visit to MDE and RSE plantation area. However, during the interview with the sparying team, they had got the socialization of the border for 4m spraying prohibition. The company has an opportunity to install the sign of no spraying area from the edge of canal system to re-ensure the implementation of SOU circular letter (**OFI**).

4.4.3.

During the field observation to WWTP of Mandah Factory found the seepage from cooling pond to the surrounding area, but it is restrained by the secondary levee built up outside the WWTP area. The company has put an effort to prevent future seepage by put a dense layer palm trunk before compacting with soil layer of cooling pond's levee using excavator. This compacting applied for all levee surface not only on the part of the seepage coming from. The effectiveness of this effort will be observed during the next surveillance visit (**OFI Observation**). Meanwhile, the monitoring of effluent discharge to water body is not recorded since the flow meter is broken (**Non conformity 2016.2**).

The company also conducted monitoring on the river system connected to the water system of PT BNS by conducting periodic water quality testing for canal km 14, km 14.5 and km 15. Some tested parameter of pH, BOD, COD and DO are over the regulated threshold. Evaluation taken by the company considers the effluent treatment is the cause of the noncompliance parameter to the threshold in the canal's water quality specifically the non compliance parameter most related to effluent. Therefore, the corrective action taken by the company are modifying the piping system of effluent from mill to the WWTP to prevent the cooling pond is not over feeding. Other strategy is adding circulation pumped from aerob pond to anaerob pond and activate bacteria with pH of 7 to reduce fat in aerob pond and installing air spray in the final pond to reduce BOD level.

Based on field observation and document review as well as interview with the concerned officer, the company has comply in some aspect of water management in general but fails in meeting the compliance on effluent discharge monitoring. The mill have a permit to discharge to waterbody in accordance to Bupati Decree No. 503/BP2MPD-IPAL/VIII/2012/12 date by 31 Agustus 2013.

4.4.4.

Company was held monitored mill water use per tonne of FFB, they have budget 1.25 m3 water/MT FFB. According to monitoring result average actual of water use is 1.14 mill water use per tonne of FFB (it's below from the budget).

4.4.3.	Status: Non Conformity with minor categori No. NCR 2016.2
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4.5

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

4.5.1

The company carries out integrated pest and disease management including the company operates an early warning system against pest attacks in the form of detection of pests and diseases that are conducted regularly. During the period of July 2015 to June 2016, based on the results of pest disease census in Mandah estate and Rotan Semelur estate, not found an offensive for pests and diseases such as termites, *Ganoderma*, *Orytes rhinoceros*, Tirathaba, Rat and Wild boar. But for oil palm leaf eaters' caterpillar census, discovered an attack in October, December 2015 and January 2016 in Block G21 (143 ha); G22 (144 ha) and G23 (138 ha) reached an average of 6 caterpillars per frond in Mandah estate; whereas pests attack in Rotan Semelur Estate discovered an attack on October 2015 at block E29 (140 ha) reached an average of 5.49 caterpillars per frond. The

company has conducted a follow-up by performing a control by using Decis insecticides in swingfog with an average dose is 0.05 liters / hectare.

The Company is also implementing an integrated pest and disease management by developing biological controls, such as, planting useful plants as host plants for pest predators of oil palm leaf eaters' caterpillars and the development of owls as predators of rat. As an example in Mandah estate there is *Turnera subulata* planting with 131,761 meters and the installation of 73 owl cages with occupation rate is 27.39 percent, while on Rotan Semelur estate there is *Turnera subulata* planting with 1,942 meters and the installation of 94 owl cages with occupation rate is 24.00 percent. Based on the field visit, it is also known that the company has developed the natural enemies of pests such as owls and *beneficial plant*, Applications of owl cage was found at Block G019 Division II, Mandah estate and also owl cage at Block E033 Division I, Rotan Semelur Estate with all active condition. While the *Beneficial plant* such as *Turnera subulata* is planted alongside the road and *Antigonon leptopus* planted in the corner of the encountered block along the site visit in Mandah estate in Block G023, G024, G025 Division II and Rotan Semelur estate in block D029, D030, and D031 Division II.

4.5.2

The Company provides training to its employees related to the integrated pest and disease management including integrated pest management training of caterpillar census which held on January 19, 2016 in Mandah estate attended by all foreman. It also has conducted trunk injection training for all assistant which held on March 5 2016 in Rotan Semelur Estate. When field visit in Mandah estate and Rotan Semelur estate on spraying activities, the employee is admitted to not attend the training of limited use of pesticides because the company had not used limited pesticides anymore such as paraquat, but the employee is admitted that they have followed spraying technical training held by the company.

Status: Comply

4.6

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

4.6.1 & 4.6.2

The Company has work procedures associated with chemicals such as spraying and pest and disease control. The procedure contained in the *Agricultural Reference Manual (ARM) Policy No. 110 / EST-ARM / 13*. Companies are using pesticides in accordance with the target and the actual target in the field conducted three times a year. The pesticide has been registered in the pesticide commission. Based on the results of field observations in the Mandah estate in block G023 Division II and Rotan Semelur estate in block D029 Division I found chemical circle weed control. The spraying activities are using pesticides that are already registered in the Pesticide Commission that is auditing the active ingredient *glifosat* with a dose of 300 ml / hectare to control broadleaf weeds in the circle and in the harvesting path.

The company carries out weed control by using chemicals made in 3 rotations in a year. Weed controls such as circle spraying is performing selectively adapted to conditions on the field. Based on the data from the use of pesticides known the decrease of the pesticides use, in the recapitulation of 2015, the use of pesticides with the active ingredient *metsulfuron methyl* is 0.028 kg / hectare and *Isopropilamina glifosat* is 0.363 liters / hectare.

4.6.3

The Company made an effort to minimize the use of pesticides such as by performing integrated pests and diseases control such as not doing preventive pesticide application and implementing the early warning systems, and the company also implemented biological pest control such as owls and *beneficial plant* development. Based on the field visit, it is also known that the company has developed the natural enemies of pests such as owls and *beneficial plant*, Applications of owl cage was found at Block G019 Division II, Mandah estate and also owl cage at Block E033 Division I, Rotan Semelur Estate with all active condition. While the *Beneficial plant* such as *Turnera subulata* is planted alongside the road and *Antigonon leptopus* planted in the corner of the encountered block along the site visit in Mandah estate in Block G023, G024, G025 Division II and Rotan Semelur estate in block D029, D030, and D031 Division II.

4.6.4

The Company has a complete list of pesticides that are designated by World Health Organization (*World Health Organization*) Class 1A or 1B, or listed in the Stockholm or Rotterdam conventions. The list contained in appendix 2 SOP of Sustainable Plantation Management Guideline Policy No. 724 / TQEM-SPMS / 09 published on August 27, 2010. The Company does not use paraquat pesticides and pesticides belonging to the class 1A or 1B. This is confirmed by a policy for not using *Paraquat* is outlined in the memorandum of the Head Plantations Operation (number: POD-UM-127 / X / 2008, dated November 4, 2008) about the Recommendation of Application Replacement of *Paraquat-Gramoxone* Active Ingredients in Minamas Environment. The company also has a ban on the use of *ratgone / brodifacoum* from Plantation Advisory dated 16 to 18 July 2013. This was

also acknowledged by the supervisors and sprayers during a field visit in Mandah and Rotan Semelur Estate that the company does not use pesticides which made from paraquat.

4.6.5

The Company made an effort to minimize the impact resulting from the implementation of work by using pesticides, among others, company provides spray training included how to work safely in spraying to the employees such as, on February 20, 2016 in Mandah Estate was attended by 12 employees and spraying training in Rotan Semelur Estate on March 5, 2016 was attended by 11 employees. The Company also has SOP on Spray PPE (008 / SAA-APS / 10) was ratified on June 18, 2009. All employees of pesticide applicators are required to use PPE that has been determined and provided by the company showed in the news event of the spray PPE acceptance among others in Mandah estate in the form of boots on February 20, 2016 and Rotan semelur estate on March 3, 2016 in the form of masks and rubber gloves which accepted directly by the concerned employees. This is evidenced during a field visit to the spraying activities in Mandah estate and Rotan Semelur estate encountered that sprayers are using PPE in accordance with the established procedures and supervisor always ensure the completeness and the condition of PPE before doing the work. PPE that has been used then washed and stored in the storage which has been provided by the company. Sprayer also admitted followed the spraying technical training and can demonstrate technical of spraying as not against the wind direction.

4.6.6 & 4.6.10

The company has managed its ex-poison containers as regulated. The company has collected all ex-poison containers in hazardous waste store and update the record of the balance sheet. The update record of hazardous waste is reported quarterly within hazardous waste management report to District Environmental Agency. The last report was sent on January 2015 for the fourth quarter report of hazardous waste 2015. Further, the company sent the disposal of the said waste to the licensed third party.

4.6.7 & 4.6.8

The Company has a working instructions how to work safely in the work of spraying, in addition the company also has a MSDS (*Material Safety Data Sheet*) for each type of agrochemical materials (pesticides) which describes the manual storage and materials handling, handling in the event of an accident (First Aid effort), Risk Identification, action against spills and leaks, personal protective equipment, physical and chemical properties, reactivity and stability, toxicology information, ecology information, waste disposal and transportation.

Related to the dosage of pesticides use, the company refers to the recommended dosage recommendation contained in each type of pesticide label, the results of document examination found that the use of pesticides are in accordance with the recommended dose. To ensure the use of pesticides in accordance with the target company is performed identifying the type of weeds and adjusted to the type of control to be performed. The results of document verifications and field visits also note that this type of herbicide being used is appropriate for the target or type (according to allotment). Based on observations in the field in Mandah and Rotan Semelur Estate encountered that sprayer has used PPE in accordance with established procedures and supervisor always ensure the completeness and PPE condition before doing the work. PPE that has been used then washed and stored in the storage provided by the company. Sprayers also admitted have followed the spray technical training and can demonstrate technical spraying as not against the wind direction. Based on a review of documents owned by the company related to the application of pesticides and interviews with sprayers and community representatives did not obtain information about the company applies pesticides from the air.

4.6.9

The Company provides training to its employees regularly related to the use and handling of pesticides in accordance with the technical guidelines and how to work safely. The Company does not provide training to tenants because currently in the area of the company there are no scheme smallholders. Examples of training provided to employees about integrated pest and disease control including training of integrated pest management, nettle caterpillar is controlling with trunk injection held on March 5, 2016 in Mandah & Rotan Semelur estate was attended by all field assistant. It also has conducted termite pest control training held on November 10, 2015 in Rotan Semelur etate were attended by 10 foreman. Based on the results of field observations in Mandah estate in block G023 and Rotan Semelur estate in block D029 on circle weed control activities by using chemicals, interview results with sprayers stated that they did not follow training of using limited pesticides because the company is no longer using limited pesticides such as paraquat, but the sprayers admitted that they have followed spraying technical training held by the company.

4.6.11 & 4.6.12

The results of verification of documents and interviews with sprayers known that the company has conducted periodic health examinations and the last was held on August 2015 by company doctors in clinic central. Based on the investigation obtained information that the employees are healthy and fit to work. They also explain that they never get illness caused by pesticide effect like itchy and skin irritated. Based on field interviews with sprayers, it is known that there are no female employees who are pregnant or nursing to apply pesticides or fertilizers, Additionally obtained information that the employees have known if pregnant or nursing are not allowed to work related to the chemicals because they are harmful to their babies or their fetuses.

Status: Comply

4.7

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

4.7.1

The company is consistently documenting the policy of OHS program and its implementation is conducted in each mill and estate management unit based on the program of Environment OHS of PT BNS SOU20 for period of July 2014 – June 2015. During the Surveillance-2 there is changes of the board structure of OHS Guiding Committee which is reported to Indragiri Hillir District Manpower Agency. The decree of the OHS Guiding Committee new board has also been issued. OHS Guiding Committee as the division in charge has consistely held assembly (monthly). The assembly is to discuss OHS issues such as work accident evaluation, OHS inspection result, regular medical checkup, OHS training.

4.7.2

The results of verification of documents and field visits known that the certificate holder has made the identification and assessment of risks to operational activities in the estates and mills. Records of the assessment results are set forth in the document of Hazard Identification Risk Assessment and Control (HIRAC) which was reviewed regularly once a year or as needed. The HIRAC document is informing about the type of activity, type of work (routine, non-routine and emergency), source / occurrence, impact, existing controls, the level of probability, severity and risk level. The results of the assessment has been socialized to all employees through a briefing in the morning before work and installed at the work site, for example in the warehouse, BSS home or at the mill. According to interview results with estate and mill workers, they could explain the risk potential that exist in each of the activities. Acoording to verification by team auditors, the HIRARC are recommended to use Carbon Masker. It's appropriate with MSDS some of chemicals, methyl metsulfuron requires for using respirator. But based on verification of Carbon Masker user guide, this type can also prevent exposure from methyl metsulfuron.

4.7.3

The results of field visits and interviews with workers known that employees have received training on the improvement and employee understanding about OHS aspects. This is evidenced when the employee can demonstrated the work steps rightly and properly in accordance with the procedures or work instructions. The results of the field visit was also known that the employees have used personal protective equipment (PPE) in accordance with the predetermined of risk potential.

Based on document review is known that the period of validity of the overhead crane and excavator operator has ended on September 13, 2015. There are three excavator operator and one overhead crane operator at Rotan Semelur Estate. Besides the results of field observations in Mandah POM, currently there is only one person who has had a boiler operator certificate. However, the management unit has not been able to show that the boiler operators working in each shift has licensed. **Based on the explanation so appear a discrepancy No. 2016.03 on Indicators 4.7.3 with Major Categories.**

4.7.4

The responsible person in the OHS program has also been identified. The management unit has had the organization container in Guiding Committee of Occupational Safety & Health (P2K3) which is responsible for OHS program. Results of the verification document known that the management unit has submitted the Guiding Committee of Occupational Safety & Health reports regularly every three months. The Guiding Committee of Occupational Safety & Health report covers all activities of OHS, among others: Guiding Committee of Occupational Safety & Health recommendations, the results of the investigation of workplace accidents, work accidents recapitulation, Guiding Committee of Occupational Safety & Health activity reports, employee health inspection reports, minutes of meetings held every months.

4.7.5

The Company has procedures in case of emergencies, such as SOP of Emergencies, and SOP of Fire Prevention and SOP of

Fire Fighting. In addition, to facilitate the evacuation in case of emergency, the company has established an evacuation route which also equipped with a map and other markers and an adequate sign board. The results of the field visit was also known that the supervisor of the harvest has been equipped with First Aid box, but in the POM, it is also found the First Aid box in the office, some of them are in stations and workshops. Based on the interview with the supervisor known that the supervisor had understood about first aid in case of occupational accidents in the field.

4.7.6

During the period of 2015 have suffered the one fatal work accidents (contract worker/harvester) in Rotan Semelur estate, based on work agreement document: accident insurance was covered by contractor. The work accident reports has submitted to Labor and Transmigration Agency of Indragiri Hilir District. Based on document review and interview with workers in estate & POM is known that all employees have also been included in the program of Social Security Agency of Labor and Health.

4.7.7

The certificate holder has consistently monitoring the Accidents which are fully informed about: months of the incident, the number of cases, the location of the accident, type of accident, as a result, work hours lost, causes, follow-up and results. Monitoring of work accidents are performed every month and reported to the related government agency together with regular reports of Guiding Committee of Occupational Safety & Health.

Major 4.7.3	Status: Non conformance NC. 2016.03 with Major category
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4.8

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

4.8.1

The management unit presented the training schedule for Minamas Plantation for period 2015 – 2016 the target of development is general competency and type of training program, such as: (1) Leadership competencies: Core Executive Program from 1 to 4 for personel level B to H and HECTA for ASM/SAS for level F (2) Functional Training: estate refresher training, mill refresher training, KSI/KTU training, English Developmental Program, (3) Regulatory Compliance Certification: occupational health and safety expert certification, supply chain certification, certification for heavy equipment operator and certification for welder, (4) Induction training, (5) Assistant conference.

4.8.2

The management unit has consistently documented the training record and list of participant, which can be proved by the available attendance sheet and training module as well as certificate if the training was delivered by official training body. For example, training in the used of pesticides for spraying workers on 20 February 2016. Interviews with workers spraying in block G023 Mandah Estate Division 2 note that the worker spraying understand safe working practices such as how to pour poison in Knap sack, how spraying nozzle tip should not exceed high waist, the former packaging must be returned to the warehouse agrochemical, spraying is not allowed downwind, and before performing work activities required of workers using PPE. Besides spraying workers have understood MSDS information describing the chemical hazards and countermeasures in the event of an emergency such as poisoning.

Based on the above it can be concluded that the company has sought to improve the ability of employees from the staff level up to the workers in its operations through the provision of training on a regular basis in accordance with the training programs organized each year, as well as recording the results of the training have been well documented.

Status: Comply

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

5.1

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

5.1.1.

The company has had environmental impact assessment in AMDAL document and Environmental Impact Management and Monitoring Plan (RKL-RPL document) for estate and mill. EIA for MDE and RSE are detailed in EIA document of PT BNS year 1996 authorized by Ministry of Agriculture, Agribusiness Department with decree no. 07/BA.5.3/V/1996 dated 17 May 1996. The document was revised on 2006 and approved by head of Environment, Mining and Energy Agency of Indragiri Hilir District. The EIA document cover environmental issues on degraded air quality, peat subsidence, potency of land fire, degraded water

quality and disturbance on water biota and social restlessness. There is a matrix of the said potential environmental impact management and monitoring as company obligations on its operational.

Meanwhile, for MDF the EIA document is UKL-UPL document of Mandah POM authorized by Environment, Mining and Energy Agency of Indragiri Hilir District, Decree no. 660/DLHPE-PDL/XI/2008/289 dated 13 November 2008 with mill capacity of 45 ton/hour. The document covers environmental issue on planning activities of mill, potential environmental impacts, environmental management, monitoring dan reporting.

5.1.2. and 5.1.3.

Since there is a replanting activity taken place since 2015 in MDE and 2013 in RSE, the company has conducted social and environmental impact assessment 2015 -2018 by Aksenta Consultant on September 2015. The analyzed impacts are physical, biological and social and impact mitigation that shall be managed by the company both direct. The company has appointed division responsible for each type of impacts such as for water management the agronomy team is responsible, for biological assessment the environment team is responsible and for social, the CSR team is responsible.

The company consistently implement environmental management and monitoring plan outlined in EIA document. The implementation is reported every 6 month to District Environment Agency every semester against all parameters required by company EIA's document and ordered by regulation. The report includes the evaluation of the EIA implementation and recommendation for further improvement. The draft report of RKL-RPL is available for Estate and Mill, however the report is still on checking process in Minamas Head Office, Jakarta before proceeded to the concerned government institution.

Status: Comply

5.2

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

5.2.1.

The company has identified its HCV area within company's HGU and RTE species found in the company operational area. The HCV identification was conducted by Yayasan Kelapa Sawit Berkelanjutan Indonesia (YASBI) on 16 October 2010. The HCV identification provides information on 3 protected flora species and protected fauna of *Felis bengalensis* and *Felis viverrinus* that is categorized as Appendix I (CITES), Trenggiling (*Manis Javanicus*) that is categorized as *Rare* according to IUCN and other 8 species categorized as Appendix II which are *Sus scropa*, *Macaca fascicularis*, *Tupaia tona*, *Paradoxurus sp*, *Varanus salvator*, *Phyton sp.*, *Heliastar indus*, and *Copsycus saularis*. Meanwhile, the HCV area for 208.26 Ha in MDE and 497.66 Ha in RSE are categorized as HCV potential area since the said area are occupied by Village Community. Therefore, the company can not fully manage the HCV area. The potential HCV area is occupied as palm garden, bare land and degraded peat land area.

5.2.2.; 5.2.3. & 5.2.4.

The company can only conduct socialization on hunting prohibition of RTE species, protection over RTE species, and prohibition of poisoning water for fish catching. The socialization is directly and indirectly socialized by the company. Indirect socialization is delivered through signboard notification. The direct socialization is conducted through meeting with community and company employee, which among others are:

- Socialization of HCV and RTE protection for company employee on 11 July 2015 attended by 22 participants
- Socialization HCV to Gurah Baru Villagers on 12 August 2015 attended by 10 participants

Specific to RTE protection, the company has SOU circular letter No. 3-/SOU20/XII/2015 dated 20 December 2015 on disciplinary sanction applied for anyone who hunting, killing, harmful, having RTE as pet and collecting RTE species in accordance with UU No. 32 year 1999 on environment management and protection and UU No. 42 year 1999 on Forestry. The disciplinary action taken starts from warning letter up to dismissal of employment. According to interview during visit to housing complex, the complex resident has been understood about the regulation.

Other than socialization the company also maintains the signboard installed throughout the company area. During field visit to block B35 Division 5, the HCV signboard is well maintained and informative. The message is on RTE protection by the company

and by regulation. The potential HCV area in this block is planted by the occupant with horticulture vegetation.

5.2.5.

Regarding to the HCV area that are occupied by the Villagers, the company has held a meeting on agreement of HCV area management. The meeting was held on 17 February 2016 in Teluk Bunian and Parit Sabak Jantan Villages (MDE) and on 10 February 2016 in Sungai Dendan, Parit Baru and Cahaya Baru Villages (RSE) discussing on protection on RTE species, avoidance of water body contamination and mutual agreement on the potential HCV management by the Villagers without company intervention but acknowledging the existence of RTE species identified in the company HCV identification. The progress of this process will be verified during the next surveillance visit (**OFI Observation**).

According to the document presented and field visit, the company has put an effort to protect RTE species and its HCV potential area by socializing the RTE species protection to employee and surrounding community including the occupant of the HCV area. Eventhough, the company can not fully managed the potential HCV area.

Status: Comply

5.3

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

5.3.1.

The company has identified the source of pollution and waste as listed in the PT BNS Identification of Waste Source Document covering information on kind of waste, source of waste, pollution generated, impact and reduction effort recommendation.

5.2.3. and 5.2.3.

The company has taken effort to reduce emission and pollution source as described below:

- Domestic waste: based on field observation, the company has collected domestic waste in MDE, RSE and MDF periodically and dump it to the landfill.
- Mill's effluent: the company has WWTP facility to treat the effluent to meet the quality standard regulated for effluent discharge to water body. The treated effluent quality is tested monthly and report it to the related agency by quarter effluent report.
- Ex-agrochemical container is sent and kept in company's licensed hazardous waste storage. The balance sheet is updated and well recorded. There is a record of hazardous waste disposal to licensed third party in form of hazardous waste manifest. The company has the copy of the transporting company licensed and has a working agreement. The company regularly reported the update hazardous waste balance sheet in three monthly report and sent it to Environment Agency of Indragiri Hilir District. During visit to hazardous waste storage, the company put the modified symbol of hazardous waste. The company need to fix the symbol as regulated (**OFI**).
- Medical waste: the company kept its medical waste in licensed hazardous waste storage since the license allowed medical waste storing as per license regulated. The hazardous transporting company has a permit to transport and handle medical waste. Before sent to licensed hazardous waste, first aid unit kept it in a solitaire area and in a close containers. However, the company has an opportunity to provide a locked area for medical waste temporary store in first aid unit (**OFI**)

During field visit to MDF, it is seen that the company has not implement good management for its waste generated from FFB processing such as fibre and shell. The abundant shell, waste, fibre and boiler ash is dumped in MDF yard. This condition might increase the risk of contamination to the surrounding environment especially the canal system near by the dumping area. The company may managed its FFB processing waste in better management way (**Non conformity 2016.4**)

5.3.3. Status: Non conformity with Major category No. 2016.4

5.4

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

5.4.1.

During the field visit to MDF, the company has not used FFB processing generated waste such as fiber and shell as renewable energy source for electric power in FFB processing (**Non conformity 2016.5**). However the company has budgeted the construction of conveyor cost to facilitate the utilization of fiber and shell as boiler's renewable energy source in order to reduce fossil fuel use and company efficiency.

5.4.1. Status: Non conformity with Major category No. 2016.5

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

Company did not use burning approach on the land clearing for replanting activity. The entire land clearing for replanting activity was conducted in a mechanical approach. Subsequently, there is no evidence of fire burning in replanting activity.

5.5.2

Company use zero-burning approach for its replanting activity. Based on field visit to replanting blocks F019 Division I Mandah Estate and block D033 Division I Rotan Semelur Estate, there is no sign of fire-utilization. The entire land preparation activity for replanting had been conducted in a mechanic system.

The work stage to prepare the land has been detailed by company, such as:

1. Census over the tree that will be cut down.
2. Cutting down tree based on census result.
3. Chipping detailed, which has a thicken ≤ 10 cm.
4. Transporting the boiling ash.
5. Filling the remaining trunk and root into ground by using CECT method.
6. The installation of cultivation spot.
7. Establishment of cultivation hole by using hole in hole method.
8. Transplanting to the field.

Status: Full Compliance

5.6

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

5.6.1.

The company has identified the pollution and emission source generated from company operationals both in mill and estate. Identified GHG emission informs kind of pollution and emission source such as land conversion, the use of fertilizer, transport system, fuel consumption, peat oxidation, POME and grid electric utilizations.

5.6.2.

Company has been taken effort to reduce pollution and emission. The effort noticed during field visit and document verification. During field visit to MDF facility, the company has WWTP facility to treat the effluent by increasing its quality to meet the requirement of discharging effluent to water body. There is an indication of seepage but the company has taken an action to fix the broken levee in the cooling pond area. The effectiveness of this action will be observed during the next surveillance audit. The engine and the facility is observed to be well maintained and well function. According to document review, the company conducts periodic environmental monitoring includes surface water quality, ambient air, noise and engine emission. This monitoring was conducted to evaluate the management that has been done.

Other effort to reduce pollution and emission taken is no burning in land preparation for replanting program. Visit to replanting area in MDE and RSE showed that the company implement zero burning for land clearing preparation. All land clearing waste is chipped and hoarded in CECT system. Further, the company also has fertilizing recommendation to use fertilizer in correct dosage in order to reduce risk of pollution generated from fertilizing.

5.6.3.

The company has calculated its GHG emission using Palm GHG Calculator Version 2.1.1. with total emission value per product is 0,87 tCO₂e for CPO and 0.87 tCO₂e for PK product. Management unit has reported to the RSPO.

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

PT Bhumireksa Nusasejati has a document for social impact analysis report, January 2010. The data collection activity and analysis was conducted by Yayasan Sawit Berkelanjutan Indonesia (YASBI). The objective of this activity is to analyze the social impacts, culture and economic impacts due to PT Bhumireksa Nusasejati palm oil plantation's operation. The report has been consulted with stakeholders; hence there is evidence in a form of attendance sheet of public consultation on 4th December 2009 (there were 76 participants), which consists of local communities, community's leaders and representative from local government in village and sub-district level.

6.1.2

PT Bhumireksa Nusasejati conducted social and environmental impact analysis in relation to its replanting activity for period 2013 – 2015. Aksenta consultant carried the analysis with the objectives such as:

- To identified the social impact from replanting activity.
- To identify the replanting activities, this becomes the source of environment and social impact.
- To identified the components and/or stakeholders who have potential to be affected by environment and/or social impact of company's replanting activity
- To identified the mitigation options for environment and social impact from replanting activities by focusing on preventive actions and controlling negative impact.
- To provide input for improvement (revision adaptation) for replanting SOP.

6.1.3

The management unit has been showed several document related to plan for mitigate of negative impact and maintain the positive impact by consultation process with community surround. These documents are:

- Summary of questionnaire for Social Impact Assessment PT BNS Mandah POM, year 2015 – 2016
- Minutes of meeting for questionnaire distribution to community, dated on September 9, 2005
- Attendant List of questionnaire filled by community member, dated on September 9, 2005
- Pictures of Social Impact Assessment PT BNS Mandah POM, dated on September 9, 2005

These Social Impact Assessment results was follow up by the management unit of PT BNS Mandah POM. There was available of Management Plan of Social Impact Assessment, these document was contained of program will done by the company, the goal of the program, manage action, personnel in charge and time frame for implementation.

6.1.4

Company also presented the Implementation Report of Environment Management Plan and Environment Monitoring Plan (RKL & RPL) for semester II 2015 (from July to December 2016) and Mitigation for Environment and Social Impact due to replanting activity in PT BNS's operation area. However, there is an evidence of replanting program that was done since 2013, for example in the area of Rotan Semelur Estate has conducted monitoring and evaluation by participation of affected parties. **Non-compliance No 2016.6 with Minor category**

6.1.5

Until Annual Surveillance Audit 02 the PT Bhumireksa Nusasejati (mandah POM) not yet have smallholder schema. Overall of FFB has been received and processed in Mandah Factory it was supplied from two own estate (Mandah Estate & Rotan Semelur Estate), there is no FFB supplied from outsider.

6.1.4 Minor	Status: Non Conformity with minor category No 2016.6	Open
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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

PT BNS has had SOP Communications / Consultation with the Public (RSPO/6.2/KKM).. The procedure is a guide in conducting communication and consultation with local communities
It has been shown an example of communication recorded with community surround. For example meeting process with representation of community surround dated on March 2015 related to socialization of several Standard Operation Procedure as guidance of communication and social relation with community surround. The documentation process (Attendant List and

Pictures) was attached.

6.2.2

PT BNS appointed person in charge to conduct communication and consultation with local communities. Meanwhile person in charge for this issues is Mr. Moch. Hanafi Effendi with a memorandum from GM Estates Riau Selatan (on behalf of Ahmad Sahfengi Mohd Salleh) on 3rd September 2012 with number: 123/RSS-pod/IX/2012 as personalia officer/ Plantation Services. One of job description for personalia staff is to conduct early identification over local communities' complain related to Land Claim process, Social Impact and implementation of CSR program and to conduct intensive communication with communities' leaders and local government representative in order to prevent conflict and to build a harmonious relationship between company, local communities and local government officers.

6.2.3

The company has have List of Stakeholder was update on January 2016. Theses document contained of stakeholder list based on category : the Government (Village, District and Province), Local stakeholder (Informal Leader), NGO's, Suppliers and Contractors.

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

PT Bhumireksa Nusasejati – Mandau Factory has have a procedure to handle complain from communities, which stated incommnities' complain resolution procedure (RSPO/6.3/PKM). This procedure becomes the guidelines to settle conflict/complain from local communities by conducting discussion and meeting between both parties and third party in case the third party is needed as facilitator. These procedure was contained clause ensuring anonymity of complainants and whistleblowers through the follow up process if the complaints was can not overcome by discussion among others.

6.3.2

Based on document verification and consultation result with local communities in surround of Mandah POM, Mandah Estate and Rotan Semelur Estate, for example in Parit Berayun I, Bente Village and Parit Gurah Baru Teluk Bunian Village, that knows there is no issue related of complaint and land dispute between the management units and the other parties.

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 & 6.4.2

Until the implementation of ASA 02, there was no new plantation area of PT BNS, subsequently; there were no new land compensation process. The company has had SOP of conflict resolution (006/BNS/MDF-PK/IX/12) which states that the personnel of Plantation Service Department is assigned to solve the land claim issue. The manager then forms team of verifcator to collect the supporting data. The form of process of resolution is conducted in forum to achieve collective agreement. Socialization of SOP of conflict resolution was held in Parit Baru. It was atrended by 11 representatives consisted of representatives of PT BNS, chief of village, community figure and other member of the community on August 30th 2008. The agenda of socialization describes the definition of SOP of conflict resolution and land compensation and the flow chart to the company. There is also procedure to identify and calculate the compensation fairly for the loss of legal or traditional right as written on the SOP of the occupied land compensation (343/PSD-OKUP/11).

6.4.3

There are also evidence of the records of identification of the compensated parties. For example:

- Letter of notification of the compensation (SKGR)
- Official record of the compensation between the company and the community
- List of the land compensation payment and its content. The collective declaration letter that it is conducted voluntareely and in healthy condition (mentally and physically).
- Receipt of personal payment attached with law seal, signature and fingerprint stamp and the photographs of payment.

There is no latest compensation process since ASA 01. The company has shown the example of the record of land compensation negotiation process at the early period. It was the process of compensation to construct cannal network around Mandah Estate. The record is in form of the minutes of meeting of assembly on August 10th 2009 in the mansion of Mr Artawan (Parit Gurah Village). It was attended by 37 participants. The result of the agreement were:

- Agreement to construct access road by compensating land and plants belong to community impacted by the road construction project for \pm 10,000 meter.
- The community is willing to help the project.

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

Decree from Riau Governor No. Kpts.15 / I / 2016 regarding to the minimum wage districts / cities for Riau Province in 2016 for minimum wage Indragiri Hilir amount IDR. 2,163,658 , - per month . Memorandum of Human Resources Management Minamas Plantation No. 182 / HRM - i3 / IV -2015 on 8th April 2015 concerning wage PT BNS amount IDR. 2,000,250,- / month or IDR. 80,010, - / day. This HRM Memorandum is still valid until today because of the latest HRM memorandum to the basic salary PT BNS 2016 noy yet.

Based on observation on personnel salary in PT Bhumireksa Nusasejati in February 2016, company has paid personnel's salary based on the applicable minimum wage of the latest HRM memorandum.

6.5.2

Work agreement between PT Anugerah Sumber Makmur and PT Minamas Gemilang and worker union of Minamas Plantation's non-staff and staff, which has been signed by parties who made an agreement on 11 th July 2014 with a registration of work agreement based on Decree from Decree from Director General of Industrial Relation and Manpower Social Insurance number. 117/PHIJSK-PKKAD/PKB/VII/2014 that valid from 24 th February 2014 to 23 rd February 2016.

6.5.3

PT. Bhumireksa Nusasejati already provide employees with adequate housing, either a permanent or semi-permanent buildings. For water supply, PT. Bhumireksa Nusasejati provide storage tanks to accommodate the water from ground water and rain water. Moreover, in every estate there first aid post as the nearest medical service needs. If necessary in reference to the Central Clinic in Teluk Bakau Estate. Other facilities include a private elementary school, babysitting services, houses of worship, ration shops, halls and sports facilities.

6.5.4

PT. Bhumireksa Nusasejati gave permission to open a shop selling daily necessities in the housing and there is a market seasonal of payment time of salaries. Every day there is a peddler who came from the surrounding villages who sell their daily consumption needs. It became the company's efforts to monitor and improve workers access to food was decent, fairly and with reasonable price.

Work agreement has been inline with the applicable manpower regulation.

Status: Comply

6.6

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

6.6.1

Company has a commitment to acknowledge the freedom to establish and joint union, which stated in social policy. The policy mentions that company respects the entire staff or personnel right to establish and joint worker union based on their choice and free will as well as their right to make a collective consideration and decision. Head of Plantation Upstream Indonesia signed this policy in December 2011.

6.6.2

Minutes of the meeting of the Representative Work Unit - Federation of Unions of Agricultural and Plantation Indonesian Workers Union (PUK - SP.PP-SPSI) on 7 May 2015 which was attended by representatives from each unit. The meeting is to negotiate a few things, as follows :

1. Payroll and scheduling of rice supply
Representative Work Unit - Federation of Unions of Agricultural and Plantation Indonesian Workers Union (PUK - SP.PP-SPSI) request to the management schedule of payment of wage and scheduling of rice supply is not too late , up to 5th date of each month.
2. Employees of contractors
Request to the management unit of Mandah Factory and Teluk Bakau Factory immediately raised employees of contractors become employees.

Representative Work Unit - Federation of Unions of Agricultural and Plantation Indonesian Workers Union (PUK - SP.PP-SPSI) wrote to the Management (Leader of SOU 19 and 20 PT BNS) number 07 / PUK - SPPP - SPSI / PT BNS / V / 2015 regarding the bipartite negotiation I with the subject matter of schedule payroll and scheduling of rice supply PT BNS and employees of contractors which has not been promoted to the employees.

Status: Comply

**6.7
Children are not employed or exploited.**

6.7.1
There is a policy related to personnel's age requirement. The minimum age requirement and working hour are regulated in work agreement in 2014 - 2016 article 16 regarding to age requirement for recruitment such as minimum age is 18 years old during the hiring. Working hours is stated in article 23, which has been regulated in work agreement, including: number of working days and working hours in company is 5 days a week and 8 hours a day and 40 hours in a week or 6 days a week and 7 hours a day and 40 hours a week.

Based on interview with worker union and gender committee, there is no personnel under 18 years old during the hiring. Based on interview, peronnel should attached their national identy card in order to endure that candidate was more than 18 years old. Furthermore, company will verify candidate's national identity card.

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
Company has a policy on equal opportunity that is stated in social policy point 1: the entire personel should be treated equally related to recruitment, promotion, limitation and work condition with no discrimination againts race, social position, ethnicity, gender, skin colour, disability, organization's membership, political view, religion and/or age. Head of Plantation Upstream Indonesia signed this policy in December 2011.

6.8.2
Based on interview with stakeholders, there is no discrimination againts gender, ethnicity or certain groups. Some stakeholders, who been interviewed, are part of local communities (Teluk Bunian and Bente Village), and some come from area such as North Sumatera, West Sumatera, Melayu and Jawa.

6.8.3
The company has to keep and maintain a record of their employees work credentials and medical history. Provided medical check-up records before the appointment became employees into consideration hiring.

Status: Comply

**6.9
There is no harassment or abuse in the work place, and reproductive rights are protected.**

6.9.1
Company has a policy to prevent sexual assault and harrasment that is stated in social policy point 4: developing and implementing a policy in order to prevent sexual assault and sexual harassment againts women and to protect their right, particularly the reproductive right.

The policy to protect reproductive right, especially for female personnel is stated in company's gender policy. This policy covers :

1. Prevents sexual assault and other type of violence againts women, personnel and communities.
2. Establishes special procedure and mechanism for submitting report and complain that could be accepted by the entire personel in relation to gender issue.
3. Provides sufficient training and development program for personnel and staff in order to develop their ability and understanding toward gender policy.
4. Provides and offers opportunity for female personnel to improve their leadership in each level
5. Ensures female personnel are effectively involve in decision making and actively become members in the established comittee, such as occupational health and safety committee.
6. Establishes gender committee to implement and monitor gender policy
7. Communicates and explains gender policy could be understood by each personnel, including contractor and other related parties.

6.9.2

Observations and interviews with the BSS Team in blocks G023 Mandah Estate and D029 Division I Rotan Semelur Estate, the company provides granting leave H1 (menstruation) and H2 (pregnant) for women workers. H1 is usually conducted a medical examination by a midwife / parramedis in first aid post.

6.9.3

Related to gender issue, company has have the gender comittee in order to solve sexual harrasment and assault. The entire personnel and local communities within PT BNS environment knew the existance of gender committee especially to solve sexual harrasment and assault case. In each division has their own representative a vocal point in case of sexual harrasment and assault.

Status: Comply

6.10

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

6.10.1 & 6.10.2

Until ASA 02, the PT Bhumireksa Nusasejati – Mandah POM manages own plantation area (Mandah Estate & Rotan Semelur Estate) and does not collaborate with independent smallholders or plasma smallholders. All of FFB was supplied from own estate.

6.10.3 & 6.10.4

Document's review highlights that the third party (contractor) for instance contract with CV Anugerah Pratama related to FFB loading container maintenance. In these document contract was describe of right and obligation each party. For example; insurance for the contractor employee, Personal Protective Equioment (PPE) that provide by the contractor (point 2.3 & 2.4). Also included of payment process and period (point 6.1, 6.2 & 6.3). These document was signed by Contractor and Estate Manager and approved by General Manager of PT Bhumireksa Nusasejati.

There awas also observed document of Agreement letter No. 026/Replanting/BNS-MDE/X/2015, date of October 2015 between PT Bhumireksa Nusasejati and PT Mitra Karya Jaya Perdana, work duration from 01-10-2015 to 31-07-2016 replanting activity. Inline with the prepared contract with the third party, there is a contract payment, which has been paid intime as stated in document sample in a form of replanting activity from PT BNS to PT. Mitra Karya Jaya Perdana based on contract No. 026/Replanting/BNS-MDE/X/2015. The auditor also aws observed the document number 016/SGM-SMT/BAPP/II/2016, dated of Februari 1, 2016 from Head Sumatera Region to Head Plantation Upstream Indonesia in related payment process to PT Mitra Karya Jaya Perdana.

Based on interview with Site Manager (supervisor) contractor for replanting activity (PT Mitra Karya Jaya Perdana) stated that:

- Contract agreement was created in a fair, legal and tranparant way, which stated that type of workhas been inline with contractor expertise and duration to accomplish the work.
- Payment has been disbursed intime based on the agreed agreement.
- Company evaluates the accomplished work based on the specification of work that stated in the contract.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

Contribution of company to local development was implemented by Corporate Social Responsibility (CSR) program. There was sighted document Recapitulation of Implementation Report of CSR PT BNS Mandah POM year of 2015, for instance:

- Road maintenance in Parit Bumi Putra (budget and picture was attached).
- Road maintenance in Parit Tenaga Muda dan Sabar Menanti (budget and picture was attached)
- Development of pier in Kuala Parit Sabar Menanti (budget and picture was attached)
- Maintenance of embankment in Parit Sabar Menanti from Kilometer 2 till Kilometer 4 (budget and picture was attached)
- Aid for Idhul Adha in Hidayah Village and Pelangiran Village (budget and picture was attached)

There was sighted also document of CSR Plan year of Budget 2015/2016. The program plan include of:

- Education (Program of aid for Islamic School of Madrasah Aliyah in Rotan Semelur Village)
- Health (Medical check/health care for and socialization of health care to community surround)
- Facility (Provide of office equipment for Penjuru Village and aid for Mosque development in Rotan Semelur Village)
- Sport, Art & Culture (Aid for uniform of Melayu Music Club in Mandah sub District)
- Infrastructure (Road maintenance in Parit Makmur and Development of prier in Rotan Semelur Village)

Those program was arrangement by participate process of related parties and input from local government (Head of Village and the representation of community surround). The documentation process (attendant list and picture was attached).

Company has conducted socialization on filling questioner in roder to collect information about the positive and negative impact due to company's operation impactin term of community development program, education, economy, improvement of public facilities and infrastructure, health and charity assistance. The socialization is part of consultation with local communities related to company's assistance and contribution to local community that become the guideline for the upcoming assistance program.

6.11.2

Until ASA 02, in Mandah POM there is no smallholder schema. All of FFB supply from 2 nucleus estates (RSPO Certified) which are Mandah Estate and Rotan Semelur Estate and several FFB supply from Nusa Lestari Estate since January – February 2016 (other estates are also a supply base for Teluk Bakau Mill - PT BNS, RSPO Certified 2011) once they achieved RSPO certificate. There is no FFB from outsider.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1, 6.12.2 & 6.12.3

Company does not hire illegal or force labour. The entire personnel have their position based on the signed work contract. Interview with worker union revealed that there is no force or illegal labour who work in company. The entire personnel had read their work contract and they have signed their work contract consiously. Moreover, company does not hire illegal or force labor.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

Policy to protect human right is stated in memorandum, which has been signed on 31 July 2015 by had of SOU 20 PT BNS. This memorandum protects human right and has been distributed on 5 August 2015 with number IST/MDE/VIII/2015. Meanwhile, this memorandum covers commitments, such as:

1. Protects personnel rights, such as life right, right to protect their life, to improve their life quality, to establish a harmonious family and the right to have a religion.
2. Provides opportunity for each personnel to communicate and to gain information in order to develop theirselves and their social environment.
3. Provides freedom for personnel to pounder their opinion yet still respect religious value, moral value, public interest and the national unity.
4. Respects individual rights to establish and joint worker union based on their choices.
5. Communicates and explains the policy and human right protection to be understood by each personnel, including contractor and other related parties.

Company presented the socialization evidence related to human right policy in Rotan Semelur Estate, which has been

conducted on 8th August 2015 that has been attended by 15 participants.

	Status: Comply	
PRINCIPLE #7 Responsible development of new plantings		
7.1		
A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		
7.1.1; 7.1.2&7.1.3		
The company does not conducted new planting after 2010. The planting was conducted during period of 1996 to 2007. The replanting was started at 2013 in RSE and at 2015 in MDE. Total replanting planned for 4.111 Ha in RSE and planned for period of 2013 – 2035. Meanwhile for MDE is planned for 4.107 Ha during period of 2015 -2019.		
	Status: Comply	
7.2		
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.		
7.1.1. & 7.2.2.		
The company does not conducted new planting after 2010. The planting was conducted during period of 1996 to 2007. The replanting was started at 2013 in RSE and at 2015 in MDE. Total replanting planned for 4.111 Ha in RSE and planned for period of 2013 – 2035. Meanwhile for MDE is planned for 4.107 Ha during period of 2015 -2019.		
	Status: Comply	
7.3		
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
7.3.1.; 7.3.2. & 7.3.3.		
There was a new planting in 2007 in RSE. The planting was conducted before the HCV assessment in October 2016. However, based on the document review, the company did not open the HCV area since the appointed HCV area according to the company HCV assessment. However, the company sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014. The status of the submission in August 2015 is in phase 2.The progress of RSPO endorsement on the disclosure of liability will be verified during the next surveillance visit (OFI Observation).		
7.3.1.	Status: OFI Observation	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
7.4.1.&7.4.2.		
The company does not conducted new planting after 2010. The planting was conducted during period of 1996 to 2007. The replanting was started at 2013 in RSE and at 2015 in MDE. Total replanting planned for 4.111 Ha in RSE and planned for period of 2013 – 2035. Meanwhile for MDE is planned for 4.107 Ha during period of 2015 -2019.		
	Status: Comply	
7.5		
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
7.5.1.		
Until the implementation of ASA-2, PT BNS – Mandah POM (Mandah Estate and Rotan Semelur Estate) does not open or expands new plantation area. Company only conducted replanting activities since 2013. Based on stakeholder consultation in Parit Gurah Baru, Teluk BunianVillage and Parit Berayun I, Bente village, that knows of compensation process for community land has been done by the PT BNS on early period of plantation development.		
	Status: Comply	
7.6		
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any		

agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	
7.6.1. until 7.6.6.	
Until the implementation of ASA-2, PT BNS – Mandah POM (Mandah Estate and Rotan Semelur Estate) does not open or expands new plantation area. Company only conducted replanting activities since 2013. Based on stakeholder consultation in Parit Gurah Baru, Teluk Bunian Village and Parit Berayun I, Bente Village, that knows of compensation process for community land has been done by the PT BNS on early period of plantation development.	
	Status: Comply
7.7	
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
7.7.1 & 7.7.2	
Based on the review of areal statement documents and field visits indicates that no new land clearing since November 2005 and the company has had a commitment not to expansion of existing work. Based on the results of field visits in the areas of replanting block F019 Mandah Estate Division 1 and block D033 Rotan Semelur Estate Division 1 that there was no indication the practice of burning the land as part of land clearing / land preparation. The technique used is a mechanical way of cutting/ toppling, then stalks chopped/ chipping and result stockpiled.	
	Status: Comply
7.8	
New plantation developments are designed to minimise net greenhouse gas emissions.	
7.8.1.&7.8.2.	
The company does not conducted new planting after 2010. The planting was conducted during period of 1996 to 2007. The replanting was started at 2013 in RSE and at 2015 in MDE. Total replanting planned for 4.111 Ha in RSE and planned for period of 2013 – 2035. Meanwhile for MDE is planned for 4.107 Ha during period of 2015-2019.	
	Status: Comply
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity	
8.1	
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	
<u>Social</u>	
<ul style="list-style-type: none"> • Mitigation of Social and Environment Impact Assessment of Replanting Program in PT BNS, Period of 2013 till 2015, carry out by Aksenta on Januari 2013. • The PT BNS has collaborated with community surround due to anticipation of land fire, there was established group of “Masyarakat Peduli Api” (Community of Fire Care) in several Village, for example in Parit Gurah Baru, Teluk Bunian Village. The member of “Masyarakat Peduli Api” is pointed by Decision Letter of Indragiri Hilir District Head. 	
<u>Environment Management</u>	
The company has conducted environmental analysis for replanting activity. The company has calculated its GHG emission using recommended tool of Palm GHG Calculator Version 2.1.1. The company has managed its hazardous management with the accordance to the applied regulation	
	Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module D) CPO Mills – Identity Preserved Requirements														
D1	Definition														
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p> <p>Until Surveillance 2, Mandah POM only received and processed FFB that comes from two own estates (Mandah Estate and Rotan Semelur Estate), along with little volume from January till February 2016 from another estates (Teluk Bakau POM supply bases). Those three estate is under the same entity of PT Bhumireksa Nusasejati has been RSPO Certified on 2011 but different certification scope (<u>Certification scope of Teluk Bakau POM</u>: Teluk Bakau Estate, Nusa Perkasa Estate dan Nusa Lestari Estate). The volume of FFB accepted from April 2015 to 16th March 2016 (the implementation of Audit Surveillance 2) described on table below:</p> <table border="1"> <thead> <tr> <th>FFB Sources</th> <th>Volume (Ton)</th> </tr> </thead> <tbody> <tr> <td>Mandah Estate</td> <td>74,273,537</td> </tr> <tr> <td>Rotan Semelur Estate</td> <td>50,841,942</td> </tr> <tr> <td>Teluk bakau Estate</td> <td>1,061,655</td> </tr> <tr> <td>Nusa Perkasa Estate</td> <td>6,074,940</td> </tr> <tr> <td>Nusa Lestari Estate</td> <td>4,057,075</td> </tr> <tr> <td>Total</td> <td>136,309,149</td> </tr> </tbody> </table>		FFB Sources	Volume (Ton)	Mandah Estate	74,273,537	Rotan Semelur Estate	50,841,942	Teluk bakau Estate	1,061,655	Nusa Perkasa Estate	6,074,940	Nusa Lestari Estate	4,057,075	Total	136,309,149
FFB Sources	Volume (Ton)														
Mandah Estate	74,273,537														
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Nusa Perkasa Estate	6,074,940														
Nusa Lestari Estate	4,057,075														
Total	136,309,149														
	Status: Comply														
D.2	Explanation														
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Until Surveillance 2, Mandah POM only received and processed FFB that comes from two own estates (Mandah Estate and Rotan Semelur Estate), along with little volume from January till February 2016 from another estates (Teluk Bakau POM supply bases). Those three estate is under the same entity of PT Bhumireksa Nusasejati has been RSPO Certified on 2011 but different certification scope (<u>Certification scope of Teluk Bakau POM</u>: Teluk Bakau Estate, Nusa Perkasa Estate dan Nusa Lestari Estate). The CPO and PK products of Mandah POM from April 2015 to 17 March 2016 (the implementation of Audit Surveillance 2) described on table below:</p> <table border="1"> <thead> <tr> <th>Products</th> <th>Actual certified products Period of April 2015 to 16 March 2016 (ton/year)</th> <th>Tonnage estimation Of Certified Products Period of 1 April 2015 to 31 Marc 2016 (ton/year)</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>31,240.72</td> <td>32,515.71</td> </tr> <tr> <td>PK</td> <td>5,815.03</td> <td>6,364.77</td> </tr> </tbody> </table>		Products	Actual certified products Period of April 2015 to 16 March 2016 (ton/year)	Tonnage estimation Of Certified Products Period of 1 April 2015 to 31 Marc 2016 (ton/year)	CPO	31,240.72	32,515.71	PK	5,815.03	6,364.77					
Products	Actual certified products Period of April 2015 to 16 March 2016 (ton/year)	Tonnage estimation Of Certified Products Period of 1 April 2015 to 31 Marc 2016 (ton/year)													
CPO	31,240.72	32,515.71													
PK	5,815.03	6,364.77													
	Status: Comply														
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the</p>															

RSPO supply chain managing organization (RSPO IT platform or book and claim).

The Mandah POM - PT Bhumireksa Nusasejati (Minamas Plantation) has been registered of certified products of RSPO (CSPO and CSPK) with *e-trace-UTZ*, Member ID: RSPO_PO100000138 (issued on 06/06/15 and end 03/03/2015).

Certified CPO sold to each buyer period of April 2015 to March 2016

Date	Buyer	Volume
April 2015	PT Maskapai Perkebunan Leidong West Indonesia	1,000,000
	PT.Synergi Oil Nusantara	1,499,879
May 2015	PT.Synergi Oil Nusantara	1,000,250
	PT.Synergi Oil Nusantara	1,500,105
June 2015	PT.Synergi Oil Nusantara	1,258,991
	PT.Synergi Oil Nusantara	1,612,647
July 2015	PT.Synergi Oil Nusantara	1,000,000
	PT.Synergi Oil Nusantara	1,099,326
August	PT.Synergi Oil Nusantara	120,880
	PT.Synergi Oil Nusantara	1,250,014
Sept 2015	PT.Synergi Oil Nusantara	1,500,258
	Bulking Dumai Paracipta Abadi	1,215,289
	PT.Synergi Oil Nusantara	556,635
October 2015	PT.Synergi Oil Nusantara	1,550,587
	PT.Synergi Oil Nusantara	393,048
November 2015	PT.Synergi Oil Nusantara	1,501,687
	PT Golden Hope Nusantara	1,501,556
December 2015	PT Golden Hope Nusantara	1,399,854
	PT Golden Hope Nusantara	2,000,478
January 2016	PT Golden Hope Nusantara	1,801,086
	PT Golden Hope Nusantara	3,058,177
February 2016	-	
March 2016	-	
Total		27,820,747

Certified Palm Kernel sold to each buyer period of April 2015 to March 2016

Date	Buyer	Volume
April 2015	PT Ivo Mas Tunggal	275,046
May 2015	PT Ivo Mas Tunggal	299,998
June 2015	PT Sari Dumai Sejati	351,260
	PT Sari Dumai Sejati	388,483
July 2015		364,632
August 2015	PT Ivo Mas Tunggal	349,765
Sept 2015	PT Sari Dumai Sejat	350,002
October 2015	PT Ivo Mas Tunggal	350,004
	PT Ivo Mas Tunggal	350,005
November 2015	PT Musim Mas	500,002
	PT Musim Mas	98,048
December 2015	PT Adei Plantation Industry	400,007
January 2016	PT Adei Plantation Industry	487,552
February 2016	PT Ivo Mas Tunggal	750,013
March 2016	-	-
Total		5,314,817

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:

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

The Mandah POM has a procedure to implement Supply Chain System, which consists of:

- a. SOP for Mandah POM that refers to technical guideline for palm oil mill 1, 2 and administration that in line with memorandum from Head of Plantation Operation No.POD-UM-154/VII/2010 on 26th July 2010.
 - FFB acceptance No. 110/POD-FAC/07, sterilization No. 110/POD-FAC/07, striping No. 110/POD-FAC/07, digesting No. 110/POD-FAC/07, pressing No. 110/POD-FAC/07, clarification No. 110/POD-FAC/07, the separation between nut and fiber No. 110/POD-FAC/07, kernel station No. 110/POD-FAC/07, the collection of oil palm No. 110/POD-FAC/07.
 - The Mandah POM has an SOP for product supply chain system, number 027/BNS-SCCS/12, which was approved on 1st September 2012 by mill and Estate Manager that explains the applicable product traceability
- b. Person in charge to ensure the implementation of this requirements, such as:
 - **Factory Manager**
 - Stores and maintains the entire documents and records of raw materials and supporting material utilization on production process and the quality of end product.
 - Performs verification of product, which being sent to buyers, in order to ensure the sent-product is in line with invoice, delivery order, and sales contract and signs minutes of product deliverance.
 - Provides sufficient training on supply chain certification to the entire staff who involve in supply chain stage from raw material acceptance to storage to product deliverance to final buyers.
 - **Plantation Sustainable Quality Management (PSQM) Assistant**
 - Ensures the quality of FFB in mill and makes daily recapitulation.
 - Conducts monitoring over delivery and loading the palm product
 - Conducts the analysis over raw material and product's quality on the entire production stages.
 - Stores, maintains and distributes the analysis result and examines the quality of raw material and product to related agencies.
 - **Assistant/Senior Assistant/ Bulking Manager** is in charge on transportation of CPO and PKO product from mill to bulking station.

There is also a record for training on SCCS, such as:

- Attendance sheet for Supply Chain Certification System (SCCS) training in PT Bhumireksa Nusasejati-Mandah POM on 10th March 2016 (with 17 participants), the trainer was PSQM Department
- Training material and training's photos.

Status: Comply

D.3.2

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

The entire processed FFB in Mandah POM comes from two own estates (Mandah Estate and Rotan Semelur Estate), along with little volume from January till February 2016 from another estates (Teluk Bakau POM supply bases). Those three estate is under the same entity of PT Bhumireksa Nusasejati has been RSPO Certified on 2011 but different certification scope (Certification scope of Teluk Bakau POM: Teluk Bakau Estate, Nusa Perkasa Estate dan Nusa Lestari Estate).The entire processed FFB is 100% certified FFB.

The Company has FFB acceptance mechanism by make it mandatory for the driver to show FFB delivery note from each estate and FFB contractor. FFB delivery note explains the source of fruit as well as its quantity.

SOP for palm oil mill was approved by Mill Controller in December 2011 that covers the SOP for weight bridge station, loading ramp, boiling station, Tripler and Thresher, digester station, press station, oil room station, Depericarper station, Nut Cracker station, Kernel Silo, CPO dispatch, Palm Kernel dispatch, Boiler House, Power Plant. Moreover, there is also work instruction for laboratory examination.

Status: Comply

D.4

Purchasing and goods in

D.4.1

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

Until Audit Surveillance 2, the entire processed FFB in Mandah POM came from own estate of PT Bhumireksa Nusasejati

(Mandah Estate & Rotan Semelur Estate). The entire processed FFB is 100% **RSPOcertified** and Mandah POM does not receive FFB from other not certified unit.

The implemented FFB's acceptance procedure, such as:

- FFB delivery note and weigh bridge ticket explain the number of weight ticket, serial number for fruit delivery note, the source of FFB, harvesting date, fruit spin, cultivation year, block, number of bunches, volume in ton, vehicle number, delivery date (there is a stamp of 'SPO CERTIFIED').
- SIME Weigh Information System program explains the origin of FFB (Division, harvesting block, cultivating year, number of bunches), which shown by mill's manager through the applicable computerized system.
- Mill's acceptance report explains the accepted product, accepted date, the origin of estate, vehicle number, driver, fruit delivery receipt number, the number of weigh bridge ticket, delivery date, weighing hours, brutto weight, netto weight. Estate code (**Rotan Semelur Estate: RSE E455** and **Mandah Estate: MDE E456**)
- FFBGS (Fresh Fruit Bunch Grading System) program, which explains the quality of accepted FFB that enters mill based on FFB's grading result and informs the quality of FFB, CPO and kernel production in each supplier's estate.

There is fruit delivery receipt and FFB weight bridge receipt (**RSPO certified**) from nucleus estate, for instance:

FFB Delivery Note (SPB)

Estate: Mandah Estate

Division: III

Block: G025

Delivery date: 16/3/16

Serial number for fruit delivery note: E456 16265750

Vehicle number: VLO 43 0062

Harvesting date: 16/3/16

Cultivation year: 1999

Bunches: 101

FFB delivery note is completed with stamp '**RSPO Certified**'

FFB Weight Ticket (FFB Receive)

Ticket: 228818

Supplier: E456 Mandah Estate

Transporter: E456 MandahEstate

Product: 001-FFB A CROP (24hours<&< 48 hours)

Vehicle No: DVA0010256

Driver Name: Santo

Driver IC: 3

D.O No: 45616265750

Remarks:

Seal No:

Harvest Date: 16/03/2016

Bunches: 101 R

Estate Wt. (Kg): 900

Estate ABW: 0.09

Mil Wt. (Kg): 1,766

Act ABW: 17.49

Fruit Weight Ticket (FFB Receipt note) is completed with stamp '**RSPO Certified**'

Certified and non-certified FFB received period of April 2016 to March 2016

Month	FFB		
	RSPO Certified	Non Certified	Total
Mandah Estate	74,273,537	-	74,273,537
Rotan Semelur Estate	50,841,942	-	50,841,942

Teluk bakau Estate	1,061,655	-	1,061,655
Nusa Perkasa Estate	6,074,940	-	6,074,940
Nusa Lestari Estate	4,057,075	-	4,057,075
Total			136,309,149

Status: Comply

D.4.2

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

The Mandah POM – PT Bhumireksa Nusasejati acknowledged and claimed the certified product for a year for CPO product: **CPO: 32,515.71 ton** and **Palm Kernel : 6,364.77 ton** period of 1 April 2015 till 31 Maret 2016.

Based on production date from April 2015 during the Audit Surveillance 2, total generated CPO and Kernel by Teluk Bakau POM was: **CPO = 31,240.72 ton** and **Palm Kernel = 5,815.03 ton**.

The data revealed that the production of CPO and Kernel, which can be claimed by Mandah POM - PT Bhumireksa Nusasejati had not exceeded the projected volume. The management of Mandah POM - PT Bhumireksa Nusasejati has a commitment to provide information to PT Mutuagung Lestari in case there is an exceeding production of CPO and Palm Kernel from the projected volume.

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.

The Mandah POM – PT Bhumireksa Nusasejati, has a monitoring report for RSPO certified product (FFB, CPO & PK). Below is monthly production table in 3 months base.

Month	Volume (Ton)		
	TBS		TBS
Apr - Jun 2015	28,642.320	6,612,121	1,173,748
Jul - Sept 2015	38,765.553	9,066,026	1,556,121
Okt - Des 2015	33,388.818	7,662,546	1,474,675
Jan – Mar 2016	11,217,988.79	7,900,030	1,610.486
Total	136,309,149	31,240.723	5,815,030

Status: Comply

D.6

Processing

D.6.1

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

The entire accepted and processed product in Mandah POM comes from RSPO certified own estate. Until now, Mandah POM does not accept and process FFB from not certified sources. Based on the available document within the system, it reveals that the document consists of fruit delivery note, weighing ticket, Sales Contract and SIME Weigh program application, which explain the source of FFB (Division, harvesting block, cultivation year, number of bunches) to product such as CPO and PK that 100 % is a certified product (RSPO Certified). The entire document that related to product acceptance and processing have been marked with stamp 'RSPO Certified'

Status: Comply

D.6.2

The objective is for 100 % segregated material to be reached

Based on document's verification and field visit in Mandah POM and interview with weigh bridge and grading officers, its known that Mandah POM processes FFB into CPO and PK, which is 100 % comes from own estate. Verification over Sales Contract and Invoice document showed that the entire sold CPO and PK product is 100 % RSPO Certified product.

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	
ASA-2	BNS has logo and certificate approval/permit from Mutu	√
	Status: Full Compliance	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	
ASA-2	BNS, Mandah POM uses RSPO logo on its staff/workers uniform referring the form and size written on the guidance	√
	Status: Full Compliance	
3.	Implementation of Certificate and Logo is not used on product	
ASA-2	The Company does not use the logo both on-product and off-product within the scope of PT.Bhumireksa Nusasejati.	√
	Status: Full Compliance	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	
ASA-2	Certificate of logo control and usage conducted by BNS, Mandah POM is conducted by referring to the RSPO Guidelines Communication and Claims	√
	Status: Full Compliance	

3.4. Summary of RSPO Partial Certification.

Name of organization: PT Guthrie Pecconina Indonesia (KKPA Jernih River)		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	<p>There are some evidence of legal compliance that cover:</p> <ol style="list-style-type: none"> 1. Legal land ownership based on law No. 5 in 1960 related to the substantial agriculture issues, which is the HGU certificate No. 664/2003, 552/2003 for an area of 10,139.91 ha. 2. Providing manpower social insurance, in a form of Jamsostek based on law No. 3 in 1992. 3. Providing occupational health and safety tools for the entire personnel based on law No. 1 in 1970. 4. There is an environment document development progress (environment management plan/ environment monitoring plan) based on law No. 23 in 1997. 5. Preparing land clearing process with zero-burning approach No. 18 in 2004. 6. Does not discriminating personnel based on No. 21 in 1999 – ratification of ILO on anti discrimination has been stated in work agreement/ work contract. 7. Allocating some part of the area, which should be protected as protected area based on President Decree No. 32 in 1990 and law No. 41 in 1999 related to forestry. (Identification of HCV by Aksenta in July 2012). 8. Paying salary above the applicable minimum wage standard. <p>Related to company's compliance toward the applicable land ownership regulation, environment and social management, manpower protection, report submission, some related agencies (for instance: environment agency in Musi Banyuasin District, government in Musi Banyuasin District, and Plantation and Forestry Agency in Musi Banyuasin District) mentions that GPI has complied and consistent on the applicable regulation.</p>	√
	Status: Full Compliance	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	<p>Location permit based on Head of Musi Banyuasin District Decree No. 262 in 2011 that covers an area of 4,000 ha.</p> <p>Location permit based on Head of Musi Banyuasin District Decree No. 0217 in 2011 that covers an area of 2000 ha.</p> <p>The appointment of 262 plasma smallholder candidates based on Head of Musi Banyuasin District Decree No. 0258 in 2010.</p> <p>Work agreement with Sinar Delima cooperative No. 001/Plasma/GPI-KUD/II/2012 regarding the development of palm oil plantation with partnership scheme KKPA (<i>Kredit Koperasi Primer untuk Anggota</i>).</p> <p>IUP Plasma based on Head of District Decree No. 0265 in 2010 (nucleus estate 800 ha and Plasma 1200 ha in Gajah Mati Village, Sungai Keruh Sub-district) and IUP based on Head of District Decree No. 282/KPTS/IUP/DISBUN/2011 (nucleus estate 1600 ha and Plasma 2400 ha).</p> <p>Kavling distribution plan has been mapped. At the moment, company is waiting the approval from cooperative for plasma plantation distribution.</p> <p>There is minute of land handover process from landowner with a basis of business right and land ownership letter. For instance, minutes of land handover on behalf of Aziz Ali with a basis of business right and land ownership letter dated 9th July 2007 for a land area of 2.8 ha that is known by Head of Gajah Mati Village and acknowledgement right letter on behalf of Aziz Ali for an area of 2,8 Ha in Gajah Mati Village on 24th February 2008 and has been registered to Head of Sub-district office No. 593/126/2009/XII/2008 on 3rd December 2008.</p>	√
	Status: Full Compliance	
6.3	There is a mutually agreed and documented system for dealing with complaints and	X or√

	grievances, which is implemented and accepted by all parties.	
	<p>There is consultation and communication procedure with local community (RSPO/6.2/KKM), communities complain management (RSPO/6.3/PKM), personnel complain management (RSPO/6.5/PKK) and conflict resolution (RSPO/2.2/PK) in a participatory way by involving local communities in estate area, such as: (1) Talang Piase Village (14th May 2011); (2) Sub-village III Talang Ilo (27th May 2011); (3) Napal Village (29th May 2011); (4) Karang Ringin II Village (26th May 2011); (5) Rantau Kasih Village (13th May 2011). Socialization activity record, which consists of activity date, venue, matter, photos, attendance sheet. Conflict resolution technique in an effective, on-time and with a correct mechanism are regulated in <i>flow chart</i> of complain resolution, with a description such as: company receives complaint from internal and external source (accepted by head of section for recording), followed by submitting the report to manager for decision making or being consulted with head of department if the decision should come from head of department. Complain from personnel can be settled within two work-days (from complain submission to manager to resolution), meanwhile resolution for complain from local communities depends on the type of complain. If it is a brief complain then it could be settled within 3 work day, but if the complaint is significant, then the decision should be conducted to head office management with duration for about one week.</p> <p>Complaint from communities is recorded in communities complaint log book The procedure to identify and calculate the compensation over the lost of legal right or traditional right over the land is stated in procedure for conflict resolution (RSPO/2.2/PK). There is no revision over the content or mechanism of compensation calculation – similar to previous audit finding.</p>	√
	Status: Full Compliance	
6.4	Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or √
	<p>The procedure to identify and calculate the compensation over the lost of legal right or traditional right over the land is stated in procedure for conflict resolution (RSPO/2.2/PK), which has been socialized.</p> <p>The entire evidence of land conflict resolution is available in location, such as minutes of land handover from land owner with a basis of business right and land ownership letter. For instance, minutes of land handover on behalf of Aziz Ali with a basis of business right and land ownership letter dated 9th July 2007 for a land area of 2.8 ha that is known by Head of Gajah Mati Village and acknowledgement right letter on behalf of Aziz Ali for an area of 2,8 Ha in Gajah Mati Village on 24th February 2008 and has been registered to Head of Sub-district office No. 593/126/2009/XII/2008 on 3rd December 2008.</p>	√
	Status: Full Compliance	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	X or √
	There is an HCV identification result, which has been conducted in July 2011 by AKSENTA. The document ensures that there is no HCV area being used for the new KKPA plantation development.	√
	Status: Full Compliance	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or √

	<p>The procedure to identify and calculate the compensation over the lost of legal right or traditional right over the land is stated in procedure for conflict resolution (RSPO/2.2/PK), there is no revision on compensation calculation mechanism and compensation issues from the previous audit.</p> <p>There is minutes of land handover from land owner with a basis of business right and land ownership letter. For instance, minutes of land handover on behalf of Aziz Ali with a basis of business right and land ownership letter dated 9th July 2007 for a land area of 2.8 ha that is known by Head of Gajah Mati Village and acknowledgement right letter on behalf of Aziz Ali for an area of 2,8 Ha in Gajah Mati Village on 24th February 2008 and has been registered to Head of Sub-district office No. 593/126/2009/XII/2008 on 3rd December 2008.</p> <p>Plasma plantation development is based on agreement between Sinar Delima Cooperative (smallholders group) and PT GPI based on agreement letter No. 001/Plasma/GPI-KUD/II/2012 on development of plantation with partnership scheme/ <i>pembangunan Perkebunan Kelapa Sawit Pola Kemitraan KKPA (Kredit Koperasi Primer untuk Anggota)</i>. The appointment of 262 plasma smallholder candidates based on Head of Musi Banyuasin District Decree No. 0258 in 2010.</p>	√
	Status: Full Compliance	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	<p>There is minutes of land handover from land owner with a basis of business right and land ownership letter. For instance, minutes of land handover on behalf of Aziz Ali with a basis of business right and land ownership letter dated 9th July 2007 for a land area of 2.8 ha that is known by Head of Gajah Mati Village and acknowledgement right letter on behalf of Aziz Ali for an area of 2,8 Ha in Gajah Mati Village on 24th February 2008 and has been registered to Head of Sub-district office No. 593/126/2009/XII/2008 on 3rd December 2008.</p>	√
	Status: Full Compliance	

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components during ASA-1

3.5.1.1 Identification of Findings, Corrective Action, Observations

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation	Status	Closed Date
2015.1.	Major 2.1.1	<p>Evidence of the law requirement compliance</p> <p>According to the result of document verification and field visit to the hazardous waste storage in Mandah and Rotan Semelur Estate, the hazardous waste stored at hazardous waste storage is exceeding the period limit.</p>	Estate	NC	May 5 th 2015	The company has to show the evidence of hazardous waste management including the period of hazardous waste storing that refers to the regulation (government regulation number 101 year 2014).	<p>Root Cause: The hazardous waste is stored more than the allowed storing period.</p> <p>Corrective Action: The hazardous waste has been transported (sold) to the hazardous waste collector.</p> <p>Preventive Action: In order to prevent the same mistake, the company shall commits to the hazardous waste management (hazardous waste shall not be stored longer than the allowed period).</p> <p>Observation on April 22nd 2015: PT BNS management unit (Mandah Mill) has shown the letter of reference number 011/scAB-eunv/zars, on April 21st 2015 in term of Quotation (offers)</p>	Closed	May 5 th 2015

							<p>from PT Semesta Citra Alam Batam to transports hazardous waste from Guntung Island to Batam Island. However, there is no authentic evidence to prove that the hazardous waste is managed by referring the regulation.</p> <p>Observation on May 5th 2015: PT BNS has sent the evidence of the record of the hazardous waste transport from entire estate unit for period of May 2015. Evidence of the records is consisted of:</p> <ul style="list-style-type: none"> • Documentation (photographs) of the process of hazardous waste loading to the ship. • Manifest of the hazardous waste sales from entire estate unit of PT BNS to PT Logam Jaya Abadi on May 2nd 2015. <p>Auditor Conclusion: According to the evidence of the corrective action, the NC of the indicator is considered Closed.</p>		
2015.2.	Minor 2.1.1	<p>Evaluation over the Law Compliance</p> <p>Management unit shows the record of evaluation of the</p>	Estate and Mill	NC	Surveillance 2	The company has to show the evidence of the documentation which contains the evaluation of the most updated must-	<p>Root Cause: There are still 11 outdated law requirements (Statute/Government Regulation/Ministry</p>	Closed.	April 27 th 2015

		regulation compliance which was updated on January 2015. However, there are still 11 outdated law requirements (Statute/Government Regulation/Ministry Regulation/Decree of Ministry).				complied requirements regulation.	law and	Regulation/Decree of Ministry) found during the audit program. Corrective Action: The company has conducted corrective action in term of the evaluation of the compliance over the law and regulation referring the applied regulation. Preventive Action: The company shall keep monitoring the update of the law and regulation sustainably. Observation on April 22nd 2015: PT BNS management unit (Mandah Mill) has shown the evidence of the corrective action in term of the evaluation over the updated law requirements (Statute/Government Regulation/Ministry Regulation/Decree of Ministry) referring the applied statute regulation. Auditor Conclusion: According to the evidence of the corrective action, the NC of the indicator is considered Closed .		
2015.3.	Minor 4.4.2	The result of Effluent Quality Test	Mill	NC	Surveillance 2	The company must evaluates the result of		Root Cause: According to the data of the	Closed with Obser-	

		<p>According to the data of the effluent quality monitoring in 2nd semester of 2014, there was several effluent parameters exceeding the quality threshold (BOD, COD & N total) and there was no enough evidence of the evaluation to improve the effluent quality.</p>				<p>effluent quality test and the company should compose plan to adjust the effluent quality threshold refer to the applied quality threshold (Environment Ministry Regulation number 5 year 2014)</p>	<p>effluent quality monitoring in 2nd semester of 2014, there was several effluent parameters exceeding the quality threshold (BOD, COD & N total) and there was no enough evidence of the evaluation to improve the effluent quality</p> <p>Corrective Action: The company has conducted corrective action over the effluent processing system within effluent area to improve the effluent quality in order to adjust the applied quality threshold. The company also has evaluated that in order to improve the effluent quality.</p> <p>Preventive Action: The company shall always monitors and evaluates the result of the effluent quality test to adjust the effluent quality threshold referring the Environment Ministry Regulation number 5 year 2014.</p> <p>Observation on April 22nd 2015: PT BNS management unit (Mandah Mill) has shown the evidence of the revision of the report of environmental</p>	<p>vation</p>	
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							management and monitoring plan in 2 nd semester of 2014 including the effort to improve effluent quality. The evaluation is still implicitly described on the document of environmental management and monitoring plan. Auditor Conclusion: According to the evidence of the corrective action, the NC of the indicator is considered Observedi and it will be auditor concern on the next audit / assessment.		
2015.4.	Major 5.1.2	<p>Report of Environment Management</p> <p>According to the verification of the document of report of environmental management and monitoring plan in 2nd semester of 2014 (Mandah POM), there are several troubles. For example:</p> <p>a. The report systematic is not fully composed by referring to the decree of Environment Ministry number 45 year 2005 in term of guidance over the compilation of the report of environmental management and monitoring plan implementation such as the</p>	Mill	NC	May 5 th 2015	<p>a. The company has to compile the report of environmental management and monitoring plan implementation systematically refer to the Decree of Environment Ministry number 45 year 2005.</p> <p>b. The company has to conduct environment management and monitoring over the entire parameter as described on the matrix of environmental</p>	<p>Root Cause:</p> <p>a. The report systematic is not fully composed by referring to the decree of Environment Ministry number 45 year 2005 in term of guidance over the compilation of the report of environmental management and monitoring plan implementation such as the evaluation of the trend evaluation, critical level evaluation and compliance evaluation that is not yet described.</p> <p>b. Environmental impact monitoring and management</p>	Closed	April 27 th 2015

		<p>evaluation of the trend evaluation, critical level evaluation and compliance evaluation that is not yet described.</p> <p>b. Environmental impact monitoring and management is not fully described on the report of environmental management and monitoring plan implementation in 2nd semester of 2014 such as the impact of cannal bank damage.</p>				<p>management and monitoring effort of Mandah POM.</p>	<p>is not fully described on the report of environmental management and monitoring plan implementation in 2nd semester of 2014 such as the impact of cannal bank damage.</p> <p>Corrective Action:</p> <p>a. The company has revised the report of environmental management and monitoring plan and the company also had attached the evaluation system on the described parameter.</p> <p>b. Mandah Mill unit has revised the content of the report of environmental management and monitoring plan in term of cannal banks damage nearby Mandah Mill and the company also has revised the social impact assessment over the nearby community by attaching it on the environmental management and monitoring plan in 2nd semester of 2014. Furthermore, it has been reported to the Indragiri Hilir District Environment Agency.</p>		
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							<p>Preventive Action: The company shall manage the cannal banks damage nearby Mandah Mill area and the company shall evaluate the tren, critical level and compliance sustainably. It will be attached on the period of compilation of environmental management and monitoring plan. Furthermore, it will be reported to the associated agency.</p> <p>Observation on April 22nd 2015:</p> <p>a. PT BNS management unit (Mandah Mill) has shown the revision of the report of environmental management and monitoring plan in 2nd semester of 2014 by attaching the evaluation on the described parameter.</p> <p>b. The evidence of the corrective action in term of the cannal banks damage monitoring and social impact monitoring over the nearby locals has been shown. The report of environmental management and monitoring plan in 2nd semester of 2014</p>		
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							has been reported to the Indragiri Hilir District Environmental Agency.		
							<p>Auditor Conclusion: According to the evidence of the corrective action, the NC of the indicator is considered Closed.</p>		
2015.5.	Minor 5.2.1	<p>Poster of the Endangered Animals</p> <p>According to the result of field observation in block H22/H21 (Mandah Estate), there are several posters left torned.</p>	Estate	NC	Surveil- lance 2	The company must ensure that the posters are well protected.	<p>Root Cause: According to the result of field observation in block H22/H21 (Mandah Estate), there are several posters left torned.</p> <p>Corrective Action: The company has ensured that entire posters are well protected.</p> <p>Preventive Action: The company shall always monitor the posters of the endangered animals to keep them well protected.</p> <p>Observation on April 22nd 2015: PT BNS management unit (Mandah Mill) has shown the evidence of corrective action over the posters of the endanger animals.</p> <p>Auditor Conclusion: According to the evidence of the</p>	Closed	April 27 th 2015

							corrective action, the NC of the indicator is considered Closed .		
2015.6.	Minor 5.3.2	<p>Record of Effluent Monitoring / Analysis</p> <p>According to the result of field visit to Mandah POM WWTP, the company is not able to show the effluent debit monitoring in WWTP outlet yet.</p>	Mill	NC	Surveillance 2	The company has to show the result of effluent debit monitoring on the WWTP outlet referring the Environment Ministry Regulation number 5 year 2014.	<p>Root Cause: According to the Mandah POM WWTP, the company is not conducting the effluent debit monitoring on WWTP outlet yet.</p> <p>Corrective Action: The corrective action over the WWTP has been conducted. The effluent debit in WWTP outlet has also been monitored. It is attached on the report of environmental management and monitoring plan in 2nd semester of 2014.</p> <p>Preventive Action: The company shall keep monitoring the effluent debit on the WWTP outlet of Mandah POM.</p> <p>Observation on April 22nd 2015: PT.BNS management unit (Mandah Mill) has informed the evidence of corrective action in form of revision of the report of</p>	Closed	April 27 th 2015

							environmental management and monitoring plan in 2 nd semester of 2014. It shows the effort to monitor the effluent debit on the outlet of WWTP by installing Flow Meter		
							<p>Auditor Conclusion: According to the evidence of the corrective action, the NC of the indicator is considered Closed.</p>		
2015.7.	Minor 6.1.1	Record of the plan of regular social impact monitoring and management participatively (involving the locals) The company has shown the report of social impact assessment on 2010 and report of environmental management and monitoring plan in 2 nd semester of 2014. However, there is no authentic evidence that the social impact management and monitoring is conducted participatively (involving the locals).	Estate & Mill	NC	Surveillance 2	The company must be able to show the evidence of the social impact management and monitoring is conducted by involving participation of the locals regularly.	<p>Root Cause: There is no authentic evidence that proves that Mandah POM is conducting social impact management and monitoring participatively (involving the locals).</p> <p>Corrective Action: The company has socialized the social impact management and monitoring by involving the locals. It is written on the attachment of environmental management and monitoring plan in 2nd semester of 2014.</p> <p>Preventive Action: The company shall keep conducting corrective action over the social impact to the locals sustainably. It will be attached on the compilation of</p>	Closed	April 27 th 2015

							<p>environmental management and monitoring plan and then it will be reported to the government agency.</p> <p>Observation on April 22nd 2015: PT BNS management unit (Mandah POM) has informed the evidence of corrective action in form of revision of the report of environmental management and monitoring plan in 2nd semester of 2014 (evidence in form of questionnaire filled by Bente and West Belaras Village community on April 2015 is attached)</p> <p>Auditor Conclusion: According to the evidence of the corrective action, the NC of the indicator is considered Closed.</p>	
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3.5.1.2 Opportunity for Improvement / Opportunity for Improvement during ASA-1 Assessment

No	Ref Std	Descriptions
1	Minor 5.3.1	The company has built hazardous waste storage in Mandah Estate and the company has opportunity to improve the facilities (preventing rain water infiltration).
2	Minor 4.3.3	The company needs to improve cannal maintenance due to the plenty of water hyacinth and water grass which disturb the waterway transportation.
3	Major 4.4.1	The company has opportunity to repair the spraying mark to be more obvious.
4	SCCS 6.1	Mandah POM has opportunity to hold SCCS training regularly to entire associated staff.

3.5.1.3 Opportunity for Improvement / Noteworthy Positive Components during ASA-1 Assessment

No	Ref Std	Descriptions
1		PT BNS – Mandah POM has achieved RSPO certificate on 2014
2		Good document provision during audit program.
3		The company has had proper facilities to handle land fire such as fire monitoring tower, water pump machine, hose and nozzle. It is supported by program of Masyarakat Peduli Api (MPA) as the preventive action to prevent fire nearby company and village area.
4		The company has provided educational facilities (Kindergarten to High School).
5		The company has conducted scholarship program through Minamas Plantation to the high school student (children of the employees and community nearby estate).

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
2016.01	2.1.1.	<p>Compliance evidence with relevant legal requirements shall be available.</p> <p>Based on review of employee list, known that there are 46 non permanent workers (PKWT) in MDF and 69 non permanent workers in MDE. However, the management unit has not been able to provide evidence that all employee has been registered as member of BPJS Health. Further, there is no evidence that all non permanent worker in MDF has been registered in BPJS Manpower as regulated in national regulation.</p>	PT. BNS	Major	May 16, 2016	Company shall be show that all time limited workers has register to BPJS TK and BPJS Health accordance to Law No 24 year 2011.	<ul style="list-style-type: none"> • Root cause: <ol style="list-style-type: none"> 1. There are some time limited workers do not have Electronic Personal Identity Card (E-KTP) and Family Letters (KK), it's was administration requirement to registered on BPJS. 2. Time limited Workers has high turnover, it was problem to management for BPJS registering. 3. Company was located in remoted area, it's away from local agencies (Village, Sub District and District). So that workers are difficult to take care of the Electronic Personal Identity Card (E-KTP) and Family Letters (KK). • Corrective action <ol style="list-style-type: none"> 1. MDF was updated list of time limited workers, todate there are 43 workers and they had registered on BPJS health. Acoording to data verification by BPJS health Indragiri Hulu District: there are 35 person can registered, 5 person has registered in Private BPJS Health and 3 person has not the Electronic Personal Identity Card (E-KTP). 2. When were MDE registered 92 time limited workerd to BPJS Health, there 	Closed	May 18 th , 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>were 10 persons has resigned. According to data verification by BPJS Health: there are 7 persons has private BPJS health, 13 persons has JAMKESMAS, so that is can be registered as BPJS member by company is 62 people.</p> <ul style="list-style-type: none"> • Preventive action: <ol style="list-style-type: none"> 1. When are administration selection, all candidate workers shall have the Electronic Personal Identity Card (E-KTP) to facilitate the registration. 2. Company will coordinate an ongoing basis with stakeholders (government and BPJS), for fluency in the resident administration and BPJS registering. 3. Company will socializing about benefit of BPJS member to all workers. <p>Observation on May 9th, 2016</p> <ul style="list-style-type: none"> - Management unit was show 42 MDF time limited workers, who was registered as BPJS TK member. Auditor was observed the Register Number. - Management unit was show a letter of application for register on BPJS as many 92 workers, it's addressed to the head of the BPJS health Tembilahan branch. 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>(the company can't be showed evidence that all workers has registered on BPJS health).</p> <p>Observation on May 18th, 2016</p> <ul style="list-style-type: none"> - MDE was show list of time limited workers on April 2016, there are 92 workers. When they were registered to BPJS health. There are identified 7 persons have had Private BPJS health, 13 persons have JAMKESMAS and 10 persons was resigned at the end of April 2016. So that only 62 workers can be register. (all of member number has observed by auditor tem). - MDF was show list of time limied workers on March 2016, there are 46 workers. Todate there are 43 workers and has registered to BPJS health, however result of data verification by BPJS Health. There are 5 person has registered to private BPJS health and 3 person were don't have the Electronic Personal Identity Card. (auditor team was observed 35 workers have has BPJS health number register. <p>• Auditor conclusion: Management unit can be show evidence that all time limited workers has register to BPJS health and BPJS TK.</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2016.02	4.4.3	Effluent Discharge Monitoring Monitoring of effluent discharge to water body is not recorded since the flowmeter is broken	MDF	Minor	ASA-03	Company shall be have a mechanism to measurement water waste discharge debit to the canal.	<ul style="list-style-type: none"> • Root cause: <ol style="list-style-type: none"> 1. Flow meter specification was uncomply with waste water in peatland area. 2. Pipe installation in adequate to pumping wastewater to the disposal canals (KCB 15) • Corrective action: <ol style="list-style-type: none"> 1. The company has changed of pipe installation and flow meter in adequate, so can be done recording of wastewater discharge debit. 2. Company make improve the mechanism of measurement and wastewater discharge recording, so can be updated every days. • Preventive action: <ol style="list-style-type: none"> 1. Pipe installation system and flow meter made permanent, and appointing one officers to recording wastewater discharge debit every morning. 2. Company will conducting regularly monitoring, to ensure the flow meter in good condition. <p>Observation on May 9th, 2016 Management unit was show changing wastewater system, such as:</p> <ul style="list-style-type: none"> - Move the wastewater inlet from the mill to the cooling pond by using a branch pipe (tee). 	Closed	May 18 th , 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> - Modification of wastewater discharge systems using the Kew Pump with pond level parameter. - Adding a circulation pipe to the anaerobic pond B, for destruction a sludge with bacteria application. - Clean up and raising an embankment of WWTP. - Installing of the flowmeter, and recording a wastewater discharge debit. For example: records on April 8-9th, 2016: 1,387.611 m³. <p>The management unit can't be show evidence that flow meter was changed and can't be show up to date a wastewater discharge record.</p> <p>Observation on May 18th, 2016 Management unit was show a flow meter picture dated May 1st, 2016 show the number of 7,237.0 m³. And also management unit was show up to date a wastewater discharge record from May 2 - 12nd, 2016.</p> <ul style="list-style-type: none"> • Auditor conclusion: Based on explanation above, this non conformity was closed. 		
2016.03	4.7.3	Operator Licensed Based on document review, it is revealed that the period of validity of the overhead crane and excavator operator has ended	RSE and MDF	Major	May 16 th 2016	Company shall provide evidence that all operators has had valid operation license in accordance to	<ul style="list-style-type: none"> - Root cause: - Lack of thoroughness on validity period of Operation License of forklift and conveying operators by 	Open	21 May 2016 closed with

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		since September 13, 2015. There are three excavator operators and one overhead crane operator at Rotan Semelur Estate. Further, based on the result of field observation in Mandah POM, disclosed if there is only one person who has a boiler operator certificate. The management unit has not been able to show that the boiler operators working in each shift has licensed.				Permenakertrans No. 09 of 2010 and Permenakertrans No. 01 of 1988.	<p>RSE Legal Section.</p> <ul style="list-style-type: none"> - There is no monitoring on validity period of all operation license and driving license in RSE. - One of boiler operators who has had SIO was resigned. - MDF was late in registering its boiler operator on SIO fro Boiler Operator Training <p>Corrective action</p> <ul style="list-style-type: none"> - RSE has registered the extension of its 3 operator's license through PT. Arpindo Pratama - Bulldozer Operator has been transferred to Tughboat Helper since 2012 because the bulldozer had been broken. - Registering the Boiler Operator in boiler operation license training on April 26th to May 1st, 2016. <p>Preventive action: Creating a validity period of all operation license and all driving license monitoring board; and also ensuring all operators license is still valid.</p> <p>Observation on May 9th, 2016</p> <ul style="list-style-type: none"> - Management unit has showed a letter from PT. Arpindo Pratama that three operators are in the extension license 		observation

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>process (open).</p> <ul style="list-style-type: none"> - MDF showed a boiler operator license training registration form by PT. Arpindo Pratama in Pekanbaru on April 26th to May 1st, 2016. (closed with observation). <p>Management unit can't show a forklift and conveying license for Paiyan Sinaga. And can't show preventif action.</p> <p>Observation on May 18th, 2016 Management unit has showed rotation letter of Mr. Paiyan Sinaga (bulldozer operator) to tughboat helper dated October 1st, 2012 because bulldozer was broken.</p> <p>But the management unit has not been able to explaine a preventif action ensuring there is no reoccurrence of the similar case in the future.</p> <p>Observation on May 19th, 2016</p> <ul style="list-style-type: none"> - MDF was showed letter No. 105/BNS/MDF/05/2013 dated May 18th, 2016 about appointment a Head of Administration Division as PIC for monitoring the validity period of all operator's license and ensuring all operator has had SIO. - RSE was showed letter No. RSE/136/V/2016 dated May 18th, 2016 about appointment a Division II 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Assisstant/Safety Expert as PIC for monitoring the validity period of all operator license.</p> <ul style="list-style-type: none"> - Management unit showed that PSQM-EHS program period of July 2015 to June 2016 has a monitoring program for operator license and driving license validity period in each unit every semester. <p>Auditor Conclusion However, decree letter about appointment of PIC who is monitoring the validity period of operator licensed in MDF and RSE have no explained on about time frame of monitoring period. Monitoring program by PSQM-EHS has not been effective. Their monitoring results on January 2016, can't be found an operator licensed expired. There are still found on ASA-2 RSPO. It can't be showed a mechanism and time frame for extension licensed application process that will be ended.</p> <p>Observation on 21 May 2016</p> <ul style="list-style-type: none"> - MDE, MDF and RSE have provided an assignment letter for PIC of operator license monitoring that explains the name of the PIC for each unit management, the task and monitoring 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>timeframe and timing for proposing operator and driving license process before the end of the license validity. Below is the provided assignment letter authorized by Estate/Mill Manager for each management unit:</p> <ol style="list-style-type: none"> 1. No. BNS-MDF/05/2016 for MDF dated 18 May 2016 2. No. BNS-RSE/05/2016 for RSE dated 18 May 2016 3. No. BNS-MDE/05/2016 for MDE dated 18 May 2016 <p>- The company has provided evidence on monitoring license, processing new license and license extension mechanism in form of procedure no. 025/BNS-MPPPISS/V/16. The procedure explains the mechanism on license validity monitoring, license processing flow chart and internal coordination to process license including its timeframe.</p> <p>Auditor Conclusion: Based on evidence given, the non conformity 206.3 is closed.</p>		
2016.04	5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>The company has not implement good management for its waste generated from</p>	MDF	Minor	ASA-03	The company must have a solid waste management planning plant to prevent pollution and environmental contamination are	<p>Roor cause :</p> <p>MDF not have facilities an engine unit to recycle fibre as reuse of materials (fiber), MDF although there have been efforts to reduce solid waste/fiber with optimal turbine</p>	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		FFB processing such as fibre and shell. The abundant shell, waste, fibre and boiler ash is dumped in MDF yard. This condition might increase the risk of contamination to the surrounding environment especially the canal system nearby the dumping area.				implemented.	<p>operation by running a boiler operations.</p> <p>Corrective Action: The company has conducted a management of solid waste of plant to prevent pollution and contamination of the environment with the system to reuse the solid waste with fuel boiler.</p> <p>Preventive action : MDF has conducted prevention by means of reducing boiler fuel is wasted by optimizing the operation of the boiler</p> <p>Observation on May 9th 2016 The Company has sent evidence of improvements in the form of a disposal plans progress document and management of waste disposal which do manufacture embankment isolation in solid and fiber storage area and boiler maintenance on March 3, 2015 which is done before the audit activities ASA 2 Mandah POM do.</p> <p>The company also sends evidence of improvements in the form of the Development progress of fiber and shell conveyor for supply to the boiler that has been completed along 25m of 40 m are planned.</p> <p>Auditor Conclusion :</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							The company is not sufficient evidence of a reduction in heap of shells and fiber in the dumps, so the potential for environmental contamination is still present. It will be observed again at 3 surveillance audit Mandah POM (Open).		
2016.05	5.4.1	<p>A plan to reduce fossil fuel use and to optimize renewable energy shall be in place and monitored.</p> <p>The company has not utilized FFB processing generated waste such as fiber and shell as renewable energy source for electric power in FFB processing.</p>	MDF	Minor	ASA-03	Companies must show their plan for use of renewable energy sources are implemented.	<p>Root cause : MDF has not shown the utilization of fiber and shell, although there are reductions/storage shell in the bin.</p> <p>Corrective action : Utilization of fiber and shells has strived optimally possible and currently as the boiler fuel.</p> <p>Preventive action : Each time the processing of fiber have been used 100 % and the shell is stored in the shell bin (and have done consistently).</p> <p>Observation on May 9th 2016 The company also sends evidence of improvements in the form of the Development progress conveyor fiber and shell for supply to the boiler that has been done throughout 25 m from 40 m planned.</p> <p>Conclusion Auditor : The Company has not provided sufficient</p>	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							evidence of the implementation of renewable energy use. This will be verified again when audit ASA 3 Mandah POM (Open). Root of the problem and preventive measures is still not appropriate.		
2016.06	6.1.4	<p>There shall be evidence that the SIA review includes the participation of affected parties.</p> <p>There is an evidence of replanting program that was done since 2013, for example in the area of Rotan Semelur Estate has conducted monitoring and evaluation by participation of affected parties.</p>	PT. BNS	Minor	ASA-03	The company must show evidence that replanting activities that have been programmed and carried out since 2013 in the area of RSE has monitored and evaluated the impact in a participatory manner.	<p>Root Cause :</p> <ol style="list-style-type: none"> 1. Delay in Rotan Semelur Estate Unit Management (RSE) in especially PT BNS to monitor and evaluate the social and environmental impact in a participatory manner by involving the local community. 2. The company has not entered on the evaluation and monitoring into the report on RKL/RPL semester 2 2015. <p>Corrective Action :</p> <ol style="list-style-type: none"> 1. RSE Management Unit has conducted monitoring and evaluation of the impact of replanting activities since 2013 in a participatory manner by involving the local community. 2. The results of the monitoring and evaluation of social and environmental impact in a participatory manner has been incorporated into a report on RKL / RPL as the company's commitment to maintain social relationships with people around and always be reported to the relevant agencies. 	Closed	May 17 th , 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Preventive Action :</p> <ol style="list-style-type: none"> 1. In any implementation of replanting in Unit Manajemen RSE and in all areas plantation PT BNS, monitoring and evaluation will be done directly by involving communities around Plantation and Factory of PT BNS. 2. The results of the monitoring and evaluation of environmental impact in a participatory manner will always be updated and included in the report on RKL/RPL in accordance with the directives of AMDAL documents and recommendations resulting from the study of the consultant appointed by the company in conducting environmental impact assessments and social impact of replanting. <p>Observation on May 17th 2016 : Management Unit has sent evidence of improvements, among others :</p> <ul style="list-style-type: none"> • Revised RKL/RPL Semester 2 2015 which have included monitoring and evaluation of the impact of replanting. In the social aspect is done through the collection of information from the public through observation and questionnaires. • The questionnaire for collect the information on the profile of the village and Relationship of the villagers with the Company. 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Auditor Conclusion: Based on the evidence of improvements that have been shown by the management unit, the nonconformity on this indicator otherwise have been met.</p>		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	4.4.2	The company can install sign of prohibited chemical spraying for certain area along the canal system, to prevent contamination by agrochemical to water body.
2	4.4.3	The company needs to ensure that the WWTP facilities are well managed (Observation)
3	4.7.3	The company needs to review the PPE suitability used for the specified potential danger.
4	5.2.5	The company should monitor the process of HCV area management agreement with the community The company shall keep continue protect the existence of protected animal and vegetation while conducting periodic socialization of RTE protection to employees and surrounding communities (Observation)
5	5.3.2	The company can readjust the implementation of hazardous waste symbols in accordance with applied regulations.
6	5.3.3	Medical waste shall be stored in a safe place or in a closed / locked area that is not be publicly accessed.
7	7.3.2	The endorsement process of <i>Land Use Change Analysis</i> (LUCA) by RSPO for area that is opened after 1 November 2005 without prior to HCV assessment shall be in line with the procedure (Observation)

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1		The company commits to implement the principles of sustainable management of oil palm
2		The company personal has an enthusiasm to demonstrate the requirements of the RSPO standard
3		The company has been providing educational facilities from kindergarten to high school.
4		The company has a scholarship program through Minamas Plantation to high school students (children of employees and the community around the plantation).
5		The company gets OHS Appreciation in participating the month of Regents Indragiri Hilir 2016.
6		The company gets anti- HIV AIDS Appreciation organized held by Menpower and Transmigration Agency in 2015

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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Gurah Baru Canal -Teluk Bunian Village</p> <p>The stakeholder consultation process in this village was attended by Head of Hamlet, Informal Leader and several of community members.</p> <p>The main points of the interview result are:</p> <ul style="list-style-type: none"> • One of positive impact of plantation operation is an open access by communities to working opportunity. 	<p>Gurah Baru Canal -Teluk Bunian Village</p> <ul style="list-style-type: none"> • Management has always maintained a harmonious relationship and good communication with communities around the plantation. Management is also always open to receive information from the communities and giving feedback. In terms of meeting the shortage of manpower, the management always gives an 	<ul style="list-style-type: none"> • Based on stakeholder consultation in Gurah Baru Canal-Teluk Bunian Village, there is no significant issue of land conflict and complaint by another party related to plantation and mill operation. • Social interaction of company and communities are harmonious and no indication of social conflict between both parties.

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> • The company has cooperated with community to prevent and handling land fire. Forum of Masyarakat Peduli Api (Community Concerns on Fire) was established and ten of community's members have been trained by the company. They are appointed as forum main member in accordance with Decree from Head District of Indragiri Hilir. • The PT BNS handed over aids to community, for instance: <ul style="list-style-type: none"> - aid for mosque development - canal and water gate maintenance - provision of boat for students transportation - aid of oblatinal cattle in led Adha • Social interaction of company and communties are harmonious and no indication of social conflict between both parties. • There is no indication of negative impact on mill and plantation operation. <p><u>Aspiration:</u></p>	<p>opportunity to the people around the estate in accordance with company requirements.</p> <ul style="list-style-type: none"> • The company has always cooperated with the Masyarakat Peduli Api (Community Concern on Fire) that have been established to prevent and handling land fire in the area around the plantation. The management held a meeting with MPA at least 1 time in 1 month for further coordination. Management always ask for the daily activities of MPA every month. In addition, management also provide a monthly honorarium to the ten members of the MPA every month. • Plantation management always respond to the proposals put forward community and act according to SOP in force in the company. • To avoid any issue of conflict between company and communities, company keeping and maintaining a harmonious relationship that has been established so far. 	<ul style="list-style-type: none"> • The company has been give several aid for the community.

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> Maintenance of water gate in KM 00 Development of small road in village <ul style="list-style-type: none"> The communities expects the company informing any job opportunity in mill 	<ul style="list-style-type: none"> The company carries out cleaning of the canal from kilometer 00 to kilometer 03 at regular intervals (the edge of the main canal and the canal) and performing maintenance on water gate at kilometer 00 with the aim to preserve and maintain the average height of the surface so that the channel can be used by all levels of society Gurah Baru Canal as the new access road entrance waterway. We provide the opportunity for communities around the plantations if a job is available in estate/mill. However, the obstacles that we have encountered is the educational background of candidates for the available labor force at that time did not match those needed by the company. 	
<p>Berayun Canal -Teluk Bunian Village</p> <p>The stakeholder consultation process in these village was attended by Head of Hamlet, Informal Leader and several of community members.</p> <p>The main points of interview result are:</p> <ul style="list-style-type: none"> Social interaction of company and community is harmonious since the early period 	<p>Berayun Canal -Teluk Bunian Village</p> <ul style="list-style-type: none"> Management has always maintained a harmonious relationship and good communication with communities around the plantation. Management is also always open to receive information from the communities and giving feedback. In terms of meeting the shortage of manpower, 	<ul style="list-style-type: none"> Based on stakeholder consultation in Berayun Canal-Teluk Bunian Village, there is no significant issue of land conflict and complaint by another party related to plantation and mill operation. Social interaction of company and communities are harmonious and no indication of social conflict between both parties. The company has been give several aid for the community

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> • Positive impact of plantation operation is an open working access for the company surrounding community. • The better transportation access of community through the company canal system. • Several aid were given by the company to community for examples: <ul style="list-style-type: none"> - land fire anticipation - aid of oblatinal animal for led Adha - aid of miscellaneous in led Fitri • There is no indication of mill and plantation operational's negative impact. • There is no social conflict between company and communities. <p><u>Aspiration:</u></p> <ul style="list-style-type: none"> • Maintaining boundary area of company area bordered with communities's land. It is aim to anticipate land fire in dry session period. • Building gate for workers access from village to plantation and mill area • Aid of water pump machine from the company to community for anticipating land fire. 	<p>the management always gives an opportunity to the people around the estate in accordance with company requirements.</p> <ul style="list-style-type: none"> • In addition, the company also provides socialization / information to the community around the plantation area associated with the scholarship Minamas program cooperate with IPB (D3 Agriculture & S1 Agriculture). This program is intended for all children around the plantation community and employees's children who excel high school graduates majoring in science (the program is a longstanding worldwide enterprises Minamas group in Indonesia and has produced some of the community's children around the plantaions's to Minamas staff). • To avoid any issue of conflict between company and communities, company keeping and maintaining a harmonious relationship that has been established so far. 	

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Local contractor - PT Mitra Karya Jaya Perdana</p> <p>The interview process was held to Site Manager of PT Mitra Karya Jaya Perdana. These company is a local contractor for replanting area preparation of PT BNS.</p> <p>The main point of interview results are:</p> <ul style="list-style-type: none"> • Before the phase of working contract, the PT BNS opened the tender of some company activities for several contractors. PT BNS defines a standard and term of condition for the contractor. • The cooperation of PT BNS and the PT Mitra Karya Jaya Perdana is based on work agreement. The contract document explains contractor's right and obligation in provision of Personal Protective Equipment (PPE) for their employee. • The payment process from the PT BNS to the contractor was done properly as stated in contract clause • The PT BNS evaluates its contractor based on target of the work progress and there shall be no accident. • The constraint of land preparation for replanting proces is flood in rainy session. 	<ul style="list-style-type: none"> • Plantation management is committed according to the SOP applicable to all contractors, local and central contractor that works with the company and both parties remain committed to abide by the agreement and the agreed work together • So far , local contractors and contractors in the center remains committed to the fulfillment of their respective PPE employees and the management of plantations conduct inspections and provide guidance at certain times associated with the completeness of PPE. • The company paid the bills from contractors in accordance with the provisions that have been agreed in work agreement. • Results of evaluation of contractor performance is aimed more toward consideration for the establishment / appointment of the contractor in the next period. • Force majeure , which is defined as force majeure are circumstances or events that happened can not be predicted in advance by the parties. 	<ul style="list-style-type: none"> • Based on document verification and interview with local contractor that knows the company has giving information to all contractor related to chance for working tender. • The contract document was explains contractor's right and obligation in provision of Personal Protective Equipment (PPE) for their employee. • The PT BNS Mandah POM was done the payment period based on contract agreement.

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p><u>Aspiration:</u> The local contractor hope the good communication with PT BNS is maintained.</p>	<p>Circumstances force is organized in cooperation agreements .</p> <ul style="list-style-type: none"> • The company remains committed to maintaining and sustaining the harmonious relationship that has been established so far. 	
<p>Gender Committee of MDE and RSE</p> <p>The interview was conducted with member of Gender Committee Board in MDE and head and member of Gender Committee Board in RSE. Couple information noted during the interview are:</p> <ul style="list-style-type: none"> • The company implemented protection over reproductive right well which among others are menstrual leave, birth delivery leave and job mutation for pregnant and breastfeeding mom from chemical exposed job task to non chemical exposed job task. • No sexual harassment issue • Gender Committee roles in sexual harassment complaint is well understood by Chief of Gender Committee. • Socialization on prevention, protection and complaint both worker complaint and specific on sexual harassment has been well conducted by Gender Committee Team in Central Division and Division other than Central Division through Gender Committee Cadre. • Regular meeting is conducted minimum once a month along with P2K3 meeting in each estate. 	<ul style="list-style-type: none"> • Companies still protect the reproductive rights of women as well (menstruation leave (H1), birth delivery leave (H2) and enforces job mutation for pregnant and breastfeeding mo from jobs that use chemicals to work that does not use chemicals. • Socialization of prevention, protection and complaint stages both workers and specific complaints related to sexual harassment is still conducted by the team gender committee in accordance with the applicable SOP. • Meeting and socialization of gender committee routinely performed at least once a month in conjunction with baby care and health service 	<ul style="list-style-type: none"> • According to auditor team verification and interview with women worker, it's known that company still protecting a women reproductive rights. • In generally company has supported all gender committee activities.

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> The company treats its female worker and male worker, employee equally including in performance evaluation, welfare and worker rights as regulated in the applied manpower regulation. The Chief of Gender Committee is less informed on the period of Gender Committee Election and its election mechanism. <p>Aspiration: The company keep putting the effort and keep supporting all committee gender activities.</p>	<p>post and P2K3 meeting, with regular meetings that provide an opportunity to the management and employees themselves to obtain the required information.</p> <ul style="list-style-type: none"> The company treats its female worker and male worker, employee equally including in performance evaluation, welfare and worker rights as regulated in the applied manpower regulation. The Chief of Gender Committee is less informed on the period of Gender Committee Election and its election mechanism. 	
<p>Worker Union of PT BNS (Act. Chief and Secretary of Worker Union)</p> <ul style="list-style-type: none"> At January 2016, the Board of Worker Union of the previous period invited all Worker Union to deliver the board responsibility report. However, no member attended the meeting. After that, the Worker Union is dormant. In accordance with decision letter of Branch Committee, the current acting PIC of Worker Union is responsible to do socialization to all member to have a working unit meeting maximum by the next 6 months. During year of 2015, there is no industrial dispute between employee and the company. 	<p>Worker Union of PT BNS (Act. Chief and Secretary of Worker Union)</p> <ul style="list-style-type: none"> Workers Union in PT. Bhumireksa Nusasejati - MDE has been formed and approved/confirmed by the Branch Executive Federation of Agricultural and Plantation Workers Union SPSI Indragiri Hilir District period 2016 - 2017 No. 23/kep-A/PC.FSPPP-SPSI/IV/2016 dated : April 6, 2016. 	<ul style="list-style-type: none"> According to interview with workers in estate and mill, it's known there is no industrial dispute during year of 2015. Worker union legalization will be observed on next surveillance.

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
4.1	Formal Sign-off of Assessment Findings		
	<p>Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.</p> <p style="text-align: center;">Signed on behalf of:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Company Name Management Representative (Position)</p>  <p><u>M. Pirabaharan</u> Monday, 23 May 2016</p> </td> <td style="width: 50%; text-align: center; vertical-align: top;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Trismadi Nurbayuto</u> Monday, 23 May 2016</p> </td> </tr> </table>	<p>Company Name Management Representative (Position)</p>  <p><u>M. Pirabaharan</u> Monday, 23 May 2016</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Trismadi Nurbayuto</u> Monday, 23 May 2016</p>
<p>Company Name Management Representative (Position)</p>  <p><u>M. Pirabaharan</u> Monday, 23 May 2016</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Trismadi Nurbayuto</u> Monday, 23 May 2016</p>		

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.	Walhi	Jl. Tegalarang Utara No 14, Mampang, Jakarta Selatan	informasi@walhi.or.id	Questioner via email	10 th March 2016		√
2.	WWF	Graha Simatupang Tower 2 Unit C, 7th - 11th Floor Jalan Letjen TB Simatupang Jakarta - 12540	wwf-indonesia@wwf.or.id	Questioner via email	10 th March 2016		√
3.	Sawit Watch	Bogor Baru Taman, Jalan Cisangkui, Blok B 6 No 1, Bogor, Jawa Barat, 16127	info@sawitwatch.or.id	Questioner via email	10 th March 2016		√
4.	Environmental Agency (Badan Lingkungan Hidup)	Tembilahan – Riau	blh@inhilkab.go.id	Questioner via email	11 th March 2016		√
5.	Labour and Transmigration Agency (Dinas Tenaga Kerja dan Transmigrasi)	Jl. Keritang No. 47, Tembilahan Hilir - RIAU	info@inhilkab.go.id	Questioner via email	11 th March 2016		√
6.	Plantation Agency (Dinas Perkebunan)	Jl. Indragiri Pematang Reba Rengat 29351	info@inhilkab.go.id	Questioner via email	11 th March 2016		√
7.	Community Leader of Parit Gurah Baru Hamlet, Teluk Bunian Village	Village of Teluk Bunian, Subdistrict of Mandah	-	Interview	15 April 2016	√	
8.	Bente Village (Parit Berayun I)	Village of Bente, Subdistrict of Mandah	-	Interview	15 April 2016	√	
9.	Local Contractor - PT Mitra Karya Jaya Perdana	-	-	Interview	15 April 2016	√	
10.	Committee Gender	PT BNS	-	Interview	15 April 2016	√	
11.	Indonesian Workers Union PT. BNS	PT BNS	-	Interview	15 April 2016	√	

Appendix 2. Assessment Program

DATE	14 – 18 March 2016				
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR			
		TN	OR	YM	AF
Monday, 14 March 2016					
06.25 - 08.30	JAKARTA → BATAM	✓	✓	✓	✓
09.00 - 12.00	BATAM → PT BHUMIREKSA NUSASEJATI				
14.00 - 14.30	Opening Meeting				
14.45 – 16.30	Review of Previous Visit Non-conformance (Surveillance -1)				
16.30 – 17.00	Confirmation/Preparation for Field Visit and Stakeholder Consultation				
Tuesday, 15 March 2016					
08.00 – 12.00	Field Observation in Mandah Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, (best agricultural practices) • Land Fire facilities, etc • Worker facilities (housing, health clinic, clean water, etc) and • Workers interview (Worker Rights: payments, complaint mechanism, etc) • Stakeholder Consultation to Village Adjacent of Plantation Area & Check of Boundary Stone • Conservation Area, Environment Station Monitoring & Hazardous Waste Management 	✓ ✓ ✓	✓	✓ ✓	✓ ✓
12.00 – 14.00	Break				
14.00 – 16.00	<ul style="list-style-type: none"> • Continuing of Field Observation 	✓	✓	✓	✓
16.00 – 17.00	<ul style="list-style-type: none"> • Field Observation Clarification • Continuing Review of Previous Visit Non-conformance (Surveillance -1) 				
Wednesday, 16 March 2016					
08.00 – 12.00	Field Observation in Rotan Semelur Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting (best agricultural practices) • Land Fire facilities, etc • Worker facilities (housing, health clinic, clean water, etc) and • Workers interview (Worker Rights: payments, complaint mechanism, etc) • Stakeholder Consultation to Village Adjacent of Plantation Area & Check of Boundary Stone • Conservation Area & Environment Station Monitoring & Hazardous Waste Management 	✓ ✓ ✓	✓	✓ ✓	✓ ✓
12.00 – 14.00	BREAK	✓	✓	✓	✓
14.00 – 16.00	<ul style="list-style-type: none"> • Continuing of Field Observation 	✓	✓	✓	✓
16.00 – 17.00	<ul style="list-style-type: none"> • Field Observation Clarification 				
Thursday, 17 March 2016					

08.00 – 11.00	Field Observation in Mandah POM <ul style="list-style-type: none"> • SCCS Verification & Production Process • Workers interview (Worker Rights: payments, complaint mechanism, etc) • Land Application & Hazardous Waste Management/Hazardous Storage, WTP • Fire Protection & Emergency Team (Interview & Simulation) • Environment/EIA 	✓	✓		✓
11.00 – 12.00	<ul style="list-style-type: none"> • Reconfirmation of data & Completing of Check List 	✓	✓	✓	✓
12.00 – 14.00	BREAK				
14.00 – 16.00	<ul style="list-style-type: none"> • Auditor Team Discussion (Preparation for Audit Conclusion) 	✓	✓	✓	✓
16.10 – 17.00	<ul style="list-style-type: none"> • Closing Meeting 				
Friday, 18 March 2016					
07.00 -	PT BHUMIREKSA NUSASEJATI → BATAM → JAKARTA	✓	✓	✓	✓