

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

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

Name of Management : Teluk Bakau Palm Oil Mill, PT Bhumireksa Nusasejati subsidiary of Sime Darby Plantation Sdn Bhd.
 Plantation Name : PT Bhumireksa Nusasejati consist of Teluk Bakau Estate, Nusa Lestari estate and Nusa Perkasa Estate
 Location : Village of Rotan Semelur, Sub District of Pelangiran, District of Indragiri Hilir, Province of Riau, Indonesia
 Certificate Code : **MUTU-RSPO/008**
 Date of Certificate Issue : December 1st 2016 Date of License Issue : December 1st 2017
 Date of Certificate Expiry : November 30th 2021 Date of License Expiry : November 30th 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.1	13-17 November 2017	Y. Wisnu Rahmanto (Lead Auditor); Amarullah, Arif Faisal Simatupang, Radytio Puspajana	Octo H.P.N. Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.1	25 January 2018

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TABLE OF CONTENT

FIGURE	1
Figure 1. Location Map of Teluk Bakau POM – PT Bhumireksa Nusasejati	1
Figure 2. Operational Map of Teluk Bakau POM and its supply bases	2
Abbreviation Used	3
1.0 SCOPE OF THE CERTIFICATION ASSESSMENT	4
1.1 Assessment Standard Used	4
1.2 Organisation Information.....	4
1.3 Type of Assessment.....	4
1.4 Locations of Mill and Plantation	4
1.5 Description of Area Statement	5
1.6 Planting Year and Cycles	5
1.7 Description of Mill and Supply Base	6
1.8 Tonnage of Product.....	6
1.9 Other Certifications	7
1.10 Time Bound Plan	7
2.0 ASSESSMENT PROCESS.....	14
2.1 Assessment Team.....	14
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	14
2.3 Stakeholder Consultation and Stakeholders Contacted.....	17
2.4 Determining Next Assessment.....	17
3.0 ASSESSMENT FINDINGS	18
3.1 Summary of Assessment Report of the RSPO Certification	18
3.2 Summary of Assessment Report of Supply Chain Requirements.....	47
3.3 Conformity Checklist of Certificate and Logo Use (<i>only apply for Surveillance Assessment</i>)	52
3.4 Summary of RSPO Partial Certification	53
3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components	56
3.6 Summary of Arising Issues from Public and Auditor Verification.....	60
4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY	61
4.1 Formal Sign-off of Assessment Findings.....	61
APPENDICES	62
Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process	62
Appendix 2. Assessment Program.....	63

FIGURE

Figure 1. Location Map of Teluk Bakau POM – PT Bhumireksa Nusasejati

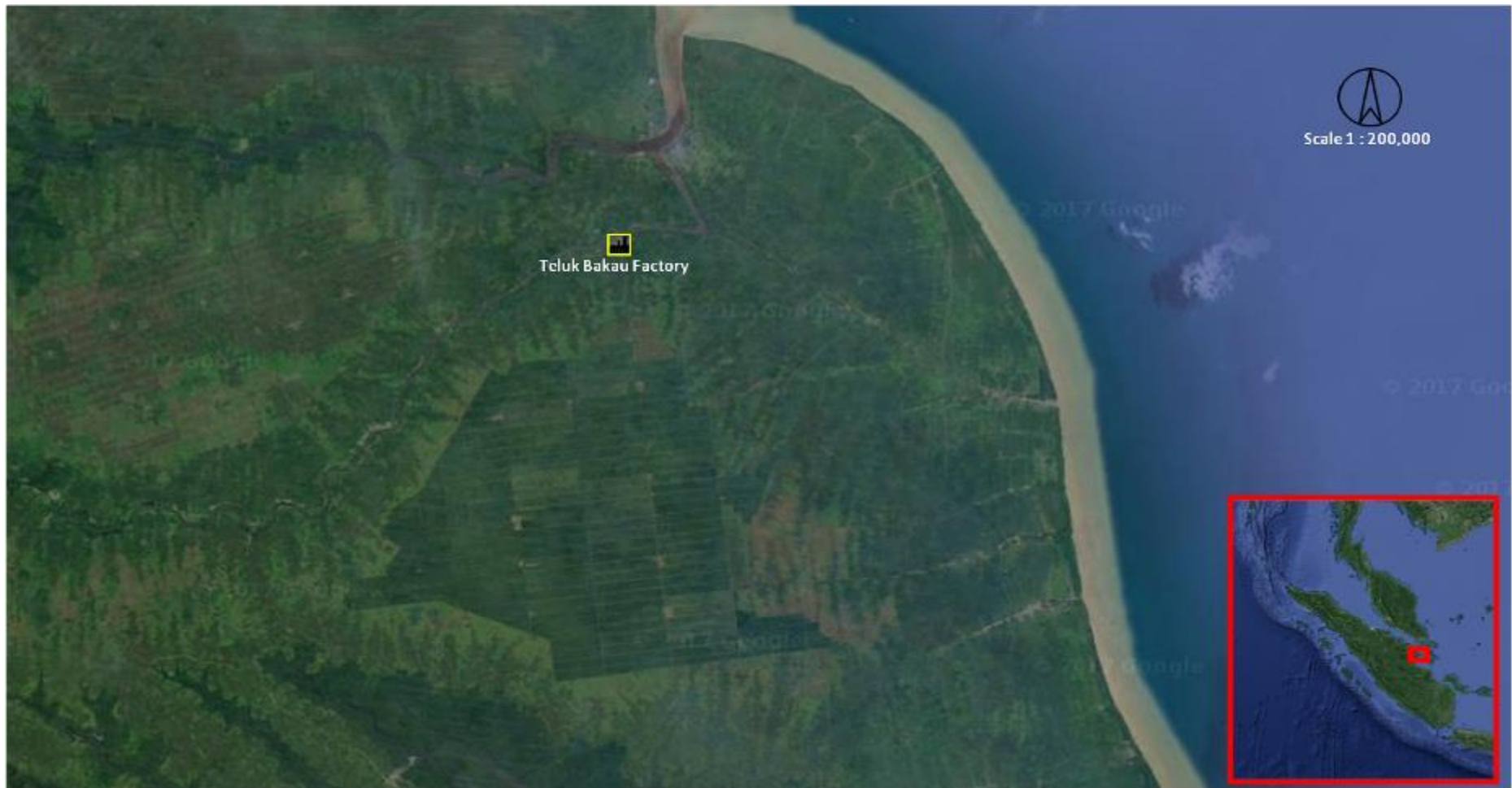
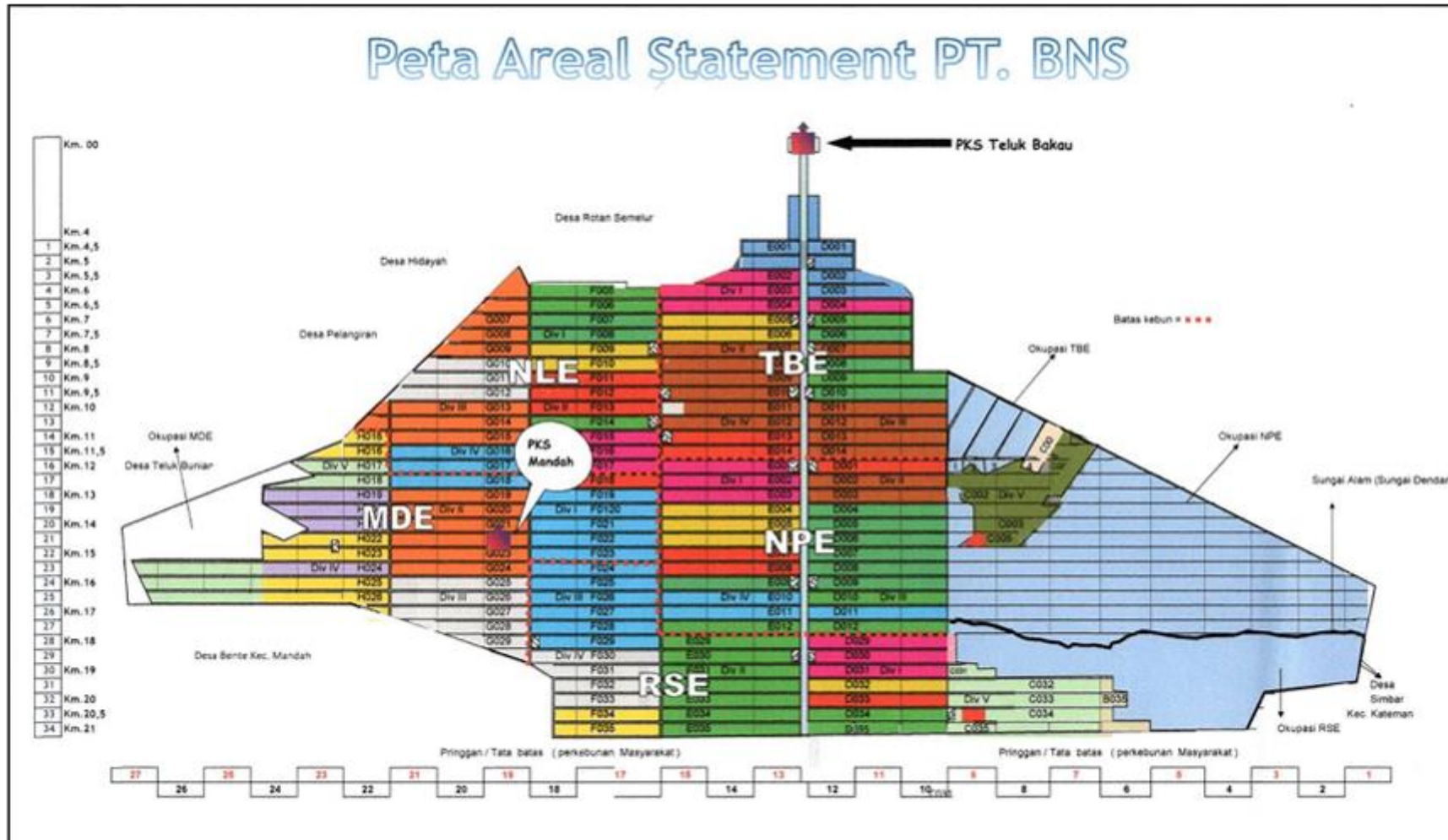


Figure 2. Operational Map of Teluk Bakau POM and its supply bases



Abbreviation Used

ASA	: Annual Surveillance Assessment	NGO	: Non Government Organization
BMP	: Best Management Practices	NLE	: Nusa Lestari Estate
BNS	: Bhumireksa Nusasejati	NPE	: Nusa Perkasa Estate
BPJ	: Badan Pertanahan Nasional (<i>National Land Agency</i>)	OER	: Oil Extraction Rate
BPJS	: Badan Penyelenggara Jaminan Sosial (<i>Social Assurance of Labor</i>)	OHS	: Occupational Health and Safety
CECT	: Closed End Conservation Trenches	P2K3	: Panitia Pelaksana Kesehatan dan Keselamatan Kerja (OHS Guiding Committee)
CPO	: Crude palm oil	PIC	: Person In Charge
CSR	: Corporate Social Responsibility	PK	: Palm Kernel
EIA	: Environmental Impact Assessment	POM	: Palm Oil Mill
EFB	: Empty Fruit Bunch	POME	: Palm Oil Mill Effluent
EHS	: Environment, Health and Safety	PPE	: Personal Protective equipment
FFB	: Fresh Fruit Bunch	PSD	: Plantation Services Departement
GCAD	: Group Corporation Audit Department	PSQM	: Plantation Sustainability and Quality Management
GM	: General Manager	RaCP	: Remediation and Compensation Procedure
HCV	: High Conservation Value	RKL	: Rencana Pengelolaan Lingkungan (<i>Environment Management Plan</i>)
HGB	: <i>Hak Guna Bangunan</i> (Building Use Title)	RPL	: Rencana Pemantauan Lingkungan (<i>Environment Monitoring Plan</i>)
HGU	: <i>Hak Guna Usaha</i> (Land Use Title)	RSPO	: Roundtable Sustainable Palm Oil
HIRAC	: Hazard identification Risk Assessment Risk and Controlling	SCCS	: Supply Chain Certification Standard
HPO	: Head Plantation Operation	SGM	: <i>Senior General Manager</i>
IPM	: Integrated Pest Management	SOP	: Standard Operational Procedure
KAN	: Komite Akreditasi Nasional (National Accreditation Committee)	SOU	: Strategic Operation Unit
KER	: Kernel Extraction Rate	TBE	: Teluk Bakau Estate
LCC	: Legume Cover Crop	TBF	: Teluk Bakau Factory
LUCA	: Land Use Change Analysis	WHO	: World Health Organization
MRC	: Minamas Research Centre	WTP	: Water Treatment Plant
MSDS	: Material Safety Data Sheet	WWTP	: Waste Water Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used			
	<ul style="list-style-type: none"> <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016)</i> <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> 		
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	PT Bhumireksa Nusasejati – Sime Darby Plantation Sdn. Bhd.	
1.2.2	Contact person	Mohamad Pirabakaran	
1.2.3	Organisation address and site address	RSPO registered company: No 2, Plantation Tower, PJU 1A/7Street, Petaling Jaya, Malaysia 47301. Liaison Office: The Plaza Lt. 36, JL. MH Thamrin Kav. 28-30, Jakarta 10350.	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	mohamad.pirabakaran@sime-darby.com	
1.2.7	Web page address	www.sime-darbyplantation.com	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabakaran (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	1 Palm Oil Mill (Teluk Bakau Factory) and 3 supply bases: Teluk Bakau Estate, Nusa Lestari Estate, Nusa Perkasa 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
	Teluk Bakau POM	Village of Rotan Semelur, Pelangiran Sub-district, Indragiri Hilir District, Riau Province, Indonesia	N 0° 15' 22.64" E 103° 35' 19.91"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Teluk Bakau Estate	Village of Rotan Semelur, Pelangiran Sub-district, Indragiri Hilir District,	N 0° 11' 33.06" E 103° 35' 49.34"

	Riau Province, Indonesia		
Nusa Lestari Estate	Village of Rotan Semelur, Pelangiran Sub-district, Indragiri Hilir District, Riau Province, Indonesia	N 0° 11' 6.95"	E 103° 34' 5.21"
Nusa Perkasa Estate	Village of Rotan Semelur, Pelangiran Sub-district and Penjuru village, Kateman Sub-district, Indragiri Hilir District, Riau Province, Indonesia	N 0° 07' 1.93"	E 103° 36' 19.47"

1.5 Description of Area Statement

1.5.1	Tenure	
	• State	25,684.00 Ha*
	• Community	- Ha
	*Total permitted area (HGU) of PT Bhumireksa Nusasejati is 25,684 Ha, consist of 2 Mills (Teluk Bakau POM and Mandah POM) and 5 Estates. Certified area within Teluk Bakau POM is 13,317.81 Ha where consist of 1 Mill and 3 Estates (Teluk Bakau Est; Nusa Lestari Est; Nusa Perkasa Est.)	
1.5.2	Area Statement	
	• Total area	13,317.81 Ha
	• Mature area	6,679.95 Ha
	• Immature area	3,721.09 Ha
	• Mill	8.81 Ha
	• Emplishment / Workers Quarter	111.97 Ha
	• Infrastructure	827.90 Ha
	• Nursery	40.00 Ha
	• Occupation	1,918.66 Ha
	• HCV	9.43 Ha

1.6 Planting Year and Cycles

1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Teluk Bakau	Nusa Perkasa	Nusa Lestari	Total
	1994	1,425.64	281.00	-	1,706.64
	1995	274.29	835.01	284.83	1,394.13
	1996	241.71	420.00	261.47	923.18
	1997		411.00	279.79	690.79
	1998			707.95	707.95
	1999			374.67	374.67
	2009		429.00		429.00
	2011		53.58		53.58
	2013	400.01			400.01
	2014	467.11	413.57	423.65	1,304.33
	2015	234.18	411.95	274.79	920.92
2016	284.25	396.00	419.67	1,099.92	

	2017	126.00	127.00	142.92	395.92		
	TOTAL	3,453.19	3,778.11	3,169.74	10,401.04		
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 nd Cycle				
1.7 Description of Mill and Supply Base							
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Teluk Bakau	60	94,807.45	21,123.09	22.28	3,877.62	4.09
	*Production data source from November 2016 upto October 2017						
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)	%
	Teluk Bakau	4,025.07	3,453.19	30,209.42	12.90	30,209.42	100
	Nusa Perkasa	5,836.00	3,778.11	36,557.65	15.05	36,557.65	100
	Nusa Lestari	3,456.74	3,169.74	22,046.48	11.55	22,046.48	100
	TOTAL	13,317.81	10,401.04	88,813.54	13.30	88,813.54	100
	*Production data source from November 2016 upto October 2017						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non- certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Rotan Semelur Estate (RSPO Certified)	PT Bhumireksa Nusasejati	-	3,845	4,528.08		
	Mandah Estate (RSPO Certified)		-	3,980	1,465.83		
	TOTAL					5,993.91	
	*Production data source from November 2016 upto October 2017						
1.7.4	Product categories			FFB, CPO, PK			
1.8 Tonnage of Product							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 1 st December 2016 to 30 th November 2017 (tonnes/year)		Actual certified product 1 st December 2016 to 10 th November 2017 (tonnes/year)		
	• FFB Production		107,522		78,861.64		
	• CPO Production		24,730		19,923.19		
	• Palm Kernel (PK) Production		4,301		3,955.63		
1.8.2	Product Selling						
	Tonnage of selling product		Actual selling product period 1 st December 2016 until 10 th November 2017.				

	<ul style="list-style-type: none">CSPO	8,613.91																																													
	<ul style="list-style-type: none">CSPK	3,429.52																																													
	<ul style="list-style-type: none">CPO under other scheme trading (e.g ISCC, RFS)	None																																													
	<ul style="list-style-type: none">CPO under conventional trading (if any)	11,309.28																																													
	<ul style="list-style-type: none">PK under other scheme	None																																													
	<ul style="list-style-type: none">PK under conventional trading (if any)	526.11																																													
1.8.3	Estimate of Certified FFB Claim																																														
	<table><tr><th>Name of Estate(s)</th><th>Total Area (Ha)</th><th>Planted Area (Ha)</th><th>FFB (tonnes/year)</th><th>Yield (tonnes/ha/year)</th></tr><tr><td>Teluk Bakau</td><td>4,025.07</td><td>3,453.19</td><td>44,162</td><td>18.86</td></tr><tr><td>Nusa Perkasa</td><td>5,836.00</td><td>3,778.11</td><td>51,889</td><td>21.36</td></tr><tr><td>Nusa Lestari</td><td>3,456.74</td><td>3,169.74</td><td>31,182</td><td>16.34</td></tr><tr><td>TOTAL</td><td>13,317.81</td><td>10,401.04</td><td>127,233</td><td>19.05</td></tr></table>	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Teluk Bakau	4,025.07	3,453.19	44,162	18.86	Nusa Perkasa	5,836.00	3,778.11	51,889	21.36	Nusa Lestari	3,456.74	3,169.74	31,182	16.34	TOTAL	13,317.81	10,401.04	127,233	19.05																					
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1.9 Other Certifications																																															
	<table><tr><td>ISO 9001:2008</td><td>-</td></tr><tr><td>ISO 14001: 2004</td><td>-</td></tr><tr><td>OHSAS 18001:2007</td><td>-</td></tr><tr><td>ISCC</td><td>-</td></tr><tr><td>Others</td><td>-</td></tr></table>	ISO 9001:2008	-	ISO 14001: 2004	-	OHSAS 18001:2007	-	ISCC	-	Others	-																																				
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1.10 Time Bound Plan																																															
1.10.1	Time Bound Plan for Other Management Units																																														
	<table><tr><th colspan="2">Management Unit</th><th colspan="2">HGU on Process</th><th rowspan="2">Supply Base</th><th rowspan="2">Time Bound Plan</th><th rowspan="2">Location</th><th rowspan="2">Status</th></tr><tr><th>Mill</th><th>Time Bound Plan</th><th>Ha</th><th>Time Bound Plan</th></tr><tr><td colspan="8">INDONESIA</td></tr><tr><td rowspan="2">Sekunzir. PT. Indotruba Tengah</td><td rowspan="2">2010</td><td rowspan="2"></td><td rowspan="2"></td><td>Sekunzir</td><td>2010</td><td rowspan="2">Seruyan and West Kotawaringin District – Central Kalimantan</td><td>Certified</td></tr><tr><td>Seruyan</td><td>2010</td><td>Certified</td></tr><tr><td rowspan="3">Manggala. PT. Tunggal Mitra Plantations</td><td rowspan="3">2010</td><td rowspan="3"></td><td rowspan="3"></td><td>Manggala 1</td><td>2010</td><td rowspan="3">Rokan Hilir District – Riau</td><td>Certified</td></tr><tr><td>Manggala 2</td><td>2010</td><td>Certified</td></tr><tr><td>Manggala 3</td><td>2010</td><td>Certified</td></tr></table>	Management Unit		HGU on Process		Supply Base	Time Bound Plan	Location	Status	Mill	Time Bound Plan	Ha	Time Bound Plan	INDONESIA								Sekunzir. PT. Indotruba Tengah	2010			Sekunzir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified	Seruyan	2010	Certified	Manggala. PT. Tunggal Mitra Plantations	2010			Manggala 1	2010	Rokan Hilir District – Riau	Certified	Manggala 2	2010	Certified	Manggala 3	2010	Certified	
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				Manggala 3	2010		Certified																																								

Bukit Ajong PT. Sime Indo Agro	2010	1,652	2019	West	2010	Sanggau District –West Kalimantan	Certified
				East	2010		Certified
				Sei Mawang	2018		-
				East Plasma	2010		Certified
				West Plasma	2010		Certified
Teluk Siak. PT. Aneka Inti Persada	2011	421.31	2020	Teluk Siak	2011	Pekanbaru, Siak District – Riau	Certified
				Pinang Sebatang	2011		Certified
				Aneka Persada	2011		Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	308.25	2020	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified
				Bukit Pinang	2012		Certified
Pematang. PT. Teguh Sempurna	2011			Pematang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
				Kawan Batu	2011		Certified
				Hatan Tiring	2011		Certified
				Batang Garing	2011		Certified
Alur Dumai. PT. Lahan Tani Sakti	2011			Alur Dumai	2011	Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011			Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
				Nusa Perkasa	2011		Certified
				Nusa Lestari	2011		Certified
Mandah. PT. Bhumireksa Nusa Sejati	2014			Mandah	2011	Indra Giri Hilir District – Riau	Certified
				Rotan Semelur	2011		Certified
Angsana Mini. PT. Sajang Heulang	2011			KKPA-1 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
				Pantai Bonati	2011		Certified
Angsana. PT. Ladangrumpun Suburabadi	2011			Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
				Gunung Sari	2011		Certified
				KKPA-4 PT.SHE	2013		Certified
Mustika. PT. Sajang Heulang	2013			Mustika		Tanah Bumbu District – South Kalimantan	Certified
				KKPA-2 PT.SHE	2013		Certified
				KKPA-3 PT.SHE	2013		Certified
				KKPA-5 PT.SHE	2013		Certified
				SAP 1	2020		ST-2
Gunung Aru. PT. Bersama Sejahtera Sakti	2011	765	2020	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
				Gunung Kemas	2011		Certified
				Laut Timur	2011		Certified
				Pantai Timur	2011		Certified
				KKPA BSS	2020		-
Bebunga. PT. Langgeng Muaramakmur	2011	1,162	2020	Sungai Cengal	2011	Kotabaru District – South Kalimantan	Certified
				Bebunga	2011		Certified
				KKPA Sungai Cengal	2014		Certified
Sukamandang	2011			Sukamandang	2011	Seruyan and	Certified

PT Kridatama Lancar				Sapiri	2011	East Kotawaringin District – Central Kalimantan	Certified
				Barasdanum	2011		Certified
				Kuala Kuayan	2011		Certified
Pondok Labu. PT Paripurna Swakarsa	2012	1,120	2020	Binturung	2012	Kotabaru District – South Kalimantan	Certified
				Pondok Labu	2012		Certified
				Rampa	2012		Certified
				Sesulung	2012		Certified
Selabak. PT Swadaya Andhika	2012	63	2020	Selabak	2012	Kotabaru District – South Kalimantan	Certified
				Randi	2012		Certified
				Sangkoh	2012		Certified
				Lanting	2012		Certified
Rantau. PT Laguna Mandiri	2012			Rantau	2012	Kotabaru District – South Kalimantan	Certified
				Matalok	2012		Certified
Betung. PT Laguna Mandiri	2014			Betung	2012	Kotabaru District – South Kalimantan	Certified
				Sekayu	2012		Certified
Ungkaya. PT Tamaco Graha Krida	2012			Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
				Plasma TGK	2015		Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	1,639	2020	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
				Plasma BGR	2020		-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	4,133	2020	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
				Bumi Ayu	2012		Certified
				Karang Ringin	2012		Certified
				Napal	2012		Certified
				Mangun Jaya	2012		Certified
				Sungai Jernih Estate and GPI KKPA	2017		-
Blang Simpo. PT Perkasa Subur Sakti	2013	1,286	2020	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
				Batang Ara (PT PSK)	2013		Certified
				Blang Simpo-01	2013		Certified
				Blang Simpo-02	2013		Certified
MAS. PT Mitra Austral Sejahtera	2020			MAS 1	2018	Sanggau District – West Kalimantan	-
				MAS 1	2018		-
				MAS 1	2018		-
				Plasma MAS	2020		-
Lembiru. PT Sandika Nata Palma	2014			Lembiru	2014	Ketapang District – West Kalimantan	Certified
				Awatan	2014		Certified
				Karya Palma	2018		-
				KKPA SNP	2020		-
				Pelanjau (PT BAL)	2018		-

				Sungai Putih (PT BAL)	2018		-
				Baturus (PT BAL)	2018		-
				KKPA BAL	2020		-
MALAYSIA							
Sg Dingin SOU 1	2010			Bukit Hijau	2010	Kerangan, Kedah	Certified
				Padang Buluh	2010		Certified
				Bukit Selangor	2010		Certified
				Sg Dingin	2010		Certified
				Jentayu	2010		Certified
				Anak Kuli	2010		Certified
				Somme	2010		Certified
Chersonese SOU 2	2011			Chersonese	2011	Kuala Kurau, Perak	Certified
				Holyrood	2011		Certified
				Kalumpung	2011		Certified
				Tali Ayer	2011		Certified
Elphil SOU 3	2011			Kinta Kellas	2011	Sg Siput, Perak	Certified
				Elphil	2011		Certified
				Kamuning	2011		Certified
Flemington SOU 4	2011			Flemington	2011	Teluk Intan, Perak	Certified
				Bagan Datoh	2011		Certified
				Sabak Bernam	2011		Certified
				Sg Samak	2011		Certified
Seri Intan SOU 5	2011			Seri Intan (Main Division)	2011	Teluk Intan, Perak	Certified
				Sabrang	2011		Certified
				Sg Wangi	2011		Certified
				Sogomana (Main Division)	2011		Certified
Selaba SOU 5	2011			Seri Intan (Selaba Division)	2011	Teluk Intan, Perak	Certified
				Sogomana (Cashwood & Sg Beruas Division)	2011		Certified
				Bikam	2011		Certified
				Clumy	2011		Certified
Tennamaram SOU 6	2011			Tennamaram	2011	Bestari Jaya, Selangor	Certified
				Sungei Buloh	2011		Certified
				Bkt Talang	2011		Certified
Bkt Kerayong SOU 7	2011			Bkt Kerayong	2011	Kapar, Selangor	Certified
				Bkt Cherakah	2011		Certified
				Bkt Rajah	2011		Certified
				Bkt Lagong	2011		Certified
				Elmina	2011		Certified
East SOU 8	2010			East	2010	Carey Island, Selangor	Certified
				Dusun Durian	2010		Certified
				Sepang	2010		Certified
West - SOU 9	2010			West	2010	Carey Island,	Certified

						Selangor	
Bukit Putri - SOU 10	2011			Bukit Putri	2011	Raub, Pahang	Certified
Kerdau SOU 11	2011			Kerdau	2011	Temerloh, Pahang	Certified
				Jentar	2011		Certified
				Mentakab	2011		Certified
				Sg Mai	2011		Certified
				Chenor	2011		Certified
Jabor - SOU 12	2011			Jabor	2011	Kuantan, Pahang	Certified
Labu SOU 13	2011			Labu	2011	Nilai, Negeri Sembilan	Certified
				New Labu	2011		Certified
				Bradwall	2011		Certified
Tanah Merah SOU 14	2010			Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
				Sua Betong	2010		Certified
				Bukit Pelandok	2010		Certified
Sua Betong SOU 15	2014			Salak	2014	Port Dickson, Negeri Sembilan	Certified
				Sengkang	2014		Certified
				Siliau	2014		Certified
				PD Lukut	2014		Certified
				Sungai Baru	2014		Certified
				Tampin Linggi	2014		Certified
Kok Foh SOU 16	2011			Bukit Pilah	2011	Bahau, Negeri Sembilan	Certified
				Kok Foh	2011		Certified
				Muar River	2011		Certified
				St. Helier	2011		Certified
				Pertang	2011		Certified
				Sg Gemas	2011		Certified
				Sg Sebalang	2011		Certified
				Sg Senarut	2011		Certified
Kempas SOU 17	2010			Kempas	2010	Jasin, Melaka	Certified
				Kemuning	2010		Certified
				Tangkah	2010		Certified
Diamond Jubilee SOU 18	2011			Bukit Asahan	2011	Jasin, Melaka	Certified
				Diamond Jubilee	2011		Certified
				Serkam	2011		Certified
Pagoh SOU 19	2014			Pagoh	2014	Muar, Johor	Certified
				Lanadron	2014		Certified
				Pengkalan Bukit	2014		Certified
				Welch	2014		Certified
Chaah SOU 20	2010			North Labis	2010	Chaah, Johor	Certified
				Cha'ah	2010		Certified
				Sg Simpang Kiri	2010		Certified
Gunung Mas SOU 21	2010			Gunung Mas	2010	Kluang, Johor	Certified
				Kempas Klebang	2010		Certified
				Bukit Paloh	2010		Certified
				Yong Peng	2010		Certified
Bukit Benut	2011			Bukit Benut	2011	Kluang, Johor	Certified

	SOU 22				CEP Niyor	2011		Certified
					Lambak / Elaeis	2011		Certified
	Ulu Remis SOU 23	2011			Pekan	2011	Layang-layang, Johor	Certified
					Sembrong	2011		Certified
					Tun Dr. Ismail	2011		Certified
					Ulu Remis	2011		Certified
					Bukit Badak	2011		Certified
					Cenas	2011		Certified
	Hadapan SOU 24	2011			CEP Rengam	2011	Layang-layang, Johor	Certified
					Kulai	2011		Certified
					Layang	2011		Certified
					Seri Pulai	2011		Certified
	Sandakan Bay SOU 26	2008			Tun Tan Siew Sin	2008	Sandakan, Sabah	Certified
					Tunku	2008		Certified
					Tigowis	2008		Certified
					Sentosa	2008		Certified
					Saguliud	2008		Certified
	Melalap SOU 27	2011			Melalap	2011	Tenom, Sabah	Certified
					Sapong	2011		Certified
	Binuang SOU 28	2009			Tingkayu	2009	Kunak, Sabah	Certified
					Sungang	2009		Certified
					Jelata Bumi	2009		Certified
					Binuang	2009		Certified
	Giram SOU 29	2009			Mostyn	2009	Kunak, Sabah	Certified
					Giram	2009		Certified
	Merotai SOU 30	2009			Imam	2009	Tawau, Sabah	Certified
					Merotai	2009		Certified
					Table	2009		Certified
					Tiger	2009		Certified
	Lavang SOU 31	2011			Belian	2011	Bintulu, Serawak	Certified
					Kelida	2011		Certified
					Lavang	2011		Certified
					Lavang (SE)	2011		Certified
					Rasan	2011		Certified
	Rajawali SOU 32	2011			Rajawali	2011	Bintulu, Serawak	Certified
					Samudera	2011		Certified
					Semarak	2011		Certified
					Bayu	2011		Certified
	Derawan SOU 33	2011			Takau	2011	Bintulu, Serawak	Certified
					Damai	2011		Certified
					Derawan	2011		Certified
					Sahua	2011		Certified
	Pekaka SOU 34	2011			Chartquest	2011	Bintulu, Serawak	Certified
					Dulang	2011		Certified
					Peroh	2011		Certified
					Pekaka	2011		Certified

				Ruai	2011	Certified
						<p>Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia.</p> <p>A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and Sime Darby Plantation Sdn Bhd targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p> <p>There was change of the Time Bound Plan under Sime Darby on 15 April 2016 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani Kelapa Sawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTU has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p> <p><i>This TBP is the latest update on 15th December 2017</i></p>
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	Teluk Bakau POM only receives FFB from own estates which is at one landbase of PT Bhumireksai Nusasejati. There is no smallholders nor outgrower are entering the Mill.					

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-1.1	<p>1. Yudwi Wisnu Rahmanto (Lead Auditor). Indonesian citizen graduated as Bachelor of Forestry with major study on Silviculture background in 2006. Previous working experiences i.a: Agronomy Assisstant in one of plantation company for 8 months and pharmacy business for 6 months afterwards. In 2010 began work as auditor in one of international certification body and became as RSPO Lead Auditor in 2013. Several training and audit activities for other certification schemes that have been involved including Organic Standard scheme (JAS, USDA-NOP, EU); Sustainability Coffee (C.A.F.E Practices - Starbucks); Sustainability of Forest Management (FSC-FM/CoC, CW); Sustainability of Oil Palm Plantations (RSPO, ISPO). A preferred aspects during auditing in sustainable certification schemes i.e: Land Tenure, HCV/Conservation, Social Community and Supply Chain. Having communication ability in local language (Javanese, Sundanese), Bahasa Indonesia, Malay and English (moderate fluent). During this assessment, I focused and assigned to verify on Legal, Land Disputes, Social and Supply Chain aspects.</p> <p>2. Mohamad Amarullah (Auditor). Indonesian Citizen. Master of Wood Science and Technology and Bachelor of Forestry, majoring in Forest Product Technology. Has experiences as an Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has attended several trainings such as Lead Auditor of ISPO, RSPO, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, HCV, etc. Has conducted several ISPO, RSPO and MSPO audit scheme as an Auditor since 2014 in Legal, BMP, environment, conservation and safety aspect. Fluent in Bahasa, Malay and English. At the time of audit, has appointed to verify information transparency, safety and manpower aspects.</p> <p>3. Arif Faisal Simatupang (Auditor). Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has attended the RSPO Awareness Training, Indonesian Sustainable Palm Oil (ISPO) Auditor Training, Training of Management System Certification ISO 9001-2008, Training of Environmental Management System, Awareness of ISO 17021 and ISO 17065, and training of Management High Conservation Value (HCV). He has been 4 years of working experience as a Field Assistant on oil palm plantation companies in Indonesia. During the assessment he assigned to verify Integrated Pest Management, Best Management Practices, Good Manufacture Practices, management and Economic aspect.</p> <p>4. Radytio Puspanjana (Auditor Trainee). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMTI, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospacial Information System, IHT Hight Conservation Value, IHT Environmental Impact Assesment, IHTGreen House Gas and RSPO Awareness In House Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. At the time of audit, has verify aspect of HCV and Environment.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-1.1	<p>Number of auditors : 4 auditor</p> <p>Number of days for ASA-1.1 at site : 5 days</p> <p>Number of working days for ASA-1.1 at site : 20 Working days</p>
2.2.2	Assessment Process
ASA-1.1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Bhumireksa Nusasejati to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) 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 / E for CPO Mill).</p>

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results **ASA-1.1** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-1.2**).

Improvement of findings from Re-Certification assesment findings were observed by auditors at this **ASA-1.1** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-1.1**.

The assessment program please find Appendix 2

2.2.3	Location of Assessment
ASA-1.1	<p>Number of units in this certification activity is 3 estates, which supply the raw material (FFB) to Teluk Bakau 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 1 palm oil mill (Teluk Bakau POM) and 2 estates (Nusa Perkasa estate and Nusa Lestari estate)</p> <p>Nusa Lestari Estate (14 November 2017)</p> <ul style="list-style-type: none"> • HGU Pole No. 110 (Block F05), No. 111 (Block F05), No. 112 (Block F05), No. 114 (Block F05). Observation of aspect of land demarcation and maintenance of HGU pole. • Block F010 Divisi 2. Harvesting. Observation and interview with 1 Senior Foreman, 1 Foreman and 1 Harvester on their understanding towards technical, safety, manpower, environment and conservation aspects, as well as company facilities. • Block F015 Divisi 4. Peat management. Observation on peat management though water level and subsidence pole minitoring. • Block F015 Divisi 4. Observation on Barn Owl Box (BOB) and its occupation or presence marks of <i>Tyto alba</i>. • Block F011 Divisi 2. Peat management. Observation on water table measurement through piezometer. • NLE Office. Interview with 3 Pesticide Applicators and 3 Fertilizer Applicators on their understanding towards technical, safety, manpower, environment and conservation aspects, as well as company facilities. • Worker Housing. Observations related to facility employees, domestic waste management, emergency response facilities, provision of clean water, and access to basic needs. 2 correspondent • Engine room. Field interview with workers and supervisor concering of FFB grading standard, worker right, safety, worker union, etc. 1 correspondent • Daycare. Observations and interviews related to the facilities provided to workers such as employee housing, clean water, daycares, school, employment and interview related complaint mechanism. 1 correspondent • First aid post. Observation First aid rooms reasonably clean condition, medical waste recording, labor medical check up and work accident. 1 correspondent • Fertilizer Warehouse. Observations relating to the implementation of storage hazardous material, Health safety and labor management. 2 correspondent • Chemical material warehouse. Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health. 2 correspondent • Body shower of spraying team and mixing area. Observation the conditions body shower room and PPE handling. 1 correspondent • Hazardous waste temporary warehouse. Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse. 1 correspondent • Central warehouse. Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health. 1 correspondent • Fire Fighting Equipment Storage. Simulation the function of fire extinguishers and team readiness. 4

correspondent

- **Workshop.** Observations and interviews with workers related to the management and implementation of health safety, and social worker and hazardous waste management. **3 correspondent**

Nusa Perkasa Estate (15 November 2017)

- **Harvesting, Division I, Block E02.** Observation and interview with supervisor and 4 harvesters regarding to harvesting procedures and rules, OHS and worker welfare aspects.
- **Spraying Pest of *Oryctes rhinoceros*, Division I, Block E05.** Observation and interview with supervisor and 16 harvesters regarding to safe working practices, OHS and worker welfare aspects.
- **Land Preparation of Replanting, Division II, Block D03.** Observation of oil palm feeling, chipping and stacking to trenches with CECT method (Closed Ended Conservation Trench).
- **Barn Owl Box Division II, Block D03.** Observation of biological treatment of infestation of rats by installing barn owl boxes.
- **Fire watching tower, Division V, Block C02.** Observation of fire control instrument and it effectivity.
- **Watergate, Division V, Block D03.** Observation of water management and water zoning by watergate.
- **Water Level Stake, Division V, Block D03.** Observation of water level measurement by water level stake.
- **Subsidence Stake, Division V Block E01.** Observation of peat subsidence measurements by using a subsidence stake.
- **First Aid Unit (Clinic) KM3 Divisi 3.** Observation and interview with 2 paramedics towards health facilities provided by company, infectious or medical waste management, housing health condition and manpower aspect.
- **Mawar Divisi 3 Employees Housing Complex.** Observation and interviews with occupant towards domestic waste management, facilities, safety and health aspects.
- **Daycare.** Observation and interview with 2 workers towards manpower and safety aspects.
- **Generator Set.** Observation on safety condition.
- **Warehouse (Traction).** Observation on safety condition as well as hazardous wastes management (used fabric, used containers, battery and lubricants).
- **Hazardous Waste Warehouse (Store).** Observation on hazardous balance, management and safety condition.
- **Agrochemical Warehouse.** Observation and interview with 1 Warehouse Keeper towards technical, pesticides stored, environment, manpower and safety aspects.
- **NPE Office.** Interview with **Gender Committee** member and Chief of **NPE Labor Union**.
- **Block C003, Division V.** Observation the conditions and position of legal boundary **NPE 005 (2010)**.
- **HCV area, Blok E11, Division 4.** Observations marking of HCV areas and RTE information signboard, prohibition of burning , hunting and illegal logging of natural trees.

Teluk Bakau Factory (15 November 2017)

- **FFB Processing.** Observation of oil palm flow process start from FFB receiving station, sterilizer, thresher, clarification, nut and kernel, engine room, workshop, hydrant point and dispatch station. Observation and interview with operator regarding to implementation of SOP in every station, OHS implementation, safety procedures, PPE usage, medical check up routine and payments.
- **Crane in Loading Ramp Station.** Observation and interview with 1 Operator and 1 Helper towards technical, maintenance, manpower, safety, health and environment aspects.
- **Sterilizer Station.** Observation and interview with 1 Operator towards technical, maintenance, manpower, safety, health and environment aspects.
- **EFB Incinerator Station.** Observation and interview with 1 Operator towards technical, maintenance, manpower, safety, health and environment aspects.
- **Generator Set Station.** Observation and interview with 1 internal Operator and 1 Contractor Operator towards technical, maintenance, manpower, safety, health and environment aspects.
- **Clarification Station.** Observation and interview with 2 Operator towards technical, maintenance, manpower, safety, health and environment aspects.
- **Press Station.** Observation and interview with 1 Operator towards technical, maintenance, manpower, safety, health and environment aspects.
- **Nut and Kernel Station.** Observation and interview with 1 Operator towards technical, maintenance, manpower, safety, health and environment aspects.

- **Boiler Station.** Observation and interview with 1 Operator and 2 Helper towards technical, maintenance, manpower, safety, health and environment aspects.
- **Hydrant Simulation.** Observation on readiness of fire fighter devices.
- **Process Office.** Observation on safety and first aid facility.
- **Chemical material warehouse.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health. **2 correspondent**
- **Lubricant warehouse.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health. **1 correspondent**
- **Sack used warehouse.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health. **1 correspondent**
- **Workshop.** Observation and interview with the workers related to OHS implementation, worker welfare and waste management. **2 correspondent**
- **WTP.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management. **1 correspondent**
- **WWTP. Observation management effluent.** Field observations related to Ban to entry to WWTP, run off, testing of effluent. Officers equipped with PPE and Recording of effluent debit effluent. **1 correspondent**
- **Water intake.** Observations and interviews related to water management, recording of water use. **1 correspondent**
- **Solid Waste.** Observation of the management of Solid waste consist of EFB, fiber and shell from the production process of mill. **1 correspondent**
- **Mill Drainage.** Observations mill effluent lines, sanitation mill and flow of leaching mill. **1 correspondent**
- **Hazardous waste temporary warehouse.** Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse. **1 correspondent**

Stakeholder consultation with relevant agencies by phone:

1. **Secretary of Plantation Agency of Indragiri Hilir Regency**
2. **Labour and Transmigration Agency of Indragiri Hilir Regency**
3. **Environmental Agency of Indragiri Hilir Regency**
4. **Land Agency of Indragiri Hilir Regency**

Local communities surrounding the plantation visited:

1. **Village of Pelangiran, Sub-District of Pelangiran**
2. **Village of Makmur Jaya, Sub-District of Kateman**

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1.1	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Bhumireksa Nusasejati was held by:</p> <p>Public Notification 30th October 2017 at Mutuagung website: http://mutucertification.com/notification-on-rspo-surveillance-1-1-of-teluk-bakau-pom-pt-bhumireksa-nusasejati-subsidiary-of-sime-darby-plantation-sdn-bhd/</p> <p>Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples.</p> <p>Numbers of input from stakeholders were clarified by PT Bhumireksa Nusasejati</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-2.1) will be determined 9-12 months after this ASA-1.1

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

Mutuagung Lestari has conducted an assessment of Teluk Bakau Factory – PT Bhumireksa Nusasejati – Sime Darby Plantation Sdn. Bhd. operation consisting of one mill and three estates.

During the assessment, there were one (1) nonconformity were assigned against Major Compliance and one (1) nonconformity were assigned against Minor Compliance Indicators and seven (7) opportunities for improvement were identified.

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

MUTUAGUNG LESTARI found that Teluk Bakau Factory – PT Bhumireksa Nusasejati – Sime Darby Plantation Sdn. Bhd **COMPLIED** with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) 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 / E for CPO Mill).

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.
1.1.1 and 1.1.2	<p>PT Bumireksa Nusasejati (PT BNS) as RSPO Certificate Holder (CH) through Plantation Service Department (PSD), has updating list of stakeholder annually, in line with RSPO Internal Audit schedule. The CH has classified stakeholder into internal and external, as per last update in October 2017, summaries as follows:</p> <ul style="list-style-type: none"> • Internal Stakeholder, which consist of Labor Union; Cooperative of PT BNS; Gender Committee and Occupational Safety and Health (OSH) Committee. • External Stakeholder, which consist of Government Agencies/Institutions from Indragiri Hilir Regency, Riau Province and National Department; Non Government Organization (NGO) from local, national and international; Local community representatives (Elders and Chief of Villages); Supplier; Contractor and Education Institution. <p>Update of stakeholder list has carried out through cross check of local news or issues, information letter, official announcement, field verification, etc. Person in charge (PIC) of this matter is presented in Assignment Letter (Memorandum) from General Manager (GM) of Riau Selatan Area No. 123/RSS-pod/IX/2012 dated September 3rd 2012. At the time of ASA 1.1, the PIC was still the same person.</p> <p>The CH has allows stakeholder to obtain several information (public accessed) related to legal permit, environment, social, manpower, conservation, safety, etc., as arranged in Procedure No. RSPO/1.1/P1 dated June 1st 2014 about information request. Procedure mentioned that information asked is requested to Unit Manager both orally or via official</p>

letter, to be reviewed, with maksimum response for six days. Confidential information is given after approved by the respective Head Department. Socialization of procedure has conducted by the CH annually. Socialization of information request has conducted on June 10th 2017 in Riau Selatan GM Office, attended by 17 estate representatives from Teluk Bakau Estate (TBE), Nusa Perkasa Estate (NPE) and Nusa Lestari Estate (NLE). Later on, Estate Assistant and Head of Administrative deliver orally the procedure to the workers through muster morning. Furthermore, socialization of information request has also conducted in Penjuru Village on February 16th 2017, attended by 4 village representatives, include youth union.

Based on interview with internal stakeholder such as Chief of Labor Union and Chief of Gender Committee, as well as external stakeholder such as Manpower Agency of Indragiri Hilir, contractor, local communities of Pelangiran Village, it was stated that the CH has considered cooperative and transparent in sharing and explain all information requested. Stakeholder has also understood and able to explain that response towards information will be response immediately, which maximum for 6 (six) days.

Personal in Charge (PIC) for information service is presented in GM Memorandum No. 123/RSS-pod/IX/2012 dated September 3rd 2012. PIC whose responsible for recording and monitoring of information request is presented in Assignment Letter (Memorandum) from GM of Riau Selatan Area No. 123/RSS-pod/IX/2012 dated September 3rd 2012. At the time of ASA 1.1, the PIC was still the same person, from Plantation Support Department – Land Development License (PSD-LDL). The respective PIC mentioned that record of information request monitoring was stored by PSD in GM Office. Information requested will be response maximum for one week (or six working days).

Record of information requested were presented in document of monitoring of in and out Letter. Based of review for information request recorded within period December 2016 to November 2017, it was informed that 24 information request letter were recorded which mostly on charity subject of sponsorship. All letter were response within one week and less than seven days.

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

List of document which are available for stakeholder were remain the same with the previous audit assessment, presented as follows:

- Legal documents: Location Permit, Plantation Business Permit, Land Title (HGU), Environment Permit, Company Policy and all legal requirement permits.
- Environment documents: High Conservation Value (HCV) report, Environment and Social Impact Analysis (AMDAL and UKL/UPL), Environment Management and Monitoring Semester report (RKL/RPL), effluent quarter report, hazardous waste store permit.
- Social documents: Company Social Responsibility (CSR), official letter towards social activities, complain record.
- Safety documents: Occupational Safety and Health (OSH) Program, OSH Program Monitoring records, OSH training or simulation and Medical Check Up records.
- Best management practices: trainings, water and peat management, production records, etc.
- Continuous improvement documents: Audit Report.

The CH management mentioned that confidential documents which not available to be accessed by stakeholder, unless permitted by official top management are financial data, customer related data, supplier data and personal privacy related data. All data and information requested were provided by PIC from PSD in GM of Riau Selatan Office.

The CH has provide information data through compulsory report which delivered to the respective Agencies. For example, report of effluent analysis, hazardous waste balance, environment program and monitoring has delivered to Environment Agency of Indragiri Hilir regularly. This is confirmed during interview with Environment Agency of Indragiri Hilir Agency.

Status: Comply

1.3
Growers and millers commit to ethical conduct in all business operations and transactions.
1.3.1

CH commitment towards code of integrity and ethical conduct in all business operation is presented in document policy No. 440/HRM-COC/07 dated May 24th 2007, issued by General Manager (GM), Senior General Manager (SGM), Head Plantation Operation (HPO) and Groud Head Plantation Indonesia (GHPI). There is no revision of ethical conduct since 2007. This policy has covers a respect for fair conduct of business, prohibition of all forms of corruption, bribery and fraudulent use of funds and resources, as well proper disclosure of information in accordance with reliable regulations and accepted industry practices. Stakeholder mentioned in the policy are Shareholder, Commissioner, Board of Director, Buyer, Supplier, Contractor, Business Partner (Investor), Creditor (Bank), Auditor, Local Communities, Government Instituitions, Competitor, Mass Media, NGO, Society Union, Labor Union, Strategic Partner, Smallholders and Industry Association. The CH has also have work ethics which arrange individual behavior as a part of company culture, such as: to obey company policy; professional; cooperative; open minded; discipline; polite; respecting human rights; no intimidations towards religion, status, and race; prohibition towards sexual harassment, gambling, uses of narcotics and company assets peculation; and safe working practices.

Socialization of the above has given regularly, as follows:

- Socialization of Key Performance Index and PT Code of Conduct (COC) by Area Controller (AC) on November 2017 in AC (formerly GM) Office, attended by 12 participants, e.g. Manager, Senior Assistant, PSD and Human Resources Management (HRM) from all units. Picture of socialization was available.
- Socialization of COC for NLE by PSD Staff, conducted on February 9th 2017 in Divisi 3 and Divisi 2 NLE, attended by 26 workers.
- Socialization of COC for NPE by Assistand and PSD Staff, conducted on July 14th 2017 in Divisi 2 NPE, attended by 23 workers.
- Socialization of COC for Staff and TBF employees by Assistant Administrative and PSD Staff, conducted on March 15th 2017 in TBF Office, attended by 11 workers.
- Socialization of COC for Contractor MKJP workers on October 9th 2017 in Divisi 2 NPE, attended by 10 workers.

Based on interview with workers in NLE, NPE and TBF, it could be concluded that the workers were familiar with company code of conduct such as conducting fair business, prohibition of corruption, bribery and sexual harassment. Socialization were given during muster morning and socialization.

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 (M)

The Certificate Holder has had the evidences of compliance with relevant legal requirements. The legal requirements consist of:

- Plantation Permit No: HK.350/184/Bun.5/III/2001
- Business Permit No: 119/T/PERTANIAN/INDUSTRI/2005
- Land use rights: land use title (HGU) certificate No. 01/1996 and No. 02/1996
- Premises right (HGB) No. 1/2000
- Labour Act (UU No. 13 Tahun 2003)
- Updated Minimum Wage (Decree of Governor of Riau No. 120/II/2017)
- Environmental Impact Assessment (AMDAL) No. 07/BA.5.3/V/1996.
- Etc.

2.1.2

A documented system, which includes written information on legal requirements, is available in list of law and regulations "Daftar Perundang-undangan dan Peraturan Tahun 2017". All the documents is provided at each unit (Mill and Estate) with separate aspects (Licenses/Permit, Manpower, Environment, etc).

2.1.3; 2.1.4

A mechanism for ensuring compliance where developed by the Certificate Holder is following the procedure. The SOP No. RSPO/2/PH, dated 1 August 2011 (for legal requirement compliances) and SOP No. 701/TQEM-ESH/10 (Evaluation of Law and Regulations Requirement).

A system for tracking any changes in the law is using SOP No. 701/TQEM-ESH/10 (Evaluation of Law and Regulations Requirement). Evaluation is periodically conducted every 6 months with the PIC are Plantation Service Department (legal aspect), Environment Safety and Health Manager and PSQM Officer (OHS aspect). The last internal audit for legal compliance was conducted on 16 October 2017, where the result is no significant findings.

Status: Comply	
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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 (M)

The CH has had documents showing legal ownership in form of Land Use Right (HGU). Total land use title area of PT Bhumireksa Nusasejati is 25,684 Ha, however for this scope is only consist of 1 Mill (Teluk Bakau factory) and 3 supply bases (Teluk Bakau Estate, Nusa Lestari Estate and Nusa Perkasa Estate) with total managed area is 13,317.81 Ha. The actual legal use of the land is available in this report (basic info).

2.2.2

During ASA-1.1, auditor has verified sample of legal boundaries by using Android GPS Data version 3.6.0 and GPS Essentials versi 4.4.23. Four (4) boundary poles at NLE and three (3) poles at NPE are demonstrated clearly and appropriate with legal coordinates.

2.2.3

In 2015, the CH has re-measurement of the concession with legal authority (BPN) regarding area that unable to be planted. This area will release from current land use right because is not possible to be compensated, where the land was occupied by local community and planted with coconut trees. The process for releasing the land through Free, Prior and Informed Consent by affected communities, because the communities disagreed to be compensated. All the evidence of this process has been available and recorded in "Berita Acara Proses Area Enclave" dated 24 March 2011.

2.2.4 (M); 2.2.5

The latest information is on October 2017, the CH has submit the progress of its area to the Ministry of Land and Spatial No: 328/BNS/UM/PSD/X/2017 related proposing of partial area within land use to be released with size 5,485 Ha. This submission completed with appropriate map "Peta Bidang Tanah Nomor: 04-05.04-2015" and scale 1:25,000. This map has made through participatory way with involvement of affected parties (including neighboring communities and local government where applicable).

2.2.6 (M)

During ASA-1.1 there was no evidence that palm oil operations have instigated violence in maintaining peace and order in their current operations.

Status: Comply	
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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 (M)

Teluk Bakau POM – PT Bhumireksa Nusasejati has had land use title since 1996. Maps with appropriate scale also available in the HGU certificate as part of legal standing. During ASA-1.1, the CH did not extent the managed area, even the CH still on going progress to release a part of their current concession (excluded from land title), please refer to Criteria 2.2 above.

2.3.2; 2.3.3

Based on stakeholder consultations with affected communities (Village of Pelangiran and village of Makmur Jaya), there

is no more land compensated for the last 3 years. Negotiation process to obtain land title has been conducted before 1996 (development started). Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) in that time, also available in "*Risalah Pemeriksaan Tanah-B*" prior to achieve land use certificate. These all document are well recorded in Plantation Service Department (PSD).

2.3.4 (M)

Evidence of the process to obtain land use right in that time is already represented through institutions or representatives of their own choosing, including for the latest process of excluding area.

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 CH has work plan for next 5 year in the document Long Term Projection period 2016/2017 to 2020/2021 are made for each unit management. In the document has explained the operational area plan, the production of FFB, CPO and PK, yield/ha, extraction of CPO & PK, the cost for EHS, social and environmental management and operations. In addition, the CH has a long term plan in business plan data for PT.BNS which describes the number of seeds, FFB production, OER, Production Cost, price of CPO, Revenue, replanting and CPO Production.

The work plan of peatland management has been programmed on Social and Environmental Impact Study related activities replanting period 2015-2018. The program are:

1. Dam → With a well-maintained dams so the water level can be maintained and there was no drought in the dry season and flooding during the rainy season.
2. Canal → Canals well maintained facilitate evacuation and transportation. Maintenance cannal such as cleaning of water hyacinth by manually without using chemicals.
3. Cannal Cliffs → Cliffs canal treatment with the maintenance of vegetation to prevent soil erosion (planting bamboo, island, Angsana and grass crocodile nests).
4. Net Branch Cannal → Installation Cannal Branch nets to hold the trash so it does not pollute the canal.

The CH has conducted an evaluation of the estimated budget which is conducted every month. Evaluation is recorded in Monthly Report. In the document explaining that the difference between realization activities and budget.

3.1.2

The CH replanting program has not changed from the previous assessment are listed in the Long Range Replanting Program for the years 2012-2024. Replanting progress noted in the replanting realization document and statement areal which explain total of planting area for each planting year for period 2013-2017. The CH using certified seed of oil palm in replanting programe.

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

CH have operational procedures consist of agricultural and processing procedures. Agricultural procedure in document of Agricultural Reference Manual (No. 110/EST-ARM/08), covering planting material, nursery technique, replanting, land preparation, planting density, maturity age, field upkeep, manuring, canopy management, ablation, standard ripeness, harvesting interval, traceability, plant protection.

The procedure of processing (No. 110/POD-FAC/07 & No.130/POD-FAC/07) covering from reception of FFB, about the basics of palm oil processing such as reception of FFB, boiling (sterilization), striping, digesting, pressing, clarification, separation of seed and fiber, kernels stations, stockpiling oil and palm kernel, laboratory management, boiler, engine power, the types of plant machinery, security and safety works, and dispatch.

Based on interview with workers in estates and mill, it is known that the workers can demonstrate the safe working practices, for instance in processing, harvesting, and pest control.

4.1.2 , 4.1.3

CH conducted annual operational and RSPO internal audit in order to monitor the implementation of the procedures. Operational internal audit evaluate the implementation of operational and administration of estates and mill. Whereas RSPO internal audit evaluate the implementation of sustainability procedures in estates and mill. Furthermore, the management representative (assistant, manager, regional controller) routinely conduct inspectorate visit to control the implementation of the procedures. The result of operational internal audits were documented in audit reports. The last operational internal audit for mill and estates conducted in October 2017

4.1.4

According to the result of document review and interview with the management, there is no FFB sourced from external party.

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, 4.2.3

CH has conducted efforts to maintain soil fertility through the implementation of a controlled fertilization, maintenance of cover crops, empty bunch of applications and also land application. The procedure related soil fertility in SOP Reference Manual Oil Palm Planting Agronomy (No. Policy: 110/EST-ARM/13), that contained such as procedure of block manuring system, procedure of leaf sampling unit, and procedure of establishment of legume cover crop.

The soil sampling to determine the nutrients in the soil carried out every 5 year are listed on SOP of Sustainable Plantation Management (724/TQEM-SPMS/09 dated 27 August 2010). For sampling of plant tissue carried out each year are listed on Procedure No. EXT Serv. Kal. I-01/01 November 2005. The last soil sampling conducted in July 2017 and still in analysis progress in accredited laboratory. Meanwhile the leaf sampling analysis listed in Manuring Recommendation of 2017/2018.

At the time of assessment there was no manuring activity. But based on document review and interview with manuring workers, the strategy has been implemented among others conducted soil sampling unit (SSU) and leaf sampling unit (LSU) periodically, anorganic fertilizing in accordance with recommendation, and planting legume cover crops. Furthermore, CH implemented selective weeding on interrow to minimize run off and erosion.

4.2.2

Implementation of manuring activity has been well documented. It available in each estate and shown compare budget or recommendation against realization. Based on document review of NLE and NPE, it shows that the manuring activity (time, location, dose, amount) has been in accordance with the recommendation. The anorganic fertilizer used by CH are RP,CUSO₄, ZnSO₄, Urea, ZA, NPK65, MOP, and HGFB.

4.2.4

Based Peat Depth Survey Report on 2011, explained that the content of organic material in the PT.BNS have been very high. Therefore, the CH does not perform activities of EFB and POME application. The EFB are burnt into ashes and used as a compound for planting in the nursery. For POME are disposed into water bodies after passing through several processes so worthy in accordance with applicable laws and regulations.

However the CH still use the organic material of oil palm tree at the replanting. It was proven that during a field observation in replanting areas of NPE Block D03, the oil palm trunk area chipped and dumped in trenches (Closed Ended Conservation Trench/CECT)

Status: Comply

4.3
Practices minimize and control erosion and degradation of soils.
4.3.1 4.3.2

The CH has shown Semi Detail Soil Map with scale 1:50.000 and has georeferenced. The map are covering of all estate that explain soil type, slope and the total area of each soil type. The CH has had a strategy for planting in slope areas are listed in Minamas Plantation Agriculture References Chapter 4 in land clearing section. However, based on Semi Soil Map Details and field observation in NLE and NPE, it is known that the whole area of PT. BNS are in the category of flat area.

4.3.3

In PT.BNS, transport wholly performed using water access/canal. The entire record of budget and realization of canal maintenance contained in the Monthly Report which describes the cost of budget and realization which is differentiated by the type of canal. The CH can show the Monthly Report of June 2017 describes treatment of canal period July 2016-June 2017. Based on the field visit in NLE and NPE, all of canal are well maintained. There are no water plants that interfere the access for transportation.

4.3.4 & 4.3.6

The CH has the SOP of Water Management on PT.BNS (01/BNS/VII/16 dated July 1, 2016) passed by the General Manager which explained the steps to maintain the water level in 50-80 cm below ground level and measurement performed twice each day. For the measurement of peat soil subsidence set in SOP of Peat Measurement (01/BNS/VII/16 dated July 1, 2016), which explains that the Measurement are performed every six months. CH can improve the quality of peat management procedures in the setting rate of peat subsidence with reference to related regulation. **OFI**

The CH has recorded all activities of the management of peat land in accordance with the procedures, among others:

- Measurement of peat land subsidence recorded in documents of Peat Subsidence Data period July 2016 to June 2017. Based on the field observation in NLE Block F15, and NPE Block E01, it is known that the CH had made measurements using subsidence stakes. Based on document of measurement, its known that subsidence rate of last year between 0,2 – 0,7 cm.
- Measurement of water levels has recorded in Water Level Report that describing the level of water in the main canal. Based on field observation in NLE Block F11, and NPE Block D03, there are water stick that is used to ensure the water level from the soil surface. The water level is at 30 – 50 cm below the soil surface.
- Measurement of groundwater level listed in document of Piezometers Data, the recording is done every day. Based on field observation in NPE Block F11, there are piezometers for measure the groundwater. at the time of field visit, the groundwater level is 40 cm under the soil surface.

In addition, the CH also implemented the management of cover crop in peat areas by planting Legume Cover Crop in replanting areas. This is verified during field observation in NPE Block D01.

4.3.5

The drainability assessment has been carried out and documented in the Peatland Extension Study of PT BNS, prepared by Statistic Data Proceasing - Minamas Research Center in November 2017. In the document is explained that the result of data analysis criteria and indicators of critical properties of peatland resources owned, namely the criteria of water level, acidity, and C/N ratio is generally classified in the critical class of 'non-critical drainage' suitable for replanting in one planting cycle forward. **The Nonconformity 2016.01 Minor set to Closed.**

The CH can improve the quality of drainability assessment by considering the results of the peat subsidence monitoring that has been done. **OFI**

Status: Comply

4.4
Practices maintain the quality and availability of surface and ground water.
4.4.1.

SOP Sustainable Plantation Management Guideline No. 724 / TQEM-SPMS / 09 of which contain the protection of

riparian (big river 100 m and a small river 50 m). Protection of surface and water flow in the operational area of the PT BNS carried out in accordance with the memorandum chairman SOU 19, Teluk Bakau No. 016/RSPO/BNS/X/2012 dated October 15, 2012. This memorandum Policy contains restrictions on the use of chemicals on the road, path and circle palm except in the way of supervision (width of 1.5 to 2 meters) situated 8 meters from the main drain (primary canal) and 4 meters of drain field (secondary canal).

The CH show a program and the realization of water management for the years 2016-2017 such as monitoring river water, water monitoring spil way, monthly monitoring of treated effluent and domestic water management every month.

4.4.2.

Observation field in NPE Block E011 (HCV Area), there are management of HCV among others signboard ban on hunting in the conservation area, board ban on hunting of endangered species, forest burn ban, and enrichment of plants. Based on document review interview with HCV officer there are monitoring scheduled and documentation of management of HCV and riparian area. The CH conducted vegetation enrichment on riparian area by planting pulai, angkana and bamboo trees.

4.4.3.

The Company showed a permit wastewater discharge permit to the water source with the number 503 / BP2MPD-WWTP / VIII / 2013/4 by the Subdistrict of Indragiri Hilir (licensing agency, cultivation and sale of Capital Region) valid from August 22, 2013 (for 5 years). Based on verification document, a permit wastewater discharge permit to the water source which expired on 31 August 2017. Auditor giving notes on this indicator as an Observation and will be verify in the next assessment. **(OFI)**.

The company show a quality testing of effluent for the month of July 2016 to June 2017 was conducted by Department Technical Executive Unit Testing Materials Riau Province accredited by KAN (LP-750-IDN). Based on the test results, the parameter PH & BOD in WWTP (Outlet) does not exceed the quality standards regulatory environment minister Number 5 year 2014 Annex III.

To ensure that no pollution on waterways, the CH also made water quality test in Semester 1 2017 where conducted by Dinas Pekerjaan Umum dan Tata Ruang Laboratory. The result for TSS on Kateman river is 110 mg/L (upstream) and 112 mg/L (downstream), where the threshold is 400 mg/L. TSS level is appropriate with regulation threshold.

4.4.4.

The Company show a permit the use of surface water with number 503 / BP2MPD-SIPAP / VI / 2015/2 on June 10, 2015 (validity period of 2 years) by the Agency for licensing, investment and promotion of Indragiri Hilir district. Based on verification document, a permit the use of surface water which expired on 10 June 2017. Auditor giving notes on this indicator as an Observation and will be verify in the next assessment. **(OFI)**.

Results of Interviews and field visits it was obtained information that the water used for mill processing activities comes from Kateman river. The use of water has been monitored on a daily basis by using flow meter gauges. SOP for water use monitoring available in work instruction for water treatment plant. Records of daily water use were then collected and compared with the per tonne of FFB processed to check efficiency of water use in mill. The average water use for domestic and process in the year 2017 (January to September) amounted to 82,270 m³. The average ratio of water consumption for the last 6 months (January – June 2017) was 1.33 m³/ton FFB and was below the water consumption budget (1.31 m³/ton of FFB).

Status: Comply

4.5

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

4.5.1

The CH has had an IPM plan in the procedure "Reference Manual Oil Palm Planting Agronomy" No. Policy: 110/EST-ARM/13. IPM plan contained in Section 15 about plant protection which explains the census frequency, control techniques until justification for pesticide use. In the procedure discusses about *Oryctes rhinoceros*, Leaf-eating

caterpillars, rat and ganoderma. In addition, the CH has the SOP replanting which was created on September 1, 2014 describes how to prevent ganoderma and *Oryctes rhinoceros* when replanting.

The CH has identified a potential pests by conducting a census every month and conduct the controlling the pest if the result of census are exceed of the threshold. In September 2017, the CH conducted a census pests and diseases, among others, *Oryctes rhinoceros*, Leaf-eating caterpillars, rat, termites and ganoderma. For example, in the NLE, there are documents of Ganoderma census with the result there is attack on the Block F18 with 3 % infestation. Termite pest control has been carried out on the tree which attacked by the pest and has been recorded in the document Termite Pest Control Monitoring.

Based on the field visit, the CH has implemented a biological pest control, for example the installation of barn owl boxes in NLE Block F15 and NPE Block D03. Barn owl boxes monitoring has been conducted well. In addition, every edge of the blocks the CH has been planting the beneficial plants with type of *Turnera subulata*, *Casia Sp.* and *Antigonon leptopus*.

4.5.2

CH has conducted regular training related IPM, among others training of thrunk injection on 27 July 2017, training of pest and diseases census on 10 February 2017. Based on interview with census detection worker is known that they understood and could demonstrate the best practices of pest detection.

Status: Comply

4.6

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

4.6.1

The CH has procedures "Reference Manual Oil Palm Planting Agronomy" No. Policy: 110/EST-ARM/13. In Section 15 (protection of plants) and Section 16 (weed control) that explained the justification of pesticide use in accordance with weed/pest, has included the dose and concentration of dilution. Based on observation of spraying *Oryctes* in NPE Block E05, the foreman can explain the function of pesticide, dose, and methode of dilution.

4.6.2

The CH has showed Monitoring of Agrochemicals Usage for period July 2016 – June 2017 explains the type of chemicals, active ingredient, total materials used, amount of ha application, active ingredient/Ha. In addition, the CH has Toxicity Monitoring of Pesticide and Chemical Materials describing the type of pesticide (trademarks), registration number from the Pesticide Commission, Dose/ha, LD50; % Active ingredient; dose of active ingredient/ha.

4.6.3

The CH has been implemented a strategy of reduced use of pesticides by implementing IPM activities, among others conducting regular census to determine the level of pest/disease attack. Application of pesticides used when the infestation rate has exceeded the economic threshold. CH also conducting pest/diseases handling by biological treatment, for example, the use of owls (*Tyto alba*) to control rat infestation (verified at NLE Block F15, NPE Block D03) and planting the beneficial plant with a type of *Turnera Sp.*, *Antigonon Sp.*, and *Casia Sp.*

4.6.4

Based on field visit in agrochemical warehouses and verification of the warehouse administration system, there are no pesticide category 1A and 1B WHO and paraquat are used in the field. It can be concluded that the CH has been consistent for not using pesticide category 1A and 1B and paraquat.

4.6.5, 4.6.7 & 4.6.9

The CH has SOP of Hazardous Material Handling (RSPO/P&C/PB3 dated August 2, 2010) has approved by the Chairman of SOU. In addition, the CH has identified the risk for pesticide application in HIRAC document. The CH has provided training to reduce the impact of the pesticides application, for instance training of thrunk injection on 27 July 2017 and training of SOP Block Spraying System on 25 August 2017 .

Observation in Estate Office shows that there is mixing area for pesticide, PPE and knapsack sprayer store, locker for

clean cloth and bathroom for spraying team. This facility also used for cleaning up after work.

Based on observation of spraying activity in NPE, the workers can demonstrate and explain the safe working practices in accordance with procedure, and risks that may occur in the spraying activities include toxicity, skin irritation up to the environmental pollution. Based on observation on agrochemical warehouse, the CH has provided the MSDS for all chemicals. The CH can assess the type of mask used for Pesticide Applicators in accordance with the MSDS. **OFI**

4.6.6.

The CH show a SOP of Waste Handling of Hazardous and Toxic Material No. 7307/BNS-ESH/10 Rev. No. 00 dated 2 August 2010 approved by the Chairman of SOU. The SOP aims to regulate the procedures for the handling of hazardous and toxic material from generating unit until the end of the process. Responsible person by head of administration, warehouse clerk and related units.

Result of field observations in housing, chemical warehouses and temporary storage of hazardous waste, it is known that all pesticide packaging is delivered to temporary storage of hazardous waste and has been documented in the balance sheet (details in indicator criterion 5.3). There is no reuse of pesticide packaging in employee housing.

4.6.8

Based on field observation, document review and interviews with workers, the CH did not conduct application of pesticides from the air.

4.6.10

There is Standard Operational Procedure Waste Handling of hazardous and toxic material with the number 7307 / BNS-ESH / 10 revision No. 00 dated August 2, 2010 approved by the Chairman of SOU.

CH has agreement with supplier for transport the former pesticide container which valid until 20 September 2017. CH also has a work instruction of washing and cleaning of used pesticide containers. SOP explained that the former pesticide containers were washed 3 times (according to the MSDS) and used washing water is re-used for spraying. All discarded containers of chemicals generated by estate and mill, placed in hazardous waste warehouse.

Record of hazardous waste management included in report of hazardous waste management which quarterly sent to environment agency, such as report of on January to March 2017. The training and socialization to spraying workers, about ex pesticide container disposal is available.

Based on interview with officer of hazardous & toxic waste, he has known about management of hazardous & toxic waste. The whole package of pesticide is stored in Temporary of storage hazardous waste and transported to porter hazardous and toxic waste.

4.6.11

Estate management were able to shows list of pesticide applicators. For example, total pesticide applicators in NPE and NLE per October 2017 were 72 (with 62 are women) and 55 (with 47 are women) applicators, respectively. The CH has conducting medical check up (MCU) which conducted twice a year. Type of analysis were consist of physical parameters, spirometry and cholinesterase (blood check). According to MCU record in NPE and NLE which issued by company doctor (Hiperkes) in October 26th 2017, it was informed that first check up for agrochemicals (pesticide and fertilizer) applicators had conducted from second week in September 2017 to second week in October 2017. Meanwhile, second MCU is projected to be carried out in March to April 2018. The record also informed that all medical parameter tested to all applicators were considered normal and fit to conduct agrochemical works. Meanwhile, based on interview with pesticide applicators in NLE Office and in Block E05 Divisi 1 NPE, it was mentioned that MCU were conducted twice a year, with last MCU has carried out in second week of September 2017 in First Aid Unit (Clinic) km15.5 NPE and second week of October 2017 in First Aid clinic NLE. The MCU results were informed to the applicators. They are also mentioned that when cholinesterase result is positive, the respective workers will be remove from applicators team and re-allocate to manual upkeep works.

4.6.12

Policy of prohibition for pregnant and/or breast-feeding women to work as pesticide (agrochemicals) applicator is presented in policy issued by company doctor on July 1st 2015. The policy has covers monthly menstruation periodic leave, pregnant and giving birth leave and prohibition for breast-feeding women to work as agrochemical applicator maximum for two years. Meanwhile, based on interview with pesticide Applicators in Block E05 Divisi 1 NPE and NLE Office, it was mentioned that pregnant and breast-feeding women were prohibited to work with agrochemicals. When detected, the respective applicator(s) will be remove from applicators team and re-allocate to manual upkeep works. Thus, pregnancy rapid test was carried out every month by company doctor or paramedics to make sure this policy is well implemented.

Status: Comply

4.7

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

4.7.1

OSH Policy

The CH has OSH policy which issued by Head Plantation Upstream Indonesia on December 2011, written in Bahasa. The policy mentioned that the company has committed to provide and maintain a safe and health working environment through effective OSH implementation management which aims to prevent working accident and unhealthy environment on employees, contractor and visitor. Regarding this matter, the CH will conduct pledge allegiance towards government regulation and guidance; to create OHS management in all Units/Departments; formulating, forming, delivering information, implementing and maintaining OHS working system on the CH operational areas; to provide trining, socialization and share experience to all employees towards effective and efficient working system; and continuously to monitor, maintain and update OHS management. Socialization towards OHS policy has given through safety briefing to all stakeholders before starts working activities and/or field visit. Apart from that, training and socialization of working procedure, PPE, HIRADC and MSDS has also given for specific works implementation.

OSH Committee, Program and Socialization

Estate and Mill management units were able to shows OSH work program for period 2016/2017 and 2017/2018. The program has issued by Secretary of OSH Committee and Chief of OSH Committee. In general, OSH program for estate were consist of several activities, as follows:

- Harvesting, fertilizer application, pesticide application and field upkeep: safety briefing towards SOP, PPE, HIRAC, MSDS, evaluation of PPE and extra fooding.
- Block Spraying System (BSS) House: building standardization, MSDS and hazardous symbols installation, etc.
- Vehicle: preventive maintenance, safety briefing, monitoring driver and vehicle license and safety briefing, etc.
- Generator set house: installation and monitoring of fire extinguisher, preventive maintenance of generator set and pump, piping, etc.
- Workshop: hazardous waste inspection, service and maintenance, safety briefing, etc.
- Electrical: monitoring of panels in all stations, monitoring emergency stop, inspection of lighting, vibration and installation.
- Central Store: zonation, hazardous symbols installation, material labelling, MSDS, hazardous waste inspection, etc.
- General: quarterly OSH Committee report, inspection of emergency devices, HIRAC analysis and review, internal audit, OSH monthly meeting, inspection of fire extinguisher and first aid box, socialization of OSH, medical check up monitoring, accident record recapitulation and documentation strategy.
- Training and socialization:
 - NPE: environmental safety and health, hazardous waste management, safety briefing for harvesting, OSH, pest and disease, fire fighter simulation, trunk injection, rhino beetle spraying, legume cover crop planting and fertilizer application.
 - NLE: fire extinguisher simulation, jacket life for student, safety briefing for harvester, pesticide applicator and fertilizer applicator, HIRARC, policy on pregnant and breast-feeding women, rhino beetle control, land fire simulation and first aid.

Furthermore, program mill is presented as follows:

- Update of emergency structure.
- HIRAC, risk assessment review and update MSDS.
- PPE implementation.

- Safety briefing OSH.
- Environment OSH device monitoring: fire extinguisher, machineries maintenance monitoring, medical check up, socialization towards MSDS.
- Training and socialization: fire extinguisher, first aid simulation, safety briefing with Contractor

Socialization of OSH program had delivered to units through muster morning and during training.

OSH Committee Report

The CH has shows OHS Committee report and its delivery/acceptance letter for example report of Quarter-3 NPE, NLE and TBF 2017 for period to Manpower Agency of Indragiri Hilir Regency, with evidence as follows:

- Acceptance of P2K3 for NPE report which presented in Letter No. 030/P2K3/BNS/NPE/VII/2017 dated July 10th 2017, accepted by Manpower Agency on October 11th 2017.
- Acceptance of P2K3 for NLE report which presented in Letter No. 005/SP/BNS-NLE/X/2017, accepted by Manpower Agency on October 3rd 2017.
- Acceptance of P2K3 fro TBF report which presented in Letter No. 096/BNS-TBF/XI/2017 dated November 13th 2017, accepted by Manpower Agency on the same date.

4.7.2

Procedure of HIRAC analysis and identification was presented in document No. 7301/PSQM-ESH/11 dated July 11th 2011, issued by General Mamaner and PSQM. The CH has identified, measured and formulating OHS management control of all operational activities in the estates and factory, which presented in document of Hazard Identification Risk Assessment and Control (HIRAC). Management unit has able to shows HIRAC for NLE, NPE and TBF for period 2016/2017 and/or 2017/2018. HIRAC has describes type of work, hazards analysis, effect, risk analysis (effect, probability, risk and high, medium, low), risk control, residual risk and PIC. The CH has shows accident record of PT BNS for period 2017. Based on HIRAC and accident record review, it was known that all accident has already identified on HIRAC analysis. Uses of personal protective equipments (PPE) has recommended to avoid those kind of accident. Field checking towards PPE completeness has conducted by unit management as well.

Due to fertilizer delivery which carried out earlier, the current warehouse capacity were not satisfactory. Hence, fertilizers were stored outdoor, isolated and covered with tarpaulin. Regarding this matter, the company has an opportunity to identify risk analysis towards this situation. **Observation.**

4.7.3

The CH has provide training of save working practices to the workers, for example as follows:

- NPE: Training of trunk injection has conducted in October 2016 and January 2017; safety briefing for pesticide applicator has conducted in December 2016, safety briefing for harvester and fire fighter simulation has conducted in April 2017 and training for fertilizer applicators has conducted in November 2016 and March 2017. Documentation such as attendance, picture and training subject were available.
- NLE: training of harvesting has conducted in July 13th 2017, socialization of PPE for agrochemical applicators has conducted in August 7th 2017 and training of rhino beetle management as conducted in September 11th 2017. Documentation such as attendance, picture and training subject were available.
- TBF: socialization of HIRAC has conducted in August 7th 2017, fire extinguisher training conducted in August 17th 2017.

Several notes which consider as **NCR No. 2017.01 with Major** category is presented as follows:

1. The CH has able to shows records of PPE delivery to the respective workers. For example, PPE given to pesticide applicators are head cover, masker, rubber gloves, goggle, apron and boot. However, based on PPE monitoring form review from July to October 2017 it was informed that PPE goggle were not available.
2. Based on field observation to Block E05 Divisi 1 NPE, it was found that pesticide applicators were not equipped with goggle as required by HIRAC.
3. Based on observation to station Genset, clarification, press, nut and kernel, and boiler, it was found that operator do not brings ear plug as required by HIRAC.
4. Based on interview with harvester, fertilizer applicators and pesticide Applicators in NLE and NPE, as well as

processing operators in TBF (station: loading ramp, sterilizer, incinerator, engine room, clarification, press, nut and kernel and boiler), it was stated that PPE boot has only given once a year, due to budget. The worker need to provide boot by themselves when it was broken. Furthermore, according to PPE delivery record, it could be concluded that PPE boot has only given once a year. This is not in accordance with procedure No. 10/BNS-PSQM-ESH/16 dated January 4th 2016. (Note: this situation has observed on the re-certification assessment).

4.7.4

OSH Committee (or P2K3) Meeting

The CH has able to shows mothly meeting of OHS committee records which presented in the minutes of meeting documents, for example as follows:

- NLE P2K3 minutes meeting dated October 31st 2017, attended by 15 members includes Manager, Senior Assistant, Divisi Assistant and Administrative Officer. Issues being discussed are accident report review and OSH recommendation towards accident mitigation caused by pruned fronds.
- NPE P2K3 minutes meeting dated September 29th 2017, attended by all employees, includes Manager. Issues being discussed are socialization of HIRAC, risk mitigation, SOP, PPE, agrochemical application risk and first aid.
- TBF P2K3 minutes meeting dated September 4th 2017, attended by 8 committee members. Issues being discussed are PPE usage, security, safety work, cleanliness of working place and zero accident achievement.

The CH was able to shows list of operator who needs license and its monitoring of license validity, for example as follows:

- Field and lifting operator certificate No. 5633/OPK3/PAA/VI/2013, valid until June 28th 2018.
- Boiler operator certificate No. 517/OPK3/B.I/IV/2015, valid until April 23rd 2020.
- Welder certificate No. 130/X/K3/Las/2012 dated October 20th 2012.
- OSH Electrician certificate No. 001109/TK3-LIST/V/2017, valid until May 5th 2020.

Based on list of operator with license review, it could be concluded that all license were still valid.

The CH has able to shows mothly meeting of OHS committee records which presented in the minutes of meeting documents, for example as follows:

- NLE P2K3 minutes meeting dated October 31st 2017, attended by 15 members includes Manager, Senior Assistant, Divisi Assistant and Administrative Officer. Issues being discussed are accident report review and OSH recommendation towards accident mitigation caused by pruned fronds.
- NPE P2K3 minutes meeting dated September 29th 2017, attended by all employees, includes Manager. Issues being discussed are socialization of HIRAC, risk mitigation, SOP, PPE, agrochemical application risk and first aid.
- TBF P2K3 minutes meeting dated September 4th 2017, attended by 8 committee members. Issues being discussed are PPE usage, security, safety work, cleanliness of working place and zero accident achievement.

4.7.5

Procedures related to emergency situation were presented in several documents, for example as follows:

- No. SOP-01 dated July 1st 2014 about emergency reporting. Procedure has describes accident classification, PIC, reporting to stakeholder, investigation, time of reporting, insurance, etc.
- No. 724/TQEM-ESH/10 dated April 1st 2010 about identification and evaluation of hazardous potential evaluation.
- No. 730/TQEM-ESH/10 dated April 1st 2010 about fire emergency (prevention and handling).

The CH has provide emergency facilities. For example, number of Fire Extinguisher, Hydrant and First Aid Box in TBF were 38, 3 and 7 units, respectively. Furthermore, number of Fire Extinguisher in NPE and NLE were 114 and 62 units, respectively. Meanwhile, based on interview with workers in NPE, NLE and TBF, it was mentioned that training of fire extinguisher, Hydrant and first aid simulation were given annually by OSH committee. Furthermore, based on field observation of estate and mill, it was found that first aid kit were available. Especially for estate, first aid boxes were brings by Foreman and Foreman-1.

First aid and fire fighter training in NPE, TBF and NLE were conducted in April 14th 2017, March 7th 2017 and August 7th 2017, respectively.

The CH through OSH Committee has monitored and records accident incidence in PT BNS, ofr example as follows:

- Accident July 2016 to June 2017 analysis in NLE informed that there were 27 accident with highest accident were due to falls fronds (affecting head), loosefruits and trash (affecting eyes) and machete/axe/thrust (affecting hand of foot/leg). Threre was only one Accident categorized as Level 3 (medical certificate more than 5 days) which recorded in Incident No. 001/NLE/IV/2017 dated February 16th 2017. Follow up such as Clinic record, Investigation and evaluation accident record, doctor disagnosis, lost time accident and frequency rate (LTIFR) analysis, follow up and reporting to Manager were available. Cost of medical treatment claims were guaranteed by PT BNS. Furthermore, from July to October 2017, there were 5 accident which all classified as accident with opname on clinic (Level 5). Mandays lost during that period was zero. Clinic record, Investigation and evaluation accident record, doctor disagnosis, lost time accident and frequency rate (LTIFR) analysis, follow up and reporting to Manager were available. Cost of medical treatment claims were guaranteed by PT BNS.
- Accident July 2016 to June 2017 analysis in NPE informed that there were 54 accident with highest accident were due to machete/axe/thrust (affecting hand of foot/leg) and loosefruits and trash (affecting eyes). All accident recorded were in Category 4 to 6, which no need to be handle by hospital (medical certificate less than 4 days). Furthermore, from July to October 2017, there were 10 accident which all classified as accident with opname on clinic (Level 5). Mandays lost during that period was zero. Clinic record, Investigation and evaluation accident record, doctor disagnosis, lost time accident, frequency rate (LTIFR) analysis, follow up and reporting to Manager Unit were available. Cost of medical treatment claims were guaranteed by PT BNS.
- Accident in TBF as presented in P2K3 Quarter 3 report, it was informed that accident were happen in August 8th and September 13th 2017. Category of accident were Level 3 and 4, respectively. Level 3 accident (MC more than 5 days) was noted and follow up through clinic record, investigation and evaluation record, doctor disagnosis, lost time accident, frequency rate (LTIFR) analysis, follow up and reporting to Manager Unit, medical observation from Awal Bros Hospital in Batam and Form 3KK1 of BPJS Ketenagakerjaan were available. Cost of medical treatment claims were guaranteed by PT BNS and BPJS-JKK.

4.7.6

The CH has provide health facility through clinics where located on KM 5.0 for TBE and TBF, KM 7.5 for NLE and KM 15.5 for NPE. The CH has also provide workers with National Insurance Scheme (BPJS) for Manpower (BPJS-Ketenagakerjaan) and Health (BPJS-Kesehatan). This fact is confirmed during field observation and interview with workers in NLE, NPE and TBF. The CH has register and paid BPJS Ketenagakerjaan and BPJS Kesehatan, for example evidence of BPJS payment for NLE, NPE and TBF in October 2017 is presented as follows:

Unit	No. of Worker		Payment Date of BPJS - Manpower		Payment Date of BPJS - Health	
	SKU	PKWT	SKU	PKWT	SKU	PKWT
NLE	348	32	Nov 7 th	Nov 7 th	Nov 7 th	Nov 7 th
NPE	414	132	Nov 10 th	Nov 3 rd	Nov 3 rd	Nov 3 rd
TBF	98	34	Nov 7 th	Nov 7 th	Nov 7 th	Nov 7 th

(Note: SKU means Permanent Worker, PKWT mens Temporary Worker).

Payment of BPJS has conducted through transfer via Bank Negara Indonesia (BNI) 46. Payment check and bank voucher were available. Based on payment record and list of employees review, it could be concluded that all employees insurance scheme were paid by the PT BNS. Apart from BPJS, the CH has also provide workers with private insurance by Manulife. This fact was confirmed during interview with workers in NLE, NPE and TBF.

4.7.7

The CH shows accident monitoring record which presented in document Sumatera Accident, for example for year todate 2016/2017, summarise in the following Matrix:

Unit	No. of Case	LTI	FR	SR
TBE	5	9	5	8
NPE	5	8	-	7
NLE	4	14	4	16
TBF	-	-	-	-

(Note: Level of Accident Class 1-3; LTI: Lost Time Incident; FR: Frequency Rate; SR: Severity Rate)

4.7.2	Status: Observation	-
4.7.3	Status: NCR No. 2017.01 with Major category	Open
4.8		
All staff, workers, smallholders and contractors are appropriately trained.		
4.8.1		
<p>The CH has shows number of worker together with its status which update every month. It was informed by estate management that PT BNS do not have smallholder scheme. For example, number of permanent worker per October 2017 in NLE, NPE and TBF were 348, 414 and 98 employees, respectively. Meanwhile, number of temporary worker (PKWT) were 32, 132 and 34 employees, respectively. In order to enhance workers capability and understanding towards their job, the CH through OSH Committee has provide training program as follows:</p> <ul style="list-style-type: none"> • NPE: environmental safety and health, hazardous waste management, safety briefing for harvesting, OSH, pest and disease, fire fighter simulation, trunk injection, rhino beetle spraying, legume cover crop planting and fertilizer application. • NLE: fire extinguisher simulation, jacket life for student, safety briefing for harvester, pesticide applicator and fertilizer applicator, HIRARC, policy on pregnant and breast-feeding women, rhino beetle control, land fire simulation and first aid. • TBF: fire extinguisher, first aid simulation, safety briefing with Contractor <p>Basd on interview with harvester in Block F10 Divisi 2 NLE and pesticide applicators in Block E05 Divisi 1 NPE, it was mentioned by the worker that training related to technical works and safe working practices ww as conducted annually by OSH team supported with technical expert (Assitant, Foreman).</p>		
4.8.2		
<p>The CH has records training conducted, for example as follows:</p> <ul style="list-style-type: none"> • NPE: Training of trunk injection has conducted in October 2016 and January 2017; safety briefing for pesticide applicator has conducted in December 2016, safety briefing for harvester and fire fighter simulation has conducted in April 2017 and training for fertilizer applicators has conducted in November 2016 and March 2017. Documentation such as attendance, picture and training subject were available. • NLE: training of harvesting has conducted in July 13th 2017, socialization of PPE for agrochemical applicators has conducted in August 7th 2017 and training of rhino beetle management as conducted in September 11th 2017. Documentation such as attendance, picture and training subject were available. • TBF: socialization of HIRAC has conducted in August 7th 2017, fire extinguisher training conducted in August 17th 2017. • Safety briefing for Contractor Replanting, conducted on July 8th 2017 in Block F007 Divisi 1 NLE, attended by 12 contractor workers. • Socialization and training on land preparation for Contractor Replanting, conducted on October 3rd 2017 in Block D002 NPE, attended by 12 workers. <p>Records of traning were saved on Divisi Office and Estate Office.</p>		
	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.		
<p>The company had an environmental impact assessment documents as listed in the EIA documents approved by the Ministry of Agriculture, Agribusiness Board with endorsement number 07 / BA.5.3 / V / 1996 dated May 17, 1996. EIA documents include the Environmental Management Plan (RKL) and Environment monitoring plan (RPL) approved by the Ministry of Agriculture with the number 093 / RKL - RPL, dated May 14, 1996.</p> <p>The company had made a revision of the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) to the total area of the study amounted to 25,662 ha and a capacity of Factory to 60 tons / hour which has been</p>		

approved by the Head of Department of the Environment, Energy and Mining District Indragiri Hilir No. 11 / IH / RKL-RPL / V / 2006 dated May 3, 2006.

5.1.2.

CH has conducted environmental management based on documents of Environmental Management Plan / Environmental Monitoring Plan, 2006, such as Decrease in air quality; Decrease in Surface Peat; The potential of land and forest fires; Decrease in river water quality and **aquatic biota disorders** and The unrest / social conflicts. Record of implementation of Environmental Management describe in RKL-RPL implementation report semester 1 year 2016 and has been reported to environment agency.

5.1.3.

Implementation of Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) are recorded in regular reports on RKL / RPL each semester, example reports Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) semester 1 2017 which has been reported to Environmental Agency District of Indragiri Hilir, and Environmental Agency Riau Province and Ministry of Environment. In this report explains aspects of environmental management and monitoring parameters according to the recommendations RKL / RPL company has made, among others:

- Peat subsidence.
- Replanting.
- Soil physical and chemical properties.
- Air quality and noise.
- Surface water quality.
- The quality of liquid and solid wastes.
- The potential for fire.
- Disruption of flora and fauna.
- Management of hazardous and waste.
- Public unrest or social conflict.

Based on document Implementation of Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) report in semester 1 year 2016 and semester 1 2017, known CH has not conducted the biota disorders level, such as the measurement of plankton density and benthos. **NCR No.2017.02 with Minor category.**

5.1.3	Status: Non Conformity No. 2017.02
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5.2

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

5.2.1.

HCV assessment was conducted by Yayasan Indonesia Sustainable Palm Oil in December 2009 by qualified assessor. HCV area located in Nusa Perkasa Estate measuring to 9.43 ha area (Reserve conservation / forest conservation). A public consultation was conducted on 21 November 2009 is located in the Office of GM Estate as many 26 people (workers) and to the surrounding community PT BNS on December 4, 2009 as many 76 people comprising village chief, sub-district, community leaders, village board, youth leaders, and others).

5.2.2. & 5.2.3.

Based on Map of HCV, areal statement, and Based on field; HCV area located in Nusa Perkasa Estate measuring to 9.43 ha (Reserve conservation/forest conservation).

CH show the program and implementation management of HCV Nusa Perkasa Estate July 2016 to June 2017 include:

- a. Observation of flora and fauna of the area HCV-1 NPE (Forest Conservation) on July 2016 to June 2017.
- b. Patrolling or monitoring of security in the area HCV-1 NPE (Forest conservation) on July 2016 to June 2017.
- c. Inspection and maintenance of warning boards (signboard) region of HCV-1 NPE (Forest Conservation) on July 2016 to June 2017.

d. Pulau plant monitoring in the area HCV-1 NPE (Forest Conservation) on July 2016 to June 2017.

Base observation field in Block E011 Division IV (HCV Area), there are management of HCV example signboardban on hunting in the conservation area, board ban on hunting of endangered species, forests burn ban boar, and others.

CH show the socialization of HCV areas to workers and local communities were conducted on May 7, 2016. Socialization HCV officers was conducted on 18 April 2015 located in the meeting room estate office NPE by Senior Assistant Manager & NPE.

Based on interview with surrounded community (Pelangiran village), it was state that the CH has conducting socialization on HCV area and protected fauna within estates operational areas which also informed by signboard. Moreover, there were no protected fauna on estate offices and employees housing areas in both Nusa Perkasa Estate.

5.2.4.

Monitoring of RTE species has been conducted routinely (every semester), the monitoring result will be the input in the next monitoring plan. The CH was able to shows evidence of receipt note document of flora and fauna identified in to relevant Agency. Monitoring of RTE species has been conducted routinely, the monitoring result will be input in the next monitoring plan. Monitoring of Flora and Fauna was conducted on semester 1 year 2017 made by officers of HCV such as:

- i. Fauna → monkey (*Macaca fascicularis*), macan akar (*Felis viverrinus*), elang bondol (*Heliastur indus*), murai (*Copsycus* sp), kacer (*Copsycus saularis*), finches (*Pynonotus goiavier*), ruak- ruak (*Garulex cinerea*), cembek madu (*Arachnothera* sp), cekakak sungai (*Todirhampus choris*), python (*Python* sp), mbat-mbat, balam, jalak, and butterfly.
- ii. Flora → Nepenthes, acacia, sejampang, senduduk, cakar elang, Angsana, pulau, jelutung, bamboo and pinang.

5.2.5.

Based on document verification and field observation, interview with workers, surrounded community (Pelangiran village) and related institution known HCV area was not overlapped with local communities' rights, and that there is no community land and traditional rights defined as 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

Consistently up with the activities of ASA 1.1, the management unit has identified waste in the Mill and the Estate including the type of waste (hazardous waste, domestic waste, industrial waste, infectious waste, and air waste), waste sources, and actions taken in efforts to reduce hazardous waste.

Based on field visit in FFB processing activities known that effluent product resulting from the processing of FFB. Based on visit in chemical warehouse known that the former packaging chemical products are produced from chemical warehouse. Based on field visit in housing was known domestic waste and organic rubbish manage by send to landfill. Sewage from housing is managed in septic tank.

5.3.2.

CH conduct an inventory of the waste described in the document Identify sources of waste Factory and Estate period 2016 to 2017. The result of inventory in Teluk Bakau Factory and Estate such as spray activities produce waste, such as former pesticide container placed in hazardous waste warehouse, preparation and maintenance block mark, such as former paint cans, placed in hazardous waste warehouse, plastic waste fertilizer, placed in hazardous waste warehouse. And then in Teluk Bakau factory, such as Activities in the loading ramp, used sacks loose fruit placed in landfill, in WTP, waste resulting is ex chemical container placed in hazardous waste warehouse.

Based on field visits in chemical warehouse Nusa Lestari Estate, Nusa Perkasa Estate and Teluk Bakau Factory is known the resulting, former chemicals container be placed to hazardous waste warehouse. Record management Hazardous Waste, included in reporting management hazardous waste quarter period July to September 2017

addressed to environment agency. The Training And socialization to spraying workers, about ex pesticide container disposal is available.

5.3.3.

Record management Hazardous Waste, included in reporting management hazardous waste quarter period July to September 2017 addressed to environment agency. Hazardous waste management recorded several documents, consist of:

- Company has Logbook (Hazardous Waste Warehouse) period July to September 2017
- Company has Balance Hazardous waste warehouse reported period July to September 2017
- Company has Agreement Letter, PT Desa Air Cargo for transporter Hazardous waste
- Company has shipping manifest Hazardous waste warehouse, period July to September 2017

Observation field in Temporary storage hazardous & toxic waste Teluk Bakau Factory, Nusa Lestari Estate dan Nusa Perkasa Estate. There is a Material safety Data Sheet, oil traps, fire extinguisher, First aid Kit, Emergency shower. Based on Interview with officer of hazardous waste the officer has been known related management in accordance with procedure of hazardous & toxic waste.

Permit the Regent of Indragiri Hilir number 503 / BP2MD-IPSL.B3 / IX / 2012/14 about permit for Temporary Storage Hazardous waste is approve on 20 September 2012 with a validity period of 5 years and must list every year, with locations include:

- Teluk Bakau Estate S: 00° 11 '24 "E: 103° 35' 38".
- Nusa Lestari Estate S: 00° 186 '18 "E: 103° 568' 78".
- Nusa Perkasa Estate S: 00° 09 '11 "E: 103° 36' 01".
- Rotan Semelur Estate S: 00° 96 '71 "E: 103° 67' 79".

Based on verification document PT BNS has Permit for Temporary Storage Hazardous waste which expired in 20 September 2017, CH show permit extension letter No. 209/BNS/UM/PSD/XI/2017 date of November 8 2017. Auditor giving notes on this indicator as an Observation and will be verify in the next assessment. **(OFI)**.

Permit the Regent of Indragiri Hilir number 503 / BP2MD-IPSL.B3 / XII / 2014/06 about Permit for Temporary Storage hazardous waste is approve on 9 December 2014 with a validity period of 5 years and must list every year, with locations in Teluk Bakau Factory S: 00° 15 '23 " E: 103° 35 '21 ".

CH has shown letter of agreement with number 001 SPK / SPK / BNS / V / 2017 between PT BNS with PT Desa Air Cargo, valid until June 10, 2017. The types of waste are used oil, used batteries, gloves / cloth cotton waste, used lamp, used oil filters, contaminated packaging (ex-production, medical waste, and lab waste), and plastic containers (jerry can scrap, used sacks and buckets used).

POME

Management POME done in WWTP before disposal into the river accordance permit Indragiri Hilir regent number: 503 / BP2MPD-IPAL / VIII / 2012/12 August 31 2012 and valid for 5 years. WWTP is equipped with aerobic and anaerobic waste water discharged so that does not exceed the quality standards. CH also has testing POME quality every month, accordance Minister Decree environmental agency number 28/2003.

Base on observation in WWTP there are 10 pounds of waste water treatment plant, pond number 10 has a flow meter (outlet). There is no wastewater run-off.

Solid Waste

Based on field visits in the boiler station any a fiber and shell is used as fuel. Remaining fiber shell and placed so did not result in pollution and potential fire. Based on visit in Teluk Bakau Factory known to EFB burned on 3 burning stoves, furnace chimney has been done emissions testing in accordance with Minister Decree Environmental Agency number 13/1995.

Medical waste is stored in the Hazardous Waste Storage and subsequently handed over to third party which has licensed. Medical waste transported by licensed transporter. The last carry of medical waste July 25, 2017 Hazardous Waste manifest No. JL 0053346 with a weight of 0.3886 tons of medical waste.

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

From processing operations in Mill also produce waste in the form of air emissions from the boiler chimney activity, and generators, as well as the noise emanating from the operational turbines, generators, polishing drum rotation, nut creeker. To manage that the certification unit conduct routine maintenance of mechine and monitor the air quality and noise on a regular basis, such testing on April 20 2017. The results of the emission test parameter generator with NO₂, SO₂, CO, particulate, opacity, and flow rate in accordance with the quality standards established at Regulation Of Environmental Ministry No. 21 of 2008.

Status: Comply

5.4

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

5.4.1.

The Company already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example use of shells and fiber in January to September 2017 was 13.484.826 kg, which produces 557.598 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 0.58 kwh / ton CPO. Result Direct fossil fuel use is 289.758 kWh/ ton CPO.

Status: Comply

5.5

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

5.5.1 and 5.5.2

The Company show a Memorandum with the document number M-077 / HPUI / VII / 2014 dated on August 7, 2014 from the Head Plantation Upstream Indonesia notifying guidelines for fire prevention and suppression, and provided a memorandum with 010 / SGM-SMT / I / 2015 dated on January 21, 2015 regarding the anticipation of the dry season and in preparation of the fire hazard.

Based on document and interviews with CH that in 2017 any replanting activities. CH shows agreement letter for replanting No.012 / Replanting / BNS-NLE / IX / 2016 October 1 2017, which explains the replanting with process toppling, stacking, chopping, and cutting. For a replanting area of 149, 92 ha at Nusa Lestari Estate.

Based on field visit in Nusa Lestari Estate and Nusa Perkasa Estate, there is no indication of burning activity for land clearing activity.

Status: Comply

5.6

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

5.6.1.

CH has shown document Identification of GHG sources has been done, as follows:

- Emissions derived from the consumption of fossil fuels for internal transportation of gardens and machinery.
- Emissions derived from the use of fertilizers,
- Emissions derived from the use of pesticides
- Emissions derived from the consumption of fossil fuels at the plant, and the use of factory byproducts.
- Emissions from Palm Oil Mill Effluent.

The management unit has identified the sources of pollution and emissions in the mill and estate.

5.6.2.

The Company periodically per 6 months has been testing the sources of emissions and pollutants, as indicated by the test results semester 1 year 2017 with test results that are below the threshold. Based on field interviews obtained information that CH has a fertilization work plan based on recommendations from recommendations. In addition, CH also has a wash facility for spraying equipment. Monitoring emission sources of pollution, including greenhouse gas emissions listed in SOP Greenhouse Gas Inventory no. 700 / PSQM-GHG / 12 dated March 1, 2012. The Company showed air quality testing for 2017 conducted by BINALAB accredited KAN (LP 412-ID).

5.6.3.

Available proof of delivery of GHG RSPO performances as follows: Teluk Bakau Factory, dated September 22, 2017.

Summary of Net GHG Emissions periode July 2016 to June 2017:

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	5.96	OER	21.9	FFB Processed	93,335.84
PK	5.96	KER	3.84	CPO Produced	20,440.20

Land Use	ha
OP planted area	16,336.23
OP Planted on peat	16,336.23
Conservation area	0

Summary of Field Emissions and Sinks

	Own Crop			Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions									
Land conversion	29,268.87	8.43	0.22	-	-	-	-	-	-
*CO ₂ emissions from fertilizer	1,015.81	0.29	0.01	-	-	-	-	-	-
**N ₂ O emissions	27,593.49			-	-	-	-	-	-
Fuel consumption	4,595.08	1.32	0.03	-	-	-	-	-	-
Peat Oxidation	189,670.57	54.80	1.41	-	-	-	-	-	-
Sinks									
Crop sequestration	-4,734.93	-13.63	-0.35	-	-	-	-	-	-
Conservation Sequestration	0	0	0	-	-	-	-	-	-
Total	204,799.89	58.96	1.51	-	-	-	-	-	-

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	26,447.91	0.20
Fuel consumption	144.72	0.01
Grid Electricity Utilisation	0.00	0
Credits		
Export of Grid Electricity	0.00	0
Sales of PKS		
Sales of EFB	0	0
Total	27,892.63	0.21

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0.00 %
Divert to anaerobic digestion	100.00 %

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100.00 %
Divert to methane capture (flaring)	0.00 %
Divert to methane capture (electricity generation)	0.00 %

-

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 (M); 6.1.2 (M)

During ASA-1.1, there is no change of social impact assessment (SIA) report. The CH still using SIA report that have been made in January 2010, including records of meetings and evidence of participation with affected parties. The CH using SIA report 2010 as a guidelines and reference to manage of social issues within their activities.

Due to replanting activities is still ongoing, the CH also conducted SEIA in period 2013 – 2015 by third party consultant (Aksenta) were focused on replanting activities only. This assessment also involved an affected parties through participatory ways. All the records and evidence of stakeholder involvement is available in the document.

6.1.3 (M); 6.1.4

The CH (PT Bhumireksa Nusasejati) is unique, because located in fully deep peat soil. All accessibility is using water transportation, including access to the villages or local communities. Type of commodities surrounding the plantation area that cultivated by communities is coconut trees. Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, has been consulted with the affected parties. The plans is more concern to the providing access by local communities. This plans includes timetable, objective and responsible person for implementation. Based on stakeholder consultation to surrounding communities during ASA-1.1 at village of Pelangiran and village of Makmur Jaya, the significant impact is rhino beetle infestation to the coconut trees due to replanting activities. Complaints regarding rhino beetle infestation issues was raised since 2015, however they admitted that it has been resolved in the beginning of 2017.

The documented plan for management and monitoring of social impacts is reviewed annually by the CH management. For example, issues of rhino beetle has been review and the process to resolve the complaint also includes participation of all affected parties (village of Makmur Jaya, Rotan Semelur, Penjuru, etc). The evidence of its process is available in place. Besides that, according to interview with representative of Pelangiran villagers, the CH has developed the collaborative program namely Community Based of Fire Monitoring and Prevention Program or “*Program Pemantauan dan Pencegahan Kebakaran Lahan Berbasis Masyarakat*”. This program is implemented in monthly basis and reported periodically to the relevant authorities.

6.1.5

The CH does not have smallholder scheme, all the FFB sources is from own (nucleus) estates. Surrounding commodities that cultivated by the local communities is coconut trees.

Status: Comply

6.2

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

6.2.1 (M); 6.2.2

The CH still using their own communication and consultation procedure (SOP Komunikasi / Konsultasi dengan Masyarakat No. 005/BNS/MDF-KKM/IX/12) as a guidance for communication/consultation with relevant parties including affected communities. According to the direct interview and visit during ASA-1.1 to the Pelangiran village and Makmur Jaya village, the villager representative acknowledge the responsible person who keep communicate with them and that person is under Plantation Services Department (PSD).

6.2.3

In the case of performing communication, the CH always maintained a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.

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 (M)

The mechanism, open to all affected parties, disputes resolution in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, as long as that information is supported with adequate initial evidence is following their procedure (Complaint Resolution Procedure - RSPO/6.3/PKM). Also, the CH has had corporate code of conduct (440/HRM-COC/07 dated May 24th 2007), where in article 2.2 described that *'all employee can express their opinions and aspirations to the company and it will be respected and kept confidential'*.

6.3.2 (M)

Based on interview with representative of affected local communities at Pelangiran village and Makmur Jaya village and the sampled workers, it was clearly found that no complaint/grievance was raised for the one last year.

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 (M); 6.4.2; 6.4.3 (M)

The document No. 394/ITH-PSD-01/11 is a procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation that developed by the CH.

As mentioned under Criteria 2.3 above that during ASA-1.1, the CH did not extent the managed area. However, the CH still on going progress to release a part of their current concession (excluded from land title) as described under Criteria 2.2. There is no compensation for the land within last 3 years.

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

Minimum wages policy for PT BNS was follows Decree of Governor of Riau No. 120/II/2017 dated January 26th 2017 about Minimum Wages for Plantation Sector. Minimum wages for oil palm plantation was about IDR 2,516,812 per month (or IDR 14,548.05/hour). Furthermore, there management unit has also shows Decree of Governor of Riau No. 1058.XI/2016 dated November 26th 2016 about minimum wages for Regency on Riau. Minimum wages for Indragiri Hilir Province was IDR 2,342,160. Those policy accepted by PT BNS on April 2017. For period January to April 2017, minimum salary was IDR 2,325,000,- which less about IDR 17,610.- from the latter Decree. According to salary rollpayment on May to October 2017 and interview with worker in NLE, NPE and TBF, it was known that minimum salary for worker after was IDR 2,517,343.- (include natura). Regarding this matter, backpay has been paid to the respective workers, for example as follows:

- Backpay in Divisi 1 NPE has been paid for 104 workers in May 2017.

- Backpay in Divisi 4 NLE has been paid for 29 Temporary Woeker in May 9th 2017.

Based on interview with worker in NLE, NPE and TBF, it could be concluded that the worker were understood calculation of overtime for every additional hours.

6.5.2

- Work Agreement (PKB) of Working Group PT Anugerah Sumber Makmur and PT Minamas Gemilang with Labor Union Federation of Minamas Plantation for Staff and Non Staff. Agreement was valid until February 23rd 2018.
- Work Agreement (PKB) of Badan Kerja Sama Perusahaan Perkebunan Sumatera (BKS-PPS) and Committee of Labor Union Federation of Agricultural and Plantation Sector or Pengurus Pusat Federasi Serikat Pekerja Pertanian dan Perkebunan Serikat Pekerja Seluruh Indonesia (PP.FSP.PP-SPSI) which registered on Decree of Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja No. Kep. 88/PHIJSK-PKKAD/PKB/VI/2015. Valid until April 20th 2017. However there is no renew and this PKB still used by the company.
- Based on letter of Agreement (SPK) for Temporary worker (PKWT) review No. 03/BNS-TBF/PKWT/II/2017 dated February 27th 2017 and No. 02/BNS-TBF/PKWT/II/2017 dated February 27th 2017, it was known that further detail condition on deductions, overtime and sickness were refers to PKB.
- Based on SPK review, it could be concluded that SPK were available in Bahasa, signed by employer and employee. Furthermore, as explained in indicator 6.5.1, it was informed that minimum wages has follow the regulation. Moreover, based on interview with Labor Union and Manpower Agency of Indragiri Hilir Regency, it was informed that there were no issues related to wages.

6.5.3

The CH has provide several facilities for worker, i.e. housing (includes water and electricity), clinic, fire extinguisher, mosque, church, cooperative, daycare, roads, bridge, assembly hall, school boat, school, foot ball field, etc. These facilities were confirmed during field observation to housing areas in NPE and NLE. Currently the CH has build permanent house for worker as seen in KM3 Divisi 3 housing areas.

6.5.4

In order to improve worker access to adequate, sufficient and affordable food, the CH has provide several support as follows:

- Rice 15 kg in the salary.
- Cooperative in NPE (Act. No. No. 36 dated September 23rd 2015).
- Free transportation boat once a month, to the nearest town namely Guntung.

Based on interview with workers in NLE, NPE and TBF, it was informed that unit management has allowed outside boat-people to come and sell their goods once a week.

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 policy towards recognizing freedom of association was presented in policy No. 724/TQEM-SPMS/09 Point 5, issued by the CEO in April 1st 2010. Furthermore it also presented in PKB 2015-2017 between BKS-PPS with PP.FSP.PP-SPSI Article 2. Meanwhile, based on interview with worker in NLE, NPE and TBF it was mentioned that workers are free to join Labor Union. Currently, deduction for Labor Union Organization was IDR 10,000/month. Agreement between employer and employee representative (Union) were documented in Bahasa and signed by both parties.

6.6.2

The company has records of meeting with Labor Union, for example as foloows:

- Minutes of meeting coordination of Labor Union committee of PT BNS on November 8th 2017, attended by 13 representatives from NPE, TBE, NLE, RSE, TBF, MDE and company doctor. Issues being discusse were about BPJS and time of salary payment.

<ul style="list-style-type: none"> Minutes of bipartite meeting of PT BNS Labor Union (SPSI) on November 13th 2017, attended by 13 representatives from NPE, TBE, NLE, RSE, TBF, MDE and company doctor. Issue being discussed was about BPJS insurance scheme. 	
Status: Comply	
6.7	
Children are not employed or exploited.	
6.7.1	
<p>Company policy towards minimum ages was presented in work agreement article 16 about employee's acceptance, which mentioned that minimum age shall be 18 years old. This statement is in line with ILO Convention 138. Based on list of PT BNS employees for period October 2017 review, it was know that there were no workers under 18 years old.</p>	
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	
<p>Company policy towards non-discrimination and same opportunity was presented in policy No. 724/TQEM-SPMS/09 dated April 1st 2010 Point 1 which mentioned that all employees shall be treated equally and properly in term of recruiting, condition, self improvement, race, tribes, gender, religion, physical appearance, sexual orientation, politic views, age, etc. Based on list of employees review, it was known that workers were consider plural, came from various races around Indonesia region, e.g. Aceh, Jawa, Melayu, Batak, Sunda, Nias, etc. Furthermore, based on interview with workers in TBF, NLE and NPE, it was stated that the company has treat all employees equally without any indication of discrimination.</p>	
6.8.2	
<p>Based on list of employees review, it was known that workers were consider plural, came from various races around Indonesia region, e.g. Aceh, Jawa, Melayu, Batak, Sunda, Nias, etc. There is no migrant worker in PT BNS. Furthermore, based on interview with workers in TBF, NLE and NPE, it was stated that the company has treat all employees equally without any discrimination indication. Furthermore to protect women rights, the company has provide Gender Committee in all estates and mill. This is conformed during interview with Gender Committee member in Divisi 2 NLE.</p>	
6.8.3	
<p>Records of employee's medical history were saved by Administration Department (KTU). Non discriminative treatment towards recruitment was presented in Memorandum of Human Resources Management General Manager No. 0057/PRS-i2/X/12 dated October 22nd 2012. Moreover, policy towards works opportunity, promotion and employees self/capacity improvement were presented in Memorandum No. 331/HRM-i3/VII/2013 dated July 9th 2013. Regarding this matter, the CH shows several implementation towards employees recruitment from temporary worker upgraded into permanent worker, as follows:</p>	
<ul style="list-style-type: none"> Proposal of promotion for temporary worker from NPE Manager to the GM Riau Selatan and HRM in Pekanbaru No. 31/BNS-NPE/XI/2-16/S dated November 17th 2016. The letter has proposed 21 harvesters upgraded into permanent workers. This proposal has followed up through Employees Application Form HR-ID Request Form which listed 21 promoted harvesters. Appraisal or assessment towards work quality of each Harvester were available. List of TBF Employees 2017 informed that in February there were 15 workers upgraded into permanent workers in February 2017 while another 7 workers were still under process. This is as response of proposal Letter No. 037/BNS-TBF/X/2016 dated October 8th 2016 which proposed 23 workers to be upgraded from temporary to become permanent worker. Proposal of promotion for 10 harvesters in NLE, which presented in document No. 207/BNS-NLE/X/2017 dated October 28th 2017 	
<p>Recapitulation of number of temporary worker being promoted and accepted into permanent worker, for example during 2017 in TBF and NPE were 15 and 9 workers, respectively. meanwhile, based on interview with workers in TBF, NLE and NPE and Chief of labor Union in Divisi 2 NPE it was stated that in term of recruitment of permanent worker, the company has treat all employees equally without any indication of discrimination.</p>	
Status: Comply	

6.9
There is no harassment or abuse in the work place, and reproductive rights are protected.
6.9.1 and 6.9.2

Company policy towards gender, sexual harassment and reproductive protection was presented in Policy No. 724/TQEM-SPMS/09 dated August 27th 2010. The company also provide and support the existence of Gender Committee which available in estate and Mill Units. This is conformed during interview with Gender Committee member in Divisi 2 NPE. It also stated that there were no case related to sexual harassment and related gender discrimination in PT BNS operational areas. Company working situation has considered conducive and save for women workers. The above policy has informed to workers through socialization which conducted by Gender Committee from every Estate and Mill Units. Meanwhile, based on interview with pesticide applicators in NLE and NPE, it was stated that the company give menstruation leave for two days per month, as well as giving birth leave totaling for 90 days without losing their mandays work. Breast feeding and pregnant worker are not allowed to works with agrochemicals. For a while, they will trasfered into manual upkeep works nad/or other non-agrochemicals related works.

6.9.3

Mechanism of grievances towards gender problem was presented in document No. 701/TQEM-ESH/10 Point 6.4, which describe that all grivence(s) were noted in Form of Grievance and delivered to Gender Committee and Manager. However, the problem is more priority to be solved in family meeting situation before continued into laws step. Investigation will be carried out by Gender Committee and reported too the Unit Management. Sanction or punishment will be given to the doer (harassment and insulting actor, etc.). Meanwhile, based on interview with Gender Committee member in NPE, it was stated that there were no case related to sexual harassment and related gender discrimination in PT BNS operational areas. Company working situation has considered conducive and save for women workers.

Status: Comply
6.10
Growers and mills deal fairly and transparently with smallholders and other local businesses.
6.10.1; 6.10.2 (M)

Teluk Bakau POM only receives FFB from their own estates and no third party supplier entering the mill. Therefore, current and past prices paid for Fresh Fruit Bunches (FFB) are not applicable.

6.10.3; 6.10.4

Related to involvement of local business, the CH provide the evidence of contractual agreement for Replanting activities. The CH make an agreement with local contractor PT Mitra Karya Jaya Perdana (No.014/Replanting/BNS-NPE/XI/2017, dated 1st November 2017) for several activities such as felling palm, stacking and chipping inland areas.

Agreed payments for its activities has made in a timely manner, in example Invoice No. 124/MKJP/BNS/IV/2017 that has been transferred to the contractor.

Status: Comply
6.11
Growers and millers contribute to local sustainable development wherever appropriate.
6.11.1

The priority local needs is an acces through the plantation canal. Therefore, based on interview with Pelangiran village and Makmur Jaya village, contributions to local development is access to outside area and Fire Monitoring Team. This program already implemented by the company based on consultation with affected stakeholders.

6.11.2

The CH does not have scheme smallholders.

Status: Comply
6.12
No forms of forced or trafficked labour are used.
6.12.1 and 6.12.3

The CH policy towards prohibition to use forced or trafficked labour was presented in social policy, issued by Head of Plantation Upstream Indonesia in Desember 2011. Based on list of workers, it could be concluded all type of work-bonds were consist of Permanent Worker (daily and monthly basis) and Temporary Worker. Letter of Agreement of

those bonds were available, signed by both parties (employer and employee) and each parties has a copy of Agreement. All agreement were in accordance with Indonesia regulation. Furthermore, based on interview with Labor Union of NPE, it was informed that all workers has bonded with work agreement, signed by two parties and in accordance with Indonesia regulation. Furthermore, Based on list of employees' period 2016/2017 review, interview with Labor Union and Manpower Agency of Indragiri Hilir Regency, as well as field observation to NPE, NLE and TBF, it could be concluded that there are no immigrant worker in PT BNS.

6.12.2

Based on interview with estate/mill management, workers in NLE, NPE and TBF, as well as Labor Union of NPE, it could be concluded that there were no contract substitution. All worker jobs were in accordance with the Letter of Work Agreement.

Status: Comply	
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6.13

Growers and millers respect human rights

6.13.1

CH policy towards human rights protection was presented in Chief of SOU-19 Memorandum dated July 31st 2015 and has distributed through Letter No. IST/TBE/VIII/2015 dated August 5th 2015. The policy has consist of five points, as follows:

- To protect individual employees rights for maintaining their life, to enhance quality of life, build a harmony family and follows religion recognized.
- Give an opportunity to communicate and get information needed which aim for personal and social quality improvement.
- Give a freedom to express personal opinion or views, in line with corridor of religion, ethics, morals, laws, public and national interest.
- Respecting employees rights to forms and join a labor union.
- To communicate and explain the human rights policy, to be understood by all employees, included contractor and stakeholders.

Socialization towards human rights policy has communicate to stakeholders annually, for example as follows:

- TBF: conducted in June 8th 2017, attended by 22 workers.
- NPE: conducted in August 21st 2017, attended by 11 workers from Divisi 4.
- NLE: conducted in May 10th 2017, attended by 21 workers from NLE.
- ContractorL conducted in May 12th 2017 in TBF, attended by 13 contractor workers.

Based on complaint record review and interview with gender committee, labor unions and Manpower Agency of Indragiri Hilir, it could be concluded that relationship between employer, employee and eksternal stakeholder was considered in condussive situation. There were no violation case of human rights contributed by PT BNS. Furthermore, issues and report data from NGO was not available.

Status: Comply	
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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.

Planting in PT BNS has been conducted since 1994 and has entered a period of rejuvenation for during the period 2012-2015. Related to aspects of environmental management and monitoring aspects of the social impact, the company has:

- EIA document since 1996 and revised RKL / RPL has been approved by the Head of Department of Environment, Mining and Energy Indragiri Hilir No. 11 / IH / RKL-RPL / V / 2006 dated on May 3, 2006. In the preparation of environmental documents is done by a third party (consultant) independent.
- Social and environmental impact study related activities replanting period 2015-2018 compiled by independent consultants namely aksensta. Provided evidence of the involvement of affected parties in this report are breast-feeding practices such as attendance and absent of opening & closing meeting, each of which took place on 14 September 2015 which was attended by 12 people.

7.1.2.

Evaluation program on environmental assessment (Aksenta):

1. Dam, with well-maintained dams so the water level can be maintained and there was no drought in the dry season and flooding during the rainy season.
2. Canals well maintained facilitate evacuation and transportation. Maintenance canal such as cleaning of water hyacinth by manually without using chemicals.
3. Treatment with the maintenance of vegetation to prevent soil erosion (bamboo, *pulai*, *angsana* and grass).
4. Installation Canal Branch nets to hold the trash so it does not pollute the canal.

Monitoring Replanting:

1. Making, as a collection of the organic material oil from palm and can reduce the negative impact of pests and diseases.
2. Compacting can minimize subsidence of peat and help growing oil palm plantations.

7.1.3.

Until audit ASA-1.1 PT Bhumireksa Nusasejati, Teluk Bakau Factory supply base is Teluk Bakau Estate, Nusa Perkasa and Nusa Lestari Estate. Based on the review of documents and interviews at the recertification assessment there are no scheme of smallholders in PT BNS.

Status: Comply	
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7.2

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

7.2.1

The CH has shown Semi Detail Soil Map with scale 1:50.000 and has georeferenced. The map are covering of all estate that explain soil type, slope and the total area of each soil type.

In addition, the CH shows Peat Depth Survey Report in 2011 conducted by the MRC in which explain the criteria of the soil contained in PT.BNS. Based on the data, it is known that the peat area in PT.BNS is still includes land suitable for oil palm cultivation in accordance with Agriculture Ministry Decree number 14 year 2009 about land clearing of peatlands for oil palm cultivation.

7.2.2

Based on Semi Soil Map Details and field observation in NLE and NPE, it is known that the whole area of PT.BNS are in the category of flat area.

Status: Comply	
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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

Base on document CH is performed land clearing after 1 November 2005 without preceded by the identification of HCV. Sime Darby Plantation Sdn Bhd, as the parent of PT BNS has conducted disclouser of liability in accordance with the letter from the Head of PSQM Department on 24 June 2016 which explained that PT BNS is performed land clearing in the period of **December 2007 to December 2009 reach 429 Ha**. The validation progress of Remediation and Compensation Plan (RACP) for the area opened since 1 November 2005 without preceded by the identification of HCV in accordance with RACP Procedure will be observed again on the next visit.

Based on CB's email received on 2nd November 2017, RSPO compensation panel has made a statement that "the RaCP is still ongoing. As usual, the one-year grace period from BHCWVG applies to all existing certified units. They can continue being certified for another one year with the condition that the RaCP will be completed before the next surveillance audit."

7.3.3; 7.3.4 & 7.3.5 Base on document, field visits and interview known CH did not convert or conduct new planting.		
	Status: Comply	
7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
7.4.1 The CH has shown Semi Detail Soil Map with scale 1:50.000 and has georeferenced. The map are covering of all estate that explain soil type, slope and the total area of each soil type.		
7.4.2 Based on Semi Detail Soil Map, the whole area of PT BNS is an area with peat soil type and flat. The CH has been pursuing a strategy to protect the land in a way: <ul style="list-style-type: none"> • Has the drainage of the main canal, branch canal and field drain. • Have a water gate in block E01 to adjust the water height 50-80 cm in accordance with SOP Water Management on PT.BNS (01/BNS/VII/16 dated July 1, 2016). • Conducting measurement of the water level in the main canal and the measurement of ground water level every day. • Conduct peat soil subsidence measurements every 6 months. 		
	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 (M) During ASA-1.1, the CH has not extent the managed area. On going activities is land preparation for replanting, therefore, the land compensation is absence during replanting period. Please also see Criteria 2.2, 2.3, 6.2, 6.4 and 7.6.		
	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 (M); 7.6.2 (M); 7.6.3 (M); 7.6.4; 7.6.5; 7.6.6 During ASA-1.1, the CH has not extent the managed area. On going activities is land preparation for replanting, therefore, the land compensation is absence during replanting period. Please also see Criteria 2.2, 2.3, 6.4.		
	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 and 7.7.2. Document review and interview with the management, PT BNS did not conduct new planting or expand the area after the last assessment (Re-certification). The companies only conduct replantingin operation area.		
	Status: Comply	
7.8 New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8.1 & 7.8.2. Based on the area statement of NPE contained an area of 12 hectares, a former nursery area. The area of the land clearing has been there before January 1, 2015.		

	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.		
<p>The company has continued to proposed recruitment for temporary worker to become permanent worker. Realization and progress were still ongoing until all employees become permanent worker.</p> <p>In agronomy aspect, the CH has sought to minimize the infestation of <i>Oryctes rhinoceros</i> during replanting, by chipping the oil plam trunk and staking into the trenches that will be immersed by water, CECT system (Closed Ended Conservation Trench). In these conditions, it is not possible for <i>Oryctes rhinoceros</i> to utilize oil palm trunk as a breeding ground. It is also an attempt to reduce the social impact, where the main livelihoods of the surrounding villager are coconut palm that can be attacked by <i>Oryctes</i>.</p>		
	Status: Comply	

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements						
D1	Definition D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable. Teluk Bakau POM consistently implementing IP model for their supply chain, because until ASA-1.1 the all FFB entering the mill is sourced from Certified area only. Therefore, IP model is still applicable with this Palm Oil. Status: Comply						
D.2	Explanation D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report. The estimation tonnage of CPO and PK products that could potentially be produced by Teluk Bakau POM for next period of license is following: <table border="1"> <thead> <tr> <th>Products</th><th>Volume (MT)</th></tr> </thead> <tbody> <tr> <td>CPO</td><td>29,264</td></tr> <tr> <td>PK</td><td>5,089</td></tr> </tbody> </table> Status: Comply	Products	Volume (MT)	CPO	29,264	PK	5,089
Products	Volume (MT)						
CPO	29,264						
PK	5,089						
	D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim). RSPO IT Platform member registration number for Teluk Bakau POM:						

Member Name

Member Name : Sime Darby Plantation - Teluk Bakau POM, PT BNS
Account UID : RSPO_AC1000000327
Website : www.simedarbyplantation.com
GPS Coordinates : 103.588833, 0.2565

License Information

Core Product : Palm Oil
Member ID : RSPO_PO1000000318
Member Category : Oil Mill
License Status : Expires 11/30/2017

Visiting Address

Street : The Plaza Office Tower, 36th Floor
JL. M.H. THAMRIN KAW 28-30
City : Jakarta Pusat
Postal Code : 10350
State :
Country : INDONESIA
Phone Number : +62-21-29926000
Fax Number : +62-21-2992699

Mailing Address

Street : The Plaza Office Tower, 36th Floor
JL. M.H. THAMRIN KAW 28-30
City : Jakarta Pusat
Postal Code : 10350
State :
Country : INDONESIA

Contacts

Title	Name	Other Number	Phone Number	Fax Number	E-mail Address	Skype	Language
Mr.	Zulkifli Nasution	+62-21-29926000	+62-21-29926000		teluk.bakau.factory@simedarby.com		English

Status Certified Product sold from Teluk Bakau POM via RSPO PalmTrace period 1st December 2016 – 10th November 2017:

CSPO

Seller Ref.	Buyer	Buyer Ref.	Product	Program	Volume*	Status	Shipping/B L Date
00368/00256/09/17/ L-BNS-MKS	PT Golden Hope Nusantara	P/GHN/091 7/CPO0183 6	CSPO	IP	1,653.51	Confirmed	29/10/2017
00365/00254/08/17/ L-BNS-MKS	PT Golden Hope Nusantara	P/GHN/0817/ CPO1852	CSPO	IP	1,844.76	Confirmed	8/10/2017
00352/00247/04/17/ L-BNS-MKS	PT Golden Hope Nusantara		CSPO	IP	2,634.90	Confirmed	3/5/2017
00346/00244/01/17/ L-BNS-MKS	PT Golden Hope Nusantara	P/GHN/0117/ CPO01519	CSPO	IP	2,480.74	Confirmed	1/3/2017
Total					8,613.91		

CSPK

Transaction ID	Buyer	Product	Program	Volume*	Status	B/L Number	Shipping/BL Date
TR-4cc84fe4-26fd	Sime Darby Plantation - PT Teguh Sempurna, Pematang Kernel Crushing Plant	CSPK	IP	168.47	Confirmed	02/BNS/T BF- MDF/BAP- IKS/VII/20 17	28/07/2017
TR-6c6c5019-126e	Mandau Kernel Crushing Plant	CSPK	IP	245.69	Cancelled By System - Resubmitt ed	01/MG- CAB/SG/V II/2017	19/07/2017
TR-f3fd797b-9856	Mandau Kernel Crushing Plant	CSPK	IP	287.47	Confirmed	11/BNS/T BF- MDF/BAP- IKS/IV/201 7	7/4/2017
TR-dc42f8fc-9b6d	Mandau Kernel Crushing Plant	CSPK	IP	499.52	Confirmed	0	31/01/2017

TR-eac40ba8-4e87	Sime Darby Plantation - PT Teguh Sempurna, Pematang Kernel Crushing Plant	CSPK	IP	350.72	Confirmed	0	25/02/2017
TR-79e15fe1-823b	Mandau Kernel Crushing Plant	CSPK	IP	291.47	Confirmed	0	30/01/2017
TR-b560dc29-6c94	Mandau Kernel Crushing Plant	CSPK	IP	293.46	Confirmed	0	9/1/2017
TR-66902926-599f	Mandau Kernel Crushing Plant	CSPK	IP	348.13	Confirmed	0	21/12/2016
TR-c479e9a9-79ed	Mandau Kernel Crushing Plant	CSPK	IP	396.27	Confirmed	0	11/12/2016
TR-b08a6026-ccb5	Mandau Kernel Crushing Plant	CSPK	IP	147.87	Confirmed	0	11/12/2016
TR-2c2dea79-fc5b	Mandau Kernel Crushing Plant	CSPK	IP	400.45	Confirmed	0	11/12/2016
Total				3,429.52			

Based on Stock Overview PalmTrace CB Area:

Product	Program	Volume*	Remaining Volume*	Trading Stock	Sold
CPO	IP	24,730	16,116.09	N/A	8,613.91
Palm KernelPK	IP	4,301	871.49	N/A	3,429.52

Status: Comply
D.3
Documented procedures
D.3.1

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

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

Procedure of Supply Chain System IP "SOP Sistem Rantai Suplai Produk Identity Preserved (Policy No.: 027/BNS-SCCS/17, Rev. 00, 3 Sep 2017)". In general, there is no significant changes from previous procedure. Within this procedure area clearly mentioned Scope, Objective, Description of Procedure (including Person In Charge), Annex for IP model, etc.

Status: Comply
D.3.2

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

Procedure of Supply Chain System IP "SOP Sistem Rantai Suplai Produk Identity Preserved (Policy No.: 027/BNS-SCCS/17, Rev. 00, 3 Sep 2017)". The Mill only receives and process all FFB's from Certified area only. According to the data record Teluk Bakau POM period September 2016 – October 2017, as below presented:

Sources	FFB Receives (MT)	FFB Process (MT)	CPO Production (MT)	PK Production (MT)
Teluk Bakau	30,209.42			
Nusa Perkasa	36,557.65			
Nusa Lestari	22,046.48			
Sub Total-A	88,813.54			
Other sources from other certificate scope				
Rotan Semelur	4,528.08			
Mandah	1,465.83			
Sub Total-B	5,993.91			
Grand Total	94,807.45	89,444.91	19,923.19	3,709.94

All the FFB's from Certified area.

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.

Teluk Bakau POM only receives and processing all FFB's from certified sources only. FFB receives of Teluk Bakau POM period November 2016 upto October 2017 as per below:

Sources	FFB Receives (MT)	FFB Process (MT)	CPO Production (MT)	PK Production (MT)
Teluk Bakau	30,209.42			
Nusa Perkasa	36,557.65			
Nusa Lestari	22,046.48			
Sub Total-A	88,813.54			
Other sources from other certificate scope				
Rotan Semelur	4,528.08			
Mandah	1,465.83			
Sub Total-B	5,993.91			
Grand Total	94,807.45	89,444.91	19,923.19	3,709.94

Status: Comply

D.4.2

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

Production of certified product by Teluk Bakau POM as follow:

Past Annual Claim Certified Product	Previous Certificate Claim 1 st December 2016 to 30 th November 2017 (tonnes/year)	Actual certified product 1 st December 2016 to 10 th November 2017 (tonnes/year)
• FFB Production	107,522	78,861.64
• CPO Production	24,730	19,923.19
• Palm Kernel (PK) Production	4,301	3,955.63

There is no overproduction against 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.

Record of Teluk Bakau Factory period 01 December 2016 – 10 November 2017:

Period	FFB Rec	FFB Proc	CPO Prod	PK Prod	CSPO Despatch	CPO Despatch	CSPK Despatch	PK Despatch
Oct-Dec 2016	16,723.07	18,904.00	4,055.43	668.08	-	4,055.43	944.59	276.51
Jan-Mar 2017	21,568.68	21,277.00	4,733.19	812.88	2,480.74	2,252.45	1,783.30	970.42
Apr-Jun 2017	20,418.76	15,961.00	3,512.61	598.71	2,634.90	877.71	287.47	311.24
Jul-Sep 2017	27,378.08	24,619.32	5,616.87	1,225.50	-	5,616.87	168.47	1,057.03
Oct-Dec 2017	8,718.86	8,683.59	2,005.09	404.78	3,498.27	1,493.18	-	404.78
TOTAL	94,807.45	89,444.91	19,923.19	3,709.94	8,613.91	11,309.28	3,183.83	526.11

	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
	Teluk Bakau POM only receives and process all FFB's from Certified sources only, therefore all product is RSPO certified. All document keeping is recorded at Mill system.
	Status: Comply
D.6.2	The objective is for 100 % segregated material to be reached
	100 % FFB that entering the mill is from certified sources.
	Status: Comply

3.3 Conformity Checklist of Certificate and Logo Use (*only apply for Surveillance Assessment*)

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-1.1	Based on field observation and document verification, the CH did not use any RSPO logo's both on product or off product or any other uses.	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-1.1	Based on field observation and document verification, the CH did not use any RSPO logo's both on product or off product or any other uses.	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-1.1	Based on field observation and document verification, the CH did not use any RSPO logo's both on product or off product or any other uses.	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-1.1	Based on field observation and document verification, the CH did not use any RSPO logo's both on product or off product or any other uses.	√
	Status: Comply	

3.4 Summary of RSPO Partial Certification

Compliance of the uncertified management units of Sime Darby Plantation Sdn Bhd against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below

Sime Darby Plantation Sdn Bhd Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Sdn Bhd has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Sdn Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Sdn Bhd Indonesian representative on June 16th, 2016 by the Head of PSQM.

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation Sdn Bhd based on their Time Bound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are significant land conflicts in PT Mitra Austral Sejahtera, there is still an issue that remains unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process.
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
i.	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p> <p>Auditor Verification: Sime Darby Plantation Sdn Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd</p>

		revision on 24 June 2016. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondency with RSPO Remediation and Compensation.
i.	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</p> <p>Auditor Verification:</p> <ul style="list-style-type: none"> • Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP. • RSPO NPP process has been completed in 2011 for a new mill in Liberia.
ii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company Group/Holding Statement: Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46 PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> • PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities • PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: No stakeholder comments or complaints received.</p>

		<p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</p>
iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, ie:</p> <ul style="list-style-type: none"> • PT Sime Indo Agro 1,652 Ha • PT Aneka Inti Persada 421.31 Ha • PT Bina Sains Cemerlang 308.25 Ha • PT Bersama Sejahtera Sakti 765 Ha • PT Langgeng Muaramakmur 1,162 Ha • PT Paripurna Swakarsa 1,120 Ha • PT Swadaya Andika 63 Ha • PT Bahari Gembira Ria 1,639 Ha • PT Guthrie Pecconina Indonesia 4,133 Ha • PT Perkasa Subur Sakti 1,286 Ha

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components
3.5.1 Identification of Findings, Corrective Actions and Observations at Re-Certification Assessment

NCR No.	: 2016.1	Issued by	: Muhammad Rinaldi
Date Issued	: 30 September 2016	Time Limit	: ASA-1.1.
NC Grade	: Minor	Date of Closing	: 16 November 2017
Standard Ref. & Requirement	: 4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the longterm viability of the necessary drainage for oil palm growing.		
Non-Conformance Description & Evidence observed The company could not show drainability assessment to determine the long-term viabilitythe long term viability of the necessary drainage for oil palm growing.			
Root Cause Analysis The CH has not yet understood the method of drainability assessment.			
Correction Coordinate with the Minamas Research Center to determine methods and develop an drainability assessment prior of replanting activities.			
Corrective Action Coordinate with Minamas Research Center to develop drainability assessment before replanting activities.			
Assessor Evaluation and Conclusion Verification on 16 November 2017 : The drainability assessment has been carried out and documented in the Peatland Extension Study of PT BNS, prepared by Statistic Data Proceasing - Minamas Research Center in November 2017. In the document is explained that the result of data analysis criteria and indicators of critical properties of peatland resources owned, namely the criteria of water level, acidity, and C/N ratio is generally classified in the critical class of 'non-critical drainage' suitable for replanting in one planting cycle forward. The Nonconformity 2016.01 Minor set to Closed.			
Verified by	: Arif Faisal Simatupang		

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1.1 Assessment

NCR No.	: 2017. 01	Issued by	: Moh. Amarullah
Date Issued	: 17 November 2017	Time Limit	: 60 days (16 January 2018)
NC Grade	: Major	Date of Closing	: 15 January 2018
Standard Ref. & Requirement	4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.		
Non-Conformance Description & Evidence observed:			
<ol style="list-style-type: none"> Based on PPE monitoring form review from July to October 2017 in NLE, it was informed that PPE goggle for Pesticide Applicators were not available. Follow up regarding this matter is not available. Based on observation to Block E05 Divisi 1 NPE, it was found that Pesticide Applicators were not equipped with goggle as required by HIRAC. Based on observation to station Genset, Clarification, Press, Nut and Kernel, and Boiler, it was found that operator do not brings ear plug as required by HIRAC. Based on interview with Harvester in Block F10 Divisi 2 NLE and Block E02 Divisi 1 NPE, Fertilizer Applicators and Pesticide Applicators in NLE Office and Block E05 Divisi 1 NPE, as well as Processing Operators in TBF (Station: Loading Ramp, Sterilizer, Incinerator, Engine Room, Clarification, Press, Nut and Kernel and Boiler), it was stated that PPE boot has only given once a year, due to budget. The worker need to provide boot by themselves when it was broken. Furthermore, according to PPE delivery record, it could be concluded that PPE boot has only given once a year. This is not in accordance with procedure No. 10/BNS-PSQM-ESH/16 dated January 4th 2016. (Note: this situation has observed on the re-certification assessment). 			
Root Cause Analysis:			
<ul style="list-style-type: none"> PPE Goggle was still in order process. Lack of employee awareness towards uses of PPE (earplug) during working time di several area with high noisy level. Lack of employee understanding towards procedure of PPE replacement when it was broken or not properly used. 			
Correction:			
<ul style="list-style-type: none"> To conduct monitoring of PPE record for pesticide applicators unit in NLE and NPE for period November to December 2017, which already completed by goggle. To conduct official letter of PPE delivery, e.g. goggle for pesticide applicators and ear plug for factory operators in the respective Stations with high noisy level. To conduct socialization of PPE procedure and safety briefing which aims to improve employee awareness towards PPE and working in accordance with HIRAC analysis. 			
Corrective Action:			
<ul style="list-style-type: none"> To carried out PPE monitoring. Periodically carried out safety briefing and awareness of PPE uses during working hours. 			
Assessor Evaluation and Conclusion:			
15 January 2018			
Certificate holder shows several documents as follows:			
<ul style="list-style-type: none"> Socialization towards PPE procedure which conducted in Divisi 2 dated August 7th 2017. Subject of socialization was given by Assistant and attended by Supervision level, 8 Harvesters and 10 Pesticide Applicators. Objective of socialization is to refresh the importance of PPE uses. Together with this document, picture documentation of PPE delivery to the attendant has also available. Official letter of PPE procedure socialization for pesticide applicator in NPE by Assistant Divisi 1 NPE, which carried out in 			

November 29th 2017 in Block E001. Apart from PPE, Chemist team has also required to bring soap and first aid kits. This socializations attended by 17 applicators. At the same time, there is also PPE complete delivery (picture documentation is available).

- Form "Monitoring of PPE Used for Chemist", for example period December 2017 in NPE and NLE. List of PPE monitoring are "caping" hat, goggle, respirator, rubber glove, apron and boot. Monitoring has carried out every day by Chemist Foreman, signed by Divisi Assistant.
- Official letter of safety briefing, conducted in front of TBF Office on January 9th 2018. Briefing is given by TBF Manager and PJS Assistant, attended by 30 operators. Subject of briefing are safety induction, PPE uses and HIRAC socialization. Documentation during the event were available.
- Official letter of PPE (earplug) delivery dated January 9th 2018 to operators in several Stations such as Crane, Boiler, Press, Nut and Kernel, Clarification, Sterrilizer, Generator Set (engine room) dan Water Treatment Plant. This letter has signed by Store keeper, Foreman, Act. Senior assistant and Admin Head. Documentation during the event were available.

Based on correction evidence above, it could be concluded that the company has deliver understanding to employees towards proper PPE which compulsory to be used through socialization and safety briefing, providing proper complete PPE as mentioned in HIRAC, as well as its monitoring where conducted daily. Hence **NCR No. 2017.01 is considered closed.**

Verified by : **Mohamad Amarullah**

NCR No.	: 2017. 02	Issued by	: Radytio Puspanjana
Date Issued	: 17 November 2017	Time Limit	: Next Surveillance
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	5.1.3 Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on twoyearly basis.		
Non-Conformance Description & Evidence observed: Based on document RKL-RPL implementation report semester 2 year 2016 and semester 1 year 2017, is known CH not conducted monitoring biota disturbance level, such as the measurement of plankton density and benthos density in accordance with document RKL-RPL year 2006.			
Root Cause Analysis:			
Correction:			
Corrective Action:			
Assessor Evaluation and Conclusion:			
Verified by	:		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	4.3.4	Improvement the quality of peat management procedures in the setting rate of peat subsidence with reference to related regulation.
2	4.3.5	The CH can improve the quality of drainability assessment by considering the results of the peat subsidence monitoring that has been done.
3	4.4.3	Follow up on the extension a permit wastewater discharge permit to the water source which expired on 31 August 2017. (Observation).
4	4.4.4.	Follow up on the extension a permit the use of surface water which expired on 10 June 2017 (Observation).
5	4.6.5	Review of the type of mask used for pesticide applicators in accordance with the MSDS.
6	4.7.2	Risk assessment analysis on outdoor fertilizer storage.
7	5.3.3	Follow up on the extension a Permit for Temporary Storage Hazardous waste which expired in 20 September 2017 (Observation).

3.5.4 Noteworthy Positive Components

No	Descriptions
1	Minimizing on pest breeding during replanting activities by frond stacking and chipping into ditches (CECT system).
2	Best canal and water management system on peatland that implemented
3	Collaborative program through Community Based of Fire Monitoring "Masyarakat Peduli Api"

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Plantation Agency of Indragiri Hilir Regency <ul style="list-style-type: none"> - Monthly report related to obligatory of plantation regulation is periodically reported. - In period 2015-2016, the agency receive the issue from communities regarding complaint about impact of replanting activities, that is related to rhino beetle. - Community Based on Fire Monitoring Team has been developed by the company to prevent of land fire. 	Has been verified under Criteria 6.1
Regional Land Agency of Indragiri Hilir Regency The land agency are informed related to exclusion of several part of land use title, and the process is still on going progress.	Has been verified under Criteria 2.2; 2.3
Environmental Agency of Indragiri Hilir Regency <ul style="list-style-type: none"> - There is no land fire for the last year. - All reporting is periodically submitted by the company - Waste management is well maintain by the company - There is no critical issue related environmental in 2017. 	Has been verified under Criteria 1.1 and 5.1
Labour and Transmigration Agency of Indragiri Hilir <ul style="list-style-type: none"> - Worker insurance has been registered by the company - No more piece workers is available at the company, all workers has been permanent and some of them processed to contracted workers (PKWT). - All report related to employment aspect has been periodically submitted 	Has been verified under Criteria 6.5
Pelangiran village, Sub-District of Pelangiran There is no critical issue was raised to the company, because most of villagers are worked at the company. Also, there is no negative issue regarding crops that cultivated by the communities, because is different crops with the company. The communities plant the coconut crops rather than oil palm crops. In collaboration program that developed by the company, that is Community Based of Fire Monitoring (Masyarakat Peduli Api).	Has been verified under Criteria 6.1; Criteria 5.5
Makmur Jaya village, Sub-District of Kateman <ul style="list-style-type: none"> - The community are disagree to be compensated for the land title (HGU) of the company, because they already plant the coconut crops from the beginning. - In 2015-2016 the villagers complaint to the company related to replanting activities, because their coconut crops is affected by rhino beetle infestation. - Communication with the company are doing well, because the community are given access into the plantation if they needed. 	Has been verified under Criteria 2.2; C.2.3; C.6.1

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.

Signed on behalf of:

PT. Bhumireksa Nusasejati
Head of PSQM Plantation Minamas Indonesia

Mutuagung Lestari
Lead Auditor



Mohamad Pirabaharan
Monday, 15 January 2018



Yudwi Wisnu Rahmanto
Monday, 15 January 2018

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency	Tembilahan, Indragiri Hilir District, Riau province		Phone	16 Nov 2017	√	
2	Labour Agency	Tembilahan, Indragiri Hilir District, Riau province		Phone	16 Nov 2017	√	
3	Environment Agency	Tembilahan, Indragiri Hilir District, Riau province		Phone	16 Nov 2017	√	
4	Land Agency	Tembilahan, Indragiri Hilir District, Riau province		Phone	16 Nov 2017	√	
5	Pelangiran village (3 persons)	Sub-District of Pelangiran, Indragiri Hilir Regency		Direct visit and interview	14 Nov 2017	√	
6	Makmur Jaya village (5 persons)	Sub-District of Kateman, Indragiri Hilir Regency		Direct visit and interview	16 Nov 2017	√	
7	Worker Union of Nusa Perkasa Estate	Indragiri Hilir District, Riau province		Direct visit and interview	16 Nov 2017	√	
8	WALHI	Indonesia	info@walhi.or.id	email	6 Nov 2017		√
9	Jikalahari	Pekanbaru, Riau province	jikalahari@indo.net.id	email	6 Nov 2017		√
10	WWF	Indonesia	suhandri@wwf.or.id	email	6 Nov 2017		√
11	Sawit Watch	Indonesia	info@sawitwatch.or.id	email	6 Nov 2017		√
12	18 male workers at Teluk Bakau POM	Teluk Bakau POM		Direct interview	15 Nov 2017	√	
13	20 female workers at Nusa Perkasa Estate	Nusa Perkasa Estate		Direct interview	15 Nov 2017	√	
14	14 male workers and 10 male workers	Nusa Lestari Estate		Direct interview	15 Nov 2017	√	

Appendix 2. Assessment Program

DATE	13 – 17 November 2017	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 13 November 2017		
06.25 – 08.10	Jakarta – Batam	YWR / AFS / MAR / RPJ
09.00 – 12.00	Batam – PT. Bhumireksa Nusasejati	YWR / AFS / MAR / RPJ
12.00 – 14.00	BREAK	YWR / AFS / MAR / RPJ
14.00 – 15.00	Opening meeting <ul style="list-style-type: none"> Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	YWR / AFS / MAR / RPJ
15.00 – 17.00	Documents Review <ul style="list-style-type: none"> Review of previous findings Verification of Basic Information Mill and Estate Confirmation of Time Bound Plan Review of Partial Certification 	YWR / AFS / MAR / RPJ
Tuesday, 14 November 2017		
08.00 – 12.00	Stakeholders consultation to affected communities surrounding plantations Stakeholders consultation to Related Government Institution of Indragiri Hilir Regency Government and local NGO (by phone/email) Field Observation NUSA LESTARI ESTATE <ul style="list-style-type: none"> Activities of Harvesting & Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application Landfill, Fire Control Facilities (simulation), Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, workshop Housing, School, Worship Place, Clinic, generator room, Reservoir Land Use, Legal Boundaries, HCV 	YWR YWR MAR RPJ RPJ AFS
12.00 – 14.00	BREAK	YWR / AFS / MAR / RPJ
14.00 – 17.00	Field Observation TELUK BAKAU FACTORY <ul style="list-style-type: none"> SCCS, security post, weightbridge Loading ramp, processing station, engine room, boiler, workshop, hydrant simulation Hazardous storage, Hazardous Waste Storage, workshop WWTP, wastewater outlet, water intake, WTP, EBA 	YWR MAR AFS RPJ
Wednesday, 15 November 2017		

DATE	13 – 17 November 2017	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 – 12.00	Field Observation NUSA PERKASA ESTATE <ul style="list-style-type: none"> Activities of Harvesting & Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application Landfill, Fire Control Facilities (simulation), Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, workshop Housing, School, Worship Place, Clinic, generator room, Reservoir Land Use, Legal Boundaries, Conservation area 	AFS MAR MAR YWR / RPJ
12.00 – 14.00	BREAK	YWR / AFS / MAR / RPJ
14.00 – 17.00	<ul style="list-style-type: none"> Stakeholders consultation to local contractor, gender committee, labor union, etc Clarification of Field Observation Document Verification 	YWR / AFS / MAR / RPJ
Thursday, 16 November 2017		
08.00 – 12.00	<ul style="list-style-type: none"> Clarification of Field Observation Document Verification 	YWR / AFS / MAR / RPJ
12.00 – 14.00	BREAK	YWR / AFS / MAR / RPJ
14.00 – 17.00	<ul style="list-style-type: none"> Clarification of Field Observation Document Verification 	YWR / AFS / MAR / RPJ
Friday, 17 November 2017		
08.00 – 10.00	Closing Meeting <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timeline of CAR's, Conclusion) Comments, Responses and Questions 	YWR / AFS / MAR / RPJ
11.00 – 16.00	PT. Bhumireksa Nusasejati – Batam	YWR / AFS / MAR / RPJ
19.15 – 21.00	Batam – Jakarta	YWR / AFS / MAR / RPJ