

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

### **[ ✓ ] Surveillance**

Name of Management Organisation : Ladang Panjang Factory – PT Bahari Gembira Ria subsidiary of Sime Darby Plantation Bhd  
 Plantation Name : PT Bahari Gembira Ria; Ladang Panjang Estate  
 Location : Village of Ladang Panjang, Sub District of Sungai Gelam, District of Muaro Jambi, Province of Jambi, Indonesia  
 Certificate Code : **MUTU-RSPO/019**  
 Date of Certificate Issue : 09 July 2017      Date of License Issue : 09 July 2018  
 Date of Certificate Expiry : 08 July 2022      Date of License Expiry : 08 July 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved By
ASA-1.1	24 to 28 September 2018	Muhammad Rinaldi (Lead Auditor), Rizliani Aprianita Hsb, Dwi Haryati	Octo HPN Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.1	10 December 2018

PT Mutuagung Lestari • Raya Bogor Km 33,5 Number 19 • Cimanggis • Depok 16953 • Indonesia  
 Telephone (+62) (21) 8740202 • Fax (+62) (21) 87740745/6 • Email: [agri@mutucertification.com](mailto:agri@mutucertification.com) • [www.mutucertification.com](http://www.mutucertification.com)  
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 on March 12<sup>th</sup>, 2014 with registration number **ASI-ACC-055**

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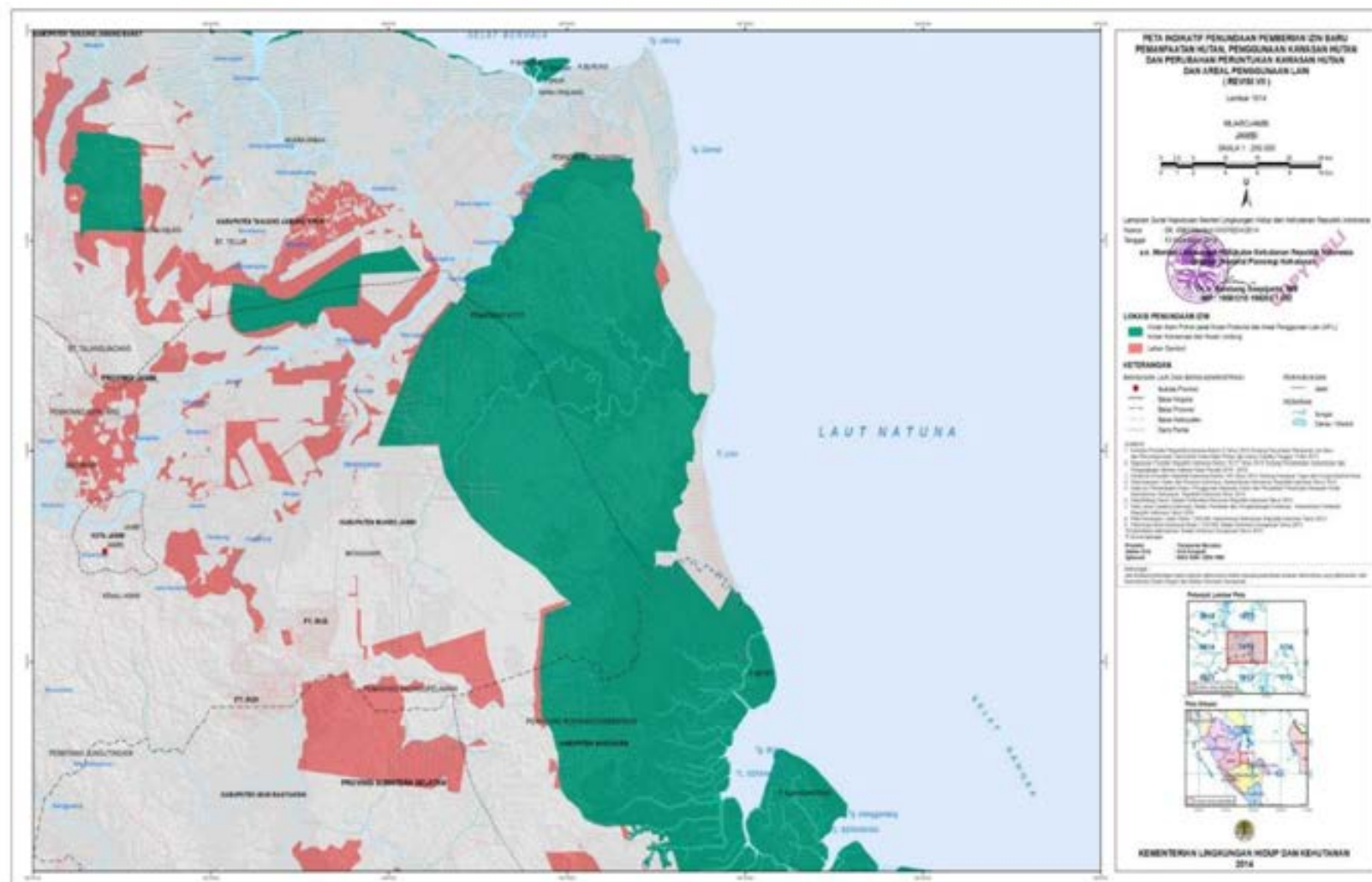
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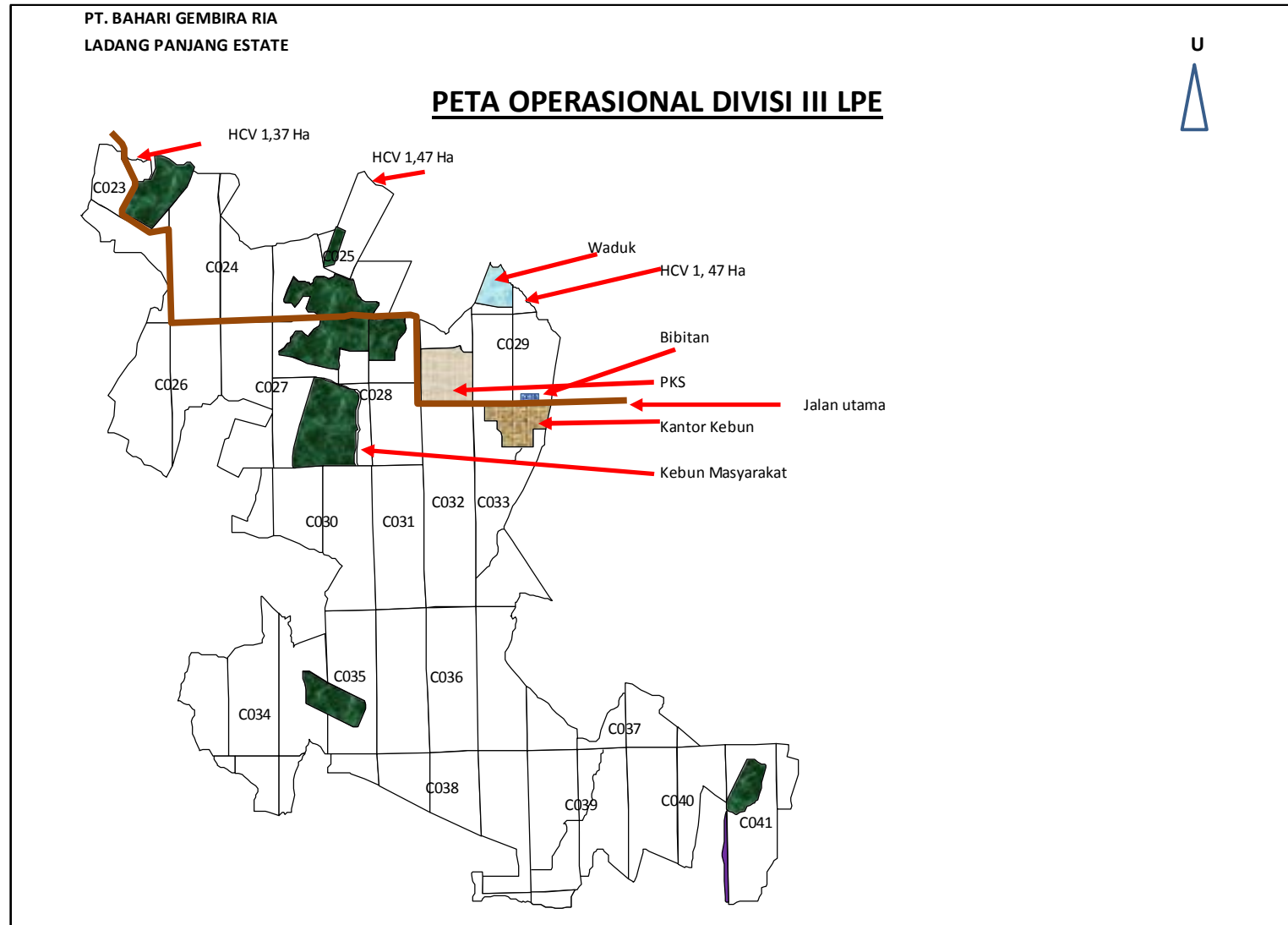
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Figure 1. Location Map of PT Bahari Gembira Ria



**Figure 2. Operational Map of PT Bahari Gembira Ria**



**Abbreviations Used**

ANDAL	:	Environmental Impact Analysis
APAR	:	<i>Alat Pemadam Api Ringan</i> (Light Fire Extinguisher)
ARM	:	Agronomic Reference Manual
ASA	:	Annual Surveillance Assessment
BGR	:	Bahari Gembira Ria
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Security Agency)
BSS	:	Block Spraying System
BMS	:	Block Manuring System
BOB	:	Bawn Owl Box
CB	:	Certification Body
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunches
FFB	:	Fresh Fruit Bunches
GHG	:	Green House Gasses
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
HIRAC	:	Hazard Identification Risk Assessment Control
IPM	:	Integrated Pest Management
KUD	:	<i>Koperasi Unit Desa</i> (Village Cooperative)
LA	:	Land Application
LCC	:	Legume Cover Crop
LPE	:	Ladang Panjang Estate
LPF	:	Ladang Panjang Factory
LSU	:	Leaf Sampling Unit
LUCA	:	Land Use Change Analysis
MRC	:	Minamas Research Centre
MSDS	:	Material Safety Data Sheet
MMCM	:	Monthly Meeting Committee Management
NGO	:	Non-Government Organization
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (OHS Committee)
PJK3	:	<i>Perusahaan Jasa Keselamatan dan Kesehatan Kerja</i> (Service Company of OHS)
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PSQM	:	Plantation Sustainability and Quality Management
RKL / RPL	:	Environmental Management and Monitoring Plan
SCCS	:	Supply Chain Certification System

SOP	:	Standard Operating Procedure
SSU	:	Soil Sampling Unit
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"><li>Indonesian National Interpretation of RSPO P&amp;C 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO BoG 30<sup>th</sup> September 2018.</li><li>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module E for CPO Mill)</li><li>RSPO Certification System for Principles and Criteria, 14 June 2017</li></ul>	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Bahari Gembira Ria subsidiary of Sime Darby Plantation Bhd.	
1.2.2	Contact person	Mohamad Pirabaharan	
1.2.3	Organisation address and site address	RSPO registered company: No 2, Plantation Tower, PJU 1A/7Street, Petaling Jaya, Malaysia 47301.  Liaison Office: The Plaza Office Tower, 36 <sup>th</sup> Floor Jl. M. H. Thamrin Kav. 28-30, Jakarta 10350	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	<a href="mailto:mohamad.pirabaharan@simedarbyplantation.com">mohamad.pirabaharan@simedarbyplantation.com</a>	
1.2.7	Web page address	<a href="http://www.simedarby.com">www.simedarby.com</a>	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM Minamas Plantations-Sime Darby)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 7 September 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base : Ladang Panjang Factory and Ladang Panjang Estates	
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
			LatitudeLongitude
	Ladang Panjang Factory	Ladang Panjang Village, Sungai Gelam Sub District, Muaro Jambi District, Jambi Province, Indonesia	S 01° 47' 33"E 103° 47' 37"

1.4.2	Location of Certification Scope of Supply Base						
	Name of Supply Base	Location	Coordinate				
			Latitude		Longitude		
	Ladang Panjang Estate	Ladang Panjang Village, Sungai Gelam Sub District, Muaro Jambi District, Jambi Province, Indonesia	S 01° 47' 39"		E 103° 47' 58"		
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State		1202.04 Ha				
	• Community		Ha				
1.5.2	Area Statement						
	• Total area		1202.04 Ha				
	• Mature area		1123.40 Ha				
	• Immature area		- Ha				
	• Mill		21.60 Ha				
	• Emplishment		16.89 Ha				
	• Infrastructure		29.84 Ha				
	• Nursery		6.00 Ha				
	• HCV		4.31 Ha				
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Ladang Panjang Estate Division 3		Total			
	1997	159.55	159.55				
	1998	301.63	301.63				
	1999	166.4	166.4				
	2000	407.51	407.51				
	2001	88.31	88.31				
	Sub Total Mature	1123.40	1123.40				
		-	-				
	Sub Total Immature	-	-				
	TOTAL	1123.40	1123.40				
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Ladang Panjang	30	88848.08	19645.98	22.11	4015.28	4.52



	Factory						
	<i>*Production data source from 12 months before assessment (September 2017 – August 2018)</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Ladang Panjang Estate Division 3	1202.04	1123.40	27735.02	24.68	27735.02	100
	Karya Mandiri Cooperative (541 members)	1066.37	1066.37	17530.81	16.44	17530.81	100
	TOTAL	2268.41	2189.77	45265.83	20.67	45265.83	100
	<i>*Production data source from 12 months before assessment (September 2017 – August 2018)</i>						
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)		
	HGU on process PT BGR (RSPO non-certified)	PT BGR	-	1697.35	19418.70		
	Karya Maju Cooperative (RSPO non-certified)	Independent Smallholders	448	910.75	3050.41		
	Marga Jaya Cooperative (RSPO non-certified)	Independent Smallholders	636	1248.29	10141.48		
	Manggar Jaya Cooperative (RSPO non-certified)	Independent Smallholders	897	1743.01	1690.89		
	Mitra Inti Cooperative (RSPO non-certified)	Independent Smallholders	415	828.58	9451.57		
	TOTAL					43753.05	
	<i>*Source Production Data on 12 months before assessment (September 2017 – August 2018)</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (MT)		
	FFB Processed		52074		45265.83		
	CPO Production		12107		7636.10		
	Palm Kernel (PK) Production		2395		1554.43		
1.8.2	Product selling						
	Type of selling product		Actual selling product for last year (MT)				
	CSPO sold as RSPO certified product		-				
	CSPK sold as RSPO certified product		-				
	CSPO sold under other scheme		-				
	CSPK sold under other scheme		-				
	CSPO sold as conventional		6426.36				
	CSPK sold as conventional		1501.66				

1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)		Total Area (Ha)	Planted Area (Ha)		FFB (tonnes/year)		Yield (tonnes/ha/year)
	Ladang Panjang Estate Division 3		1202.04	1123.40		29121		25.92
	TOTAL		1202.04	1123.40		29121		25.92
<i>*Projected FFB production for 12 months of certificate (09 July 2018 to 08 July 2019) KUD Karya Mandiri was removed from scope audit based on Letter No. 027/MP/X/2018, 05 October 2018 from the Head of PSQM.</i>								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Ladang Panjang Factory	30	29121	6552	22.5	1310	4.5	MB
<i>*Projected CSPO and CSPK production for 12 months of certificate (09 July 2018 to 08 July 2019)</i>								
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	Others			ISPO Certificate MUTU-ISPO/069 issued by PT Mutuagung Lestari 06 December 2016 to 05 December 2021				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Supply Base	Time Bound Plan	HGU on Process		Location	Status
	Mill	Time Bound Plan			Ha	Time Bound Plan		
	INDONESIA							
	Sekunyir. PT. Indotruba Tengah	2010	Sekunyir	2010			Seruyan and West Kotawaringin District – Central Kalimantan	Certified
			Seruyan	2010				Certified
	Manggala . PT. Tunggal Mitra Plantation s	2010	Manggala 1	2010			Rokan Hilir District – Riau	Certified
			Manggala 2	2010				Certified
			Manggala 3	2010				Certified
	Bukit Ajong	2010	West	2010	1,652	2019	Sanggau Distri ct –West	Certified
			East	2010				Certified

PT. Sime Indo Agro		Sei Mawang	2018			Kalimantan	-
		East Plasma	2010				Certified
		West Plasma	2010				Certified
Teluk Siak. PT. Aneka Inti Persada	2011	Teluk Siak	2011	421.31	2020	Pekanbaru, Siak District – Riau	Certified
		Pinang Sebatang	2011				Certified
		Aneka Persada	2011				Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	308.25	2020	Musi Rawas District – South Sumatera	Certified
		Bukit Pinang	2012				Certified
Pemantangan. PT. Teguh Sempurna	2011	Pemantangan	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. Ladangrupun 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.	2011	Gunung Aru	2011	765	2020	Kotabaru District – South	Certified
		Gunung Kemas	2011				Certified

PT Bersama Sejahtera Sakti		Laut Timur	2011			Kalimantan	Certified
		Pantai Timur	2011				Certified
		KKPA BSS	2020				-
Bebunga. PT. Langgeng Muarama kmur	2011	Sungai Cengal	2011	1,162	2020	Kotabaru District – South Kalimantan	Certified
		Bebunga	2011				Certified
		KKPA Sungai Cengal	2014				Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011			Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Sapiri	2011				Certified
		Barasdanum	2011				Certified
		Kuala Kuayan	2011				Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	1,120	2020	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012				Certified
		Rampa	2012				Certified
		Sesulung	2012				Certified
Selabak *) PT Swadaya Andhika	2012	Selabak	2012	63	2020	Kotabaru District – South Kalimantan	Certified
		Randi	2012				Certified
		Sangkoh	2012				Certified
		Lanting	2012				Certified
Rantau. PT Laguna Mandiri	2012	Rantau	2012			Kotabaru District – South Kalimantan	Certified
		Matalok	2012				Certified
Betung. PT Laguna Mandiri	2014	Betung	2012			Kotabaru District – South Kalimantan	Certified
		Sekayu	2012				Certified
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012			Morowali District – Sulawesi Tengah	Certified
		Plasma TGK	2015				Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	1,639	2020	Muaro Jambi District - Jambi	Certified
		Plasma BGR	2020				-
Rantau Panjang. PT Guthrie Peconina Indonesia	2012	Rantau Panjang	2012	4,133	2020	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	2013	Tamiang (PT PPP)	2013			Aceh Tamiang	Certified

Simpo. PT Perkasa Subur Sakti		Batang Ara (PT PSK)	2013	1,286	2020	and East Aceh District – Nanggroe Aceh Darussalam	Certified
		Blang Simpo-01	2013				Certified
		Blang Simpo-02	2013				Certified
MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2018			Sanggau Distri ct – West Kalimantan	-
		MAS 1	2018				-
		MAS 1	2018				-
		Plasma MAS	2020				-
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014			Ketapang Distri ct – 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
		Chers onese SOU 2	2011				Chersonese
Holyrood	2011			Certified			
Kalumpang	2011			Certified			
Tali Ayer	2011			Certified			
Elphil SOU 3	2011	Kinta Kellas	2011			Sg Siput, Perak	Certified
		Elphil	2011				Certified
		Kamuning	2011				Certified
Flemin gton 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
Selab a 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
Tenna mara m SOU 6	2011	Tennamaram	2011			Bestari Jaya, Selangor	Certified
		Sungei Buloh	2011				Certified
		Bkt Talang	2011				Certified
Bkt Keray ong 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, Selangor	Certified
Bukit Putri - SOU 10	2011	Bukit Putri	2011			Raub, Pahang	Certified
Kerda u 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 Beton g 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
							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 SOU 22	2011	Bukit Benut	2011			Kluang, Johor	Certified
		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	2009	Tingkayu	2009			Kunak, Sabah	Certified
		Sungang	2009				Certified
		Jelata Bumi	2009				Certified



28		Binuang	2009				Certified
Giram SOU 29	2009	Mostyn	2009			Kunak, Sabah	Certified
		Giram	2009				Certified
Merot ai SOU 30	2009	Imam	2009			Tawau, Sabah	Certified
		Merotai	2009				Certified
		Table	2009				Certified
		Tiger	2009				Certified
Lavan g SOU 31	2011	Belian	2011			Bintulu, Serawak	Certified
		Kelida	2011				Certified
		Lavang	2011				Certified
		Lavang (SE)	2011				Certified
		Rasan	2011				Certified
Rajaw ali SOU 32	2011	Rajawali	2011			Bintulu, Serawak	Certified
		Samudera	2011				Certified
		Semarak	2011				Certified
		Bayu	2011				Certified
Deraw an SOU 33	2011	Takau	2011			Bintulu, Serawak	Certified
		Damai	2011				Certified
		Derawan	2011				Certified
		Sahua	2011				Certified
Pekak a SOU 34	2011	Chartquest	2011			Bintulu, Serawak	Certified
		Dulang	2011				Certified
		Peroh	2011				Certified
		Pekaka	2011				Certified
		Ruai	2011				Certified
LIBERIA							
Grand Cape Mount	2017	Matambo (2,500 Ha)	2017			Grand Cape Mount, Liberia	NPP May 2011
		Grand Cape Mount (2,372 Ha)	2017				NPP May 2011
		Zodua (264)	2017				NPP May 2011
		Bomi (3,128 Ha)	2017			Bomi, Liberia	NPP May 2011
		Lofa (2,254 Ha)	2017				NPP May 2011
P & G (New Britain Palm Oil)							
Poliam ba	2012	Kara	2012			Kevieng, New Ireland Province, P&G	Certified
		West Coast	2012				Certified
		Nalik	2012				Certified
		Noatsi	2012				Certified
		Madak	2012				Certified
		North (Smallholders)	2012				Certified



		South (Smallholders)	2012				Certified
		West (Smallholders)	2012				Certified
	Tetere	2011	Tetere	2011		Gudaicanal, Solomon Island	Certified
			Ngalimbiu	2011			Certified
			Mbalisuna	2011			Certified
			West Zone (Smallholders)	2011			Certified
			Central Zone (Smallholders)	2011			Certified
			MBA East (Smallholders)	2011			Certified
			MBA West (Smallholders)	2011			Certified
	Sangara, Sambiripa & Mambana	2013	Sangara	2013		Higaturu, Popondetta, Oro, P&G	Certified
			Sumberipa	2013			Certified
			Ambogo	2013			Certified
			Embi	2013			Certified
			Mambana	2013			Certified
			Sorovi (smallholders)	2013			Certified
			Igora (smallholders)	2013			Certified
			Saiho (smallholders)	2013			Certified
			Aeka (smallholders)	2013			Certified
			Ilimo (smallholders)	2013			Certified
	Gusap	2010	Dumpu	2010		Madang, P&G	Certified
			Surinam	2010			Certified
			Jephcott	2010			Certified
			Gusap	2010			Certified
			Paddox	2010			Certified
			Ngaru	2010			Certified
			Madang VOP (smallholders)	2010			Certified
			Morobe VOP (smallholders)	2010			Certified
	Hagita	2013	Giligili	2013		Milne Bay, P&G	Certified
			Hagita	2013			Certified
			Waigani	2013			Certified
			Sagarai	2013			Certified
			Padipadi	2013			Certified

<ul style="list-style-type: none"><li>• Mosa</li><li>• Kumbango</li><li>• Kapiura</li><li>• Namundo</li><li>• Waraston</li></ul>	2008	Mariawatte	2013			West New Britain	Certified					
		East Gurney	2013				Certified					
		West Gurney	2013				Certified					
		East Sagarai	2013				Certified					
		West Sagarai	2013				Certified					
		Bebere	2008				Certified					
		Kumbango	2008				Certified					
		Togulo	2008				Certified					
		Dami	2008				Certified					
		Waisisi	2008				Certified					
		Kautu	2008				Certified					
		Karaus	2008				Certified					
		Moroa	2008				Certified					
		Bilomi	2008				Certified					
		Loata	2008				Certified					
		Haella	2008				Certified					
		Garu	2008				Certified					
		Daliavu	2008				Certified					
		Sapuri	2008				Certified					
		Malilimi	2008				Certified					
		Rigula	2008				Certified					
		Nomundo	2008				Certified					
		Navarai / Karato ME	2008				Certified					
		Volupai . Lotomgam / Natupi / Goruru	2008				Certified					
		Lolokoru	2008				Certified					
		Silovoti	2008				Certified					
		LSS Hoskin (1,877 Smallholders)	2008				Certified					
		VOP East (1,815 Smallholders)	2008				Certified					
		VOP Central (1,958 Smallholders)	2008				Certified					
		VOP West (1,277 Smallholders)Kaulong / Akamie / Pusiki / Repamira / Sakapei / KDC ME (21 large smallholders)	2008				Certified					
		LSS Kapiura (847 Smallholders)	2008				Certified					
		VOP Kapiura (551 Smallholders)	2008				Certified					
		Sime Darby has achieved 34 managment units in Malaysia, 24 management units in Indonesia, 10 management units in Liberia that RSPO certified. Total management unit in Sime Darby Plantation Bhd are 34 in Malaysia, 25 in Indonesia and										

	<p>10 in Liberia. In the year of 2017 there are two Mill that are no longer operating, and for the supplying base (Estate) is diverted to a mill that is still operating and has been certified RSPO.</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 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>
1.10.2	<p><b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b></p> <p>All smallholder cooperatives of PT BGR have become independent smallholders because all debts have been settled and currently only have cooperation in buying and selling FFB with PT BGR.</p> <p>Based on Letter No. 027/MP/X/2018, 05 October 2018 from the Head of PSQM, it was stated that the scope of PT BGR certification was only a own estate and KUD Karya Mandiri was removed from the scope of the certification.</p>

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-1.1</b>	<p><b>1. Muhammad Rinaldi (Lead Auditor).</b> Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2007. He has attended training RSPO Lead Auditor, SCCS training, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, training of HCV identification, training of OHS system management, training of potential and conflict resolution, SA 8000. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. During the assessment he assigned to verify legal, land dispute and SCCS.</p> <p><b>2. Rizliani Aprianita Hsb (Auditor).</b> Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SCCS training, lead Auditor ISO 9001:2008, ISO 14001:2004, ISPO Auditor training and followed several IHT related to environment, BMP, SA 8000 etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During the assessment she assigned to verified environmental management, GHG, HCV, social aspect and Transparency.</p> <p><b>3. Dwi Haryati (Auditor).</b> Indonesian citizens. Bachelor of Agriculture Department of Agriculture – Program study : Agronomy. She has experienced on Palm Oil Plantation as Sustainability staff. Training have been followed include: Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 &amp; 17065, HCV, General Health Safety Expert, Health Safety Management System, Workshop GHG by the ISPO Commission, IHT Palm Oil Mill Processing, Awareness RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest, SA 8000. RSPO audit experience since March 2015 and ISPO since May 2014. During this audit, he assigned to best management practice, long-term plan Occupational Health and Safety, and Worker Welfare.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-1.1</b>	<p>Number of auditors : 3 auditor</p> <p>Number of days for <b>ASA-1.1</b> at site : 5 days</p> <p>Number of working days for <b>ASA-1.1</b> at site : 15 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-1.1</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT bahari Gembira Ria to the requirements of <b>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> 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 revised on 14 June 2017 (Module E for CPO Mill)</b></p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results <b>ASA-1.1</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>ASA-1.2</b>). Improvement of findings from main assesment findings were observed by auditors at this <b>ASA-1.1</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-1.1</b></p> <p>The assessment program please find Appendix 2</p>
<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>ASA-1.1</b>	<p><b>Ladang Panjang Estate Division 3</b></p> <ul style="list-style-type: none"> <li>Block C026 &amp; C023.</li> </ul>

- Observation related to the Terentang River riparian area
- Observation related to HGU boundary mark No. BGR 02 and BGR 03
- **Block C028.** Observation and interviews with Land Application officers related to the utilization of liquid waste in the Land Application area and monitoring wells. (1 person)
- **Block C031.** Observation and interviews with EFB application foremen related to the management of empty fruit bunch. (1 person)
- **Harvesting. Block C028.** Interview with 6 harvesters and 1 lost fruits picker related to harvesting techniques, job descriptions, wages, PPE, BPJS, OHS, and labor rights.
- **Transportation of FFB. Block C028.** Interview with 1 driver and 2 FFB transport workers related to PPE and labor rights.
- **Manuring. Block C027.** Interview with 1 foreman, 1 tractor operator and 3 helper related to OHS license, PPE, sack waste management, health checks, trade unions, extra fooding, complaints and training.
- **Bawl Own Box. Block C036.** Observations related to the presence of owl nests as biological control agents from rat pest attacks. There are remnants of rat bones and owl feathers.
- **Nurseries. Block C029.** Interview with 1 nursery foreman related to seed stock, waste management in nurseries and labor rights.
- **Daycare.** Observation and interviews related to employee welfare facilities, wages, employment and domestic waste management.
- **Housing complex.** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities
- **Chemical storage.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS.
- **Fertilizer storage.** Observation and interviews related to waste management and implementation OHS.
- **Fuel Storage.** Observation related to implementation of OHS
- **Workshop.** Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.
- **Block Spraying System (BSS) House.** Observation the conditions of chemical mixing area, PPE warehouse and PPE handling.
- **Hazardous Waste Storage.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
- **Clinic.** Observation and interview with paramedic about first aid mechanism, medical waste management and work accident record monitoring.
- **Fire Fighter Warehouse.** To observe completeness and readiness of fire fighter equipment.

### Ladang Panjang Factory

- **Weighbridge Station.** Observations related to the acceptance and separation of FFB entering the factory (1 person)
- **Security post.** Observations related to receipt of FFB. (2 person)
- **Logistics.** Observations related to product production and shipping documentation (1 person)
- **Grading.** Interview with 3 worker related to sorting techniques, working hours, PPE, BPJS, and wages.
- **Process Office.** Observations related to the first aid box facility and completeness of the contents.
- **Kernel Station.** Interview with 2 workers related to the use of PPE, health checks, BPJS, wages and complaint mechanism.
- **Machine Room.** Interview with 1 worker related to the mechanism of PPE replacement, health checks, wages and overtime.
- **Boiler.** Interview with 1 operator related to OHS license, working hours, wages, overtime, complaints mechanism, facilities and freedom of association.
- **Water intake.** Observation for POM water intake condition
- **Waste Water Treatment Plant.** Field observations and interviews with WWTP operators regarding waste water management.
- **Solid waste area.** Observation related to waste management and observation of leachate drainage.

	<ul style="list-style-type: none"> <li>• <b>Hydrant &amp; Fire Extinguisher.</b> Observation on the availability and condition of fire equipment and preparedness of fire-fighting team.</li> <li>• <b>Chemical material warehouse.</b> Field observations and interview with a warehouse clerk related to chemical management.</li> <li>• <b>Workshop.</b> Observations and interviews with workers related to the management and implementation of health safety, worker welfare, competency and training.</li> <li>• <b>Hazardous waste temporary warehouse.</b> Field observations related to the fulfillment of OHS attributes, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.</li> </ul> <p><b>Stakeholder visit</b></p> <ul style="list-style-type: none"> <li>• Government Institutions of Muaro Jambi Districts (Environmental Agency, Labour Agency and Plantation Agency). Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area.</li> <li>• Surrounding communities (Ladang Panjang Village, Trimulya Jaya Village, KUD Karya Mandiri). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society and the impact of corporate activities</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-1.1</b>	<p>The public consultation with stakeholders to PT Bahari Gembira Ria done through:</p> <ul style="list-style-type: none"> <li>• Conduct a public announcement on the CB website (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) on 10<sup>th</sup> September 2018.</li> <li>• Conducting visits and direct interviews with stakeholders (Labour Agency, BPN, Environment and Plantation Agency, Muaro Jambi District, Province of Jambi) on 24<sup>th</sup> September 2018.</li> <li>• Conduct consultations via email questionnaire to NGOs (WALHI, Sawit Watch, International Animal Rescue and Aliansi Masyarakat Adat Nusantara) on 19<sup>th</sup> September 2018.</li> <li>• Conducting visits and direct interviews with stakeholders (Local Communities) on 24<sup>th</sup> September 2018.</li> <li>• Conducting Interviews with the local contractor, FFB supplier, Gender Committee, Labor Union on 24-25<sup>th</sup> September 2018.</li> </ul>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<b><i>Please find appendix 1</i></b>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>ASA-1.2</b> ) will be determined one year after this <b>ASA-1.1</b> (September -2019).



### 3.0 ASSESSMENT FINDINGS

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

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

During the assessment, there were two (2) nonconformities were assigned against Major Compliance Indicators; two (2) nonconformities were assigned against Minor Compliance Indicators; and one (1) nonconformance against supply chain requirement for CPO mill and six (6) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidences. Those corrective actions taken that consist of two (2) Major non-conformities, one (1) non- conformity against supply chain requirement for CPO mill and one (1) Minor non-conformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that **Ladang Panjang Factory – PT Bahari Gembira Ria, Sime Darby Plantation Bhd** complied with the requirements of **Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INATF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> 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 revised on 14 June 2017 (Module E for CPO Mill**

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **continued**

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1, 1.1.2</b>	<p>CH has procedure for the provision of information in SOP <i>Permintaan Informasi</i> (Document No. 008/BGR-PI/VIII/10, August 1, 2012). The procedure explained that the requests for information received will be studied and made his answer by manager operational unit of Mill or Estate, and has covered the types of information that can be accessed by the public. Based on the flow chart in Appendix of this SOP explained that since received a letter of request for information from stakeholders to make a response to the determined period of 14 days. Based on interviews with government agency they inform that the procedure has been socialized. Stakeholders already known the communication PIC, and no obstacles in dealing with the company.</p> <p>Based on document review and management interviews, recording information requests can be seen in incoming and outgoing mail documents. All incoming letters including information requests are recorded in the communication form / logbook which records the list of requests and responses from stakeholders is the administration section in accordance with procedure, as well as internal and external complaints.</p> <p>Document review of the logbook in period 2018 found that there was a Letter from the Plantation Office regarding the Preparedness of the Plantation Land Fire Control Facility and Infrastructure received by the management unit on September 7, 2018, but the company could only respond to the letter on September 27, 2018 (&gt; 14 days). Regarding this matter, the company needs to ensure that the response period for information requests has been referred to the</p>	

established SOP. OFI No. 1

**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:

CH has consistently documented the list of documents available to the public are described in Memorandum, the list of accessible informations covers relevant legal, social and environmental aspects related to sustainability. The documents include land use title, plantation business permit, HCVA, SIA, land application/hazardous waste permit, EIA, environmental management plan/environmental monitoring plan, OHS, employee data, data production (FFB, CPO, PK), hazardous waste data, specification engine plant, vehicle specifications, detail and complaints, sustainable plantation management guidelines, public summary of the certification assessment report, a human rights policy, and negotiation procedures. The document is saved in the Office Estate/Mill. A list of documents available to the public set by PT BGR compliance with RSPO Principles & Criteria.

The management unit showed evidence of socialization of public access to documents attended by the village community Trimulya Jaya Village, Mingkung Jaya Village, Sumber Agung Village, Petaling Jaya Village, RT 26 RW 04 Ladang Panjang. Based on interviews with government agency and officials of Trimulya Jaya Village, they already know the types of documents accessible to the public, for example related to legal, environmental, social, OHS, etc.

**Status: Comply**

## 1.3

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

### 1.3.1

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

Based on interviews with employees at Division III LPE, LPF, contractor of CPO transport, and Committee Gender it is known that the certificate holder's human rights policy has been socialized and understood by workers and contractors, and there is no incidents of human rights violations.

**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

CH has shown the evidence of compliance with local, national and international regulations. List of laws and regulations updated on 11 September 2018 approved by Manager EHS/PSQM Sumatra.

#### **Best Management Practices**

- Use pesticides that have been registered with valid permits
- There is no use of paraquat to weeding control
- Has done routine reporting, for example report on the development of the plantation business semester I year 2018 (No.015/BGR/UP/VII/2018 dated July 13, 2018).

#### **Environment**

- PT BGR has an ANDAL (Environmental Impact Analysis) document and the RKL / RPL (Environmental Management



and Monitoring Plan) which has been approved by the Jambi Governor No. 304 / KEP.GUB / BAPEDALDA / 2007 dated August 2, 2007, covering area of 4000 ha (own estate), plasma area of 6000 ha, and a Palm Oil Mill with a capacity of 45 tons FFB / hour.

- License of hazardous waste storage based on the Decree No. 02 / Kep.Ka BPTSP / VI / 2014 concerning License of hazardous waste storage (POM) dated 30 June 2014 valid for 5 years and Decree No. 09 / Kep.Ka BPTSP / VI / 2015 concerning License of hazardous waste storage (estate) dated June 22, 2015 valid for 5 years.
- Permit for the utilization of liquid waste for land applications based on the Decree No. 01 / Kep.Ka.BTSP / VI / 2016 dated June 13, 2016 on an area of 162 ha in Division 3. The permit is valid for 5 years.

### **Legality**

- Have Land rights in the form of Land Use Title, location permit and plantation business permit for the activities of oil palm plantation and palm oil mills accordance Plantation Act 39/2014 on plantation and Law No. 5 of 1960 on Main Agrarian Regulations (refer to criteria 2.2)

### **OHS & Worker Welfare**

- The company has endeavored to protect workers from hazards and risks by providing PPE for high noise areas such as earplugs and earmuffs, and for areas with potential dangers of dust, smoke and ash in the form of masks. In addition to the provision of PPE, protection for workers is done by performing regular health checks in the form of audiometry and spirometry. As well as testing the air quality in the factory environment to ensure that the working environment in a safe condition in accordance with requirement
- The company shows the recapitulation of machine production licenses for all Mill stations. In the recapitulation it is stated that the period of inspection and testing of machines production is carried out every 2 years. Based on the results of testing and inspection by the labor agency in January 2017 for example a boiler is declared to be in a condition worthy of operation.
- Already has an organizational structure of P2K3 (OHS Committee) and reporting regularly every three months (refer to indicator 4.7.4).
- Fulfillment of minimum wages, payroll systems such as overtime provisions, and worker protection (BPJS Ketenagakerjaan and BPJS Kesehatan).

### **2.1.2; 2.1.3 and 2.1.4:**

CH has a mechanism to identify and evaluate the compliance with the law described in the SOP of Law Terms (No 010/PH-BGR/VIII/10, 10 August 2010). PIC who is responsible for identifying the regulation and for evaluating the regulations was Plantation Services Department and EHS Manager. Information of regulation from national, provincial and district regulatory bodies, and renewal of any changes to prevailing laws and regulations and monitoring of expired regulations/licenses. A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO. All regulations are noted in the list of rules which are always evaluated regularly at least once a year or if there are regulatory / latest requirements referenced. List of laws and regulations updated on 11 September 2018 approved by Manager EHS/PSQM Sumatra. Internal audits have been conducted continuously every once a year and are documented and reviewed by PSQM Department.

<b>Status: Comply</b>
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## **2.2**

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

### **2.2.1**

There are no changes related to land tenure ownership/control the land owned by the certificate holder with the following details:

1. HGU Certificate No. 4 of 2003, an area of 1,202.04 Ha is valid until May 6, 2038
2. Plantation Business Permit based on the Decree of the Head of the Integrated Service Agency of Muaro Jambi Regency No. 503/02 / BPTSP / 2014 dated 30 January 2014 covering an area of ± 3,382.04 ha and the Palm Oil Processing Unit with a capacity of 45 tons FFB / hour.

### **2.2.2**

The company has Boundary Maintenance Guidelines No. 01/MEMO/VII/2017 dated July 3, 2017 which explains that officers make annual programs, monitoring are conducted every 4 months. In addition, there is document of Pole Maintenance Monitoring on 2018 that is carried out every month and the last is done in September 2018.

The company has Land Map with scale 1: 10,000 which describes the HGU boundary point with a total of 10 mark. The company is encouraged to ensure and consult with the National Land Agency related to the points of boundary coordinates. **OFI**

Based on the field visit on block C026 on pole No. BGR 2 and C023 on pole No. BGR 3, it is known that there are boundary pole in well maintained condition and directly adjacent to community land and Terentang River.

### 2.2.3, 2.2.4, 2.2.5, 2.2.6

There were no changes to the conflict resolution procedure listed in the Occupational Land Acquisition Procedure (343 / PSD-OKUP / 11) and there was a Memorandum recording from Head Plantation Upstream Indonesia on June 22, 2012. The company also has the policy to avoid violence contained in the GM Policy Number: 026 / GRAS- IM / II / 2016 dated February 1, 2016.

Based on interviews with the Village Apparatus, Community Leaders (previous land owner) and Farmers in Timulya Jaya Village and Ladang Panjang Village as well as field visits, it was found that there were no indications of land disputes. The last land dispute occurred in 2010-2011 with the 440KK group has been resolved through legal channels, based on the *Mahkamah Agung* Decision No: 1254K/Pdt/2011 dated September 13, 2011, it is known that a cassation request from Herman Z and Ramli authorized agents represented The *Kelompok Tani Usaha Bersama* (440 farmers Group) was rejected. Community leaders from Ladang Panjang Village (previous landowners) explained that land compensation activities were carried out by forming a team consisting of community leaders, company and government representatives and prices were determined based on negotiations.

**Status: Comply**

## 2.3

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

### 2.3.1, 2.3.2, 2.3.3, 2.3.4

Based on document verification of area statement, interviews with the community and the Agency, it was found that there were no additional areas in the company and there were no land disputes, so there were no new land acquisition activities. Community leaders from Ladang Panjang Village (previous landowners) explained that land compensation activities were carried out by forming a team consisting of community leaders, company and government representatives and prices were determined based on negotiations.

**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

Certification Holder has a long-term business plan document for the period 2016/2017 to 2021/2022 (5 years) covering the area of the statement, projection of FFB, production costs. But it does not contain price estimates and financial indicators (estimated profits).

PT BGR has not been able to show long-term work plan documents (3 years) for estate and mill that contain price estimates and financial indicators (estimated profits). **Non-conformity No.2018.01 with Maajor category.**

#### 3.1.2

The certificate holder shows the plan for replanting in the Program Long Range Replanting which explains that the current replanting program that has been implemented is in Division 1, 2019 partly for Division 2 and Division 3 programmed for replanting :

Year	Area (ha)	%
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2024-2025	159.55	5.64
2025-2026	159.92	5.66
2026-2027	177.41	6.27
2027-2028	229.11	8.10
2028-2029	213.26	7.54
2029-2030	189.46	6.70
<b>Status: Non-conformity No.2018.01 with Major category has been closed</b>		
<b>PRINCIPLE #4 Use of appropriate best practices by growers and millers</b>		
<b>4.1</b>		
<b>Operating procedures are appropriately documented and consistently implemented and monitored.</b>		
<b>4.1.1</b>		
<p>The Certificate Holder has had procedures for agronomy and FFB processing. It has procedure (SOP) of oil palm Agronomy for Minamas Plantation Group which presented in document of Agricultural Reference Manual Policy No. 110/EST-ARM/13 dated September 1<sup>st</sup>, 2013, signed by the Head of Plantation Upstream Indonesia. The SOP describes techniques on palm material preparation, nursery, planting and replanting, land preparation, harvesting management, field upkeep, manuring, by-product application (EFB and POME), canopy management, water management and management in peat soil, standard of ripeness, ablation, palm protections, weeds control, LCC planting and rainfall recording.</p> <p>The company also has a reception process procedure of FFB until to the <i>dispatch</i> of CPO and kernel, in document of Minamas Plantation palm oil mill guidelines Part I and Part II, policy No. 130/POD-FAC/07 and No. 110/POD-FAC/07 Chapter I, Sub-chapter 1.1 which describes POM technical guidelines, such as stations processing, stocking, waste control and management, water treatment and laboratory analysis.</p> <p>Based on the field observation to block C028 on harvesting activities and block C027 on the activity of the manuring it is known that workers have understood the way of working in accordance with the established procedures. For example, the technique of determining the criteria for ripe fruit ready for harvest, threatening harvest, the obligation to use PPE, the obligation to store PPE after work, and the application of fertilizer in accordance with the target and the specified dose. Field visit to Ladang Panjang POM, for example at grading stations and boiler workers, have been able to explain their daily work and understanding of OHS.</p>		
<b>4.1.2, 4.1.3</b>		
<p>Certificate holder conducted annually operational/RSPO internal audit in order to monitor the implementation of the procedures. Operational/RSPO internal audit evaluate the implementation of operational, administration of estates and mill. Whereas RSPO internal audit evaluate the implementation of procedures and RSPO P&amp;C in estates and mill. Furthermore, the management representative (Assistant, Manager) routinely conduct inspectorate visit to control the implementation of the procedures.</p> <p>The result of internal audits were documented in audit reports. The last operational internal audit for PT BGR division 1,2 and 3 conducted on 12 to 15 September 2018. All nonconformities has been followed up and closed by the management units.</p>		
<b>4.1.4</b>		
<p>The company receives FFB from PIR-TRANS plasma smallholders, this explained in procedure third parties in the <i>SOP Transport TBS</i> (RSPO / 01 / BGR-EST / 14) which explains the mechanism for receiving FFB from third parties suppliers of FFB.</p> <p>Based on documents review the distribution of scheme smallholder (PIR-TRANS) and work agreements both can be seen that there is currently an agreed list of suppliers, such as <i>KUD Trimulya</i> and <i>KUD Margomulyo</i>.</p>		
<b>Status: Comply</b>		
<b>4.2</b>		
<b>Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</b>		
<b>4.2.1</b>		
<p>Procedure of soil fertility management was presented in document policy No. 110/EST-ARM/13 part 8 about manuring. The company also conducted soil and leaf analysis as one way to monitor soil fertility and as a basis for preparing</p>		

manuring recommendations. Records of the implementation of soil fertility management include empty bunch application on POME Application in Ladang Panjang Estate. Implementations of SOP are verified by BMS foreman, Assistants, to Senior Assistants and PSQM staff to monitor the quality of employment results

Based on field visits and interviews with the manuring team (fertilization carried out mechanically using the M Dec applicator) in block C07 division III it was known that workers had known about the dosage and type of fertilizer used.

#### 4.2.2 & 4.2.3

Certification holder has a recording of fertilization listed in the monthly report manager (MMCM = Monthly Meeting Committee Management) of the realization of fertilization. Recording fertilization period June 2017 to July 2018 are :

Mature/Immature	Fertilizer	Program (Kg)		
		Program (kg)	Realization	%
Mature Plant	HGFB	23,787	23,737	99.79
	CCM 44 (R1)	845,399	843,876	99.82
	CCM (R2)	346,245	344,903	99.61
	ZnSO <sub>4</sub>	7,827	7,829	100.03
	CuSO <sub>4</sub>	11,277	11,277	100.00
	CCM 44 (R3)	626,914	625,563	99.78
	RP	151,557	151,015	9.64
	MOP	225,520	225,520	100.00
Immature Plant	CCM 65	85,121	85,121	100.00
	CuSO <sub>4</sub>	2,245	2,245	100.00
	Zn SO <sub>4</sub>	2,245	2,245	100.00
	CCM 44	79,232	79,230	100.00
	Chelated Zincoper	3,631	3,631	100.00
	HGFB	3,720	3,720	100.00

MRC team prepared fertilizer recommendations based on leaf analysis and soil analysis. In accordance with Policy No. I-04 / MRC-SOP / 10 dated 1 April 2010 (revision in SOP Land fertility survey rev 01, June 6, 2018 no. Document 006 / MRC-SDP / VI / 18), concerning the Formulation of Fertilization Recommendation is known that soil sampling is done every five years while leaf sampling is done every one year. Leaf analysis examined the dry weight of ASH, P, K, Mg, N and ppm dry weight B. The last LSU is conduct on 2018 while SSU on 2015.

#### 4.2.4

The recycling nutrients strategies adopted by the company included the use of empty bunch and Palm Oil Mill Effluent. In addition, the remaining trees from replanting are also part of the nutrition cycle strategy. record of the implementation of the nutrient recycling strategy for example

- Empty Fruit Bunch Application which is stated in the monthly manager's report division III the period July 2018 in amount of 16,006.5 ton.
- The recap of the application of palm oil mill effluent in the Ladang Panjang POM Manager monthly report informs POME applications as much as 12,709.38 m<sup>3</sup> for the period January to June 2018 in Ladang Panjang Estate.

Based on field observation known EFB application done in one layer with a dose between 250 - 300 Kg / palm tree. The EFB application is prioritized in the replanting area that has just been planted by oil palm.

**Status: Comply**

#### 4.3

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

**4.3.1**

Information about the condition of the land at PT BGR is listed in the land survey document conducted by Minamas Research Center for the period 2015-2020 in which there is a map of soil types with a scale of 1: 45,000 which explains that there are 2 types of soil in PT. BGR namely peat (Typic Haplofibrist and typic Haplosaprist) and mineral soil (Aquic paleudult, Typic Paleudult, Typic Dystrudept).

Based on the analysis of the land map, the information is about 67.94% of the total area of the Ladang Panjang Estate classified as flat (0-4%) while the rest is corrugated (4-12%). Based on field visits, there were no fragile and other marginal lands in the operational area of PT BGR division 3.

**4.3.2**

Based on the land survey document conducted by Minamas Research Center for the 2015-2020 period. It was explained that the land topography in the company was between flat and choppy with a slope class of 0-60. Based on field visits in divisions 1 & 3, there were no areas with steep slopes, flat to wavy areas.

Implementation of the SOP includes making terracing in areas with slopes > 60. Besides that, planting beans in the area of replanting and preparation of midribs with U-shape systems. There is no measurement of erosion rates in division 3.

**4.3.3**

Available in the MMCM (Monthly Management Committee Meeting) made by the estate manager. Plans and realization of road maintenance (with road graders) for the period of July 2017 up to June 2018 period. Total road length of 59,528 meters. 10,370 meters of road maintenance program and 10,370 meters of realization.

Completion of the division III road maintenance program with the road grader is as expected because road conditions are not too severe. Road conditions during field visits can be passed by all seasons (rainy and summer).

**4.3.4 & 4.3.5**

Based on the Semi Detailed Land Survey document for the 2015-2020 period issued by Minamas Research Center, it is known that there is no peatland in the operational area of PT BGR Division III. The results of monitoring to minimize subsidence of peat land in certain locations such as in Division 1 and Division 2 that are the installation of the subsidence stakes is maintained and properly installed into the mineral substratum. Moreover, soft grass appears to be maintained to maintain soil moisture in the field.

Monitoring of rainfall data is carried out every day aimed at water management which is the most important consideration in peat areas, through control of water gates. The company has maintained a water level of around 50 cm. In addition to the purpose of conserving peat soils, keep water levels also used for transportation.

The peat management procedure is contained in the Minamas Plantation Agriculture Reference Manual section 10 which includes explaining the water level management and measuring the decline in peat surface.

This is in accordance with the RSPO Manual on Best Management Practices (BMP) for oil palm cultivation on peatlands.

**4.3.6**

The presence of Typic Haplofibrist is only found in Division 1 and Division 2, which is considered as fragile land in the operational area of PT BGR. To overcome this condition, plantation management has carried out water management which aims to increase soil pH, maintain soil moisture, soil and water conservation and maintain soft grass through selective weeding. Whereas for division 3 there is no marginal / fragile / fragile land management.

<b>Status: Comply</b>
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**4.4**
**Practices maintain the quality and availability of surface and ground water.**
**4.4.1**

CH has implemented water management plans as indicated by documentary evidence along with field visits, for example:

- Conduct river water quality management by not carrying out the application of chemicals and fertilizers along the river with a distance of 50 meters, installing a ban on the application of chemicals and fertilizers with yellow marks, and allowing the border to be in natural / shrub conditions.
- Perform river water quality testing every six months.
- Testing the quality of clean water for workers every six months.
- Record the debit for water usage for mill process activities.



- Testing the quality of wastewater and ground water
- Monitoring water level in the peat area

#### 4.4.2

The company has a Memorandum from Head Plantation Officer (HPO) dated March 8, 2010 concerning conservation, where the border area is marked with yellow paint, there is no application with inorganic fertilizer, weed control is not done chemically but is done manually. The left and right buffer areas are 50 meters long.

There are several activities that the company has undertaken as a form of protection against riparian areas based on field visits, such as:

- Installing a hunting ban plank, HCV area plank, prohibition of chemical application and fertilization.
- Not doing chemical application in the riparian area with distance  $\pm$  50 meter
- Allowing the border to be in natural / shrub conditions.
- Conducting surface water quality testing every 6 months.

In addition, CH also conducts water quality testing of the river every 6 months contained in the RKL-RPL implementation report. The results of testing the quality of river water based on regulation No. 82 year 2001 for Class II as follows:

Test Parameters	Standard	Results			
		Pejudian River	Parit River	Mingkung River	Terentang River
TSS	Max. 50	33	53	68	34
pH	6 – 9	6,19	6,4	6,05	5,4
BOD	Max. 3	2,82	2,42	2,82	2,01
DO	Min. 4	4,08	3,87	1,42	3,46
Nitrat	10	0,532	1,02	0,419	0,519
Oil and Fat	1000	<2	<2	<2	< 2

CH has shown the evaluation of the results of surface water quality testing to the auditor team.

#### 4.4.3

Mill effluent produced by Ladang Panjang POM processed at waste water treatment plant (WWTP) before it discharged to plantation land as land applications based on Decision Letter No. 01/Kep.Ka.BTSP/VI/2016 dated 13 June 2016 and valid until 5 years.

Waste water quality testing document review shown for Jan – June 2018 all of waste water testing parameters are compliant to the standards quality, and all of waste water management and monitoring has been reported to related institutions for regular basis per 3 month. Field visit results land application in division 3, it was known that waste water has been flowed to division in accordance with Land Application license owned. In addition, based on visits in the area of WWTP and LA there is no indication of leakage of liquid waste.

#### 4.4.4

Water usage monitoring was done periodically and recorded, for example on June 2018 FFB processed 5,939 mt FFB, water usage 6,151.79 m<sup>3</sup>, and water usage efficacy was 1.04 m<sup>3</sup>/tonne FFB processed. Observations on Ladang Panjang POM water treatment plant found monitoring for raw and process water usage was done by officer periodically.

**Status: Comply**

#### 4.5

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

##### 4.5.1 & 4.5.2

Based on the document review and interview with the management unit, it was explained that the Integrated Pest Management plan was included in the annual work plan which was then detailed into a monthly work plan and daily work plan. The Integrated Pest Management Plan emphasizes the Early Warning System which prioritizes detection and census activities.

Based on the summary crop protection issued by the Minamas Research Center team, it is known that potential pests whose presence is always monitored include Palm Leaf Eater Caterpillars, rats, oryctes, ganoderma, and termites.

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Pest and disease control procedures are listed in ARM Minamas Plantation section 15 and 16. Summary of July 2018 crop protection at PT BGR for Division III states:

- Existence of Palm Leaf Eater Caterpillars (UPDKS) : There is no attack
- Ganoderma attacks are Nile
- Oryctes and termite attacks are Nile
- From the results of the rat attack census, there were no oil palm trees attacked by rats. The biological control system (*Tyto alba*) is still effective. At present, BOBs in Division III are 57 BOB with a ratio of 20 ha / 1 BOB and if the occupancy rate increases then BOB will be added with a ratio of 15 ha / 1 BOB. Routine census of rat pests is carried out routinely, for example on July 18, 2018 in division III covering an area of 37.94 ha with a population of 4,394 trees, no attacks were detected in block C037.

In its recommendation, the research team stated that there is no pesticide application in pest and disease control, but for replanting block 2018 it is permissible to use cypermethrin to anticipate oryctes because the EFB (Empty Fruit Bunch) application increases the probability of breeding oryctes.

Based on field visits there are owl nests that are still active, for example in block C036 division III. Biological control methods are owls and beneficial plants such as antigonon and turnera which are encountered and grown in good conditions such as along the road in blocks C029, C032, and C036 division III Long Field Estate.

Certification Holder has routinely held training on integrated pest control which includes explaining the principles of observation and this methods. The training that has been carried out for the 2017/2018 period includes: LSU & Pest Disease Training on April 19, 2018 in Division III followed by 8 participants. Based on the 2018 Training Program, it can be seen that training has been programmed for workers involved in the integrated pest control process, namely the Pest and Disease Census Training Procedure and the Control methods. The training is planned to be held in July 2018 and has been realized on:

- April 19, 2018 in Division III, attended by 8 participants.
- On September 14, 2018 in Division I with 16 participants.

Based on field visits in the operational area of Division III, there were no widespread pest or disease attacks. This is explained by the field assistant that the company has an effort in predator pest control such as planting beneficial plants and owl houses that are still active as in division C036 Block III.

**Status: Comply**

### 4.6

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

##### 4.6.1

The company's policy regarding the use of chemicals is found in ARM No.110 / EST-ARM / 13 sections 15 and 16 concerning plant protection. Selective use of products is found in SOP for plant protection such as Cypermethrin to control palm leaf and oryctes, while glyphosate is used to control both broadleaf weeds and narrow leaf weeds.

Other efforts used by the company are: using census and monitoring methods to determine the type of control that will be carried out. The use of pesticides is the last alternative if from the results of the study it turns out that there is evidence that the intensity of pest attacks has exceeded the threshold and threshold of control.

Based on the results of interviews with spray workers (during the audit activities there were no spraying activities and spray workers were transferred to the lost fruits picker) it was found that the spraying was in accordance with the procedure. For example using glyphosate active ingredients combined with methyl metsulfuron. Pesticide mixing is carried out at BSS houses. So that the pesticides brought to the field are not pure ingredients and are ready to use. Based on the document review and observation the type of pesticide used by the company has been registered and refers to the applicable regulations and according to the target species and dosage.

##### 4.6.2

Records of pesticide use are documented in monitoring the use and toxicity of pesticides in PT BGR for example in the

period of June 2017 to July 2017 for Div III as follows:

- Ken-Up; active ingredient Glyphosate, Amount of Usage 88.5 Liter; Active ingredients used 42.48 liters; Application area of 445.06 Ha; Use of active ingredients / ha 0.10 l / ha
- Trendy; Active ingredients of Methyl Metsulfuron: Amount of Usage 9500 Kg; active ingredients used 1900 Kg; Application area of 445.06 Ha; The use of active ingredients / Ha 0.0043 kg / ha
- Kenlon; active ingredient of Triclofir; Amount of Usage 42 lt. The active ingredient used is 20.16 lt; Application area 137.02 Ha, the use of active ingredients per hektar: 0.15 Kg / ha.

#### 4.6.3

The company has and implemented an integrated pest control plan starting with the implementation of the Early Warning System (detection and census methods). Census results are used as a reference to determine the control actions to be taken.

In principle, the application of Integrated Pest Management is expected to reduce the use of pesticides. Based on pesticide usage data for the period June 2017 to June 2018 PT BGR is known that pesticides with reduced usage include:

Pesticide active ingredients	2017	2018
Triclofir	0,33 lt/ha	0,28 lt/ha
Metil Metsulfuron	0,022 kg/ha	0,011 kg/ha

Since 2008 the company has not used Paraquat.

#### 4.6.4

Cerification holder has a complete list of WHO 1A and 1B pesticides as indicated by the OHS expert of PT Bahari Gembira Ria. List contained in annex 2 Procedure of Management Sustainability No. Policy 724/TQEM-SPMS/09. The Sime Darby Responsible Agriculture Charter (September 2016) document outlines that it will implement an integrated pest management program by not using paraquat or chemicals belonging to WHO 1A group. Group 1B WHO will be gradually reduced in accordance with the conventions of Rotterdam and Stockholm.

There is a Sime Darby Responsible Agriculture Charter document (September 2016) which outlines that it will implement an integrated pest management program by not using paraquat or chemicals that belong to WHO 1A class. WHO Group 1B will be gradually reduced according to the Rotterdam and Stockholm conventions.

During the period June 2017 - July 2018 there was no WHO class 1A and 1B pesticide use. Based on field visits to the central warehouse where pesticides are stored, physical stock is in accordance with what is recorded on the warehouse card.

#### 4.6.5

Pesticide applicators are worker who have received regular training and direction and joined the Block Spraying System team. Based on the results of the interview with the BSS team that was being transferred, it worked at the lost fruits picker in the division C028 block III. Workers explain how to work safely with pesticides and workers have been able to demonstrate understanding related to hazards and risks to the chemicals used. Workers are able to explain the spray limit, how to mix ingredients, application dosage and target pests or weeds.

The PPE provided is in accordance with the risk analysis made such as carbon masks, boot shoes, face shields, rubber gloves, and helmets. Before leaving for the field, PPE and work tools are always checked by the foreman and assistant division alternately.

#### 4.6.6 & 4.6.10

CH has SOP for Pesticide Storage dated 1 April 2016 and SOP of Hazardous Waste Handling 04/BGR-PLB3/10 revision 01 dated 22 June 2015 concerning the management of hazardous waste. Based on interviews and field visits at chemical warehouses, chemicals are placed in special warehouses arranged according to size, type and have been equipped with MSDS, spill kits, first aid boxes, cleaning place etc. Warehouse in and out access is held only by the warehouse responsible. Any interested to enter the storage warehouse must be accompanied by the responsible warehouse. All storage pesticide used are stored in Warehouse Temporary Hazardous Waste that has licensed from related agency. Hazardous waste will be delivered to the licensed hazardous waste collecting and transporter. The results of observations at the housing workers not found pesticide used for other purposes such as water storage.



The certificate holder shows evidence of proper disposal of waste disposal such as the hazardous waste handover to the collector and waste transporter of PT Surya Cipta Wisesa, for example Manifest hazardous waste for agrochemical No. AUJ 0000905.

#### 4.6.7

The Company has Pictorial OHS Palm Oil guidance (No.722/PSQM-PSS/10 dated December 13, 2010) that describes the work instructions of pesticide applications governing applicable PPE, warning signs, spray training courses, emergency response, Spray labor facility (BSS house) for equipment storage, PPE and mixing place up to storage of used jerry cans in hazardous waste storage.

Based on interviews with spraying workers at division III (Block C028), it was explained that the workers had been trained and the workers could explain the safety of spray activities, such as the applicable PPE, the pesticide mixing activity was done in a special place (BSS house) and after Spray activity is finished the PPE and spray equipment must be cleaned and stored in special place (house of BSS).

#### 4.6.8

Based on information received from spraying team, upkeep foreman, division assistants, to the estate manager, it was known that there had never been a pesticide application carried out by air. Field visits to the warehouse of chemicals were also found in the fact that there were no facilities and infrastructure for applying pesticides through the air.

#### 4.6.9

Certification Holder has a program and realization of training. Training on handling pesticides is realized at least once a year. The documented training for example:

- May 17, 2018 at the Division I Ladang Panjang Estate, 13 participants. The speaker is Assistant division I.
- April 19, 2018 at the Division III Ladang Panjang Estate, 8 participants. The speaker is assistant division III.

Based on interview with pesticide operator said that had received training on how to handle and how to apply pesticides safely. In addition, every morning circle activity awareness regarding safe work methods is also always delivered.

#### 4.6.11

CH has shown pesticide operators list document in 2018. The company has shown health inspection documents that are routinely conducted every one year. Based on the results of the *Cholinestrase* test conducted in August 2018 it was found there are two workers who experienced health problems (chemical on blood above normal), so the doctor's recommendation was transferred to a job non-chemicals. Based on interviews with pesticide operators Division 3 LPE, there are no workers has indication of skin disease and itches.

#### 4.6.12

CH is committed not to employ women who are pregnant and breastfeeding in direct contact with chemicals. Based on interviews with pesticide operators found that there were no spray workers who were pregnant or breastfeeding. In addition, it was also explained that if female workers were identified as pregnant or breastfeeding then a work mutation would be carried out, where the new work position would not be related to chemicals.

<b>Status: Comply</b>
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#### 4.7

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

##### 4.7.1

Policy related to OHS still the same as previous assessment, namely policy OHS passed by CEO Minamas Plantation dated December 2011. Based on interview with workers known that they have been known about the OHS policy. They also said that assistant perform morning briefing every day before starting work.

##### 4.7.2

CH has undertaken an analysis and identification of the hazards and risks that may arise from the operations of the Mill and Estate. CH can demonstrate hazard identification risk assessment and control (HIRAC) documents Estate and Mill, among others, informing the type of work, hazard, risk, risk level, risk control, risk level after control and PIC.

Based on the review of the document shown and confirmation submitted by the management unit it is known that the HIRAC renewal is performed at least 1 (one) time in a year in accordance with the Policy of OHS Hazard Identification, Assessment and Risk Control (No. 7301/PSQM-ESH/11), with the person responsible for the preparation of HIRAC is the Unit Manager (or Manager level) and can be assisted by OHS Expert.

#### **4.7.3**

PPE is available to all workers in the workplace based on the results of identification of HIRAC which includes all potentially hazardous operational activities, such as pesticide use, machine operation, land preparation, harvesting, workshop, chemical warehouse, and etc. Observations on Mill activities, especially in areas with high noise (> 85 dBA) in boilers station and engine rooms, have high noise hazard information at each station, PPE board and known workers when working using PPE (earmuff / earplug). Ear protectors used are known to reduce noise levels up to 15 dBA, so workers have been protected from high noise hazards

Based on field observations and interviews with workers in Factory and Estates, it is known:

- a. Emdek Tractor Operators do not have OHS licenses of heavy equipment in accordance with Regulation of Labour Ministry No. 09 of 2010
- b. The engine room operator does not yet have an OHS License of power and production equipment in accordance with Regulation of Labour Ministry No. 38 of 2016
- c. The OHS license of the boiler operator has expired on November 25, 2010

Regarding the above, the company shows the following documentation:

- Letter No. 121/BGR-UM/X/2018 dated 25 September 2018 from the Estate Manager addressed to the HRM Department regarding the application for Operator License for Emdek Tractor Operators
- Letter No. 059/BGR-LPF/Intern-AC/IX/2018 dated September 26, 2018 from Factory Manager of Ladang Panjang addressed to the Jakarta PSQM Dept. regarding approval for the extension of the validity period of the Boiler Operator License.

However, still need more evidence of follow-up to the realization of training to ensure operators have the competence in accordance with the type of work and fulfillment of applicable regulations. **Non-Conformity No. 2018.02 with category Major**

#### **4.7.4**

Certificate holder has identified those responsible for implementation of OHS program formed in P2K3 structure. Based on interview with Labour Agency Kotabaru District, company has P2K3 and OHS Officer in accordance with the regulations.

Besides that, meeting related OHS has been done by P2K3, example meeting on March and June 2018 with an agenda of discussion on the existence of workers who do not use PPE, signboards at many stations that have been damaged, besides that it is suggestions/recommendations from OHS Experts.

#### **4.7.5**

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

- Have procedures related to the handling of emergencies. The procedure related to the handling emergencies is still the same as the previous assessment.
- Have emergency facilities and infrastructure such as fire extinguisher, first aid kit, hydrant, water machine, water tank, clothing for firefighters, chainsaws, and other supporting equipment.
- Conducting a training of emergency, example emergency response training in Mill and Estate on 09 August 2018.

Based on field visits in mill at clarification station known that hydrant can function properly and in each fire extinguisher there is checklist of inspection that monitored every month. As well as interviews with harvest foreman and manuring foreman in Division 3 LPE, it is known that the foreman had been equipped with first aid kit and can explain the functions of each of contents in first aid kit and can explain the handling of occupational accidents

**4.7.6**

Certificate holder has provided the employees with insurance to cover occupational accident in accordance with the provision set by the government (BPJS). Such insurance is named *BPJS Ketenagakerjaan* which is routinely paid every month. Based on interview with Worker Union, explained that all employees have been registered in accident insurance. Besides that, interview with local contractor (CPO transport), insurance for contractor's workers has been covered on *BPJS Ketenagakerjaan*.

**4.7.7**

Certificate holder had recorded of occupational accidents in Work Accident Monitoring Reports that inform date, name of victim, site of accident, number of accidents, loss of work days, and category of an accident and cause of the accident. Based Monitoring accident period July 2017 to June 2018 and July 2018 to August 2018 note that in Estate and mill there are no accidents.

<b>4.7.3</b>	<b>Status: Non-Conformity No. 2018.02 with category Major has been closed</b>	
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**4.8**

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

**4.8.1**

The training program shown has covered all aspects of RSPO principles and criteria such as training on pests and diseases, safe work practices with pesticides, HCVs, Gender policies, leaf samples, procedures for the main census and production aspect. Examples of training involving contractors are the realization of training such as on July 17, 2018 regarding the quality of safe work, the use of PPE, HIRAC and OHS.

Before creating a training program, the HR department and representatives of the plantations and factories compile identification of training needs.

**4.8.2**

Certification Holder has documentation of realization training for employee and contractor. Training recordings that have been carried out for example :

- Harvest Training on September 2018, 11 participants, explain about procedures of the PPE.
- Manuring training on 6 June 2018, 6 participants, explain about importance of PPE, procedure of BSS, Procedure for using doses of pesticides, HIRAC, MSDS, HCV, gender.
- Waste dangerous material management system Handling Training on January 10, 2018, 12 participants.
- Procedure on Conflict Resolution / complaint training on 17 April 2018, 15 participants, explain for complaints procedur.
- First aid training on 19 March 2018 with 23 participants.
- SOP for female workers on fertilizer teams about procedure for pregnant and lactating women and Gender, on 18 June 2018, 10 participants.

	<b>Status: Comply</b>	
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**PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**
**5.1**

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

**5.1.1**

PT BGR has an ANDAL (Environmental Impact Analysis) document and the RKL / RPL (Environmental Management and Monitoring Plan) which has been approved by the Jambi Governor No. 304 / KEP.GUB / BAPEDALDA / 2007 dated August 2, 2007, covering area of 4000 ha (own estate), plasma area of 6000 ha, and a Palm Oil Mill with a capacity of 45 tons FFB / hour.

**5.1.2 & 5.1.3.**

CH has had applied environmental management and monitoring aspects, among others :

- Regional Original Revenue (PAD)
- Work Participation and Community Income.

- Local Economic Activities.
- Social Process.
- Environment sanitation.
- Infectious diseases.
- Peat soil (Subsidence).
- Air Quality and Noise.
- Surface Water Quality.
- Quality of Liquid and Solid Waste.
- Fire Potential.
- Disruption of Flora and Fauna.
- Public unrest.

Implementation of environmental management has been conducted in accordance with the matrix environmental management plan (RKL). Based on the results of the field visit, it is known that the company has carried out environmental management activities, such as:

- Installing dust collector
- Planting trees around the factory area
- Construction of housing trenches to manage environmental sanitation impacts
- Conducting plant enrichment in the river border area
- Conducting fire extinguisher readiness checks
- Recruitment of local communities as worker
- etc

CH also has conducted environmental monitoring as outlined in the Report of the Environmental Management and Monitoring for regular basis. These report described realization of monitoring and management of the environment in accordance with environmental parameters in the RKL/RPL. Based on document review, there has been an evaluation of the results of environmental monitoring and its management described in the Report of RKL-RPL.

Based on document verification and field visits, it is known that the company has conducted environmental monitoring, such as:

- Monitoring air quality by conducting boiler emissions and generator tests.
- Conduct ambient air testing in residential and office areas
- Testing the quality of river water and ground water
- Monitor local economic activities and Regional Original Revenue by paying the obligations of PT BGR (tax)
- Monitoring the work participation data of local community in PT BGR etc

**Status: Comply**

### 5.2

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

#### 5.2.1.

The identification for protected species, rare, or endangered, and the habitat with high conservation value had been done with activity dates 13 Nov 2009 - 19 Nov 2009 by in cooperation with the third parties (POLLITO). The assessment of HCV has been included the identification of protected area, flora and fauna, and also the status of its preservation (indicator 5.2.2). Participatory evidence is contained in the Annex to the HCV Assessment document, namely a list of attendees of HCV public hearings on January 8, 2010 attended by 19 participants.

CH has re-measured the HCV and has determined the HCV area in Division III covering an area of 4.31 ha set on April 29, 2017. CH also has a complete and adequate HCV location map that shows the distribution of HCV locations throughout the PT. BGR.

**5.2.2; 5.2.3 & 5.2.4**

To provide protection against RTE species, management unit has made the hunting ban signboard, patrolling, doing rehabilitation of riparian as habitat and report to relevant agencies if there is a protected flora and fauna. CH also conducted a periodically monitoring every month for HCV areas, and species monitoring by assistant who is also a HCV officer.

CH has shown records of monitoring of flora and fauna conducted on August 28, 2018 in block C023 and C025, for example:

- fauna identification seen by officers : such as *Macaca nemestrina*, *Alcedo atthis*, *Chloropsis synapogon*, *Geopelia striata*, *Corvus enca*, *Varanus nebulosus*.
- flora identification seen by officers such as *Eugenia polyanta*, *Dyera lowii*, *Macaranga pruinosa*, *Macaranga semiglobosa*, *Alistonia cuneata*, *Carex baccans*.

CH has socialized the HCV area to the workers, for example HCV training records for workers on August 18, 2018 with 4 participants. Based on the results of interviews with representatives of the community of Trimulya Village and Ladang Panjang Village, it was conveyed that the company had socialized the HCV area through signboards on display in the HCV area. In addition, the results of interviews with workers such as harvester, spraying team it is known that workers understand the protection of wildlife and protection of other HCV areas.

CH has work programme of HCV that is available for every year. Based on field visits and document review, it was discovered that CH had realized an HCV management plan, for example:

- Installation of HCV signboard
- Enriching plants in the HCV area
- Monitoring HCV areas including protected animals.
- Making markings of river boundaries
- HCV socialization as indicated by HCV training records for workers on August 18, 2018 with 4 participants.

The company has evaluated the HCV management plan based on the results of HCV monitoring. For example, based on HCV monitoring on September 2017 and August 2017 it was stated that the presence of flora at C025 and C029 needs to be planted with new plants and that security guards need to be improved. Regarding this, the company has included security supervision into the HCV management program. The company has also shown Angsana tree planting recordings held on September 18, 2018 in blocks C023, C025 and C029.

**5.2.5**

Based on the results of field visits and interviews with management and the surrounding community (Village of Trimulya Jaya and Ladang Pajang), there was no HCV area that overlapped with the rights of local communities.

<b>Status: Comply</b>
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**5.3**

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

**5.3.1**

The certificate holder has identified waste and pollution products for estate and mill activities, including the type of waste as follows hazardous waste, domestic waste, process waste, and infectious waste. CH also has shown the identification of sources of emissions and greenhouse gas pollutants and its management plan. Based on observation in the housing complex, plantation office and mill complex known that CH has been identified all waste that generated by CH and has been managed in accordance with its management plan.

**5.3.2 & 5.3.3**

The hazardous waste has been stored at the hazardous waste temporary warehouse which has already gotten the permit of hazardous waste storage based on the decision letter No. 02/Kep.Ka BPTSP/VI/2014 (Mill) dated 30 June 2014



and No. 09/Kep.Ka BPTSP/VI/2015 (estate) dated 22 June 2015. Based on field observations in the hazardous waste storage and interviews with workers, known that certificate holders safely and dispose of chemical containers in licensed hazardous waste temporary warehouse and are collected for transport by licensed hazardous waste collectors and transporter. Based on the observation, also known waste stored in the hazardous Waste Temporary Storage Site has been stored in accordance with the requirements in accordance with applicable regulations, such as: eyewash or shower, emergency response such as APAR, first aid box, symbols and labels of hazardous waste, in flood-free areas, etc.

CH shows documents for storing and handling hazardous waste such as hazardous waste logbook, waste balance, minutes of hazardous waste handover, hazardous waste manifest as well as hazardous waste report. For example minutes of hazardous waste transportation dated 29 January 2018 conducted by licensed collector. Agreement between company and third party which collect the hazardous waste showed by the document of agreement No: SPK 0299/SCW/II/2018 (Mill) and No. SPK 53/BGR-SPK/LPE/IV/2018 (Estate). The third party already has permit related to collection and transportation of hazardous from related agency.

For liquid waste, CH utilizes POME on the application land, it is accordance with the permit to utilize wastewater for PT Bahari Gembira Ria with number No. 01/Kep.Ka.BTSP/VI/2016 covering an area of 162 ha located in Division 3 (Ladang Panjang Estate). This decision is valid for 5 years from 13 June 2016. In addition, based on visits in the area of WWTP and LA there is no indication of leakage of liquid waste.

For shells and fiber, the company utilizes the solid waste for boiler fuel. As for domestic waste at housing complex, it will be transported at least 2 times a week to be disposed of in the landfill.

Ensure the management of leachate waste drainage at mill (**Observation**)

**Status: Comply**

#### 5.4

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

##### 5.4.1

CH shown commitment to reducing fossil fuel by renewable energy usage came from fiber and shell. Shell and fiber usage have been monitored per month. During July 2017-June 2018, fiber and shell usage for boiler resulting average energy efficiency are 0.125 MT/ton FFB for fiber and 0.057 MT/ton FFB for shell.

**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 & 5.5.2

CH has consistently documented policies in Head Plantation Upstream Indonesia Memorandum on August 7, 2014 No.M-077/HPUI/VIII/2014 stating that the company does not do the burning of any kind, and must implement zero burning in all activities of the plantation. In addition to the policy expressed also in the form of "Procedures Reference Manual Oil Palm Planting Agronomy", or the Agricultural Reference Manual No. Policy 110/EST-ARM/13, signed by Head Plantation Upstream Indonesia dated 16 September 2013 regarding the land clearing process is done mechanically without burning.

There is no replanting activity in the Division III Ladang Panjang estate. The results of Interview with management dan document verification of PT BGR's long-term document known that there were no replanting plans for the next 3 years. In addition, the last planting was carried out in 2001 and the oldest plant was planted on 1997.

**Status: Comply**

#### 5.6

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

##### 5.6.1; 5.6.2

The certificate holder has identified waste and pollution products for estate and mill activities, including the type of waste as follows hazardous waste, domestic waste, process waste, and infectious waste. CH also has shown the identification of sources of emissions and greenhouse gas pollutants and its management plan.

CH also has conducted an assessment of activities that cause pollution or emissions, for example:

- Liquid Waste quality testing
- air quality testing
- testing of emissions of boilers and generators
- noise testing
- odor testing
- and vibration testing

Based on the tests performed, it is known that the results of noise testing in several places (engine room and boiler) are above the quality standard. The company has managed the areas (risk of noise level) by providing PPE in the form of earplugs and earmuffs and monitoring periodically health checks for officers in these areas. This has been proven based on the results of interviews, field visits in the area and verification of health examination and the provision of PPE documents

### 5.6.3

CH has conducted GHG emission calculations period 2017 make use of Calculator Palm GHG version 3.0.1. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 3.0.1) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied for the reporting.

Summary of GHG emission for Ladang Panjang POM are listed as follows :

1.	RSPO PalmGHG	Ver 3.0.1
2.	Site	PT Bahari Gembira Ria
3.	Certificate validity	29 November 2017 – 28 November 2022
4.	Certificate Registration no	MUTU-RSPO/019
5.	CB	Mutu Certification International
6.	Audit date	24 – 28 November 2018
7.	Data set	Jan – Dec 2017

### Summary of Net GHG Emissions

Emmision per product	tCO2e/tProduct
CPO	7.36
PK	7.36

Production	t/yr
FFB processed	184594.558
CPO produced	39688
PK produced	10414

Extraction	%
OER	21.5
KER	5.64

Lan use	Ha
Planted area	2827.52
Planted on peat	1711.1272
Conservation Area	5.3

### Summary of field emission and Sinks

Description	Own crop		Group		3 <sup>rd</sup> party	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
Land conversion	20125.53	0.4	0	0	0	0
CO <sub>2</sub> emissions from fertilizer	226437.18	4.54	0	0	0	0
NO <sub>2</sub> emissions	15960.51	0.32	0	0	0	0
Fuel consumption	520.6	0.01	0	0	0	0
Peat oxidation	93427.7	1.87	0	0	0	0
Sinks						
Crop sequestration	-26470.49	-0.53	0	0	0	0
Sequestration in Conservation area	-13.76	0	0	0	0	0
<b>Total</b>	<b>329987.27</b>	<b>6.61</b>	<b>0</b>	<b>0</b>	<b>16160.93</b>	<b>0</b>

#### Summary Oil Mill Emissions and Credits

Remarks	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
<b>Emissions sources</b>		
POME	22183.66	0.12
Fuel consumption	520.6	0
Grid electricity	0	0
<b>Credits</b>		
Export of grid electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>22704.26</b>	<b>0.12</b>

#### Palm Oil Mill Effluent (POME) Treatment

Divert to compost (%)	0
Divert to anaerobic digestion (%)	100

#### POME Divert to Anaerobic Digestion

Divert to anaerobic pond (%)	100
Divert to methane capture (flaring) (%)	0
Divert to methane capture (electricity generation) (%)	0

**Status: Comply**

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



**6.1**

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

**6.1.1; 6.1.2; 6.1.3**

CH has carried out SIA in the document of the Palm Oil Management Social Impact Assessment Report which was carried out in January 2010 which was carried out jointly with a third party (Polito). The document was carried out in 4 villages included in ring I namely Sungai Gelam, Sumber Agung, Petaling Jaya and Mingkung villages.

Social impact analysis is also contained in the company's environmental impact analysis (ANDAL) and the RKL / RPL (Management Plan / Environmental Monitoring) which has been approved by the Jambi Governor No. 304 / KEP.GUB / BAPEDALDA / 2007 on August 2, 2007, covering area of 4000 hectares (own estate) and plasma area of 6000 hectares, and a Palm Oil Mill (POM) with a capacity of 45 tons FFB / hour.

The social impact assessment has included stakeholders around with a meeting on January 8, 2010 with a total of 19 participants. For environmental impact analysis (ANDAL) which also contains aspects of socio-economic impact of the community, also has been approved by the relevant agencies. Before being legalized, the ANDAL document has gone through several stages from the AMDAL Commission assessment team to be approved by the relevant agency.

CH has a social impact management plan for each village around on May 8, 2015. The social impact management plan has been through participation by affected parties. This was evidenced by the 2015 Social Impact Assessment Questionnaire. The company has also shown evidence of the implementation of the impact management plan. In the RKL-RPL implementation report for semester 1 of 2018 has described the plan for managing and monitoring the social and economic impacts of the community along with examples of implementation. The PIC that is responsible for the implementation and preparation of the social impact management plan is the social team namely the Assistant of each Division and its supporting team.

**6.1.4**

CH has a social impact management plan for each village around on May 8, 2015. The social impact management plan has been through participation by affected parties. This was evidenced by the 2015 Social Impact Assessment Questionnaire along with examples of implementation. However, there is not enough evidence that the plan has been reviewed every 2 years involving the participation of all affected parties. **It become Non-conformity No. 2018.03 with Minor Category**

**6.1.5**

In the Report, the social impact assessment conducted by Consultant Pollito in 2010 conveyed several company impacts, one of which had an impact on the formation of new economic institutions (KUD).

Based on the results of interviews with representatives of the Ladang Panjang village community and Trimulya, it was stated that the impact of the plasma farmers was an increase in income. In addition, with the collaboration with the company, it also has an impact on improving the knowledge of farmers related to plantation management through socialization or training to farmers (KUD) provided by the company.

<b>Status: It become Non-conformity No. 2018.03 with Minor Category</b>
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**6.2**

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

**6.2.1**

CH has provide procedure of *Komunikasi dan Konsultasi* (Doc No. 006/BGR-KKM/III/I, February 10, 2013) which is a guide for communication and consultation with the community. In the procedure described on the mechanism of communication

with community begins with providing a letter through the village head, analyzing the response letter from the public, if necessary, held a meeting with the public to communicate directly, if a response within the limits of authority manager unit will be immediately given a decision and, if so without the authority manager then the unit will be delivered to the head of department and unit managers will send a letter of response to the public.

### 6.2.2

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

### 6.2.3:

CH can consistently show a list of stakeholders compiled and updated in 2018 for example consisting of 37 stakeholders (police, hospitals, villages, related offices, NGOs, Banks, BPJS, sub-district heads, police, contractors and suppliers). Record of communication from external stakeholder is also available at estate and factory, which is recorded in incoming and outgoing letter. The most of letter is about request of funding and heavy equipment assisting.

<b>Status: Comply</b>
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## 6.3

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

### 6.3.1

The certificate holder has procedure of handling complaint mechanism for all stakeholder, among others SOP Handling Community Complaints on 11 April 2013 and SOP Handling Employee Complaints on 30 April 2013. In section V par 5.5 stated that any public complaints must be received and recorded for later resolved and the management must provide protection against the complainant or the complainant.

In the procedure stated that those responsible for receiving grievances and complaints from community by Head of Section were subsequently forwarded and responded to by Manager Estate/Mill. As for complaints of employees responsible for receiving complaints and grievances is supervision/assistant who subsequently forwarded and responded to by Manager Estate/Mill. The Company continues to facilitate complaints handling in accordance with its procedures, but until the implementation of recertification, it is known that there are no significant complaints to be brought to the RSPO.

### 6.3.2

Based on stakeholder communication with surrounding village known that there are no conflict of land or other thing. The certificate holder has also monitored request for information and complaint from stakeholder in form of book in incoming and outgoing letter. The most of letter is about request of funding and heavy equipment assisting and It was managed through estate and mill.

<b>Status: Comply</b>
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## 6.4

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

### 6.4.1, 6.4.2 & 6.4.3

There are no changes related to the mechanism to identify legal rights and compensation payment procedures listed in the Occupational Land Acquisition SOP Number 343/PSD-OKUP/11. The procedure is a reference in conducting compensation processes for land acquisition.

Based on document verification of area statement, interviews with the community and the Agency, it was found that there were no additional areas in the company and there were no land disputes, so there were no new land acquisition activities. Community leaders from Ladang Panjang Village (previous landowners) explained that land compensation activities were

carried out by forming a team consisting of community leaders, company and government representatives and prices were determined based on negotiations.

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

CH has work agreement for permanent worker and temporary daily worker which explain about the wages, work hour, duty and responsibility, and other provisions. The wages is in accordance with Jambi Governor Decree No. 1224/Kep.GUB/DISNAKERS/2017 about minimum wage for Jambi Province year of 2018. Besides, the company have Intern Office Mail General Manager HRM No. 003/RSO-i2//I/2018 about Wage for daily permanent worker and monthly permanent worker. The wage for contract worker is set in the work agreement. Based on interview with worker in Estate and Mill, they received the payslip document and the amount is in accordance with the applicable regulation.

The company has implemented work time provisions in accordance with applicable regulations, six (6) working days forty (40) hours a week. If the worker to work overtime (in accordance with the work order) the provisions for working overtime will apply, this applies to workers, for example in the Mill, security, etc. Calculation of overtime wages has been applied according to KepMenaker No. 102 of 2004.

The wage system for harvester is a work target to get wage a one-day work and excess work output with wage calculation refers to the *premi* provision by the company. Interviews with harvesters in the Block C028 Division 3 LPE were conveyed at this time that the condition peak crop of the FFB so that workers could work more than working hours, but the wages and *premi* obtained were more than usual days. In addition, it was also stated that wages with *premi* provisions were obtained more than if using overtime wage provisions.

Based on the explanation above, there are no violations of regulations that are carried out by the company against the wage system and the work time applied and there is no indication of force to workers.

### 6.5.2

CH has collective labour agreement (PKB) period 2015 – 2017 between *Badan Kerjasama Perusahaan Perkebunan Sumatera* (BKS-PPS) with *Pengurus Pusat Federasi Serikat Pekerja Pertanian dan Perkebunan Serikat Pekerja Seluruh Indonesia* (PP.FSP.PP-SPSI) which is valid from 21 April 2015 until with April 20, 2017 which has been through the Decree of the *Direktur Jendral Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja* with Number 88/PHIJSK-PPKAD/PKB/VI/2015 on June 18, 2015. PKB has been in compliance with the Labor Laws and Regulations. At present the PKB has expired, however, in the agreement it is stated that as long as the new PKB has not been issued, PKB is still declared valid.

Besides that, work agreement (contract) between contract workers and company describes about type of work and salary, duty and responsibility, work hour, health and medical, work termination, and others. Contract is written in Indonesian language and workers are understood the substance of the contract. On the chapter which describes salary system, stated that basic wage for permanent daily worker is above daily minimum wage.

### 6.5.3 & 6.5.4

Based on the results of field visits known that CH has been providing housing facilities, lighting, water, daycare, cooperatives, employee halls, places of worship, school buses, clinics and educational facilities. Company also facilitates all workers to access adequate food supply by held sudden market on payday. Moreover, there are some store in housing complex. Personnel can get the staple food with reasonable price.

The results of a public consultation with the Gender Committee on PT BGR submitted that the company has demonstrated efforts to improve workers' access to decent food and fairly by providing vehicles to transport workers to meet basic needs to the city at the time of receipt of salary. The company also has documented the locations that became a source of decent food and affordable prices that describe the distance from the location of the employee housing. Based on the Decree

No. 91/BGR/SK/IV/2015 there are three locations that is at Petaling Village Monday market with a distance of 4 km, Tuesday market in Simpang Pramuka Village with a distance of 20 km and a Saturday market in the village of Ladang Panjang with a distance of 5 km.		
	<b>Status: Comply</b>	
<b>6.6</b> <b>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.</b>		
<b>6.6.1; 6.6.2:</b> PT BGR has been documenting and implementing the policies related to giving freedom to all workers to form and join unions workers desired. Policies are available in point 5 of the Code of Sustainable Plantation Management No. 724/TQEM-SPMS/09 dated April 1, 2010, signed by the CEO (Chief Executive Officer). Company facilitates the establishment of labor union to deliver the information from the workers to company and vice versa.  In the ASA-1.1 has been shown Decree Number: 23/PC F.SPPP-K.SPSI/Prov.Jambi/II/20177 dated February 12, 2017 concerning Ratification / Inauguration of the <i>Komposisi dan Personalia Pengurus Unit Kerja Federasi Serikat Pekerja Pertanian dan Perkebunan Serikat Pekerja Seluruh Indonesia</i> (PUK F.SPPP-SPSI) PT Bahari Gembira Ria period 2017 until 2022.  Public consultation through interviews with head of worker union submitted that: <ul style="list-style-type: none"> <li>• PT BGR has granted the freedom of association and no intimidation by the company against union officers.</li> <li>• Meeting with management internally and done and the results of the meeting are documented in the form of news events.</li> <li>• Communication between the union and the company have been good, if there is a complaint or a request for information from the union then the company has responded well and quickly.</li> <li>• Determination of minimum wage provisions of 2018.</li> <li>• All employees have enrolled in the program the social insurance (<i>BPJS Ketenagakerjaan</i> and <i>BPJS Kesehatan</i>).</li> <li>• Period 2018 there are no reports related to worker discrimination or violations of labor regulations.</li> </ul>		
	<b>Status: Comply</b>	
<b>6.7</b> <b>Children are not employed or exploited.</b>		
<b>6.7.1:</b> CH has consistently apply the conditions set out in the Memorandum of Head Plantation Operations Minamas Plantation Number POD-UM 121/VI/2010 dated June 7, 2010, concerning policies for the protection of children, including Point 6 states the prohibition to use the workforce under age in accordance with Labour Law is still valid. The results of document review and employee data in April 2017 is not found employees aged less than 18 years old at the time of recruitment, and field observations in harvesting activity Division III LPE it is known that workers understand the provisions of the minimum age requirements are allowed to work and are not allowed to bring children under age at the time of work in the field.		
	<b>Status: Comply</b>	
<b>6.8</b> <b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>		
<b>6.8.1 and 6.8.2</b> CH has documented Social Policy in the Guidelines of Management of Plantation Sime Darby No. Policy 724/TQEM-SPMS/09 points 1, that all staff/employees should be treated properly and fairly in matters relating to matters the hiring, advancement, conditions and job description, regardless of the race, degrees, ethnicity, gender, skin color, imperfections (defects), sexual orientation, organizational membership, political views, religion and age. Available documents hike grade/class and document rotation and mutation of work not discriminate workers based on class, race, ethnicity, nationality, and religion.  The Policy has been socialized to employees in every muster morning and has been displayed in each office of mill and		

estates. Based on interviews with employees in the field known that workers understand the company policy regarding equal opportunity to get a job without distinction of race, religion and gender.

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

**6.8.3:**

Company kept the personal file of each worker in HRM Department. Based on interview with management, the recruitment is conducted through the company requirement. Worker promotion, mutation or demotion is done through the employee performance assessment. Company has provide the assessment documents, promotions and the employee appointments.

<b>Status: Comply</b>
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**6.9**

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

**6.9.1; 6.9.2; 6.9.3**

Certificate Holder have policy to prevent all forms of abuse and sexual violence, as well as a policy to protect the reproductive rights of all workers. Additionally related to specific complaints mechanisms that protect the complainant has been provided in the document Guidelines for Implementation of Gender Policy Committee (No. Doc KP/02, dated March 2, 2013). Furthermore, to implement policies related to the above, the Committee Gender has been formed on PT BGR which is the organization responsible for ensuring the policy is applied across all operational units. The Committee consists of representatives of all fields of employment with regard to issues such as: training of women's rights; Counseling for women involved in cases of violence; Child care facilities provided by plantation and palm oil mills; Assurance that women can breastfeed up to 6 months before being assigned to use or spray chemicals; And providing special break times for women to be able to breastfeed effectively. The policy has been socialized to the workers.

The management unit has mechanisms for specific complaints such as sexual harassment and violence contained in the Gender Committee Policy Implementation Manual No. Document KP/02 dated March 2, 2013. In such mechanism it is stated that every employee complaint must be received and recorded for completion and management shall provide protection to the complainant. Based on interview with female workers in LPE, they understood about the complaint mechanism. It is also known that there is no issue or complaint related to sexual harassment on the workplace, and there is no complaint from them.

<b>Status: Comply</b>
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**6.10**

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

**6.10.1 ; 6.10.2**

Interviews with Smallholders KUD Karya Mandiri informed that PT BGR in pricing FFB has referred to the prices set by the Plantation Agency of Jambi Province. Pricing is conducted once every one week. FFB prices published in KUD office in the area and there is also the mill of PT BGR.

Team Meeting/Working Group Pricing FFB Jambi dated 20 September 2018 took place at the Plantation Agency of Jambi Province, attended by the Partner company, Planters and other related institutions. Meeting Pricing FFB Palm Oil for a period of 21 until 27 September 2018, at which meeting participants.

1. The index 'K' that applies is the index "K" that had been established on 13 September 2018 / Week for the second month running up to the second week of next month.
2. From the analysis and core CPO prices as follows:
  - a. The average CPO price of IDR 6,510.86
  - b. Average price of palm kernel IDR 5,086.71
  - c. Index "K" the results of the analysis of pricing FFB dated 13 September 2018 : 87.85%
3. The calculation of FFB  
Age three year old plant set an average price of IDR 1,611.04 and up to age 25 years in the plant set an average price of IDR 1,376.64.

**6.10.3**



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

#### 6.10.4

Payments to local contractors are made through Bank transfers, as stated in the contract. Documentation of contractor payment transactions is stored in the form of a Payment Check Minutes which explains the calculation of FFB purchase payments.

For example payment FFB of Plasma Farmer Period 1 - 31 August 2018 based on cash Voucher No.025 / CV / 09/2018 dated 12 September 2018

Based on interviews with KUD, it was explained that payments were always made on time according to the employment agreement.

**Status: Comply**

#### 6.11

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

##### 6.11.1

The management unit has compiled the CSR Program period 2017/2018 consist of the scope of education, community empowerment, environment, sports, social and culture, maintenance road and religious aspect.

As a guideline for the implementation of Social and Environmental Responsibility in all business units, it is regulated in the Corporate Social Responsibility Procedure (No. Policy 360/TJSL-CSR/COM, Rev 00, the effective date November 9, 2015). In the procedure explained that the CSR Implementing Forum conducts regular meetings at least every two months with stakeholders in the business unit to discuss, deliberate to get input and improve social relations, as well as discussion forums no later than six months before the preparation of the annual CSR budget.

In addition, has shown Memorandum No. M-056/HPUI/XI/2015 dated November 4, 2015 from Head Plantation Upstream Indonesia regarding the Implementation of Corporate Social & Responsibility (SOP) Procedures. **Non-Conformity No. 2018.04 with category Minor.**

Referring to the explanation above, the management unit has not been able to show evidence that the CSR program prepared has gone through a discussion forum process in accordance with the established SOP.

##### 6.11.2

All smallholder cooperatives of PT BGR have become independent smallholders because all debts have been settled and currently only have cooperation in buying and selling FFB with PT BGR. .

The company formed a Bina Mitra Department consisting of managers, assistant staff and field officers who provided assistance to farmer groups. The results of interviews with officials and members of KUD Karya Mandiri, that the Bina Mitra Department every once a month conduct training to farmer groups.

**6.11.1 Status: Non-Conformity No. 2018.04 with category Minor has been closed**

#### 6.12

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

##### 6.12.1; 6.12.2; 6.12.3

Based on document review, field observation, and interviews with worker and stakeholders, it is known that there is no migrant labor, including forced labor and illegal labor. The recruitment is done according to the company's procedure. For contract workers have work agreement that explain about the obligation and rights of the worker, and other provision. They work based on the contract and work order. Based on field observation and interviews with the workers in Estate



and Mill, it is known that there is no discrimination among them.

The company has implemented work time provisions in accordance with applicable regulations, six (6) working days forty (40) hours a week. If the worker to work overtime (in accordance with the work order) the provisions for working overtime will apply, this applies to workers, for example in the Mill, security, etc. Calculation of overtime wages has been applied according to KepMenaker No. 102 of 2004.

The wage system for harvest workers is a work target to get a one-day work wage and excess work output with wage calculation refers to the *premi* provision by the company. Interviews with harvesters in the Block C028 Division 3 LPE were conveyed at this time that the condition peak crop of the FFB so that workers could work more than working hours, but the wages and *premi* obtained were more than usual days. In addition, it was also stated that wages with *premi* provisions were obtained more than if using overtime wage provisions.

Based on the observation of harvest activities in Division 3 LPE, no harvest workers were found to bring their wife or children to help work in the field. The results of interviews with harvest workers were submitted that the company had prohibited workers from bringing their wife or children away while working in the field. If it violates the matter then the workers may be given sanction by the company.

Based on documents review and interviews with worker union and labor agency, there are no illegal or forced worker. Contract Worker and Permanent workers has been equipped with the Working Agreement that has been agreed together

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

**Status: Comply**

### 6.13

#### Growers and millers respect human rights

##### 6.13.1

CH consistently documented policies in respect for human rights contained in the Social Policy adopted by the Head Plantation Upstream Indonesia in December 2011. The policy also consistently disseminated to all employees, according to interviews with workers LPF and Division III LPE (nursery workers, harvester, and manuring workers) known that the worker has to know human rights-related policies owned by PT BGR.

**Status: Comply**

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

### 7.1

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

#### 7.1.1, 7.1.2, 7.1.3

Up to the current audit, PT BGR did not expand the new plantation. In addition, the last planting was carried out in 2001 and the oldest plant was planted on 1997.

**Status: Comply**

### 7.2

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

#### 7.2.1 & 7.2.2

According to hectare statement period 2017/2018 data and information from estate management unit, it could be concluded that there were no new planting and development areas from 2005 onwards in both PT BGR. Hence, information on land suitability for new planting is not applicable. However, the land survey report informs that the slope of PT BGR is generally flat to wavy (0-12%).

**Status: Comply**

<b>7.3</b>	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	
<b>7.3.1; 7.3.2; 7.3.3; 7.3.4 and 7.3.5.</b>	Up to the current audit, PT BGR did not expand the new plantation. In addition, the last planting was carried out in 2001 and the oldest plant was planted on 1997.	
	Sime darby has resubmitted LUCA to the RSPO secretariat on August 27, 2018. Sime darby also sent an e-mail dated September 5, 2018 stating that "Meantime we have not received LUCA review of outcomes for the 5 completed submissions (as per the updates in the email below), and we have all the remaining shapefiles to RSPO office (on 27 Aug 2018)". However, there has been no response to LUCA that has been submitted.	
	Ensuring progress of LUCA (OFI)	
	<b>Status: Comply</b>	
<b>7.4</b>	<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>	
<b>7.4.1 &amp; 7.4.2</b>	According to hectare statement 2017/2018 data and information from estate management unit, it could be concluded that there were no new planting and development areas from 2005 onwards in both PT BGR and KUD Karya Mandiri. Hence, information on land suitability for new planting is not applicable.	
	<b>Status: Comply</b>	
<b>7.5</b>	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	
<b>7.5</b>	The results of the document review and field visits revealed that since the Recertification activities until ASA-1.1 the company had not carried out the development of new area.	
	<b>Status: Comply</b>	
<b>7.6</b>	<b>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.</b>	
<b>7.6</b>	The results of the document review and field visits revealed that since the Recertification activities until ASA-1.1 the company had not carried out the development of new area.	
	<b>Status: Comply</b>	
<b>7.7</b>	<b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>	
<b>7.7.1 &amp; 7.7.2</b>	Up to the current audit, PT BGR did not expand the new plantation. In addition, the last planting was carried out in 2001 and the oldest plant was planted on 1997.	
	<b>Status: Comply</b>	
<b>7.8</b>	<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
<b>7.8.1 &amp; 7.8.2</b>	Up to the current audit, PT BGR did not expand the new plantation. In addition, the last planting was carried out in 2001 and the oldest plant was planted on 1997.	

	<b>Status: Comply</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>8.1</b> <b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>		
<b>8.1.1</b> <p>Internal Audit RSPO has been conducted on September 2018 by PSQM Department with scope assessment Mill and Estate. Internal audits are carried out to ensure that the company consistently implements RSPO P &amp; C Standards.</p> <p><u>Social Impact</u>  CH has compiled a social impact management plan and has demonstrated the implementation of the social impact management plan in accordance with the results of the identification of social impacts.</p> <p><u>Environmental Impacts</u>  The CH has undertaken environmental management and monitoring activities in accordance with its environmental document matrix. CH will continue to make efforts to reduce waste and pollution, such as boiler, and generator emission testing, reducing the use of diesel fuel and replacing it with shells and fiber for boiler, POME utilization for land application and etc.</p> <p><u>OHS</u>  CH implements Safety Town Hall as an annual routine in each work unit, to ensure that the implementation of OHS is consistently carried out in all work units.</p> <p><u>Best Management Practices</u>  Certification Holder has implemented the IPM and implemented it widely, for example integrating all pest control techniques to be recognized by censuses and monitoring, the use of biological agents such as owls and beneficial plants and agrochemichal applications if the pest attack has exceeded the threshold.</p>		
	<b>Status: Comply</b>	

### 3.2 Summary of Assessment Report of Supply Chain Requirement

#### 3.2.1. General chain of custody requirements for the supply chain

Clause	Requirement
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>The mill take legal ownership for all FFB within its scope, as well all phisically handling.</p>
	<b>Status: Comply</b>
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>The mill does not use traders and distributors. All of selling certified product has been done by the mill.</p>
	<b>Status: Comply</b>
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>RSPO IT Platform member registration number: <b>RSPO_ PO1000000315</b></p>
	<b>Status: Comply</b>
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>There is no processing aids in the operational LPF.</p>
	<b>Status: Comply</b>
<b>5.2</b>	<b>Supply chain model</b>
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -&gt; Segregated -&gt; Mass Balance.</p> <p>LPF still implemented a model of supply chain Mass Balance. FFB supply source for LPF is still received from uncertified sources from uncertified area of PT BGR (Division 1 &amp; 2) and Plasma of PT BGR (KUD Karya Maju, KUD Manggar Jaya, KUD Mitra Inti, KUD Marga Jaya). The volume of products sold by using Mass Balance claim.</p>
	<b>Status: Comply</b>
5.2.2	<p>The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p> <p>LPF just apply one supply chain models which is Mass Balance (MB)</p>
	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
5.3.1	<p>The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.</p>

The Certificate Holder has RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018. The scope of RSPO Supply Chain System: FFB Certificate processing from raw material acceptance to storage and delivery process produces Certified Sustainable Palm Oil (CSPO) and CSPK with module D (IP) and/or module E (MB) both physical and office administration. The summary of this procedure were explain on below points:

4.2.1. The procedure is documented

4.2.2. Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.

4.3. The Mill ensures the purchase of incoming goods, however the marketing division in Jakarta's is responsible for checking the validity of supplier certificates, licenses for traders and distributors.

4.3.2. The Unique code/ unique identification number aims to ensure that products are sold through quality tests and can be traced back to the beginning of the process.

4.5. Third party activities (outsourcing)

4.6. Sales and goods out

Units that need to make announcements and trade confirmations in the RSPO IT Platform, this should also include making shipping announcements (each shipment/shipping group by the marketing division). Certified products sold through other schemes or conventional means or in case of lack of production, lost or damaged shall be removed.

4.8. Training→ The training plan for RSPO SCCS requirements process should be reviewed continuously/annually.

4.9. The record keeping

The record keeping of all documents are minimum 10 years for financial report documents and transactions; and minimum 2 years for data other than financial documents.

4.10 Conversion Factor

Conversion value is determined by marketing division in Jakarta, based on data sent by Mill on the basis of the resulting of FFB processing, so that the conversion value obtained is the same as the actual obtained by the Mill, and the conversion reference by marketing follows the mill manager monthly report period.

4.11. Claim pursuant to RSPO communication and claim.

4.12. Complaint

Stakeholders may complain by email or face directly to the management representative. The complaint should be handled no later than one month after the complaint is received. Especially for complaints related to salary rights, incentive benefits, product complaints, and payments is should be acted upon no later than 14 days after the complaint has been received. All complaints and responses should be recorded.

4.13. Management review

Management review plan is established: after internal audit, before external audit checks and minimally done once in twelve months /one year.

Input for management review should include information: internal audit results of SCCS requirements, production achievements, customer feedback, preventive and corrective action status, follow up on review management, changes that may affect system management and improvement recommendations.

**Status: Comply**

**5.3.2**

**The site shall have a written procedure to conduct annual internal audit**

Internal Audit procedure has been include on SOP of RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018 which describes Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.

CH can show the result of internal audit conducted on 05 July 2018 In the Audit Report document, it is known that the mill has performed an internal audit using SCCS standard (General COC and Module E). There are 9 non-compliance for example about agreement of Rent of CPO Tank in Bulking and has been comply on September 2018.

**Status: Comply**

<b>5.4</b>	<b>Purchasing and goods in</b>
<b>5.4.1</b>	The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier
	LPF does not purchase RSPO certified oil palm products. LPF is the producer of RSPO certified oil palm products
	<b>Status: Comply</b>
<b>5.4.2</b>	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents
	LPF does not purchase RSPO certified oil palm products. LPF is the producer of RSPO certified oil palm products
	<b>Status: Comply</b>
<b>5.5</b>	<b>Outsourcing activities</b>
<b>5.5.1</b>	In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.
	LPF doesn't outsource refining and crushing activity. There is no outsourcing activities for physically handling of certified product because there is no selling of certified product from the certified period (from November 2017).
	<b>Status: Comply</b>
<b>5.5.2</b>	Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: <ul style="list-style-type: none"> <li>a. The site has legal ownership of all input material to be included in outsourced processes;</li> <li>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</li> <li>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>d. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance</li> </ul>
	LPF doesn't outsource refining and crushing activity. There is no outsourcing activities for physically handling of certified product because there is no selling of certified product from the certified period (from November 2017).
	<b>Status: Comply</b>
<b>5.5.3</b>	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.
	LPF doesn't outsource refining and crushing activity. There is no outsourcing activities for physically handling of certified product because there is no selling of certified product from the certified period (from November 2017).
	<b>Status: Comply</b>
<b>5.5.4</b>	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products
	LPF doesn't outsource refining and crushing activity. There is no outsourcing activities for physically handling of certified product because there is no selling of certified product from the certified period (from November 2017).
	<b>Status: Comply</b>
<b>5.6</b>	<b>Sales and goods out</b>
<b>5.6.1</b>	



The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
There is no physically selling of CSPO and CSPK product since 29 November 2017 to 24 September 2018. The company only register the Credit Allocation (Book & Claim) on 19 February 2018 with total amount of 5,000 ton.	
	<b>Status: Comply</b>
<b>5.7</b>	<b>Registration of transactions</b>
<b>5.7.1</b> Supply chain actors who: <ul style="list-style-type: none"> <li>are mills, traders, crushers and refineries; and</li> <li>take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable</li> </ul>	
RSPO IT Platform member registration number: <b>RSPO_PO1000000315</b> .	
All transaction of RSPO certified oil palm products has been registered in RSPO IT Platform (see indicator SCCS 5.7.2).	
	<b>Status: Comply</b>
<b>5.7.2</b> The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> <li>Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li> <li>Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	
There is no physically selling of CSPO and CSPK product since 29 November 2017 to 24 September 2018. The company only register the Credit Allocation (Book & Claim) on 19 February 2018 with total amount of 5,000 ton.	
Based on the Balance Sheet and Transaction Report documents on Palmtrace, it is known that there are differences in registration data on the sale of certified products sold conventionally. For the period November 2017 - September 24 2018, the palmtrace data contains only 5,000 tons of CPO registration of Book & Claim (credit allocation), while in the Balance Sheet data there are 6,426.36 tons of conventional CPO certified sales and 1,501.66 tons of conventional PK. This shows that not all certified products are registered (Remove / Book & Claim) on palmtrace. <b>Non-Conformity No. 2018.05 with Major Category</b>	
	<b>Status: Non-Conformity No. 2018.05 with Major Category has been closed</b>
<b>5.8</b>	<b>Training</b>
<b>5.8.1</b> The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff	
Mill has a SCCS Training Program in 2018 with training types including SCCS SOP training planned in May 2018.	
	<b>Status: Comply</b>

**5.8.2**

Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed

Based on interviews with Weight Bridge Operator and security, it is known that the personnel have been aware of the duties and responsibilities related to the implementation of supply chain, for example the weighbridge officer can distinguish the origin of FFB that is certified and not certified

The company showed proof of SCCS training to LPF employees conducted on January 24, 2018 with a total of 13 participants (mill staff, contractor, weighbridge operator and head of KUD Karya Mandiri).

**Status: Comply**

**5.9**
**Record keeping**
**5.9.1**

The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements

Based on RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018 which explains that record keeping all of documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents.

**Status: Comply**

**5.9.2**

Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock

Based on RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018 which explains that record keeping all of documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents.

**Status: Comply**

**5.9.3**

The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.

Estimates of CPO and PK produced by LPF obtained from the projection based on actual data of 12 months before audit activities and have been described in this ASA-1.1 report, consist of:

FFB: 29121 ton

CPO: 6552 ton (OER: 22.5%)

PK: 1310 ton (KER: 4.5%)

The CH has Balance Sheet document that inform the balancing of certified and non-certified product from FFB receipts, processing, Production and Delivery.

Month	CPO			
	Production (ton)		Sold (ton)	
	Certified	Non-Certified	Certified	Conventional
September 2017				
October 2017		1,291.97		-
November 2017	1161.19	1,754.76		-
December 2017	1111.99	1,704.13		7.27
January 2018	869.66	806.10		693.11
February 2018	743.76	746.08		846.70
March 2018	686.77	608.95		-
April 2018	617.89	423.46		1,420.10

May 2018	595.17	449.64		342.25
June 2018	782.52	441.11		800.28
July 2018	701.14	574.69		426.30
August 2018	1,175.04	1,308.71		952.18
September 2018	1,414.95	1,900.29		938.18
<b>Total</b>	<b>9958.48</b>	<b>12009.88</b>		<b>6426.36</b>

Month	PK			
	Production (ton)		Sold (ton)	
	Certified	Non-Certified	Certified	Conventional
October 2017		267.59		-
November 2017	245.79	370.14		88.00
December 2017	235.41	345.55		256.78
January 2018	181.28	168.26		120.94
February 2018	154.03	154.46		117.85
March 2018	140.02	124.20		182.84
April 2018	132.04	90.36		152.45
May 2018	125.99	95.26		65.00
June 2018	147.67	83.32		248.46
July 2018	134.81	110.49		116.97
August 2018	249.84	277.94		80.42
September 2018	278.37	373.29		71.96
<b>Total</b>	<b>2046.02</b>	<b>2460.85</b>		<b>1501.66</b>

**Status: Comply**

#### 5.10

#### Conversion factors

##### 5.10.1

Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ([www.rspo.org](http://www.rspo.org)); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries

LPF only performs FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.

**Status: Comply**

##### 5.10.2

Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.

LPF only performs FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.

**Status: Comply**

#### 5.11

#### Claims

##### 5.11.1

The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.

Based on transaction report documents, all CSPO and CSPK submitted are in accordance with the applied supply chain model that is Mass Balance.

	<b>Status: Comply</b>
<b>5.12</b>	<b>Complaints</b>
<b>5.12.1</b>	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.
	Procedure for Receiving and Settlement of Complaints is include on RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018. The person responsible for handling complaints is the Manager or the representative, such as an assistant and administration chief. The response to complain about the product must be followed up at least 14 days.
	From November 2017 –September 2018 (certificate period), there is no physically selling of certified product.
	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>
<b>5.13.1</b>	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken
	The CH has RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018 which explains that management review activity is done at least once a year.
	<b>Status: Comply</b>
<b>5.13.2</b>	The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>
	The CH shows Management Review Minutes conducted on July 06, 2018 with a total of 4 staff discussing the results of internal audits, discussion of operational quality, follow-up from previous review management to discussion of changes that could improve the quality management system.
	Encouraged to involve all relevant personnel in SCCS to participate in Management Review activities. <b>OFI</b>
	<b>Status: Comply</b>
<b>5.13.3</b>	The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>
	The CH shows Management Review Minutes conducted on July 06, 2018 with a total of 4 staff discussing the results of internal audits, discussion of operational quality, follow-up from previous review management to discussion of changes that could improve the quality management system.
	<b>Status: Comply</b>

**3.2.2. Module E – CPO Mills: Mass Balance Requirements**

Clause	Requirement
<b>E.1</b>	<b>Definition</b>
<b>E.1.1</b>	<p><b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</b></p> <p>LPF still implemented a model of supply chain Mass Balance. FFB supply source for LPF is still received from uncertified sources from uncertified area of PT BGR (Division 1 &amp; 2) and Plasma of PT BGR (KUD Karya Maju, KUD Manggar Jaya, KUD Mitra Inti, KUD Marga Jaya). The volume of products sold by using Mass Balance claim.</p>
	<b>Status: Comply</b>
<b>E.2</b>	<b>Explanation</b>
<b>E.2.1</b>	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</b></p> <p>Estimates of CPO and PK produced by LPF obtained from the projection based on actual data of 12 months before audit activities and have been described in this ASA-1.1 report, consist of:</p> <p>FFB: 29121 ton</p> <p>CPO: 6552 ton (OER: 22.5%)</p> <p>PK: 1310 ton (KER: 4.5%)</p>
	<b>Status: Comply</b>
<b>E.2.2</b>	<p><b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</b></p> <p>Ladang Panjang Factory - PT Bahari Gembira Ria has been registered of certified products of RSPO (CSPO and CSPK) with Member ID: RSPO_ PO1000000315. There is no physically selling of CSPO and CSPK product since 29 November 2017 to 24 September 2018. The company only register the Credit Allocation (Book &amp; Claim) on 19 February 2018 with total amount of 5,000 ton.</p>
	<b>Status: Comply</b>
<b>E.3</b>	<b>Documented procedures</b>
<b>E.3.1</b>	<p><b>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</b></p> <ol style="list-style-type: none"> <li><b>Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li><b>The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</b></li> </ol>

The Certificate Holder has RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018. The scope of RSPO Supply Chain System: FFB Certificate processing from raw material acceptance to storage and delivery process produces Certified Sustainable Palm Oil (CSPO) and CSPK with module D (IP) and/or module E (MB) both physical and office administration. The summary of this procedure were explain on below points:

4.2.1. The procedure is documented

4.2.2. Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.

4.3. The Mill ensures the purchase of incoming goods, however the marketing division in Jakarta's is responsible for checking the validity of supplier certificates, licenses for traders and distributors.

4.3.2. The Unique code/ unique identification number aims to ensure that products are sold through quality tests and can be traced back to the beginning of the process.

4.5. Third party activities (outsourcing)

4.6. Sales and goods out

Units that need to make announcements and trade confirmations in the RSPO IT Platform, this should also include making shipping announcements (each shipment/shipping group by the marketing division). Certified products sold through other schemes or conventional means or in case of lack of production, lost or damaged shall be removed.

4.8. Training→ The training plan for RSPO SCCS requirements process should be reviewed continuously/annually.

4.9. The record keeping

The record keeping of all documents are minimum 10 years for financial report documents and transactions; and minimum 2 years for data other than financial documents.

4.10 Conversion Factor

Conversion value is determined by marketing division in Jakarta, based on data sent by Mill on the basis of the resulting of FFB processing, so that the conversion value obtained is the same as the actual obtained by the Mill, and the conversion reference by marketing follows the mill manager monthly report period.

4.11. Claim pursuant to RSPO communication and claim.

4.12. Complaint

Stakeholders may complain by email or face directly to the management representative. The complaint should be handled no later than one month after the complaint is received. Especially for complaints related to salary rights, incentive benefits, product complaints, and payments is should be acted upon no later than 14 days after the complaint has been received. All complaints and responses should be recorded.

4.13. Management review

Management review plan is established: after internal audit, before external audit checks and minimally done once in twelve months /one year.

Input for management review should include information: internal audit results of SCCS requirements, production achievements, customer feedback, preventive and corrective action status, follow up on review management, changes that may affect system management and improvement recommendations.

**Status: Comply**

### **E.3.2**

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

The procedure about acceptance and processing FFB has include in the RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. SCCS-Std/RSPO/PSQM/02 dated on 02 January 2018. (see D.3.1)

**Status: Comply**

### **E.4**

#### **Purchasing and goods in**

#### **E.4.1**

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

The mill has have document of Balance Sheet that informing the FFB received, with the data:



**• Certified and non-certified FFB received period of November 2017 to 24 September 2018**

Month	FFB (Kg)		
	RSPO Certified	Non Certified	Total
Oktober 2017	4,019.54	-	4,019.54
November 2017	4,241.44	3,427.29	7887.63
December 2017	3,906.84	3,640.74	7547.58
January 2018	3,341.25	3,243.96	6585.21
February 2018	3,030.76	2,720.88	5751.64
March 2018	2,806.10	1,997.86	4803.96
April 2018	2,806.10	1,171.29	3977.39
May 2018	3,592.86	2,389.49	5982.35
June 2018	3,264.17	557.73	3821.9
July 2018	5,372.83	5,059.76	10432.59
August 2018	6,250.37	8,793.35	15043.72
1-24 September 2018	2,633.58	10,038.76	12672.34
<b>Total</b>	<b>45265.83</b>	<b>43,852.26</b>	<b>88,525.85</b>

**Status: Comply**
**E.4.2**
**The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.**

In the previous certified (ASA-4) period July 09, 2016 until July 08, 2017, production of CSPO and CSPK does not exceed the RSPO certificate issued.

- CPO: 11,646.45 Ton → Total estimate in certificate is 12,625 Ton
- PK: 2,399.55 Ton → Total estimate in certificate is 2,418 Ton

For this period (Re-certification) from November 29, 2017 until September 24, 2018, LPF production of CSPO and CSPK does not exceed the RSPO certificate issued.

- CPO: 9,958.48 Ton → Total estimate in certificate is 12,107 Ton
- PK: 2,406.02 Ton → Total estimate in certificate is 2,395 Ton

**Status: Comply**
**E.5**
**Record keeping**
**E.5.1**

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)

The CH has Balance Sheet document that inform the balancing of certified and non-certified product from FFB receipts, processing, Production and Delivery.

Month	CPO			
	Production (ton)		Sold (ton)	
	Certified	Non-Certified	Certified	Conventional
September 2017				
October 2017		1,291.97		-
November 2017	1161.19	1,754.76		-
December 2017	1111.99	1,704.13		7.27
January 2018	869.66	806.10		693.11

February 2018	743.76	746.08		846.70
March 2018	686.77	608.95		-
April 2018	617.89	423.46		1,420.10
May 2018	595.17	449.64		342.25
June 2018	782.52	441.11		800.28
July 2018	701.14	574.69		426.30
August 2018	1,175.04	1,308.71		952.18
September 2018	1,414.95	1,900.29		938.18
<b>Total</b>	<b>9958.48</b>	<b>12009.88</b>		<b>6426.36</b>

Month	PK			
	Production (ton)		Sold (ton)	
	Certified	Non-Certified	Certified	Conventional
October 2017		267.59		-
November 2017	245.79	370.14		88.00
December 2017	235.41	345.55		256.78
January 2018	181.28	168.26		120.94
February 2018	154.03	154.46		117.85
March 2018	140.02	124.20		182.84
April 2018	132.04	90.36		152.45
May 2018	125.99	95.26		65.00
June 2018	147.67	83.32		248.46
July 2018	134.81	110.49		116.97
August 2018	249.84	277.94		80.42
September 2018	278.37	373.29		71.96
<b>Total</b>	<b>2046.02</b>	<b>2460.85</b>		<b>1501.66</b>

**Status: Comply**

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

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
ASA-1.1	PT Bahari Gembira Ria (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024" Can be seen at: <a href="https://www.rspo.org/trademark/current-licensees">https://www.rspo.org/trademark/current-licensees</a>	√
	<b>Status: Comply</b>	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-1.1	PT Bahari Gembira Ria (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024" Can be seen at: <a href="https://www.rspo.org/trademark/current-licensees">https://www.rspo.org/trademark/current-licensees</a>	√
	<b>Status: Comply</b>	
3.	Implementation of Certificate and Trademark is not used on product	X or√
ASA-1.1	PT Bahari Gembira Ria (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024" Can be seen at: <a href="https://www.rspo.org/trademark/current-licensees">https://www.rspo.org/trademark/current-licensees</a>	√
	<b>Status: Comply</b>	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate logo.	X or√
ASA-1.1	PT Bahari Gembira Ria (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024" Can be seen at: <a href="https://www.rspo.org/trademark/current-licensees">https://www.rspo.org/trademark/current-licensees</a>	√
	<b>Status: Comply</b>	

### 3.4 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Sime Darby Plantation 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 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 Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Bhd has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation 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 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 remain 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

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

		on 24 June 2016. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.
i.	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>Company Group/Holding Statement:</b> 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 <a href="http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14">http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</a></p> <p><b>Auditor Verification:</b></p> <ul style="list-style-type: none"> <li>• Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1<sup>st</sup> 2010 and due to not conduct NPP.</li> <li>• RSPO NPP process has been completed in 2011 for a new mill in Liberia.</li> </ul>
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><b>Company Group/Holding Statement:</b> Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/46">http://www.rspo.org/members/complaints/status-of-complaints/view/46</a> PT Mitra Austral Sejahtera (Sime Darby Bhd) Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/29">http://www.rspo.org/members/complaints/status-of-complaints/view/29</a></p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> <li>• PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities</li> <li>• PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.</li> </ul>

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

#### 3.5.1. Identification of Findings, Corrective Actions and Observations at Re-Certification

NCR No.	: 2017.01	Issued by	: Rudi Ramdani
Date Issued	: 2 June 2017	Time Limit	: ASA 1.1
NC Grade	: Minor	Date of Closing	: 21 August 2017
Standard Ref. & Requirement	2.2.2 Legal boundaries are demonstrated clearly and maintained		
Non-Conformance Description & Evidence observed (filled by auditor):  Field trips to the farmers' fields of Tri Mulyo II and III Karya Mandiri smallholder did not find any boundary markers as physical markers in the field between the lots of land owned by farmers.			
Root Cause Analysis (filled by organization audited): Boundary marker as a physical marker in the field between farmers are used initially is a stamp of wood so that the stakes are rotten and not maintained.			
Correction (filled by organization audited): The making of new stakes each of the lots in the Karya Mandiri Smallholders by using a concrete stamp and painted in red			
Corrective Action (filled by organization audited): Perform monitoring and maintenance of the stakes every month by farmer groups and management Karya Mandiri Smallholders.			
Assessor Evaluation and Conclusion (filled by auditor): 21 August 2017 The Company shows corrective actions in the form of: <ul style="list-style-type: none"><li>Minutes of installing the boundary No.02/Div-Plasma/VIII/17 dated 14 August 2017 for KM12, KM14, MA2 by Bina Tani and Karya Mandiri Smallholders.</li><li>Data result of installation of boundary of Karya Mandiri Smallholders port with progress of 33.9% from 1,080 stakes, as follows:</li></ul>			



**DATA PATOK BATAS KAVLING KUD KARYA MANDIRI**

NO	KELOMPOK	JUMLAH ANGGOTA	PROGRAM	REALISASI		SISA	KETERANGAN
				BUAH	%		
1	TRI MULYA I	27	34	20	58.6	24	
2	TRI MULYA II	29	58	29	50.0	29	
3	TRI MULYA III	30	60	28	46.7	32	
4	TRI MULYA IV	25	50	50	100.0	0	
5	TRI MULYA V	23	46	26	56.5	20	
6	MAWAR ABADI I	24	48	48	100.0	0	
7	MAWAR ABADI II	27	54	37	68.5	17	
8	MAWAR ABADI III	24	48	48	100.0	0	
9	MAWAR ABADI IV	27	54	0	0.0	54	
10	MAWAR ABADI V	14	28	28	100.0	0	
11	MARGO MULYO I	27	54	0	0.0	54	
12	MARGO MULYO II	29	58	0	0.0	58	
13	MARGO MULYO III	34	68	0	0.0	68	
14	MARGO MULYO IV	26	52	0	0.0	52	
15	MARGO MULYO V	23	46	0	0.0	46	
16	MARGO MULYO VI	25	50	0	0.0	50	
17	MARGO MULYO VII	29	58	0	0.0	58	
18	SEJAHTERA I	22	44	42	95.5	2	
19	SEJAHTERA II	27	54	0	0.0	54	
20	SEJAHTERA III	31	62	0	0.0	62	
21	SEJAHTERA IV	17	34	0	0.0	34	
<b>TOTAL</b>			<b>1,080</b>	<b>366</b>	<b>33.9</b>	<b>714</b>	

Based on explanation above, NCR No. 2017.01 has been closed with observation.

Verified by : Rudi Ramdani

NCR No.	: 2017.02	Issued by Diterbitkan oleh	: Mohamad Amarullah
Date Issued	: 2 June 2017	Time Limit	: Before issue of certificate (max 01 June 2018)
NC Grade	: Major	Date of Closing	: 11 October 2017
Standard Ref. & Requirement	: 4.1.1. Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor):  Karya Mandiri Smallholder Management Unit has not been able to show a copy of the procedure used as a reference in oil palm cultivation activities.			
Root Cause Analysis (filled by organization audited):  During this procedure used by Karya Mandiri Smallholder in plantation palm oil activities refers to ARM PT Minamas Plantation, while ARM PT Minamas is confidential and is not allowed to be published freely.			
Correction (filled by organization audited):  Karya Mandiri Smallholder to make SOP of own plantation palm oil.			
Corrective Action (filled by organization audited):  SOP are kept in Unit Management of Karya Mandiri Smallholder			
Assessor Evaluation and Conclusion (filled by auditor):  11 August 2017  Company can show the procedure (SOP) used by KUD Karya Mandiri, which has been approved by the Chairman			

of KUD, Treasurer and Secretary of KUD dated 5 August 2017, among others as follows:

- SOP *Semprot Gawangan* (Doc.No. 21/SOP-SG/KM/VIII/2017). Procedures include, among others, spraying techniques, environmental aspects (prohibition of spraying in riparian areas and water sources), the use of complete PPE, the management of pesticide packaging and worker hygiene.
- SOP *Pemupukan* (Doc.No. 22/SOP-PP/KM/VIII/2017). Procedures include, among other things, technical manuring, environmental aspects (prohibition of manuring in riparian areas and water sources), the use of complete PPE and the management of waste sacks of fertilizers and workers' hygiene.
- SOP *Pengangkutan Pupuk* (Doc.No. 23/SOP-AP/KM/VIII/2017). Procedures include, among other things, technical transportation, use of PPE and worker hygiene.

Company can show the procedure of KUD Karya Mandiri, related to plantation palm oil activity. However, the company has not been able to demonstrate other relevant procedures such as harvesting, transporting FFB, pest control, etc. **NCR No. 2017.02 has not been fulfilled.**

#### 11 October 2017

The Company shows the procedures related to the activities of plantation palm oil KUD Karya Mandiri which has been approved by the Chairman of KUD, Treasurer and Secretary of KUD, among others as follows:

- SOP *Penaburan Pupuk* (Doc.No. 22/SOP-PP/KM/VIII/2017) dated August 5, 2018. Procedures include, among other things, the coordination of plotters or KUD, the explanation of areas that should not be fostered, such as river borders, use of PPE, fertilizer sowing, fertilizer dosage, occupational health, fertilizer sack collection, cleaning work and administration monitoring of fertilizer implementation.
- SOP *Gawangan Manual* (Doc. 36 / SOP-GMM / KM / VIII / 2017) dated August 19, 2017. Procedures include, among others, coordination of landowners or KUDs, work tools, OSH, APD, target weeds, job rotation, use of mechanical tools and job administration.
- SOP *Muat TBS* (Doc.No. 32/SOP-MT/KM/VIII/2017) dated August 19, 2017. Procedures include amongst others FFB loaders, PPE, work tools, work hygiene, FFB preparation in trucks, workflow and job administration.
- SOP *Harvesting* (Doc.No. 28/SOP-PN/KM/VIII/2017) dated 1 August 2017. Procedures include co-ordination of farmers with KUD, harvesting schedule, work tool, PPE, criteria FFB, cutting distance, preparation loading of FFB and administration.
- SOP *Perawatan Piringan Manual dan Mekanis* (Doc.No. 23/SOP-PMM/KUD.KM/VIII/2017) dated August 24, 2017. Procedures include, among others, technical manual control, mechanical control techniques, work tools, OHS, and work administration.
- SOP of Integrated Pest Control (Doc No. 33/SOP-PHPT/KM/VIII/2017) dated August 19, 2017. Procedures include, among others, the technical control of caterpillars for leaf-eating of oil palms, rat, chemical control, biological control, OHS, census and work administration.
- SOP *Semprot Piringan* (Doc. No. 31/SOP-SP/KM/VIII/2017) dated 1 August 2017. Procedure includes the coordination of plotters and KUD, spray banning area, pesticide handling, OHS and environment, pesticide mixing, PPE, technical spray, work hygiene, waste management and job administration.
- SOP *Weighted FFB* (Doc.No. 29/SOP-TTB/KM/VIII/2017) dated August 1, 2017. Procedures include the appointment of weighing weights, coordination with farmer groups, PPE, work tools, weighing and administration activities.
- SOP *FFB Transportation* (Doc.No. 30/SOP-TBT/KM/VIII/2017) dated August 1, 2017. Procedures include, among other things, KUD transportation units, contract transport units, technical transportation, FFB loading and work administration.
- SOP *Tunas Pokok* (Doc.No. 35/SOP-TP/KM/VIII/2017) dated 16 August 2017. Procedures include among others the coordination of farmers, KUD and groups, work tools, OHS, technical work, and work administration,

Based on explanation the root cause and corrective action, as well as evidence of the improvements shown, NCR No. 2017.02 has been fulfilled.

**Verified by** : Mohamad Amarullah

<b>NCR No.</b>	<b>: 2017.03</b>	<b>Issued by</b>	<b>: Mohamad Amarullah</b>
		<b>Diterbitkan oleh</b>	
<b>Date Issued</b>	<b>: 2 June 2017</b>	<b>Time Limit</b>	<b>: Before issue of certificate (max 01 June 2018)</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 15 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.3.1. Maps of any fragile soils shall be available</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>  Management Unit of KUD Karya Mandiri has not been able to show a map of soil derived from the results of a study or soil survey informing the presence or absence of fragile land in the operational area of KUD.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Initial survey of land clearing has been done by PT BGR globally, but specifically the location of KUD Karya Mandiri has not been done.			
<b>Correction</b> <i>(filled by organization audited):</i> Coordinated with Research Department (MRC) through letter of request from SOU Chairman No: 119/BGR-AME/VI/2017 dated June 13, 2017 for survey fragile soils at KUD Karya Mandiri.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> The document of the survey results of the fragile soils are kept at the Air Merah Estate Office and the attachment is kept in KUD Karya Mandiri.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>August 11, 2017</b> Chairman of SOU 22 and Air Merah Plasma Manager coordinates with VPI and Head MRC to carry out soil survey activities in KUD Karya Mandiri area. The application is indicated by letter No. 119/BGR-AMP/VI/2017 dated June 13, 2017 regarding the request for the dissolution of MRC research team to KUD Karya Mandiri - PT BGR. However, the company has not been able to show any response from the MRC regarding the land suitability study and the soil survey activity in question, so that it will be observed in the next audit activity. Non-conformity No. 2017.03 has not been fulfilled.  <b>October 11, 2017</b> The company showed the documentation of the fragile soils survey at KUD Karya Mandiri on 26 August 2017, in the form of drawing of soil samples based on depth level. Claim this, the Auditor judged that the evidence shown is not comprehensive. Based on the description, it can be concluded that Non-Conformity No. 2017.03 has not been fulfilled.  <b>October 16, 2017</b> Company can show Letter from Senior Manger MRC Region No. RSS/12/X/2017.dds/awl dated October 13, 2017			

informing the results of the Air Merah Plasma soils analysis (including the KUD Karya Mandiri), in response to a letter sent by PT BGR in letter No. 119/BGR-AMP/VI/2017 dated June 13, 2017. Soil sample testing activities have been carried out by MRC dated 26 August 2017. However, the company has not been able to demonstrate the results of studies that inform whether or not there is vulnerable land in KUD operational areas (including maps if study results state the presence of fragile land). Thus, Non-Conformity No. 2017.03 has not been fulfilled.

**November 15, 2017**

The Company shows the soils survey report of PT BGR, Air Merah Plasma and KUD Karya Mandiri Muaro Jambi Regency on 31 October 2017, conducted by MRC in August 2017. The survey results inform among others as follows:

- Topographic conditions in KUD Karya Mandiri are dominated by flat (slope: 0-3%) area which covers 78.28% of the total area and the rest (21.72%) is undulating (slope: 3-8%). Thus, there is no region with steep category slopes (> 40%).
- Evaluate land suitability indicates that 93.9% of the area is classified into S3 (marginally suitable) and 6.10% of the class is classified into the currently unsuitable N1 class. Thus, it can be concluded that there is a fragile soils of 63.59 ha (6.10%) within the operational area of KUD Karya Mandiri located in the north, with the main limiting factors of very poor and flood-prone drainage class.
- Marginal limiting factors in soil management include potential dry months 2 to 3 months consecutively for a year, low nutrient availability, low pH soil, water deficit potential, flooded areas and soil texture dominated by heavy clay.

Based on a description of the root cause of the problem and correction action, and corrective action, NCR No. 2017.03 has been fulfilled.

**Verified by** : **Mohamad Amarullah**

<b>NCR No.</b>	<b>:</b>	<b>2017.04</b>	<b>Issued by</b>	<b>:</b>	<b>Mohamad Amarullah</b>
<b>Date Issued</b>	<b>:</b>	<b>21 June 2017</b>	<b>Time Limit</b>	<b>:</b>	<b>Before issue of certificate (max 01 June 2018)</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>15 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>4.6.1.</b> <b>Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.</b>			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>  Based on data of the use of pesticides Karya Mandiri smallholder in 2017 found the use of 1 brand of pesticides that have not been shown evidence of marketing permit from the pesticide.					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Understanding the KUD Karya Mandiri before the RSPO socialization is still minimal, so that herbicide product found <i>Baranni</i> that has not been found the product marketing license and this herbicide is old stock in KUD Karya Mandiri					
<b>Correction</b> <i>(filled by organization audited):</i> The list of names of pesticides used in KUD Karya Mandiri in accordance with the provisions of pesticides registered and allowed for Agriculture and Forestry, then Pesticide <i>Baranni</i> after traced it turns out that Pesticide is defined as a limited pesticide made of <i>parakuat dichloride</i> with the Name of Registration Holder: PT Delta Giri Wacana,					

Permission Permit 12th of December 2020. No Registration RI.01030120155334.

**Corrective Action** *(filled by organization audited):*

KUD Karya Mandiri will not use pesticide *Baranni* and other similar active parakis dichloride and will use pesticide registered and allowed for agriculture and forestry in accordance with the memorandum of KUD Karya Mandiri.

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**October 11, 2017**

The Company shows documents on the list of pesticides KUD Karya Mandiri which inform the brand name, active ingredient, pesticide type and name of registration holder. However, the company has not been able to show any documents that inform Baranni pesticide distribution license. NCR No. 2017.04 has not been fulfilled.

**November 15, 2017**

The company shows the Decree of the Minister of Agriculture RI No. 745/Kpts/SR.330/12/2015 on Registration and Provision of Permanent Pesticide Permit for 202 (Two Hundred Two) Brands, set on December 31, 2015 with a validity period of 5 years. Appendix I No. 13 Baranni 276 SL with paraquat dichloride active ingredient.

Based on the above explanation NCR No. 2017.04 has been fulfilled with observation.

**Verified by** : **Mohamad Amarullah**

<b>NCR No.</b>	<b>:</b>	<b>2017.05</b>	<b>Issued by</b>	<b>:</b>	<b>Mohamad Amarullah</b>
<b>Date Issued</b>	<b>:</b>	<b>2 June 2017</b>	<b>Time Limit</b>	<b>:</b>	<b>Before issue of certificate (max 01 June 2018)</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>10 November 2018</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	4.6.5. Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7)			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>					
Karya Mandiri smallholder management unit has not been able to show the MSDS of pesticides used.					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>					
There is no available MSDS pesticide used in KUD Karya Mandiri.					
<b>Correction</b> <i>(filled by organization audited):</i>					
MSDS board made in pesticide warehouse used in KUD Karya Mandiri					
<b>Corrective Action</b> <i>(filled by organization audited):</i>					
To update, maintain and care for MSDS according to the pesticide used in KUD Karya Mandiri.					
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>					
October 11, 2017					



Company may show Minutes of Installation of Mading for MSDS No. 03/Div-Plasma/VIII/17 dated 4 August 2017 signed by the Assistant Divisions I and II, Chairman of KUD and AMP Manager. The company can also show MSDS for pesticides *Garlon*, *Ally*, *Glyphosate* and *Supremo*. However, for MSDS shown not to come from related pesticide producers, such as *Supremo* and *Glyphosate*. Based on data of pesticide use shown at the time of Audit, please indicate MSDS for some pesticides as follows:

- With active ingredients Methyl Metsulfuron: *Heli 20 WP*, *Tron 20 WG* and *Barrani 20 WG*
- With Isoprophyl Amine Glyphosate active ingredients: *Ben Up 480 SL*, *Borneo Up 500 SL*, *Solo 490 SL*, *Kiss Up 490 SL*, *Rambo 480 SL*, *Blosat 480 SL* and *Winfos 525 SL*.

**November 10, 2017**

The management unit shows MSDS in Bahasa Indonesia in accordance with the pesticides available at KUD Karya Mandiri, among others:

- Methyl Metsulfuron active ingredients with trademark *Helli 20 WP*, *Tron 20 WG* and *H-Barrani 276 SL*
- Isoprophyl Amine Glyphosate active ingredients with trademark *Ben Up 480 SL*, *Borneo Up 500 SL*, *Solo 490 SL*, *Kiss Up 490 SL*, *Rambo 480 SL*, *Blosat 480 SL* and *Winfos 525 SL*.

Based on evidence of improvements submitted then NCR No. 2017.05 otherwise fulfilled.

**Verified by** : **Mohamad Amarullah**

<b>NCR No.</b>	<b>: 2017.06</b>	<b>Issued by</b>	<b>: Radytio Puspanjana</b>
<b>Date Issued</b>	<b>: 2 June 2017</b>	<b>Time Limit</b>	<b>: Before issue of certificate (max 01 June 2018)</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 16 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.6.6. Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> a. Based on the results of field visits at Karya Mandiri smallholder office, it is known that pesticides have not been stored in accordance with recognized best practices, for example: installation of symbol, MSDS, emergency wash, limited access, air circulation, etc. b. KUD Karya Mandiri has not been able to show evidence that the former packaging of pesticides has been managed and documented according to applicable waste management procedures and regulations.			
<b>Root Cause Analysis (filled by organization audited):</b> a. Understanding of KUD Karya Mandiri's management on pesticide storage is still minimal. b. KUD Karya Mandiri does not have a warehouse while hazardous waste is licensed.			
<b>Correction (filled by organization audited):</b> a. Implemented in pesticide storage place symbol, MSDS, emergency wash, limited access creation, air circulation, etc. b. Hazardous waste generated by KUD Karya Mandiri is stored in the Temporary Hazardous Waste Storage in Ladang Panjang Factory			
<b>Corrective Action (filled by organization audited):</b> Appointed special officer to manage hazardous waste until delivered to Temporary Hazardous Waste Storage in			



Ladang Panjang Factory

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**06 October 2017**

- a. The management unit shows the installation documentation of symbol, MSDS and unauthorized entry signs for unauthorized persons in KUD Karya Mandiri Pesticide Storage Warehouse. However, there is no documentary evidence for emergency wash installation, air circulation as per best recognized practice.
- b. The management unit shows the Appointment Letter of Hazardous Waste Management Officer of KUD Karya Mandiri on August 1, 2017 on behalf of Nur Yasin (KUD Secretary).

The management unit shows the Technical Consideration Letter for Addition of Type of Hazardous Waste Criteria (No. 173 / BGR-AME / X / 2017) dated 03 October 2017 submitted to the Head of Muaro Jambi District Environmental Office. The Letter as the basis for the approval process of the Temporary Hazardous Waste Storage Permit Application of PT BGR. 09 / Kep.Ka.BPTSP / VI / 2015 dated June 22, 2015 by *Badan Pelayanan Terpadu Satu Pintu* of Muaro Jambi District.

- The management unit needs to submit documentary evidence of the PT BGR B3 waste temporary Storage License Revocation Application, and the delivery of progress regarding the handling of the license.
- The management unit must demonstrate the mechanism / procedure for the management of chemical packaging containers in the KUD and the procedures for delivery of B3 waste to the core garden produced by the KUD

Based on the above explanation then the NCR No. 2017.06 is stated not fulfilled.

**October 26, 2017**

**Point b**

The management of PT BGR explained that related to hazardous waste generated by KUD Karya Mandiri will be stored in Temporary Hazardous Waste Storage in Ladang Panjang Factory. Temporary Hazardous Waste Storage in Ladang Panjang Factory has a hazardous waste storage license issued by *Badan Pelayanan Terpadu Satu Pintu* of Muaro Jambi District (SK No. 02 / Kep.Ka.BPTSP / VI / 2014, 30 June 2014, valid for 5 years). It is explained in the permit that the permit to store hazardous waste of PT BGR with the scope of oil palm plantation is integrated with its processing into palm oil and palm kernel. Thus hazardous waste from KUD Karya Mandiri can also be stored in Temporary Hazardous Waste Storage of PT BGR, without having to revise the permit.

The management unit shows the SOP of Hazardous Waste Management (No. 49/PLB3/VIII/2017, 01 August 2017) explaining the identification of hazardous waste registration, standardization and processing resulting from activities, products and services in KUD Karya Mandiri. In relation to the procedures for waste management of KUD Karya Mandiri, it is submitted in the procedure that the producer hazardous waste of KUD Karya Mandiri directly transfers the hazardous waste produced to Temporary Hazardous Waste Storage of PT BGR, makes the Form Delivery of Used Goods at the time of delivery, and who is responsible for it Designated Chemical Warehouse Officer. There is a socialization record of hazardous waste management on 30 September 2017 submitted by PSQM Staff and attended by chairman, farmer group, and farmer of KUD Karya Mandiri. However, the management unit has not been able to show evidence that hazardous waste generated by KUD Karya Mandiri has been stored in Temporary Hazardous Waste Storage in Ladang Panjang Factory as a form of implementation of the procedures that have been made. (Unfulfilled)

**November 10, 2017**

**Point b**

KUD Karya Mandiri management unit shows document of Delivery Memorandum of Goods (No. 01/L.B3/KM.XI/2017,

dated 06 November 2017) with details of pesticide container as much as 3.5 kg submitted to Temporary Hazardous Waste Storage in Ladang Panjang Factory. (Fulfilled)

**November 16, 2017**

KUD Karya Mandiri management unit shows the installation documentation of exhaust fan and emergency wash on November 15, 2017, with details of 4 installed exhausts in fertilizer warehouse and 2 in pesticide warehouse, while for Emergency Wash installed 1 unit in Pesticide Warehouse of KUD Karya Mandiri. Based on the above explanation, there is NCR No. 2017.06 point a is stated to be closed with observation.

**Verified by** : **Radytio Puspanjana**

<b>NCR No.</b>	<b>: 2017.07</b>	<b>Issued by</b>	<b>: Naila Karima</b>
<b>Date Issued</b>	<b>: 02 June 2017</b>	<b>Time Limit</b>	<b>: Before issue of certificate (max 01 June 2018)</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 05 October 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.6.11. Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available.</b>  <b>OFI No. 2 ASA-4</b> The company needs to ensure implementation of the pesticide operator's health check-up program planned for mid-2016 for 19 unregenerated health workers (Observation).		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>			
a. The Company has conducted annual medical (Cholinestrase) of pesticide operators conducted in April 2017. However, based on review a document list of pesticide operators and annual medical records of PT BGR's, it is known that there are pesticide operators who have not conducted medical examination (foreman and two pesticide operators). b. No record of annual medical for pesticide operators for the scope of smallholders or workers on smallholders.			
<b>Root Cause Analysis (filled by organization audited):</b>			
a. On the day of the medical examination of spray employees (2 operator pesticide and 1 foreman) unable to attend so that has not been examined health. b. The annual health examination of operators pesticide for the scope of farmers or groups farmers of KUD Karya Mandiri in 2016/2017 has not been done and will be conducted in July 2017.			
<b>Correction (filled by organization audited):</b>			
a. Conducted medical checks on operator pesticide and spray foreman. b. Conducted medical checkup on operator pesticide of KUD Karya Mandiri			
<b>Corrective Action (filled by organization audited):</b>			
a. Conducted a medical check on all operator pesticide and spray foreman on schedule b. Conducted a medical check on all operator pesticide of KUD Karya Mandiri on schedule			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<b>August 11, 2017</b>			
a. The company showed recording of PT BGR employee examination result for 1 foreman and 2 sprayer of			

Division 2 LPE conducted on July 15, 2017 with result of cholinesterase examination within normal limits.

- b. Available recap of examination result of KUD Karya Mandiri for 4 chemist workers and 4 fertilizer workers conducted on July 15, 2017, with the results of cholinesterase 2 chemist workers above normal limit so doctors recommendation was transferred for 2 months.

#### 11 and 28 August 2017

The Company presented Document Schedule of Medical Check Up PT BGR for high risk employees planned in February and August 2017 by doctor Irwan Kertajaya as the appointed company doctor. In the schedule described the categories of workers who need to be examined health and types of examination such as workers who work with chemicals (fertilizer and spray) performed physical and laboratory examination of cholinesterase.

#### 05 October 2017

In relation to the results of cholinesterase examination of chemist workers for KUD Karya Mandiri above normal limits and doctors' recommendation was transferred, the KUD pointed to Letter No. 48/SK/KUD.KM/IX/2017 dated 01 August 2017 regarding Mutation of Work on behalf of Mujisiami transferred to manual maintenance section and Letter No. 47/SK/KUD.KM/IX/2017 dated 01 August 2017 regarding Mutation of Work on behalf of Sumarni was transferred to manual maintenance section.

Based on corrective evidence and corrective action submitted, NCR No.2017.07 is stated fulfilled.

**Verified by** : **Naila Karima**

<b>NCR No.</b>	<b>2017.08</b>	<b>Issued by</b>	<b>Naila Karima/Radytio Puspanjana</b>
<b>Date Issued</b> <b>Tanggal diterbitkan</b>	<b>02 June 2017</b>	<b>Time Limit</b>	<b>Before issue of certificate (max 01 June 2018)</b>
<b>NC Grade</b>	<b>Major</b>	<b>Date of Closing</b>	<b>05 October 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>4.7.2. A documented risk assessment shall be available and its implementation shall be recorded.</b>		

#### **Non-Conformance Description & Evidence observed** *(filled by auditor):*

- The Company may show Hazard Identification Risk Assessment and Control (HIRAC) documents of the Mill and plantation that is an analysis and identification of hazards and risks that can be generated by POM and Estate operations. Nevertheless, from the HIRAC document review of the period of 2017 it is known that the risk assessment has not been fully available for all operational work of the Estate, such as manual maintenance, weed and disease control, polyclinic, office, etc.
- Not yet available Hazard Identification Risk Assessment and Control (HIRAC) documents for operational activities at KUD, smallholders or groups smallholders.
- Based on field visits to Ladang Panjang Factory, there were found sterilizer leaks number 2, staircases and handrails in dirty and slippery conditions, leakage of steam pipes over digester stations, EFB under conveyors near machine stations. This condition is not in accordance with the control plan contained in the HIRAC document of the Mill process station.

#### **Root Cause Analysis** *(filled by organization audited):*

- No update or review of existing HIRAC documents has been made, so the document has not yet fully loaded all the work in the estate operations.
- HIRAC in KUD Karya Mandiri already exists but has not been shown during document review

- c. No fixing of sterilizer leakage number 2, steam pipe leakage above the station digester by maintenance division then ladder and handrail in dirty condition and slippery empty elongation under conveyor belt near machine station is caused by still lack of responsibility of operator will cleanliness in every station especially press operators and loose-fruit picker.

**Correction** *(filled by organization audited):*

- Conducted HIRAC assessment on all operational activities of plantations and mill.
- Updating HIRAC on all operational activities in KUD Karya mandiri
- Repair sterilizer leak number 2, leakage of steam pipes above digester station and cleaning stairs and handrails dirty and slippery and collect and raise the empty bar to conveyor body to be applied to hopper empty bunch

**Corrective Action** *(filled by organization audited):*

- HIRAC is always updated based on work done in plantation operations and mill, HIRAC results are updated socialized to workers to be understood and documents kept in office.
- HIRAC at KUD Karya Mandiri is always updated and socialized to management and farmers
- Perform maintenance on schedule and deliver to all employees, contractor appeals / memorandum Manager on always keeping the workplace safe, comfortable and clean

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**11 and 28 August 2017**

- The Company shows updated HIRAC recordings on June 10, 2017 with the person responsible for the preparation of HIRAC by LPE OHS Expert. HIRAC renewals include replanting, harvesting, and adding activities such as clinics, Dump Truck transportation, BSS houses, manual maintenance services, pest census, census and production, pest and disease control.
- Based on the review of the document shown and confirmation submitted by the management unit it is known that the HIRAC renewal is performed at least 1 (one) time in a year in accordance with the Policy of OHS Hazard Identification, Assessment and Risk Control (No. 7301/PSQM-ESH/11), with the person responsible for the preparation of HIRAC is the Unit Manager (or Manager level) and can be assisted by OHS Expert. HIRAC socialization for Mill and Estate workers was conducted on 08 August 2017 delivered by Senior Assistant of Estate, PSQM Staff, and Factory Manager. To ensure that HIRAC has been upgraded and has covered all operational activities in the Estate and Mill by detailing all types of hazardous work in estate and mill operations
- No evidence of HIRAC KUD document yet
- The management unit showed leak repair documentation on sterilizer number 2, a steam pipeline leak over a digester station and performed a dirty and slick staircase and handrail. Provided with proof of control that has been in accordance with HIRAC specified.
- In addition, the company shows the preventive maintenance schedule at the sterilizer station and the LPF press / digester station. The company also showed letter No. 001/Memorandum/VIII/2017 dated July 3, 2017 regarding the implementation of OHS and Cleanliness. The memorandum is submitted to all Mill employees and contractors who are partners with PT BGR

**05 October 2017**

HIRAC for smallholders activities refers to own estate with HIRAC renewal done at least 1 (one) time in a year in accordance with the Policy of OHS Hazard Identification, Assessment and Risk Control (No. 7301/PSQM-ESH/11), with the person responsible for the preparation of HIRAC is the Unit Manager (or Manager level) and can be assisted by OHS Expert. The management of HIRAC KUD Karya Mandiri for the period 2016 - 2017 made by OHS Expert (Mr. Arpan Yasir), is known by the Chairman of KUD and approved by Air Merah Estate Manager. HIRAC KUD is

available for harvesting, loading FFB, fertilizer, chemist, road maintenance, manual maintenance, pest and disease census, warehouse and office. HIRAC has been socialized to KUD Karya Mandiri farmers on September 11, 2017. HIRAC implementation will be further verified on subsequent surveillance activities.

Based on correction evidence and corrective action submitted then NCR No.2017.08 stated fulfilled by observation.

**Verified by** : **Naila Karima**

<b>NCR No.</b>	<b>: 2017.09</b>	<b>Issued by</b>	<b>: Naila Karima</b>
<b>Date Issued</b>	<b>: 02 June 2017</b>	<b>Time Limit</b>	<b>: Before issue of certificate (max 01 June 2018)</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 20 October 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.4 The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>			
<div><div>a.</div>Available Inter-Office Mail No. 105/BGR-AMEN/2017 dated May 30, 2017 regarding the Appointment Letter of OHS Responsible Person in KUD Karya Mandiri, however, there is insufficient evidence that the appointed personnel have qualifications and competencies in OHS aspect.</div> <div><div>b.</div>KUD Karya Mandiri has not been able to show recording periodic meetings to discuss safety and health issues</div>			
<b>Root Cause Analysis (filled by organization audited):</b>			
<div><div>a.</div>OHS training has not been conducted to the person in charge of OHS in KUD Karya Mandiri</div> <div><div>b.</div>Records of periodic meetings to discuss OHS issues are specifically held not yet, but in every management meeting, farmer groups and farmers members and in the field work socialization always delivered about OHS</div>			
<b>Correction (filled by organization audited):</b>			
<div><div>a.</div>Conducted OHS training on the board/responsible OHS in KUD Karya Mandiri</div> <div><div>b.</div>Conducted regular OHS meetings at KUD Karya Mandiri every 3 months which discuss about OHS.</div>			
<b>Corrective Action (filled by organization audited):</b>			
<div><div>a.</div>OHS Officer of KUD Karya Mandiri responsible will be included in the OHS training activities in the Estate to add insight about OHS.</div> <div><div>b.</div>Monitored by OHS management in KUD Karya Mandiri for the implementation of quarterly meeting at KUD Karya Mandiri</div>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<b>August 11, 2017</b>			
<div><div>a.</div>Have not shown the evidence of K3 training for those responsible for OHS in KUD</div> <div><div>b.</div>No recorded documentation of the outcome of the meeting to discuss OSH issues, and meeting schedule.</div>			
<b>05 October 2017</b>			
The management unit shows the training of OHS officers who are appointed responsible in the OHS program at KUD Karya Mandiri. Training was conducted on 26 August 2017 with training materials on HIRAC, accident reporting and procedures, Lost Time Incident-Frequency Rate calculation.			



**October 20, 2017**

The management unit showed the minutes of OHS meeting which was held on 16 August 2017 and attended by KUD management and Farmer Group management with discussion on OHS problem eg:

- Access road conditions are hollow so less safe for FFB trucks and motorcycles that pass.
- Still found some harvests that do not protect *egrek* at the time of going to work.

The next OHS meeting is planned to be held in October and December 2017.

Based on the above explanation then NCR No, 2017.09 stated fulfilled

**Verified by** : **Naila Karima**

<b>NCR No.</b>	<b>2017.10</b>	<b>Issued by</b>	<b>Naila Karima</b>
<b>Date Issued</b>	<b>02 June 2017</b>	<b>Time Limit</b>	<b>ASA 1.1</b>
<b>NC Grade</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>23 October 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>4.7.5 A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.</b>		

**Non-Conformance Description & Evidence observed (filled by auditor):**

- KUD Karya Mandiri has not been able to demonstrate emergency procedures, but is not limited to fire, chemical spills, and potential specific natural disasters, for example: Earthquakes, etc.
- Not enough evidence that smallholders have First Aid Training in the operational area.
- First aid kits are not yet available at work and / or during field operations, with regular monitoring in accordance with applicable legal requirements.
- Based on the results of field visits in Ladang Panjang Factory, it is known that the emergency evacuation route signs are not maintained.

**Root Cause Analysis (filled by organization audited):**

- Emergency procedures are readily available but specific SOPs of natural disasters can not be demonstrated because they have not been updated.
- There has not been a first aid training in First Aider in the KUD because the newly appointed First Aider, because during this time the unit's management assumed the first aider from Ladang Panjang Estate.
- First Aid equipment has not been brought to the spaciousness due to the low understanding of the head of the farmer group to bring the first aid box
- No updating of paint for guidance on evacuation route and monitoring by OHS officer.

**Correction (filled by organization audited):**

- Emergency SOPs are prepared that cover specific natural disasters such as Earthquake SOP, Flood, and Riot Condition
- First Aid training is conducted on First Aid officers in each group of KUD Karya Mandiri by First Aider who have been trained.
- Socialization First Aid to workers of KUD Karya Mandiri on the importance of bringing first aid box to the field and monitoring to ensure first aid box is brought to the field by OHS officer in charge of KUD Karya Mandiri
- Paint signs of evacuation paths that have been blurred



**Corrective Action** *(filled by organization audited):*

- a. All procedures are socialized to farmers in KUD Karya Mandiri.
- b. The results of first aid training activities are documented and will be conducted on schedule.
- c. The results of the first aid box socialization and monitoring of the first aid box checks are documented.
- d. Performed paint once 6 months by OHS officer Ladang Panjang Factory

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**11 and 28 August 2017**

- a. SOPs have not been demonstrated Earthquake, Flood, and Riot Condition
- b. There is no evidence of First Aid training
- c. No evidence of First Aid has been available and regular monitoring
- d. The management unit shows the documentation of the improvement of evacuation route signs in Ladang Panjang Factory.

**August 11, 2017**

- a. No evidence of the procedure has been disseminated to KUD farmers
- b. Have not shown the schedule of OHS training related to First Aid
- c. No evidence of First Aid socialization has been demonstrated
- d. The monitoring of the first aid box has not been shown
- e. The company shows the photo documentation of the evacuation path signing on the outside of the factory building (near storage tank, loading ramp and rear area of WTP station)

**05 October 2017**

- a. KUD management unit shows the procedures related to emergency situation such as Evacuation SOP (No. Document 44/SOP/E/KUD.KM/VIII/17, 24 August 2017), Earthquake SOP (No. Document 40/SOP/GB/KUD.KM/VIII/2017, August 24, 2017), SOP Emergency Response Practice (No. Documents 37/SOP.TKD/KUD.KM/VIII/17, 24 August 2017), SOP Emergency Response Drill (No. Document 38/SOP.LTD/KUD.KM/VIII/17, August 23, 2017), SOP Flood Control (No. Document 41/SOP.PB/KUD.KM/VIII/17, August 24, 2017), SOP for Tackling Huru Hara (No. Document 42/SOP.PHH/KUD.KM/VIII/17, August 24, 2017), SOP for Fire Prevention and Response (No. Document 39/SOP.PPPK/KUD.KM/VIII/17, August 24, 2017) SOP of Prevention and Combating Explosion (No. Document 43/SOP.PPPL/KUD.KM/VIII/17, August 24, 2017). **Closed**
- b. The management unit shows the documentation of the First Aid training activities dated September 30, 2017 attended by group farmers and farmers members of KUD Karya Mandiri. The management unit shows the Letter of Appointment of First Aider dated August 1, 2017 on behalf of Gimun (Farmer). Will be observed in the next assessment activity to know the implementation of personnel who have attended the first aid training. **Closed with Observation.**
- c. The management unit shows documentation of the provision of first aid kit located at KUD Office, Kelompk Tani Mawar Abadi 2, Tri Mulyo 1 Farmer Group, and Tri Mulyo 2 Farmer Group 2. However, there is no evidence of monitoring the first aid checks and periodic examination and PIC who did the checking. **Open.**
- d. No evidence of monitoring has been done to ensure the evacuation route is maintained. **Open**

**October 23, 2017**

- c. The KUD management unit shows the first aid kit monitoring records carried by the respective Farmer Groups for the periods of July, August and September 2017.

d. LPF management unit shows the results of the evacuation route indicator monitoring conducted on 02 July 2017 with monitored locations such as Front Office Road, Road to Grading, Front Mosque, Hazardous waste storage area, storage side road, water treatment station, machine and kernel, clarification station area and boiler station area & process office. In general, the condition of the evacuation route beam in the monitored location is in good condition. Monitoring is conducted by Safety Officer and scheduled to be monitored once a month based on the program set by the LPF management unit ..  
Based on the above explanation then NCR No..2017.09 stated Closed with Observation

**Verified by** : **Naila Karima**

<b>NCR No.</b>	<b>: 2017.11</b>	<b>Issued by</b>	<b>: Naila Karima</b>
<b>Date Issued</b>	<b>: 02 June 2017</b>	<b>Time Limit</b>	<b>: ASA 1.1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 28 August 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>  A review of the results of medical check up in April 2017 revealed the number of workers examined by 34 workers (parts of process, laboratory, maintenance and krani) with the type of audiometric examination. The April 2017 employee recording list shows the number of Mill workers 89 daily workers, 68 monthly workers and 16 contract workers. Based on the above, the company can not show that all Mill workers with high risk work have been conducted medical check up in accordance with the schedule set.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Medical checks were conducted in 2 stages, the first stage not all workers were examined, including high-risk workers and unemployed workers at the first stage were included in the second stage of health examination, such as Jubaedi and Ahmad Maryadi (Boiler Operators)			
<b>Correction</b> <i>(filled by organization audited):</i> A high-risk worker was undertaken and health checks were performed on the employee.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> Conducted periodic medical checks for employees who are considered high risk according to the schedule that has been prepared			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>11 and 28 August 2017</b> a. The basis for determining high risk worker categories is to consider: <ul style="list-style-type: none"><li>• System / equipment / workplace used</li><li>• Type work</li><li>• Additional factors</li></ul> b. High-risk workers are workers in the section:			

- i. Station Boiler
- ii. Station Sterilizer (Danger of explosion)
- iii. Machine Room Station
- iv. Workshop

c. Responsible for determining high-risk workers is the Manager Unit in accordance with the identification of hazard assessment conducted in conjunction with the Occupational Health and Safety Expert

d. Health checks conducted to high-risk workers are examined in accordance with the potential / occupational risk and performed medical examinations by doctors hyperkes

The Company showed the recording of the results of the audiometry and cholinesterase examination of PT BGR unit LPF on July 17, 2017 (stage 2) with the number of workers examined by 16 workers in each process, maintenance and waste section. The medical examination is performed by a company doctor who has been certified Hiperkes, and the results of the examination indicate the health of workers within normal limits.

The Company shows the Document Schedule of Medical Check Up PT BGR for high risk employees planned in February and August 2017. In the schedule described the categories of workers who need to be examined for medical and the type of examination such as workers with noisy exposure (mill workers, workshops and genset operators) audiometric medical checks are performed, and workers working with chemicals are examined for cholinesterase.

Based on the review of document of evidence of improvement submitted by the management unit, the NCR No. 2017.11 otherwise fulfilled.

**Verified by** : Naila Karima

<b>NCR No.</b>	<b>:</b>	<b>2017.12</b>	<b>Issued by</b>	<b>:</b>	<b>Naila Karima</b>
<b>Date Issued</b>	<b>:</b>	<b>02 Juni 2017</b>	<b>Time Limit</b>	<b>:</b>	<b>ASA 1.1</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	<b>20 October 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</b>			
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>					
KUD Karya Mandiri has not been able to show record of work accidents using Lost Time Accident (LTA).					
<b>Root Cause Analysis (filled by organization audited):</b>					
LTA calculations have not been done to record accidents due to work is due OHS Officer of KUD Karya Mandiri have not understood how LTA calculation.					
<b>Correction (filled by organization audited):</b>					
Calculate recording of work-related accidents using Lost Time Accident (LTA).					
<b>Corrective Action (filled by organization audited):</b>					
Reports on occupational accidents using Lost Time Accident (LTA) will be documented and updated					

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**October 20, 2017**

- The management unit has appointed those responsible for the LTA calculation is the KUD OHS Officer and assisted by the KUD secretary. Available Inter-Office Mail No. 105/BGR-AME/V/2017 dated May 30, 2017 regarding Appointment of Responsible OHS in KUD Karya Mandiri.
- The appointed OHS officer responsible for the OHS program at KUD Karya Mandiri has been trained in accident procedures and reporting, calculating the Lost Time Incident-Ferquency Rate on August 26, 2017.
- The management unit shows documentation including:
  - List of employees of KUD Karya Mandiri up to September 2017 as many as 95 workers with 318,941 working hours.
  - Work accident data of KUD Karya Mandiri up to September 2017 based on Lost Time Injury (LTI), Frequency Rates (FR) and Severity Rates (SR) indicate that no accident cases occurred.
  - Work Accident Report of the 2017 period signed by the Chairman of KUD and Manager of Air Merah Estate as a form of monitoring that LTA calculations have been updated monthly.

Based on the above explanation, NCR No.2017.12 is stated fulfilled.

**Verified by** : **Naila Karima**

<b>NCR No.</b>	<b>:</b>	<b>2017.13</b>	<b>Issued by</b>	<b>:</b>	<b>Naila Karima</b>
<b>Date Issued</b>	<b>:</b>	<b>02 Juni 2017</b>	<b>Time Limit</b>	<b>:</b>	<b>ASA 1.1</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	<b>14 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>4.8.2</b> <b>Rekaman pelatihan untuk tiap pekerja harus dipelihara.</b>			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> a. Ladang Panjang Factory has compiled mill worker training schedule for the period July 2016 through June 2017. Based on a review of the training recording that has been demonstrated by the Ladang Panjang Factory management, there is insufficient evidence that the training has been carried out according to the schedule specified in the program for that period. b. KUD Karya Mandiri can show the Socialization and Training Program for Smallholders from July 2016 to June 2017. Based on the review of training record that has been shown by KUD Karya Mandiri, not enough evidence that the training has been done according to the schedule set in the program for that period..					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> a. The realisation of factory worker training is not in accordance with the planned schedule, this is due to the high production of the month from August 2016 - January 2017 so that time is focused on production activities b. The socialization and training program is not on schedule because the location of farmers' settlements is scattered so it is difficult to collect the farmers simultaneously.					
<b>Correction</b> <i>(filled by organization audited):</i> a. Updates of factory employee training on programs that have not been done b. Socialization and training were conducted at KUD Karya Mandiri on a training program that has not been done yet.					

**Corrective Action** *(filled by organization audited):*

- a. The preparation of the Mill staff training schedule is based on the interests of the plant management unit and will also take into account the condition of the production of the Estate, so that the training can be realized on schedule
- b. Socialization and training in KUD Karya Mandiri will be done on schedule by first sending invitation letter to farmer 1 week before socialization and training is done.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**August 28, 2017**

The company shows evidence of training recording conducted in accordance with the training program created for example:

- 21 August 2017 budget and cost evaluation training attended by Mill Manager, Head of Adm, Process Assistant and bookkeeping section.
- August 25, 2017 training SOP Operator Press which was attended by Process Assistant, Krani Process, Laboratory and Operator Press.
- May 13, 2017 Emergency Response simulation training in LPF.
- February 20, 2017 training SOP Shipping of CPO attended by Head of Section, bookkeeping, security, production krani, and operator of weight bridge.

**05 October 2017**

KUD management unit shows:

- Documentation of spot weeding training conducted on August 13, 2017 attended by smallholders members.
- Documentation of FFB quality training conducted on 05 September 2017 attended by Karya Tani Group Farmers
- Documentation of spot weeding training conducted on 31 August 2017 was attended by Karya Mandiri Group Farmers

**November 13, 2017**

- September 18, 2017 training of LOTO system with participant maintenance worker in Mill.
- October 20, 2017 training on Total Productive Maintenance (TPM) for Mill Engineers
- 11 November 2017 training for boiler station operators, clarification operators, nut & kernel operators, press operators, sterilizer operators, turbine operators & generators.
- 13 November 2017 First Aid training for Mill workers.

Based on evidence of improvement shown then NCR No. 2017.13 has been closed.

**Verified by** : **Naila Karima**

<b>NCR No.</b>	<b>2017.14</b>	<b>Issued by</b>	<b>Radytio Puspanjana</b>
<b>Date Issued</b>	<b>2 June 2017</b>	<b>Time Limit</b>	<b>Before issue of certificate (max 01 June 2018)</b>
<b>NC Grade</b>	<b>Major</b>	<b>Date of Closing</b>	<b>10 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>5.3.2. There shall be evidence that all chemicals and their empty containers are disposed of responsibly</b>		

**Non-Conformance Description & Evidence observed (filled by auditor):**

KUD Karya Mandiri has not been able to show evidence that the former pesticide packaging has been managed and documented in accordance with applicable waste management procedures and regulations.

**Root Cause Analysis (filled by organization audited):**

KUD Karya Mandiri does not have a warehouse while hazardous waste is licensed.

**Correction (filled by organization audited):**

Hazardous waste generated by KUD Karya Mandiri is stored in the Temporary Hazardous Waste Storage in Ladang Panjang Factory

**Corrective Action (filled by organization audited):**

Hazardous waste recording at KUD Karya Mandiri and in the logbook where storage hazardous waste in LPF PT. Bahari Gembira Ria.

**Assessor Evaluation and Conclusion (filled by auditor):**
**06 October 2017**

The management unit shows the Technical Consideration Letter for Addition of Type of Hazardous Waste Criteria (No. 173 / BGR-AME / X / 2017) dated 03 October 2017 submitted to the Head of Muaro Jambi District Environmental Office. The Letter as the basis for the approval process of the Temporary Hazardous Waste Storage Permit Application of PT BGR. 09 / Kep.Ka.BPTSP / VI / 2015 dated June 22, 2015 by *Badan Pelayanan Terpadu Satu Pintu* of Muaro Jambi District.

- The management unit needs to submit documentary evidence of the PT BGR B3 waste temporary Storage License Revocation Application, and the delivery of progress regarding the handling of the license.
- The management unit must demonstrate the mechanism / procedure for the management of chemical packaging containers in the KUD and the procedures for delivery of B3 waste to the core garden produced by the KUD

Based on the above explanation then the NCR No. 2017.06 is stated not fulfilled.

**October 26, 2017**

The management of PT BGR explained that related to hazardous waste generated by KUD Karya Mandiri will be stored in Temporary Hazardous Waste Storage in Ladang Panjang Factory. Temporary Hazardous Waste Storage in Ladang Panjang Factory has a hazardous waste storage license issued by *Badan Pelayanan Terpadu Satu Pintu* of Muaro Jambi District (SK No. 02 / Kep.Ka.BPTSP / VI / 2014, 30 June 2014, valid for 5 years). It is explained in the permit that the permit to store hazardous waste of PT BGR with the scope of oil palm plantation is integrated with its processing into palm oil and palm kernel. Thus hazardous waste from KUD Karya Mandiri can also be stored in Temporary Hazardous Waste Storage of PT BGR, without having to revise the permit.

The management unit shows the SOP of Hazardous Waste Management (No. 49/PLB3/VIII/2017, 01 August 2017) explaining the identification of hazardous waste registration, standardization and processing resulting from activities, products and services in KUD Karya Mandiri. In relation to the procedures for waste management of KUD Karya Mandiri, it is submitted in the procedure that the producer hazardous waste of KUD Karya Mandiri directly transfers the hazardous waste produced to Temporary Hazardous Waste Storage of PT BGR, makes the Form Delivery of Used Goods at the time of delivery, and who is responsible for it Designated Chemical Warehouse Officer. There is a socialization record of hazardous waste management on 30 September 2017 submitted by PSQM Staff and attended by chairman, farmer group, and farmer of KUD Karya Mandiri. However, the management unit has not been



able to show evidence that hazardous waste generated by KUD Karya Mandiri has been stored in Temporary Hazardous Waste Storage in Ladang Panjang Factory as a form of implementation of the procedures that have been made. (Unfulfilled)

**November 10, 2017**

KUD Karya Mandiri management unit shows document of Delivery Memorandum of Goods (No. 01/L.B3/KM.XI/2017, dated 06 November 2017) with details of pesticide container as much as 3.5 kg submitted to Temporary Hazardous Waste Storage in Ladang Panjang Factory. (Fulfilled)

Based on the above explanation then the NCR No. 2017.06 is stated fulfilled.

**Verified by** : **Radytio Puspanjana**

<b>NCR No.</b>	<b>: 2017.15</b>	<b>Issued by</b>	<b>: Radytio Puspanjana</b>
<b>Date Issued</b>	<b>: 2 Juni 2017</b>	<b>Time Limit</b>	<b>: ASA 1.1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 16 Agustus 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 5.3.3. A documented waste management plan to avoid or reduce pollution and its implementation shall be available</b>		

**Non-Conformance Description & Evidence observed (filled by auditor):**

Based on the results of field visits it is known:

- In the field of Ladang Panjang Factory found light bulbs used, former fabrics, contaminated gloves and B3 packaging that are not placed in a licensed area.
- In Division II block B015 there is contaminated packaging placed in unauthorized places.
- In the empty empty carriage station, there is a leach of leachate water coming from an empty empty pile, the leachate water flows into the ground pool, and is located adjacent to the drainage release stream of the factory rainwater.
- Below the empty bare conveyor found empty stacks empty.



Empty bunch under empty bunch conveyor



The pond of leachate water from the empty bunch stacking bin

Company shows:

- a. Evidence of improvement by submitting documentation in the form of photos of LB3 displacements found in unlicensed places to licensed LB3 TPS. However, the company has not been able to show that the LB3 has been recorded as LB3 in accordance with the SOP of LB3 handling no. 7307 / BGR-EHS / 10.
- b. Company conducts evacuation of leachate water by pumping leachate water into IPAL pond. But the company has not been able to show the mechanisms that regulate the flow of leachate water does not come to the environment. This is not yet in line with SOP for Solid Waste Handling (SOP / 027 / PT BGR / 2014), No. Revised RSPO / P & C / PLNB-3

**Root Cause Analysis** *(filled by organization audited):*

- a. There is still a lack of understanding of mill employees about the management of hazardous waste so that hazardous waste is not stored to the existing hazardous waste storage
- b. There is still a lack of understanding of the plantation's employees about the management of hazardous waste so that hazardous waste is not stored to the existing hazardous waste storage
- c. Leachate from empty piles of blanks made temporary shelter pool and then pumped into waste pool which will be sent to Land Application.
- d. A blank stack under an empty bunch conveyor is caused by an empty bunch conveyor failure so that the empty bunch is dropped onto the floor.

**Correction** *(filled by organization audited):*

- a. Moved all hazardous waste contained in the factory station to be stored in the temporary storage place of hazardous waste and recorded into the logbook
- b. Moved packaging of hazardous contaminated to B015 block to temporary storage place of hazardous Ladang Panjang Estate and conducted recording into logbook
- c. Conducted leachate of leachate water in a temporary pond to the waste pool until the volume of the pool is safe from spilling into the environment
- d. Collecting and cleaning all empty blanks scattered on the cement floor under the conveyor is then raised back to the conveyor to be sent to the bare hopper station empty.

**Corrective Action** *(filled by organization audited):*

- a. A memorandum made from the mill manager on the management of hazardous waste is stored in the temporary storage site of hazardous wastes
- b. Be socialized to employees about hazardous waste management
- c. Develop leachate water management procedures and monitor and schedule leachate water pumps to sewerage pools flow to land application
- d. Cleaning up after each station process each shift and as the person in charge is the assistant of each shift.

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**August 16, 2017**

- a. The company conducted a socialization of hazardous waste management for Mill conducted on July 17, 2017 which was attended by Mill managers, Assistant SPO, PSQM, maintenance assistant, assistant process II. The company also conducted a socialization for hazardous waste management related Estate on July 12, 2017 which was attended by senior assistant of division III, PSQM staff, foreman, clerk and POME operator. There is evidence of socialization activities to Mill and Estate workers in the form of official news, attendance list, documentation and socialization materials. The Company shows evidence of hazardous waste management documentation such as:
  - Logbook hazardous waste LPF dated June 29, 2017 with details of used oil 140 liters, 6.5 kg filter used, pesticide packaging 20, 7 kg, 35 kg woven cloth, 5 pcs used lights, 2 pcs second battery.

- Hazardous waste Balance Sheet LPF made by officer on June 30, 2017 with details of oil used 140 liters, filter used 6, 5 kg, pesticide packaging 20, 7 kg, 35 kg pcs, 5 pcs former lights, battery used 2 pcs of hazardous waste total saved 212 kg.
- Hazardous waste Logbook of LPF of May 31, 2017 with details of 16.6 kg contaminated packaging, filter used 21 kg, 1 kg of medical waste and used oil 21 liters.
- Balance of LPE made by officer on 06 June 2017 with details of used 21 liters oil, filter 21 pcs former, contaminated packaging hazardous waste 16, 60 kg and 1 kg of medical waste.

b. The Company demonstrated a temporary leachate treatment procedure in the form of Internal Memo from LPE Estate Manager / Chairman of SOU 22 No. 395/ BGR-INT/ VI/2017 dated June 1, 2017 to all PT BGR staff. The internal memo explains:

- Leachate that has been accommodated in the pond while pumped into the waste pool
- Leachate pumping is done by Land Application officers and managed by estate
- The pumping schedule is carried out in accordance with the full reservoir pool and is monitored by Land Application officers
- If there are obstacles in the management in the management of Leachate to be informed to Senior Assistant Division III and senior assistant LPF.
- The company shows monitoring of high volume condition of shelter pool while leachate containing monitoring of ponds 1, 2, 3, condition, pumping hours, and description of leachate level condition. Based on monitoring data taken every day by Land Application operator, it is known that monitoring result in June 2017 is good shelter pool and average 10 cm high water level.

Based on the explanatory evidence of improvement above the auditor concludes that NCR No. 2017.15 indicator 5.3.3 otherwise fulfilled.

**Verified by** : **Radytio Puspanjana**

<b>NCR No.</b>	<b>: 2017.16</b>	<b>Issued by</b>	<b>: Mohamad Amarullah</b>
<b>Date Issued</b>	<b>: 2 Juni 2017</b>	<b>Time Limit</b>	<b>: Before issue of certificate (max 01 June 2018)</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 02 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 5.6.1. Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available (see Criterion 4.4)</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
KUD Karya Mandiri management Unit were not conducting emission measurements towards activities which produce polutions.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
The Company has not appointed a person in charge who will carry out an emission assessment of all polluting activities.			
<b>Correction</b> <i>(filled by organization audited):</i>			
Implement identification of the types of activities at KUD Karya Mandiri that produce pollution.			

**Corrective Action** (filled by organization audited):

Make a list of emission-producing activities and carry out the assessment and calculation of emissions from the types of activities that have been identified, periodically.

**Assessor Evaluation and Conclusion** (filled by auditor):

**11 August 2017**

Company can show document of result of identification and management of GHG emission source signed by SOU Chairman and Coordinator of Best Practice, with the following description:

Source	Type of Emission	Management	Notes
Land Clearing	CO <sub>2</sub>	Zero burning	Shown through documents related to land clearing process.
Fertilization	CO <sub>2</sub> and NO <sub>2</sub>	1. Reduced urea use. 2. Utilization of solid waste for fertilization (EFB application)	1. Document of organic fertilization. 2. Monitoring EFB applications. 3. Fertilization recommendation. 4. Leaf Sampling Unit.
Use of Fuel for Generator Set	CO <sub>2</sub>	Reduced fuel use	Monitoring fuel use
Transportation	CO <sub>2</sub>	Emission test periodically	Emission vehicle test periodically
FFB Process in Mill	CO <sub>2</sub>	1. Emission test periodically 2. Reduced fuel use	1. Emission test periodically 2. Monitoring shell and fiber for fuel
POME	CH <sub>3</sub>	Methane trap (biogas)	Not implemented yet.

The auditor considers that the results of the identification contained in the table above are the result of the identification and management of GHG emission sources in the own Estate. This will be re-verified to the management unit. Then, based on analysis of evidence of improvement shown, there is no evidence that the identification and management of GHG emission sources have been known and understood by the working side of KUD Karya Mandiri. NCR No. 2017.16 has not been fulfilled.

**02 November 2017**

The management unit stated that the evidence of improvements sent on August 11 2017 was the result of identification for the own Estate. The Company sending back the results of identification and management of sources of GHG emissions from KUD activities, among others as follows:

Source	Type of Emission	Management	Notes
Land Clearing	CO <sub>2</sub>	Zero burning	Shown through documents related to land clearing process.
Fertilization	CO <sub>2</sub> and NO <sub>2</sub>	1. Reduced urea use. 2. Utilization of solid waste for fertilization (EFB application)	1. Document of organic fertilization. 2. Monitoring EFB applications. 3. Fertilization recommendation. 4. Leaf Sampling Unit.

The results of the above identification have been socialized and get approval from the Secretary of KUD, Chairman of KUD and Pjs. Plasma Manager. The management unit states that monitoring activities and recording of emissions-producing activities will be carried out by the KUD Secretary. Based on the root analysis of the problem and corrective action, as well as evidence of the improvements shown, NCR No. 2017.16 has been fulfilled and the consistency of its implementation will be carried out in future Audit activities.

**Verified by** : **Mohamad Amarullah**

<b>NCR No.</b>	: 2017.17	<b>Issued by</b>	: Mohamad Amarullah
<b>Date Issued</b>	: 2 June 2017	<b>Time Limit</b>	: Before issue of certificate (max 01 June 2018)
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 02 November 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.6.2. Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  KUD Karya Mandiri Management Unit has not identified significant GHG emission and pollutant, as well as its mitigation planning.			
<b>Root Cause Analysis (filled by organization audited):</b> Identification of significant GHG emissions and pollutants and their reduction plans have been made but not yet complete and can not be demonstrated when the audit activities are carried out			
<b>Correction (filled by organization audited):</b> A significant identification of GHG emissions and pollutants as well as a complete reduction plan in accordance with existing activities at KUD Karya Mandiri.			
<b>Corrective Action (filled by organization audited):</b> Significant emissions and pollutant identification and reduction plans are documented in KUD Karya Mandiri			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>11 August 2017</b> Company can show document of result of identification and management of GHG emission source signed by SOU Chairman and Coordinator of Best Practice, with the following description:			
Source	Type of Emission	Management	Notes
Land Clearing	CO <sub>2</sub>	Zero burning	Shown through documents related to land clearing process.
Fertilization	CO <sub>2</sub> and NO <sub>2</sub>	3. Reduced urea use. 4. Utilization of solid waste for fertilization (EFB application)	5. Document of organic fertilization. 6. Monitoring EFB applications. 7. Fertilization recommendation. 8. Leaf Sampling Unit.
Use of Fuel for Generator Set	CO <sub>2</sub>	Reduced fuel use	Monitoring fuel use
Transportation	CO <sub>2</sub>	Emission test periodically	Emission vehicle test periodically
FFB Process in Mill	CO <sub>2</sub>	3. Emission test periodically 4. Reduced fuel use	3. Emission test periodically 4. Monitoring shell and fiber for fuel
POME	CH <sub>3</sub>	Methane trap (biogas)	Not implemented yet.
The auditor considers that the results of the identification contained in the table above are the result of the identification and management of GHG emission sources in the own Estate. This will be re-verified to the management unit. Then, based on analysis of evidence of improvement shown, there is no evidence that the identification and management of GHG emission sources have been known and understood by the working side of KUD Karya Mandiri. NCR No. 2017.16 has not been fulfilled.			



**02 November 2017**

The management unit stated that the evidence of improvements sent on August 11 2017 was the result of identification for the own Estate. The Company sending back the results of identification and management of sources of GHG emissions from KUD activities, among others as follows:

Source	Type of Emission	Management	Notes
Land Clearing	CO <sub>2</sub>	Zero burning	Shown through documents related to land clearing process.
Fertilization	CO <sub>2</sub> and NO <sub>2</sub>	1. Reduced urea use. 2. Utilization of solid waste for fertilization (EFB application)	1. Document of organic fertilization. 2. Monitoring EFB applications. 3. Fertilization recommendation. 4. Leaf Sampling Unit.

The results of the above identification have been socialized and get approval from the Secretary of KUD, Chairman of KUD and Pjs. Plasma Manager. The management unit states that monitoring activities and recording of emissions-producing activities will be carried out by the KUD Secretary. Based on the root analysis of the problem and corrective action, as well as evidence of the improvements shown, NCR No. 2017.16 has been fulfilled and the consistency of its implementation will be carried out in future Audit activities.

**Verified by** : **Mohamad Amarullah**

<b>NCR No.</b>	: 2017.18	<b>Issued by</b>	: Mohamad Amarullah	
<b>Date Issued</b>	: 2 June 2017	<b>Time Limit</b>	: ASA 1.1	
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 02 November 2017	
<b>Standard Ref. &amp; Requirement</b> <b>Acuan Standar &amp; Persyaratan</b>	5.6.3. A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>  KUD Karya Mandiri Management Unit was not be able to shows measurement on GHG calculation through the RSPO PalmGHG Calculator Version 3.0.0 and its reporting to RSPO Secretariate.				
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> The management unit has not considered KUD Karya Mandiri in implementing GHG emission calculation				
<b>Correction</b> <i>(filled by organization audited):</i> Carry out calculations using the PalmGHG Version 3.0 Calculator.				
<b>Corrective Action</b> <i>(filled by organization audited):</i> Emissions calculation for KUD Karya Mandiri is done continuously (once a year) simultaneously with the calculation of own estate.				
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> The Company perform of GHG calculations for KUD units with the following recapitulation:				
<b>KUD</b>	<b>Total Emission (tCO<sub>2</sub>e)</b>	<b>tCO<sub>2</sub>e/ha</b>	<b>tCO<sub>2</sub>e/tFFB</b>	<b>Emission Allocated to Mill (tCO<sub>2</sub>e)</b>
Manggar Jaya	1,143.74	0	0.12	1,143.74268



Karya Maju	877.76	0	0.12	877.76438
Marga Jaya	2,739.72	0	0.12	2,739.71984
Karya Mandiri	2,351.74	0	0.12	2,351.73544
Mitra Inti Sumber Makmur	1,752.30	0	0.12	1,752.29942

Based on the presentation of the calculations shown, it is known that the data included in the emissions calculation calculator is only the amount of FFB produced. The company has not been able to calculate, for example, land conversion, fuel consumption, fertilizer use, etc. NCR No. 2017.18 has not been fulfilled.

**02 November 2017**

The Company has performed GHG calculations for KUD units, which are categorized as 3rd party. The data used in the calculation of PalmGHG Calculator V.3.0.1 is FFB data and uses the ISCC default value data emissions. Based on the root description of the problem and corrective action, as well as evidence of the improvements shown, NCR No. 2017.18 has been fulfilled and the consistency of its implementation will be carried out in future Audit activities.

**Verified by** : **Mohamad Amarullah**

<b>NCR No.</b>	<b>: 2017.19</b>	<b>Issued by</b>	<b>: Naila Karima</b>
<b>Date Issued</b>	<b>: 02 June 2017</b>	<b>Time Limit</b>	<b>: Before issue of certificate (max 01 June 2018)</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 30 August 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 6.5.1. Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.</b>		

**Non-Conformance Description & Evidence observed (filled by auditor):**

The result of the document review of Work Contract Agreement (Local) No. POM/LPF/SPK-LKL/KTK/V/2017/010 article 2 states that the excess of working hours/work outside working hours with the approval of the management of PT BGR - Ladang Panjang Factory is recognized as overtime with hourly payment of one (1) The working day is divided into seven (7), starting from the first hour of overtime until then multiplied by one (1) time wage. Furthermore, based on review the recording wage on April 2017 for contract workers of Ladang Panjang Factory, the calculation of overtime pay refers to the provisions as described in the Work Contract Agreement (Local). So based on the above explanation, the provision of overtime wages set by the company for contract workers has not been in accordance with Kepmenaker No.102 of 2004 as described in Articles 8 and 11.

**Root Cause Analysis (filled by organization audited):**

Officer responsible for making work agreement and determination of overtime calculation that is Administration Staff and HRM in accordance with Procedure Issuing Letter of Agreement (Policy No. 321/LGL-PSP/07). However, the Administration and HRM staff have not understood the calculation of overtime specific to contract workers.

**Correction (filled by organization audited):**

- Adjusted overtime calculation in accordance with Kepmenaker. 102 of 2004 on wages in May 2017.
- Attach the actual details of working hours and excess work hours in May and June 2017

**Corrective Action (filled by organization audited):**

All contract workers' overtime wages adjusted to Kepmenaker No. 102 of 2004 from May 2017 to the next.

The findings audit of overtime pay of contract workers have been submitted to GCAD (Group Corporate Assurance

Departement / Audit) departments to be verified every 6 months to avoid recurrence

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**August 11, 2017**

- The Company represents Contract of Work (Local) No. Contract POM/LPF/SPK-LKL/KTK/V/2017/014 dated 01 May 2017 on behalf of M. Bastomi (Compound) Article 2 point 5 stated that excess working hours / work outside working hours in accordance with point 1 with the approval of the leadership of PT Bahari Gembira Ria - LPF is recognized as overtime hours with hourly payment (Rp 2,063,948 / 173 = Rp 11,930) based on Kepmenaker No. 102 of 2004 Article X
- The company shows Payroll's list of May 2017 on behalf of M. Bastomi (Compound) 24 Working Day and overtime 134 hours with wages of IDR 3,580,012 and BPJS Health IDR 20,639 pieces of Jamsostek IDR 61,198 so that the wage received is IDR 3,497,455

Required responses to the questions below relate to evidence of corrective action being submitted.

- The results of a payroll study in May 2017 of contract workers indicate that there are workers with 27 working days, 28 working days and 30 working days, no overtime. As explained in the Work Contract Agreement that the working day is Monday until Saturday (7 hours a day / 40 hours a week) and holidays on the day of week / holiday. Based on the above, please clarify this matter, what is the wage provision for working 27, 28 and 30 working day? Does not apply the provision of overtime pay?
- Please submit actual details of working hours and excess hours of work eg on behalf of M. Bastomi to ensure the calculation is in conformity with Kepmenaker. 102 of 2004 Article 11

**August 28, 2017**

For the calculation of overtime according to Salary List starting from the name of Zhariyana (Office Girl) up to Azwar Anas (Compound) has been in accordance with Kepmenaker. 102 of 2004 and Contract of Work Agreement. Nevertheless in the name of Eva Susi, Syafrida, Nurwani, Musrifah, Eka Aprilia, Yuliana Albar, Ernawati contract status work 27, 28 and 30 working day. This means that there is work on Sundays but no overtime wages, so based on it is not in accordance with Kepmenaker. 102 of 2004 Article 11 point b and Contract of Work Agreement made by the company with renewal per month of May 2017.

**August 30, 2017**

Company shows:

- A list of salaries for June 2017 and a reward for payment of workers' wage in the name of Eva Susi, Syafrida, Nurwani, Musrifah, Eka Aprilia, Yuliana Albar, Ernawati. The result of salary review is known that the provision of overtime wages applied by the management unit has been in accordance with Kepmenaker. 102 of 2004 and Contract of Work Agreement.
- List of workday details (actual and working hours) of contract workers in May and June 2017

Based on the above explanation then the NCR No.2017.04 stated fulfilled.

**Verified by** : **Naila Karima**

<b>NCR No.</b>	<b>: 2017.20</b>	<b>Issued by</b>	<b>: Naila Karima</b>
<b>Date Issued</b>	<b>: 02 June 2017</b>	<b>Time Limit</b>	<b>: Before issue of certificate (max 01 June 2018)</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 28 August 2017</b>

<b>Standard Ref. &amp; Requirement</b>	<b>6.5.2. Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</b>
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  Work Contract Agreement (Local) No. POM/LPF/SPK-LKL/KTK/V/2017/010 article 4, stated that The Social Insurance Workers ( <i>Jamsostek</i> ) Pension Plan ( <i>JHT</i> ) 5.7% contribution is fully borne by workers. Based on the above, the employment agreement between the company and the worker is known not in accordance with the PP No. 46 of 2015 Chapter III of Article 16 stating that the Pension Plan ( <i>JHT</i> ) contribution of 2% shall be borne by the worker and 3.7% shall be borne by the company.	
<b>Root Cause Analysis (filled by organization audited):</b> Officers responsible for making employment agreement that is Administration Staff and HRM in accordance with Procedure Issuing Letter of Agreement (Policy No. 321/LGL-PSP/07). However, the Administration and HRM staff have not understood the regulations related to <i>Jamsostek</i> and <i>BPJS</i> Health for contract workers.	
<b>Correction (filled by organization audited):</b> Adjustment <i>Jamsostek</i> and <i>BPJS</i> Health to contract workers with PP no. 46 of 2015 on the Implementation of the <i>Jaminan Hari Tua</i> program on May 2017 wages.	
<b>Corrective Action (filled by organization audited):</b> Adjustment <i>Jamsostek</i> and <i>BPJS</i> Health to contract workers with PP no. 46 year 2015 on the Implementation of <i>Jaminan Hari Tua</i> program in May 2017 until next wage. If there is an addition of new contract employees, it will be ascertained that the completeness of the document is as a requirement of <i>BPJS</i> Health registration.	
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>11 and 28 August 2017</b> <ul style="list-style-type: none"> <li>The Company represents Contract of Work (Local) No. Contract. POM/LPF/SPK-LKL/KTK/V/2017/014 dated 01 May 2017 on behalf of M. Bastomi (Compound). Article 4 states that: <ol style="list-style-type: none"> <li><i>Jamsostek</i> contribution 2% <i>JHT</i> borne by the second party and borne by the first party 3.7%</li> <li><i>Jamsostek</i> contribution 0.89% <i>JKK</i> and 0.3% <i>JKM</i> borne by the first party of 1.19%</li> <li><i>Jamsostek</i> contribution <i>JP</i> 1% borne by the second party and borne by the first party of 2%</li> <li><i>BPJS</i> Health contribution underwritten second party 1% and borne by the first party by 4%</li> </ol> </li> <li>Company shows Payroll and Social Security Employee Contracts in May 2017 for example on behalf of M. Bastomi (Compound) there is information <i>BPJS</i> Health borne by employees of Rp. 20,639 (1%), <i>BPJS</i> Health is borne by the company of IDR 82,558 (4%), <i>Jamsostek</i> covered by employees amounting to IDR 61,918 (3%) and <i>Jamsostek</i> covered by the company of IDR 142,206 (6.89%)</li> </ul> Based on the review of document of evidence of improvement submitted by the management unit, the NCR No. 2017.05 otherwise fulfilled.	
<b>Verified by</b>	<b>Naila Karima</b>

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

<b>NCR No.</b>	<b>:</b>	<b>2018.01</b>	<b>Issued by</b>	<b>:</b>	<b>Dwi Haryati</b>
<b>Date Issued</b>	<b>:</b>	<b>28 September 2018</b>	<b>Time Limit</b>	<b>:</b>	<b>27 December 2018</b>
<b>NC Grade</b>	<b>:</b>	<b>Major</b>	<b>Date of Closing</b>	<b>:</b>	<b>24 October 2018</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>3.1.1</b> <b>A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.</b>			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>  PT BGR has not been able to show long-term work plan documents (3 years) for estate and mill that contain price estimates and financial indicators (estimated profits).					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> The lack of attention from the Team to be able to monitor and follow up immediately with regard to long-term plans in Jakarta					
<b>Correction</b> <i>(filled by organization audited):</i> The document of long-term plan has been sent on October 4 and has been informed to the Auditor.					
<b>Corrective Action</b> <i>(filled by organization audited):</i> HO will periodically monitor and follow-up and coordinate with the unit to prepare a long-term work plan document for each unit before the audit is carried out.					
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>24 October 2018</b> PT BGR shows the PT BGR Business Plan Data period 2018-2023 which includes the budget: the use of seeds, FFB production, OER, CPO production prices, CPO prices in the market, income, replanting programs, CPO, KER, kernel prices and kernel production.  Based on these explanations, this non-conformity is stated to be closed.					
<b>Verified by</b>	<b>:</b>	<b>Dwi Haryati</b>			

<b>NCR No.</b>	<b>: 2018.02</b>	<b>Issued by</b>	<b>: Dwi Haryati</b>
<b>Date Issued</b>	<b>: 28 September 2018</b>	<b>Time Limit</b>	<b>: 27 December 2018</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 04 December 2018</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.3</b> <b>Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard</b>		

	<b>identification and risk analysis shall be available to all workers.</b>
<p><b>Evidence observed</b> (filled by auditor):</p> <p>Based on field observations and interviews with workers in Factory and Estates, it is known:</p> <ol style="list-style-type: none"> <li><i>Emdek</i> Tractor Operators do not have OHS licenses of heavy equipment in accordance with Regulation of Labour Ministry No. 09 of 2010</li> <li>The engine room operator does not yet have an OHS License of power and production equipment in accordance with Regulation of Labour Ministry No. 38 of 2016</li> <li>The OHS license of the boiler operator has expired on November 25, 2010</li> </ol> <p>Regarding the above, the company shows the following documentation:</p> <ul style="list-style-type: none"> <li>Letter No. 121 / BGR-UM / X / 2018 dated 25 September 2018 from the Estate Manager addressed to the HRM Department regarding the application for Operator License for <i>Emdek</i> Tractor Operators</li> <li>Letter No. 059 / BGR-LPF / Intern-AC / IX / 2018 dated September 26, 2018 from Factory Manager of Ladang Panjang addressed to the Jakarta PSQM Dept. regarding approval for the extension of the validity period of the Boiler Operator License.</li> </ul> <p><b>Non-Conformance Description</b> (filled by auditor):</p> <p>However, still need more evidence of follow-up to the realization of training to ensure operators have the competence in accordance with the type of work and fulfillment of applicable regulations.</p>	
<p><b>Root Cause Analysis</b> (filled by organization audited):</p> <ol style="list-style-type: none"> <li>The Tractor <i>Emdek</i> operator does not yet have a OHS license in accordance with Permenakertrans No. 09 of 2010 because operators are still in the probation period and if they are considered capable and capable of carrying <i>Emdek</i> tractors, they will be proposed for OHS Tractor operator competency training to the HRM Dept.</li> <li>Engine room operators do not have a OHS license in accordance with Permenaker No. 38 of 2016 because the current operator is replacing the previous operator that transferred to another station.</li> <li>There are 2 Boiler Operators, on behalf Andreass Efendy have OHS license active period is February 13, 2020 and the on behalf Achmad Maryandi OHS license has been expired on November 25, 2010 and has not been extended because there are boiler operators others are OHS licensed and are still active, and at this time an extension proposal is being carried out considering the production process in the mill applies 2 shifts.</li> </ol>	
<p><b>Correction</b> (filled by organization audited):</p> <p>Conducted competency training for Tractor operators, operator for power and production equipment, and extension of boiler operator licenses to PT. Arpindo Pratama (PJK3), attachment:</p> <ol style="list-style-type: none"> <li>Registered to <i>PJK3</i> (PT Arpindo Pratama) to be included in Tractor Operator competency training on 27 November 2018.</li> <li>Registered to <i>PJK3</i> (PT Arpindo Pratama) to be included in the OHS licensed power and production equipment training on November 27, 2018</li> <li>Registered to <i>PJK3</i> (PT Arpindo Pratama) to carry out an extension of the SIO Boiler Operator which has expired.</li> </ol>	
<p><b>Corrective Action</b> (filled by organization audited):</p> <p>Head of Administration or Section Head makes monitoring of the validity period related to OHS licenses in each unit of operation and the extension is carried out in accordance with applicable regulations</p>	
<p><b>Assessor Evaluation and Conclusion</b> (filled by auditor):</p> <p>04 December 2018</p> <p>The company shows the following documents:</p> <ol style="list-style-type: none"> <li>Letter No. 794/SK/AP/XI/2018 dated November 15, 2018 issued by PT Arpindo Pratama (<i>PJK3</i>) concerning a letter of registration for the training of OHS Tractor Operators on behalf of Karimullah Erwin.</li> </ol>	

- b. Letter No. 833/SK/AP/XI/2018 dated November 27, 2018 issued by PT Arpindo Pratama (PJK3) regarding the letter of registration for training of OHS licensed power and production equipment in the name of Yusri Ardiansyah and on behalf of Muhammad Yusuf.
- c. Letter No. 847/AP/K3/XII/2018 dated December 3, 2018 issued by PT Arpindo Pratama (PJK3) regarding the letter of extension OHS license for boiler operator (class 1) on behalf of Achmad Maryadi.

Based on information from the management of the tractor operator training and start-up operators, it will be held in December 2018.

Based on the explanation above, the nonconformity are fulfilled by observation, will be verified again on the next surveillance to ensure the training is carried out on schedule.

**Verified by** : **Dwi Haryati**

<b>NCR No.</b>	<b>2018.03</b>	<b>Issued by</b>	<b>Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	<b>28 September 2018</b>	<b>Time Limit</b>	<b>ASA 1.2</b>
<b>NC Grade</b>	<b>Minor</b>	<b>Date of Closing</b>	
<b>Standard Ref. &amp; Requirement</b>	<b>6.1.4</b> <b>The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.</b>		
<b>Evidence observed &amp; Non-Conformance Description</b> (filled by auditor):  CH has a social impact management plan for each village around on May 8, 2015. The social impact management plan has been through participation by affected parties. This was evidenced by the 2015 Social Impact Assessment Questionnaire along with examples of implementation. However, there is not enough evidence that the plan has been reviewed every 2 years involving the participation of all affected parties.			
<b>Root Cause Analysis</b> (filled by organization audited):  The social impact management plan should be reviewed in May 2017 to be implemented in 2018, but it cannot be implemented because in that month until September 2017 the PIC Social Team Coordinator (Alimunar Lubis - Acting Manager of Air Merah Plasma) and other social teams conducted socialization Permentan No. 14 of 2013 concerning Guidelines for determining the purchase price of fresh fruit bunches produced by planters to smallholders farmers PT. Bahari Gembira Ria, so the social impact management plan for the implementation of 2018 is still referring to the previous year.			
<b>Correction</b> (filled by organization audited):  			
<b>Corrective Action</b> (filled by organization audited):  			
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):  			



<b>Verified by</b>	:	
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<b>NCR No.</b>	:	<b>2018.04</b>	<b>Issued by</b>	:	<b>Rizliani Aprianita Hsb</b>
<b>Date Issued</b> <b>Tanggal diterbitkan</b>	:	<b>28 September 2018</b>	<b>Time Limit</b>	:	<b>ASA 1.2</b>
<b>NC Grade</b>	:	<b>Minor</b>	<b>Date of Closing</b>	:	<b>13 November 2018</b>
<b>Standard Ref. &amp; Requirement</b>	:	<b>6.11.1</b> <b>Records of contributions to local development based on the results of consultation with local communities shall be available.</b>			
<b>Evidence observed</b> (filled by auditor): The management unit has compiled the CSR Program period 2017/2018 consist of the scope of education, community empowerment, environment, sports, social and culture, maintenance road and religious aspect.  As a guideline for the implementation of Social and Environmental Responsibility in all business units, it is regulated in the Corporate Social Responsibility Procedure (No. Policy 360/TJSL-CSR/COM, Rev 00, the effective date November 9, 2015). In the procedure explained that the CSR Implementing Forum conducts regular meetings at least every two months with stakeholders in the business unit to discuss, deliberate to get input and improve social relations, as well as discussion forums no later than six months before the preparation of the annual CSR budget.  In addition, has shown Memorandum No. M-056/HPUI/XI/2015 dated November 4, 2015 from Head Plantation Upstream Indonesia regarding the Implementation of Corporate Social & Responsibility (SOP) Procedures					
<b>Non-Conformance Description</b> (filled by auditor): Referring to the explanation above, the management unit has not been able to show evidence that the CSR program prepared has gone through a discussion forum process in accordance with the established SOP.					
<b>Root Cause Analysis</b> (filled by organization audited): Retardation in the discussion forum was due to the mutation of the PIC Coordinator of the Social Team of PT. BGR					
<b>Correction</b> (filled by organization audited): The company shown evidence of a discussion forum for CSR officers with representatives of the local community and the surrounding community of the company which was updated on October 16, 2018 by presenting the previous program and discussing input from several villages around (the attached meeting document).					
<b>Corrective Action</b> (filled by organization audited): Each preparation of a CSR program is adapted to the SOP, namely a 6-month discussion forum is held before the annual CSR budget preparation and its implementation is under the coordinator of the social team of the SPO committee of PT. BGR. Those who are responsible for carrying out the operational discussion forum are the coordinator of the social team under the leadership of the Chaiman SOU and currently appointed by Mr. Naswir (Sr. Assistant). The PIC for Coordinator Social Team has done well and in the decree also stated that all social activities should be guided by procedures that apply in the company.					
<b>Assessor Evaluation and Conclusion</b> (filled by auditor): <b>Verification on October 29, 2018</b> The company shows Minutes of Meeting of Village Community Leaders around PT BGR on October 16, 2018 which was attended by PT BGR staff and representatives of the Peatling Jaya Village, Tri Mulya Jaya and Ladang Panjang Villages. In the minutes the proposals from the community were related to CSR programs, for example related to road maintenance, cleanliness and environmental health, and other religious activities. Community proposals as identification in the preparation and determination of CSR programs by the company.					

**Verification on November 13, 2018**

The company shows PT BGR Social Team Coordinator's Appointment Letter on September 2, 2018 by the Chairman of SOU PT BGR and PIC on behalf of Mr. Naswir.

Based on these explanations, this non-conformity is stated to be closed.

**Verified by** : **Rizliani Aprianita Hsb**

<b>NCR No.</b>	<b>2018.05</b>	<b>Issued by</b>	<b>Muhammad Rinaldi</b>
<b>Date Issued</b>	<b>28 September 2018</b>	<b>Time Limit</b>	<b>27 December 2018</b>
<b>NC Grade</b>	<b>Major</b>	<b>Date of Closing</b>	<b>08 November 2018</b>
<b>Standard Ref. &amp; Requirement</b>	<b>General COC 5.7.2</b> The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"><li>Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li><li>Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li><li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li><li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li></ul>		
<b>Evidence observed</b> (filled by auditor): Based on the Balance Sheet and Transaction Report documents on Palmtrace, it is known that there are differences in registration data on the sale of certified products sold conventionally. For the period October 2017 - September 24 2018, the palmtrace data contains only 5,000 tons of CPO registration of Book & Claim (credit allocation), while in the Balance Sheet data there are 6,426.36 tons of conventional CPO certified sales and 1,501.66 tons of conventional PK. This shows that not all certified products are registered (Remove / Book & Claim) on palmtrace.			
<b>Non-Conformance Description</b> (filled by auditor):  This shows that not all certified products are registered (Remove / Book & Claim) on palmtrace			
<b>Root Cause Analysis</b> (filled by organization audited): For conventional sales registration, the PIC Palm Trace only knows the information at the time of the audit that conventional sales must be re-registered by removing the stock at the Palm Trace			
<b>Correction</b> (filled by organization audited): <ul style="list-style-type: none"><li>Request evidence / registration data (Remove / Book &amp; Claim) on the palm trace to the Marketing Department Head Office (Jakarta)</li><li>Socialization to PICs who register palmtrace (Marketing Department)</li></ul>			
<b>Corrective Action</b> (filled by organization audited): Section Head on Mill increased coordination with marketing Head Office (Jakarta) related to palm product (CPO and			

PK) sales documents. Coordination, the Mill sends stock data to the Marketing Team as a basis for selling both those that are Certified and Non Certified Sales

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**Verification on November 8, 2018**

The company shows proof of registration of conventional CPO and PK sales with details, including:

- Remove stock CPO on October 17, 2018 as many as 6,426.36 tons (there is include 5,000 ton from credit allocation)
- Remove stock PK on October 17, 2018 as many as 1,501.66 tons

In addition, there have been socialization related to the procedure on October 3, 2018 to six (6) staff including four (4) workers from the Marketing Department by the Head of PSQM.

Based on these explanations, this non-conformity is stated to be closed.

<b>Verified by</b>	<b>:</b>	<b>Muhammad Rinaldi</b>
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**3.5.3. Opportunity for Improvement**

No	Ref. Std.	Description
1	1.1.2	The period of time to respond the information request refers to the SOP that is set
2	2.2.2	The company is encouraged to ensure and consult with the BPN related to the boundary point of the border mark ( <b>Observation</b> )
3	5.3.3	Ensure the management of leachate waste drainage in factory ( <b>Observation</b> )
4	6.10	Evaluation of "BPJS Ketenagakerjaan" for contractor workers
5	7.3.1	Ensure the progress of LUCA
6	COC 5.13	Encouraged to involve all relevant personnel in SCCS to participate in Management Review activities

**3.5.4. Noteworthy Positive Components**

No	Description Deskripsi
1	Good cooperation and competent team
2	Has obtained PROPER with a rating of "BLUE" for period of 2016-2017
3	Can maintain RSPO and ISPO certificates



**3.6 Summary of Arising Issues from Public and Auditor Verification**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Trimulya Jaya Village (Community Leaders and Plasma Farmers)</b> <ul style="list-style-type: none"> <li>There is assistance in the form of road maintenance, assistance on religious feast day</li> <li>All plasma areas have been realized and FFB payments are going well</li> <li>There is no environmental pollution including land fire</li> <li>Has known the protected area in the form of river border</li> <li>There are no mines in the company area</li> <li>There are no land disputes</li> </ul>	<p>This is in accordance with the criteria 2.2, 2.3, 5.1, 5.2, 6.10, 6.11</p>
<b>Ladang Panjang Village (Village Apparatus and Community Leader / previous land owner)</b> <ul style="list-style-type: none"> <li>Company area is a community area that has been compensated by negotiation</li> <li>There is assistance in the form of road maintenance, assistance on religious feast day</li> <li>There is no environmental pollution including land fire</li> <li>Has known the protected area in the form of river border</li> <li>There are no mines in the company area</li> <li>There are no land disputes</li> </ul>	<p>This is in accordance with the criteria 2.2, 2.3, 5.1, 5.2, 6.10, 6.11</p>
<b>Environmental Agency</b> <ul style="list-style-type: none"> <li>The company has an environmental permit</li> <li>The company has land applications permit which are still valid.</li> <li>Hazardous waste permit is still valid.</li> <li>The Company regularly reports mandatory reporting such as hazardous waste report and report of Environmental Management Plan – Environmental Monitoring Plan.</li> <li>Company always consult with environmental agency related environmental management.</li> <li>There are no issues about environmental pollution or fire at PT BGR</li> </ul>	<ul style="list-style-type: none"> <li>It has verified by auditor team, the company has reporting mandatory report such as RKL/RPL report every semester.</li> <li>Implementation of environmental management and monitoring has been explained in criteria 5.1.2 and 5.1.3.</li> </ul>
<b>Plantation Agency</b> <ul style="list-style-type: none"> <li>The company already has the documents of land rights in the form of concession and permits for business activities</li> <li>The company has reported its business activities to the plantation agency every semester</li> <li>There are no negative issues such as fires.</li> <li>There is no area expansion in PT BGR.</li> <li>There is no environmental issues related to company's operational.</li> <li>There are no environmental issues or business disruptions related to company operations.</li> <li>The company has adequate facilities and infrastructure of fire.</li> </ul>	<ul style="list-style-type: none"> <li>The company has had all plantation permit and has been complied all obligation reports.</li> <li>Implementation of environmental management and monitoring has been explained in criteria 5.1.2 and 5.1.3.</li> <li>Based on hydrant simulation, known that company has adequate facilities and infrastructure of fire and functioning properly.</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Manpower Agency</b> <ul style="list-style-type: none"> <li>All of Manpower monitoring has conducted by manpower agency of Jambi Province.</li> <li>There are no issues related to industrial relations during last year.</li> <li>The company has reported WLTk report.</li> <li>The applicable minimum wage is the Provincial Minimum Wage in 2018.</li> <li>All the workers have been included in BPJS employment dan health.</li> <li>There is no work accident information that is severe or fatal in the past 1 year.</li> <li>Contract worker has been registered in the Manpower Agency of Muaro Jambi District.</li> </ul>	<ul style="list-style-type: none"> <li>All obligation report by company has been verified by auditor team</li> <li>Auditor has verified related to employment and has been described in the criteria 6.5</li> </ul>
<b>Gender Committee</b> <ul style="list-style-type: none"> <li>PT BGR has a gender committee structure and each division of estate has a representative for employee complaints if there is violation case of women's rights</li> <li>In period 2017/2018 there are no complaints related to violations of women's rights or violence against women in the workplace.</li> <li>Socialization of prevention policies of sexual harassment and protection of women's rights has been submitted to all workers and guarantee of protection for the complainant or victim and witness.</li> <li>There is no reporting of discrimination especially on women workers conducted by the company. The company has provided opportunities and opportunities to work without discriminating gender.</li> <li>PT BGR has granted the rights of women such as the right to maternity leave and menstruation leave</li> </ul>	PT BGR has committed to guarantee the rights of women, for example, the company has granted maternity leave and menstruation. Based on interviews with workers known that there are never happened of violence against women in workplace (see C6.8 and C6.9)
<b>Worker Union (PUK F.SPPP-SPSI PT BGR)</b> Public consultation through interviews with head of worker union submitted that: <ul style="list-style-type: none"> <li>PT BGR has granted the freedom of association and no intimidation by the company against union officers.</li> <li>Meeting with management internally and done and the results of the meeting are documented in the form of news events.</li> <li>Communication between the union and the company have been good, if there is a complaint or a request for information from the union then the company has responded well and quickly.</li> <li>Determination of minimum wage provisions of 2018.</li> <li>All employees have enrolled in the program the social insurance (BPJS Ketenagakerjaan and BPJS Kesehatan).</li> <li>Period 2018 there are no reports related to worker</li> </ul>	The Company has implemented a policy of freedom of association as described in indicators 5.4.1 to 5.4.3



Public Issues (Institution/ NGO/Community)	Auditor Verification
discrimination or violations of labor regulations.	
<b>KUD Karya Mandiri (officials &amp; member)</b> <ul style="list-style-type: none"> <li>• The price of FFB is stipulated by the Jambi Provincial Plantation Office, with a one-week period. Latest TBS price announced at KUD office.</li> <li>• KUD members' wages are determined based on the decision of the Annual Members Meeting (RAT)</li> <li>• For harvest and maintenance work is done by the farmers themselves, but some are done by others who are not land owners. The wage provisions are paid based on agreement between the landowner and the worker.</li> <li>• Training related to plantation management has been submitted by the company.</li> <li>• Socialization related to policies such as prohibition of employing children under the age of 18, freedom of association, anti-discrimination, prevention of sexual harassment and protection of women workers, respect for human rights, code of conduct, OHS, prohibition of opening and cultivating land by burning, animal and area protection conservation, and complaint grievance mechanisms have been submitted to farmers.</li> </ul>	The company has participated in improving the welfare of the community surrounding the operational area through purchase agreement FFB produced from farmers.
<b>Local Contractor (CPO Transport)</b> <ul style="list-style-type: none"> <li>• Company had socialized policies such as corporate codes and minimum age requirement for workers.</li> <li>• Contractor's workers has given PPE by the contractors and company.</li> <li>• Insurance for contractor's workers has been covered on <i>BPJS Ketenagakerjaan</i> and <i>BPJS Kesehatan</i>.</li> <li>• The entire execution of the work and payment in accordance with the applicable agreement.</li> <li>• There is no complaint from contractor.</li> </ul>	Based on document verification, show that the rights and obligation of each party has been set in the contract.

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Bahari Gembira Ria Management Representative</p>  <p><b><u>Mohamad Pirabaharan</u></b> Wednesday, 05 December 2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Muhammad Rinaldi</u></b> Wednesday, 05 December 2018</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Timulya Jaya Village	Muaro Jambi District	-	Interview	24 September 2018	√	
2	Ladang Panjang Village	Muaro Jambi District	-	Interview	24 September 2018	√	
3	Enviroment Agency	Muaro Jambi District	-	Interview	24 September 2018	√	
4	Plantation Agency	Muaro Jambi District	-	Interview	24 September 2018	√	
5	Labour Agency	Muaro Jambi District	-	Interview	24 September 2018	√	
6	National Land Agency	Muaro Jambi District	-	-	24 September 2018		√
7	KUD Karya Mandiri (official, group farmers, and member)	Muaro Jambi District		Interview	24 September 2018	√	
8	Local Contractor (CPO Transport)	Muaro Jambi District		Interview	25 September 2018	√	
9	Worker Union PT Bahari Gembira Ria	PT Bahari Gembira Ria		Interview	24 September 2018	√	
10	Gender Committee PT Bahari Gembira Ria	PT Bahari Gembira Ria		Interview	24 September 2018	√	
11	Ladang Panjang Estate Division 3 - 1 operator LA - 1 EFB worker - 7 harvesting worker - 3 transport FFB worker - 4 worker of mechanical manuring - 1 nursery foreman - 1 worker at daycare - 2 warehouse officer - 2 worker of workshop - 2 paramedic -	PT BGR	-	Interview	25-27 September 2018	√	
12	Ladang Panjang Factory	PT BGR	-	Interview	25-27	√	

	<ul style="list-style-type: none"> <li>- 1 weighbridge operator</li> <li>- 2 security</li> <li>- 1 logistic worker</li> <li>- 2 operator of kernel station</li> <li>- 1 operator of machine room</li> <li>- 1 operator of boiler</li> <li>- 1 operator WTP</li> <li>- 1 worker at solid waste area</li> <li>- 1 krani warehouse</li> <li>- 2 worker at workshop</li> <li>- 1 worker at hazardous waste</li> </ul>				September 2018		
13	Wahana Lingkungan Hidup Indonesia	Indonesia	<a href="mailto:informasi@walhi.co.id">informasi@walhi.co.id</a>	Email	19 September 2018		√
14	Aliansi Masyarakat Adat Nusantara	Indonesia	<a href="mailto:Rumahaman@cbn.net.id">Rumahaman@cbn.net.id</a>	Email	19 September 2018		√
15	Sawit Watch	Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Email	19 September 2018		√
16	International animal rescue	Indonesia	<a href="mailto:informasi@internationalanimalrescue.org">informasi@internationalanimalrescue.org</a>	Email	19 September 2018		√

**Appendix 2. Assessment Program**

DATE	24 to 28 September 2018	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 24 September 2018</b>		
06.00 – 07.10	Jakarta – Jambi	<b>All Team</b>
07.30 – 14.00	Public Consultation with Agency in Muaro Jambi Regency	<b>RAH/DWH</b>
07.30 – 08.30	Jambi – PT BGR	<b>MRD</b>
09.00 – 10.00	Opening Meeting	<b>MRD</b>
10.00 – 12.00	Public Consultation with plasma officer & farmer, Worker Union and Gender Committee	<b>MRD</b>
12.00 – 13.00	Break	<b>All Team</b>
13.00 – 16.00	Verification of previous NCR, Time Bound Plan, Partial certification and Basic Info	<b>MRD</b>
<b>Tuesday, 25 September 2018</b>		
08.00 – 12.00	Field observation to <b>Division 3</b> : <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Fragile Soil Management, OHS implementation and Worker Welfare (payments, complaint mechanism)</li> <li>Legal operational</li> <li>High Conservation Value Area, Empty Fruit Bunch Application</li> <li>Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.</li> </ul>	<b>All team</b>
12.00 – 13.00	<b>Break</b>	<b>All team</b>
13.00 – 16.00	<ul style="list-style-type: none"> <li>Continue Field Observation and field observation clarification</li> <li>Verification of field visit and completing checklist</li> </ul>	<b>All team</b>
<b>Wednesday, 26 September 2018</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>Public Consultation with community Ladang Panjang and Trimulya Jaya Village</li> <li>Public consultation with CPO &amp; PK transporter (contractor)</li> </ul>	<b>All team</b>
12.00 – 13.00	<b>Break</b>	<b>All team</b>
13.00 – 16.00	<b>Field observation to Ladang Panjang POM :</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge,)</li> <li>FFB Sorting, Processing Activity, Despatch CPO</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond, Land Application)</li> <li>Continue Field Observation and field observation clarification</li> <li>Verification of field visit and completing checklist</li> </ul>	<b>All team</b>

DATE	24 to 28 September 2018	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Thursday, 27 September 2018</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>Continue Field Observation and field observation clarification</li> <li>Verification of field visit and completing checklist</li> </ul>	<b>All team</b>
12.00 – 15.00	<b>Break</b>	<b>All team</b>
15.00 – 17.00	<ul style="list-style-type: none"> <li>Continue Field Observation and field observation clarification</li> <li>Verification of field visit and completing checklist</li> </ul>	<b>All team</b>
<b>Friday, 28 September 2018</b>		
07.00 – 08.00	Closing Meeting Preparation	<b>All team</b>
08.00 – 10.00	Closing Meeting	
13.00 - .....	Jambi – Jakarta	