

Roundtable on Sustainable Palm Oil Certification R S P O

[✓] Surveillance

Name of Management : Ladang Panjang Factory – PT Bahari Gembira Ria subsidiary of Sime Darby
 Organisation : 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 2019
 Date of Certificate Expiry : 08 July 2022 Date of License Expiry : 08 July 2020

| Assessment | Assessment Date | PT. Mutuagung Lestari Auditor | Reviewed by | Approved by |
|------------|---------------------|---|---------------------|-------------|
| ASA-1.2 | 22 to 25 April 2019 | Muhammad Rinaldi (Lead Auditor Witnessing), Rizliani Aprianita Hsb (Lead Auditor Witnessed), Bayu Yogatama, Afiffuddin, Briyogi Shadiwa | Octo HPN Nainggolan | Ardiansyah |

| Assessment | Approved by MUTUAGUNG LESTARI on: |
|------------|-----------------------------------|
| ASA-1.2 | 03 July 2019 |

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 on March 12th, 2014 with registration number **ASI-ACC-055**

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Figure 1. Location Map of PT Bahari Gembira Ria

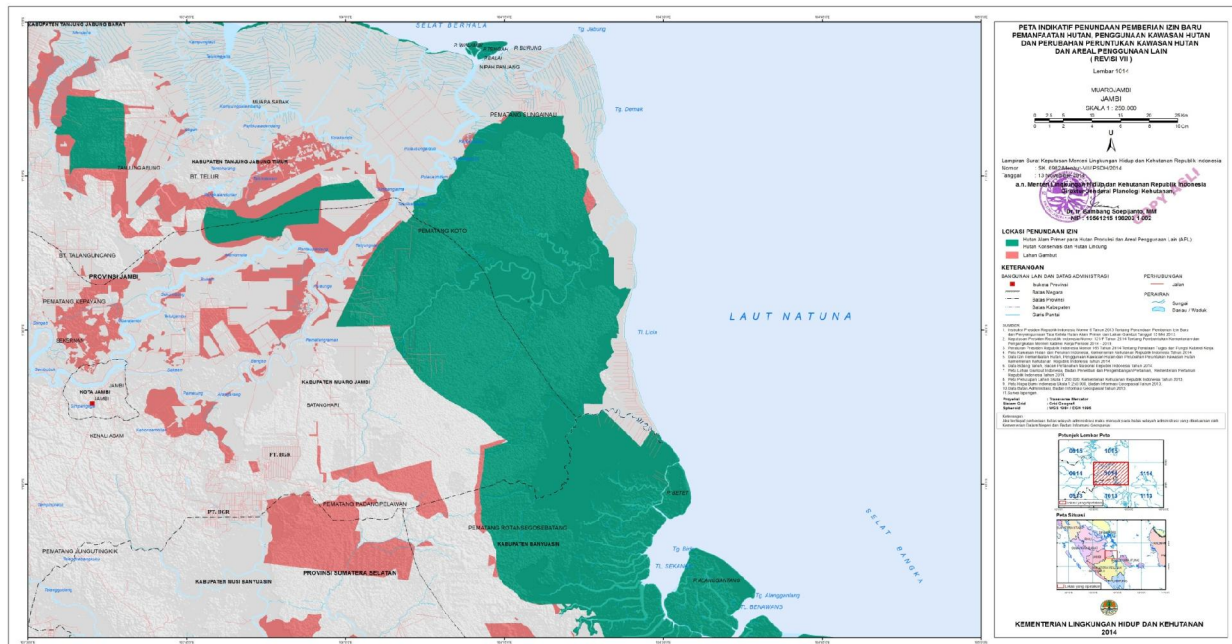
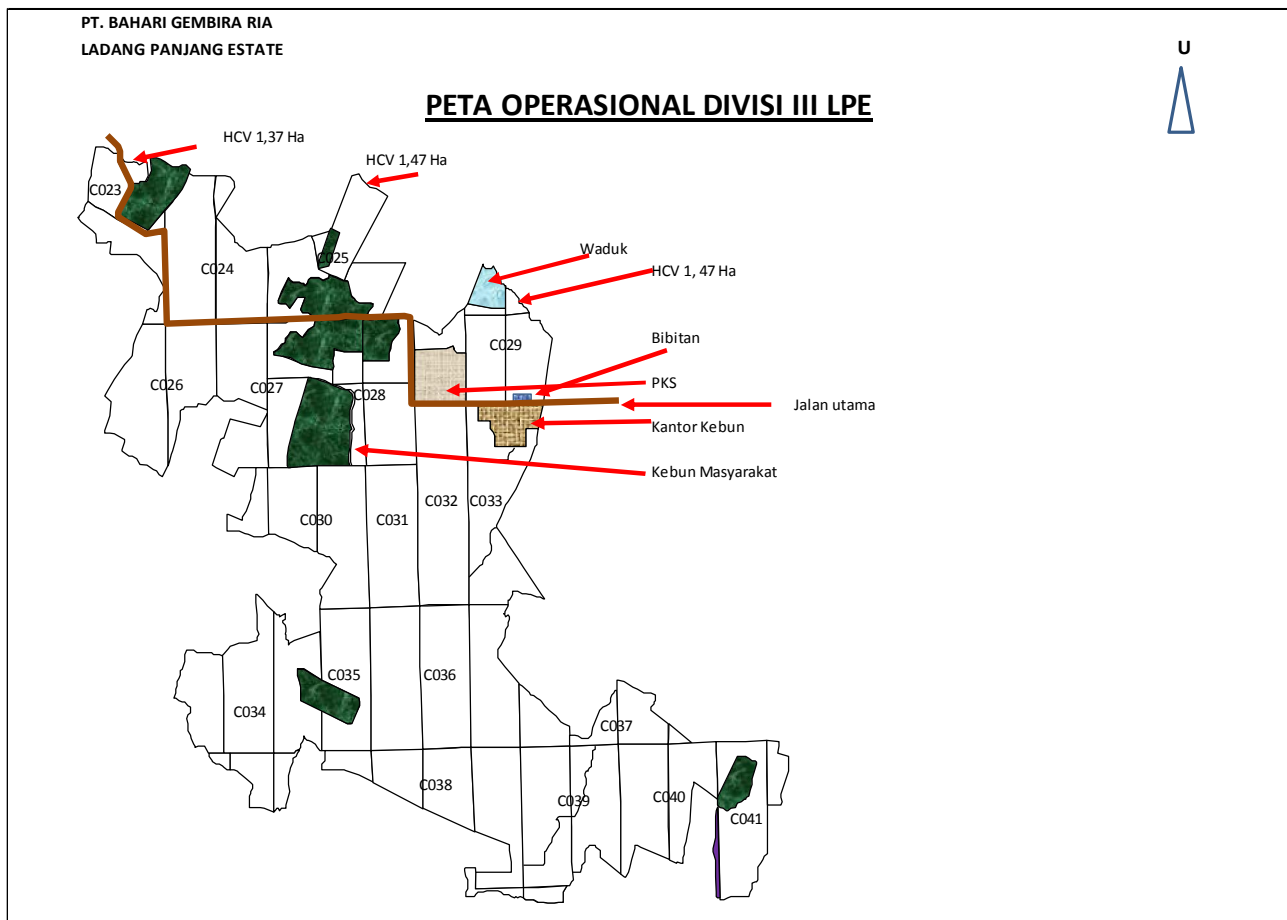


Figure 2. Operational Map of PT Bahari Gembira Ria



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 |
| CB | : | Certification Body |
| CEO | : | Chief Executive Officer |
| CH | : | Certificate Holder |
| CPO | : | Crude Palm Oil |
| CSR | : | Corporate Social Responsibility |
| EFB | : | Empty Fruit Bunches |
| EHS | : | Environment Health and Safety |
| EIA | : | Environment Impact Assessment |
| FFB | : | Fresh Fruit Bunches |
| GHG | : | Green House Gasses |
| HCV | : | High Conservation Value |
| HCVA | : | High Conservation Value Assessment |
| HGU | : | <i>Hak Guna Usaha</i> (Land Use Title) |
| HIRAC | : | Hazard Identification Risk Assessment Control |
| HRM | : | Human Resources Management |
| ILO | : | International Labor Organization |
| IPM | : | Integrated Pest Management |
| ISPO | : | Indonesia Sustainable Plam Oil |
| KER | : | Kernel Extraction Rate |
| KK | : | <i>Kepala Keluarga</i> (Head of Family) |
| 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 |
| OER | : | Oil Extraction Rate |
| OFI | : | Opportunity For Improvement |

| | | |
|-----------|---|--|
| OHS | : | Occupational Health and Safety |
| PIC | : | Person In Charge |
| PK | : | Palm Kernel |
| PKB | : | <i>Perjanjian Kerja Bersama</i> (Collective Labour Agreement) |
| POM | : | Palm Oil Mill |
| POME | : | Palm Oil Mill Effluent |
| PPE | : | Personal Protective Equipment |
| P2K3 | : | <i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (OHS Committee) |
| PSQM | : | Plantation Sustainability and Quality Management |
| RKL / RPL | : | <i>Rencana Pengelolaan Lingkungan/Rencana Pemantauan Lingkungan</i> (Environmental Management and Monitoring Plan) |
| RTE | : | Rare, Treated, Endangered |
| SCCS | : | Supply Chain Certification System |
| SIA | : | Social Impact Assessment |
| SMK3 | : | <i>Sistem Management Kesehatan dan Keselamatan Kerja</i> (Occupational Health and Safety Management System) |
| SOP | : | Standard Operating Procedure |
| SSU | : | Soil Sampling Unit |
| TBS | : | <i>Tandan Buah Segar</i> (Fresh Fruit Bunch) |
| WHO | : | World Health Organization |
| 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"> Indonesian National Interpretation Principle and Criteria RSPO 2013 for Indonesia July 2016, approved RSPO Governors 30 September 2016. 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 D / E for CPO Mill) RSPO Certification System for Principles and Criteria, 14 June 2017 | | |
| 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 | Alagendran Maniam | |
| 1.2.3 | Organisation address and site address | RSPO Registered Company : No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301 Liaison Office : The Plaza Office Tower, 36 th Floor. Jl. MH Thamrin kav. 28 – 30, Jakarta – 10350 | |
| 1.2.4 | Telephone | +6221 - 29926000 | |
| 1.2.5 | Fax | +6221 – 29922686 | |
| 1.2.6 | E-mail | alagendran.maniam@sime-darbyplantation.com | |
| 1.2.7 | Web page address | www.sime-darby.com | |
| 1.2.8 | Management Representative who completed the application for certification | Alagendran Maniam (Head of Sustainability – Minamas Plantation) | |
| 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 |
| | | | Latitude Longitude |
| | 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 | | | 1,202.04 Ha | | | |
| | • Community | | | - Ha | | | |
| | | | | | | | |
| 1.5.2 | Area Statement | | | | | | |
| | • Total area | | | 1,202.04 Ha | | | |
| | • Mature area | | | 1,123.40 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 | | 296.63 | | | 296.63 | |
| | 1999 | | 171.40 | | | 171.40 | |
| | 2000 | | 407.51 | | | 407.51 | |
| | 2001 | | 88.31 | | | 88.31 | |
| | TOTAL | | 1,123.40 | | | 1,123.40 | |
| | 1.6.2 | New Planting area after January 2010 | | - Ha | | | |
| 1.6.3 | Planting Cycle | | 1 st Cycle | | | | |
| | | | | | | | |
| 1.7 | Description of Mill and Supply Base | | | | | | |
| 1.7.1 | Description of Mill | | | | | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/ear) | CPO | | Palm Kernel | |
| | | | | Out put (tonnes) | Extraction (%) | Out put (tonnes) | Extraction (%) |
| | Ladang Panjang Factory | 30 | 125,607.79 | 27,656.71 | 22.02 | 5,742.04 | 4.57 |
| <i>*Production data source from April 2018 to March 2019</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/h a/year) | Supplied to Mill | |
| | | | | | | FFB (tonnes/year) | % |

| | | | | | | | |
|-------|---|-----------------------------|---|-----------------------------|---|------------------|------------|
| | Ladang Panjang Estate Division 3 | 1,202.04 | 1,123.40 | 31,599.95 | 28.14 | 31,599.95 | 100 |
| | TOTAL | 1,202.04 | 1,123.40 | 31,599.95 | 28.14 | 31,599.95 | 100 |
| | <i>*Production data source from April 2018 to March 2019</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 | - | 1,697.35 | 19,722.67 | | |
| | Karya Maju Cooperative (RSPO non-certified) | Independent Smallholders | 448 | 9,10.75 | 5,888.97 | | |
| | Marga Jaya Cooperative (RSPO non-certified) | Independent Smallholders | 636 | 1,248.29 | 23,094.34 | | |
| | Manggar Jaya Cooperative (RSPO non-certified) | Independent Smallholders | 897 | 1,743.01 | 6.353.23 | | |
| | Mitra Inti Cooperative (RSPO non-certified) | Independent Smallholders | 415 | 828.58 | 15,829.29 | | |
| | Karya Mandiri Cooperative (RSPO non-certified) | Independent Smallholders | 541 | 1,066.37 | 23,119.34 | | |
| | TOTAL | | | | | 94,007.84 | |
| | <i>*Production data source from April 2018 to March 2019</i> | | | | | | |
| 1.7.4 | Product categories | | | FFB, CPO, PK | | | |
| | | | | | | | |
| 1.8 | Tonnage of Product | | | | | | |
| 1.8.1 | Past Annual Claim Certified Product | | Previous Certificate Claim for last year (tonnes/year) | | Actual certified product for last year (tonnes/year) | | |
| | • FFB Production | | 32,342 | | 31,599.95 | | |
| | • CPO Production | | 7,214 | | 6,958.32 | | |
| | • Palm Kernel (PK) Production | | 1,530 | | 1,444.12 | | |
| | <i>There are extension volume FFB, CPO & PK on 22 April 2019</i> | | | | | | |
| 1.8.2 | Product selling | | | | | | |
| | Tonnage of selling product | | Period of actual selling product for last year | | | | |
| | • 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 | | 6,816.43 | | | | |
| | • CSPK sold as conventional | | 1,404.04 | | | | |
| | | | | | | | |
| 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 | 1,202.04 | 1,123.40 | 32,128 | 28.59 | | | |
| | TOTAL | 1,202.04 | 1,123.40 | 32,128 | 28.59 | | | |
| | <i>*Projected FFB production for 12 months of certificate</i> | | | | | | | |
| 1.8.4 | Estimate of Certified Palm Product Claim | | | | | | | |
| | Name of Mill | Capacity (tonnes/ hour) | FFB Processed (tonnes/year) | CPO Out put (tonnes) | CPO Extraction (%) | Palm Kernel Out put (tonnes) | Palm Kernel Extraction (%) | Supply Chain Module |
| | Ladang Panjang POM | 30 | 32,128 | 7,679 | 22.5 | 1,536 | 4.5 | MB |
| | <i>*Projected CSPO and CSPK production for 12 months of certificate</i> | | | | | | | |
| | | | | | | | | |
| 1.9 | Other Certifications | | | | | | | |
| | ISO 9001:2008 | | - | | | | | |
| | ISO 14001: 2004 | | - | | | | | |
| | OHSAS 18001:2007 | | - | | | | | |
| | ISCC | | - | | | | | |
| | ISPO | | 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 | | Estate (Supply Base) | Time Bound Plan | Location | Status | | |
| | Mill | Time bound | | | | | | |
| | INDONESIA | | | | | | | |
| 1 | Sekunzir. PT. Indotruba Tengah | 2010 | Sekunzir | 2010 | Seruyan and West Kotawaringin District – Central Kalimantan | Certified | | |
| | | | Seruyan | 2010 | | Certified | | |
| 2 | Manggala. PT. Tunggal Mitra Plantations | 2010 | Manggala 1 | 2010 | Rokan Hilir District – Riau | Certified | | |
| | | | Manggala 2 | 2010 | | Certified | | |
| | | | Manggala 3 | 2010 | | Certified | | |
| 3 | Bukit Ajong PT. Sime Indo Agro | 2010 | West | 2010 | Sanggau District –West Kalimantan | Certified | | |
| | | | West (HGU on process) | 2019 | | - | | |
| | | | East | 2010 | | Certified | | |
| | | | East (HGU on process) | 2019 | | - | | |
| | | | East Plasma | 2010 | | Certified | | |
| | | | West Plasma | 2010 | | Certified | | |
| | | | Sei Mawang | 2019 | | - | | |
| 4 | Teluk Siak. PT Aneka Inti Persada | 2011 | Teluk Siak | 2011 | Siak District – Riau | Certified | | |
| | | | Pinang Sebatang | 2011 | | Certified | | |
| | | | Aneka Persada | 2011 | | Certified | | |
| 5 | Sungai Pinang. | 2012 | Sungai Pinang | 2012 | Musi Rawas District – South | Certified | | |

| | | | | | | |
|----|---|------|--------------------------------|------|---|-----------|
| | PT. Bina Sains Cemerlang | | Sungai Pinang (HGU on process) | 2020 | Sumatera | - |
| | | | Bukit Pinang | 2012 | | Certified |
| | | | Bukit Pinang (HGU on process) | 2020 | | - |
| 6 | Pematang. PT. Teguh Sempurna | 2011 | Pematang | 2011 | Seruyan and East Kotawaringin District – Central Kalimantan | Certified |
| | | | Kawan Batu | 2011 | | Certified |
| | | | Hatan Tiring | 2011 | | Certified |
| | | | Batang Garing | 2011 | | Certified |
| 7 | Alur Dumai. PT Lahan Tani Sakti | 2011 | Alur Dumai | 2011 | Rokan Hilir District – Riau | Certified |
| 8 | Teluk Bakau. PT. Bhumireksa Nusa Sejati | 2011 | Teluk Bakau | 2011 | Indra Giri Hilir District – Riau | Certified |
| | | | Nusa Perkasa | 2011 | | Certified |
| | | | Nusa Lestari | 2011 | | Certified |
| 9 | Mandah PT. Bhumireksa Nusa Sejati | 2014 | Mandah | 2011 | Indra Giri Hilir District – Riau | Certified |
| | | | Rotan Semelur | 2011 | | Certified |
| 10 | Angsana. PT Ladangrumpun Suburabadi | 2011 | Angsana | 2011 | Tanah Bumbu District – South Kalimantan | Certified |
| | | | Gunung Sari | 2011 | | Certified |
| | | | Pantai Bonati | 2011 | | Certified |
| | | | KKPA-1 PT.SHE | 2013 | | Certified |
| | | | KKPA-4 PT.SHE | 2013 | | Certified |
| 11 | Mustika. PT Sajang Heulang | 2013 | Mustika | 2013 | 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 | | - |
| 12 | Gunung Aru. PT Bersama Sejahtera Sakti | 2011 | Gunung Aru | 2011 | Kotabaru District – South Kalimantan | Certified |
| | | | Gunung Kemas | 2011 | | Certified |
| | | | Laut Timur | 2011 | | Certified |
| | | | Pantai Timur | 2011 | | Certified |
| | | | KKPA BSS | 2020 | | - |
| 13 | Bebunga. PT. Langgeng Muaramakmur | 2011 | Bebunga | 2011 | Kotabaru District – South Kalimantan | Certified |
| | | | Bakau | 2011 | | Certified |
| | | | Sungai Cengal | 2011 | | Certified |
| 14 | 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 |
| 15 | Pondok Labu. PT Paripurna | 2012 | Binturung | 2012 | Kotabaru District – South Kalimantan | Certified |
| | | | Pondok Labu | 2012 | | Certified |

| | | | | | | |
|----|---|------|----------------------------------|------|--|-----------|
| | Swakarsa | | Rampa | 2012 | | Certified |
| | | | Sesulung | 2012 | | Certified |
| 16 | Rantau. PT Laguna Mandiri | 2012 | Rantau | 2012 | Kotabaru District – South Kalimantan | Certified |
| | | | Matalok | 2012 | | Certified |
| | | | KKPA Sungai Cengal (1,382 SH) | 2014 | | Certified |
| | | | Selabak (PT SAA) | 2012 | | Certified |
| | | | Randi (PT SAA) | 2012 | | Certified |
| | | | Sangkoh (PT SAA) | 2012 | | Certified |
| | | | Lanting (PT LMR) | 2012 | | Certified |
| 17 | Betung. PT Laguna Mandiri | 2014 | Betung | 2012 | Kotabaru District – South Kalimantan | Certified |
| | | | Sekayu | 2012 | | Certified |
| 18 | Ungkaya. PT Tamaco Graha Krida | 2012 | Ungkaya | 2012 | Morowali District – Sulawesi Tengah | Certified |
| | | | Plasma TGK | 2020 | | - |
| 19 | Ladang Panjang. PT Bahari Gembira Ria | 2012 | Ladang Panjang | 2012 | Muaro Jambi District - Jambi | Certified |
| | | | Ladang Panjang (HGU on process) | 2020 | | - |
| | | | Plasma BGR | 2020 | | - |
| 20 | Rantau Panjang. PT Guthrie Pecconina Indonesia | 2012 | Rantau Panjang | 2012 | Musi Banyuasin District – South Sumatera | Certified |
| | | | Rantau Panjang (HGU on process) | 2020 | | - |
| | | | Bumi Ayu | 2012 | | Certified |
| | | | Karang Ringin | 2012 | | Certified |
| | | | Napal | 2012 | | Certified |
| | | | Napal (HGU on process) | 2020 | | - |
| | | | Mangun Jaya | 2012 | | Certified |
| | | | Mangun Jaya (HGU on process) | 2020 | | - |
| | | | Sungai Jernih | 2020 | | - |
| | | | GPI KKPA | 2020 | | - |
| 21 | Blang Simpo. PT Perkasa Subur Sakti | 2013 | Tamiang (PT PPP) | 2013 | Aceh Tamiang and East Aceh District – Aceh | Certified |
| | | | Batang Ara (PT PSK) | 2013 | | Certified |
| | | | Blang Simpo-01 | 2013 | | Certified |
| | | | Blang Simpo-02 | 2013 | | Certified |
| 22 | MAS. PT Mitra Austral Sejahtera | 2020 | MAS 1 | 2019 | Sanggau District – West Kalimantan | - |
| | | | MAS 1 | 2019 | | - |
| | | | MAS 1 | 2019 | | - |
| | | | Plasma MAS | 2020 | | - |
| 23 | Lembiru. PT Sandika Nata Palma | 2014 | Lembiru | 2014 | Ketapang District – West Kalimantan | Certified |
| | | | Awatan | 2014 | | Certified |
| | | | Karya Palma | 2019 | | - |

| | | | | | | |
|---|-----------------------|------|--|------|------------------------|-----------|
| | | | KKPA SNP | 2020 | | - |
| | | | Pelanjau (PT BAL) | 2019 | | IC |
| | | | Sungai Putih (PT BAL) | 2019 | | - |
| | | | Baturus (PT BAL) | 2019 | | - |
| | | | KKPA BAL | 2020 | | - |
| | MALAYSIA | | | | | |
| 1 | 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 |
| 2 | Chersonese SOU 2 | 2011 | Chersonese | 2011 | Kuala Kurau, Perak | Certified |
| | | | Holyrood | 2011 | | Certified |
| | | | Kalumpang | 2011 | | Certified |
| | | | Tali Ayer | 2011 | | Certified |
| 3 | Elphil SOU 3 | 2011 | Kinta Kellas | 2011 | Sg Siput, Perak | Certified |
| | | | Elphil | 2011 | | Certified |
| | | | Kamuning | 2011 | | Certified |
| 4 | Flemington SOU 4 | 2011 | Flemington | 2011 | Teluk Intan, Perak | Certified |
| | | | Bagan Datoh | 2011 | | Certified |
| | | | Sabak Bernam | 2011 | | Certified |
| | | | Sg Samak | 2011 | | Certified |
| 5 | 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 |
| 6 | Selaba SOU 5 | 2011 | Seri Intan (Selaba Division) | 2011 | Teluk Intan, Perak | Certified |
| | | | Sogomana (Cashwood & Sg Beruas Division) | 2011 | | Certified |
| | | | Bikam | 2011 | | Certified |
| | | | Clumy | 2011 | | Certified |
| 7 | Tennamaram SOU 6 | 2011 | Tennamaram | 2011 | Bestari Jaya, Selangor | Certified |
| | | | Sungei Buloh | 2011 | | Certified |
| | | | Bkt Talang | 2011 | | Certified |
| 8 | Bkt Kerayong SOU 7 | 2011 | Bkt Kerayong | 2011 | Kapar, Selangor | Certified |
| | | | Bkt Cherakah | 2011 | | Certified |
| | | | Bkt Rajah | 2011 | | Certified |

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|----|------------------------|------|-----------------|------|-------------------------------|-----------|
| | | | Bkt Lagong | 2011 | | Certified |
| | | | Elmina | 2011 | | Certified |
| 9 | East SOU 8 | 2010 | East | 2010 | Carey Island, Selangor | Certified |
| | | | Dusun Durian | 2010 | | Certified |
| | | | Sepang | 2010 | | Certified |
| 10 | West - SOU 9 | 2010 | West | 2010 | Carey Island, Selangor | Certified |
| 11 | Bukit Putri - SOU 10 | 2011 | Bukit Putri | 2011 | Raub, Pahang | Certified |
| 12 | Kerdau SOU 11 | 2011 | Kerdau | 2011 | Temerloh, Pahang | Certified |
| | | | Jentar | 2011 | | Certified |
| | | | Mentakab | 2011 | | Certified |
| | | | Sg Mai | 2011 | | Certified |
| | | | Chenor | 2011 | | Certified |
| 13 | Jabor - SOU 12 | 2011 | Jabor | 2011 | Kuantan, Pahang | Certified |
| 14 | Labu SOU 13 | 2011 | Labu | 2011 | Nilai, Negeri Sembilan | Certified |
| | | | New Labu | 2011 | | Certified |
| | | | Bradwall | 2011 | | Certified |
| 15 | Tanah Merah SOU 14 | 2010 | Tanah Merah | 2010 | Port Dickson, Negeri Sembilan | Certified |
| | | | Sua Betong | 2010 | | Certified |
| | | | Bukit Pelandok | 2010 | | Certified |
| 16 | Sua Betong SOU 15 | 2014 | Salak | 2014 | Port Dickson, Negeri Sembilan | Certified |
| | | | Sengkang | 2014 | | Certified |
| | | | Siliau | 2014 | | Certified |
| | | | PD Lukut | 2014 | | Certified |
| | | | Sungai Baru | 2014 | | Certified |
| | | | Tampin Linggi | 2014 | | Certified |
| 17 | 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 |
| 18 | Kempas SOU 17 | 2010 | Kempas | 2010 | Jasin, Melaka | Certified |
| | | | Kemuning | 2010 | | Certified |
| | | | Tangkah | 2010 | | Certified |
| 19 | Diamond Jubilee SOU 18 | 2011 | Bukit Asahan | 2011 | Jasin, Melaka | Certified |
| | | | Diamond Jubilee | 2011 | | Certified |
| | | | Serkam | 2011 | | Certified |

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|----|------------------------|------|------------------|------|----------------------|-----------|
| 20 | Pagoh SOU 19 | 2014 | Pagoh | 2014 | Muar, Johor | Certified |
| | | | Lanadron | 2014 | | Certified |
| | | | Pengkalan Bukit | 2014 | | Certified |
| | | | Welch | 2014 | | Certified |
| 21 | Chaah SOU 20 | 2010 | North Labis | 2010 | Chaah, Johor | Certified |
| | | | Cha'ah | 2010 | | Certified |
| | | | Sg Simpang Kiri | 2010 | | Certified |
| 22 | Gunung Mas SOU 21 | 2010 | Gunung Mas | 2010 | Kluang, Johor | Certified |
| | | | Kempas Klebang | 2010 | | Certified |
| | | | Bukit Paloh | 2010 | | Certified |
| | | | Yong Peng | 2010 | | Certified |
| 23 | Bukit Benut SOU 22 | 2011 | Bukit Benut | 2011 | Kluang, Johor | Certified |
| | | | CEP Niyor | 2011 | | Certified |
| | | | Lambak / Elaeis | 2011 | | Certified |
| 24 | 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 |
| 25 | Hadapan SOU 24 | 2011 | CEP Rengam | 2011 | Layang-layang, Johor | Certified |
| | | | Kulai | 2011 | | Certified |
| | | | Layang | 2011 | | Certified |
| | | | Seri Pulai | 2011 | | Certified |
| 26 | 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 |
| 27 | Melalap SOU 27 | 2011 | Melalap | 2011 | Tenom, Sabah | Certified |
| | | | Sapong | 2011 | | Certified |
| 28 | Binuang SOU 28 | 2009 | Tingkayu | 2009 | Kunak, Sabah | Certified |
| | | | Sungang | 2009 | | Certified |
| | | | Jelata Bumi | 2009 | | Certified |
| | | | Binuang | 2009 | | Certified |
| 29 | Giram SOU 29 | 2009 | Mostyn | 2009 | Kunak, Sabah | Certified |
| | | | Giram | 2009 | | Certified |
| 30 | Merotai SOU 30 | 2009 | Imam | 2009 | Tawau, Sabah | Certified |
| | | | Merotai | 2009 | | Certified |

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|---|--------------------|------|----------------------|------|---------------------------------------|-----------|
| | | | Table | 2009 | | Certified |
| | | | Tiger | 2009 | | Certified |
| 31 | Lavang SOU 31 | 2011 | Belian | 2011 | Bintulu, Serawak | Certified |
| | | | Kelida | 2011 | | Certified |
| | | | Lavang | 2011 | | Certified |
| | | | Lavang (SE) | 2011 | | Certified |
| | | | Rasan | 2011 | | Certified |
| | | | Chartquest | 2011 | | Certified |
| | | | Dulang | 2011 | | Certified |
| | | | Peroh | 2011 | | Certified |
| | | | Pekaka | 2011 | | Certified |
| | | | Ruai | 2011 | | Certified |
| 32 | Rajawali SOU 32 | 2011 | Rajawali | 2011 | Bintulu, Serawak | Certified |
| | | | Samudera | 2011 | | Certified |
| | | | Semarak | 2011 | | Certified |
| | | | Bayu | 2011 | | Certified |
| 33 | Derawan SOU 33 | 2011 | Takau | 2011 | Bintulu, Serawak | Certified |
| | | | Damai | 2011 | | Certified |
| | | | Derawan | 2011 | | Certified |
| | | | Sahua | 2011 | | Certified |
| LIBERIA | | | | | | |
| 1 | Grand Cape Mount | 2018 | Matambo | 2018 | Grand Cape Mount, Liberia | IC |
| | | | Grand Cape Mount | 2018 | | IC |
| | | | Zodua | 2018 | | IC |
| | | | Bomi | 2018 | Bomi, Liberia | IC |
| | | | Lofa | 2018 | | IC |
| P & G (New Britain Palm Oil) | | | | | | |
| 1 | Poliamba | 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 |
| 2 | Tetere | 2011 | Tetere | 2011 | Gudaicanal, Slomon Island | Certified |
| | | | Ngalimbiu | 2011 | | Certified |
| | | | Mbalisuna | 2011 | | Certified |

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|---|--|------|-----------------------------|------|--------------------------------|-----------|
| | | | West Zone (Smallholders) | 2011 | | Certified |
| | | | Central Zone (Smallholders) | 2011 | | Certified |
| | | | MBA East (Smallholders) | 2011 | | Certified |
| | | | MBA West (Smallholders) | 2011 | | Certified |
| 3 | Sangara, Sambiripa & Mamba | 2013 | Sangara | 2013 | Higaturu, Popondetta, Oro, P&G | Certified |
| | | | Sumberipa | 2013 | | Certified |
| | | | Ambogo | 2013 | | Certified |
| | | | Embi | 2013 | | Certified |
| | | | Mamba | 2013 | | Certified |
| | | | Sorovi (smallholders) | 2013 | | Certified |
| | | | Igora (smallholders) | 2013 | | Certified |
| | | | Saiho (smallholders) | 2013 | | Certified |
| | | | Aeka (smallholders) | 2013 | | Certified |
| | | | Ilimo (smallholders) | 2013 | | Certified |
| 4 | 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 |
| 5 | Hagita | 2013 | Giligili | 2013 | Milne Bay, P&G | Certified |
| | | | Hagita | 2013 | | Certified |
| | | | Waigani | 2013 | | Certified |
| | | | Sagarai | 2013 | | Certified |
| | | | Padipadi | 2013 | | Certified |
| | | | Mariawatte | 2013 | | Certified |
| | | | East Gurney | 2013 | | Certified |
| | | | West Gurney | 2013 | | Certified |
| | | | East Sagarai | 2013 | | Certified |
| | | | West Sagarai | 2013 | | Certified |
| 6 | Mosa Kumbango Kapiura Namumdo Waraston | 2008 | Bebere | 2008 | West New Britain | Certified |
| | | | Kumbango | 2008 | | Certified |
| | | | Togulo | 2008 | | Certified |
| | | | Dami | 2008 | | Certified |
| | | | Waisisi | 2008 | | Certified |

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|--|--|--|------|-----------|
| | | 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 |
| | <p>Sime Darby has achieved 34 management units in Malaysia, 25 management units in Indonesia, 10 management units in P&G that RSPO certified. Total management unit in Sime Darby Plantation Bhd are 34 in Malaysia, 25 in Indonesia and 10 in P&G. In the year of 2016 & 2017 there are three 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. The mills are:</p> <ol style="list-style-type: none"> 1. Angsana Mini Mill, PT Sajang Heulang: Mill stop operate since 2016 and the supply bases is transfer to Angsana POM, PT Ladangrumpun Subur Abadi. 2. Selabak Mill, PT Swadaya Andhika: Mill stop operate since.2017 and the supply bases is transfer to Rantau POM, PT Laguna Mandiri 3. Pekaka, SOU 34: Mill stop operate since 2017 and the supply bases is transfer to Lavang, SOU 31 <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 on 2018.</p> | | | |

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| | There was change of the Time Bound Plan under Sime Darby on April 2019 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 <i>Serikat Petani Kelapa Sawit</i> (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. |
| 1.10.2 | Progress of Associated Smallholders and Outrowers for Certifiable Standard |
| | 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. |

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| 2.1 | Assessment Team |
| ASA-1.2 | <ol style="list-style-type: none"> Muhammad Rinaldi (Lead Auditor Witnessing). 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. 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 this audit, he supervised Lead Auditor and Auditor Trainee. Rizliani Aprianita Hsb (Lead Auditor Witnessed). 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 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 legal, land dispute, social and SCCS. Bayu Yogatama (Auditor). Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, SA 8000, RSPO Lead Training, IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During this audit, he verify Environmental Aspect, HCV, and Green House Gases. Afiffuddin (Auditor Trainee). Indonesian citizen, Diploma III majoring Palm Oil Plantation, Bogor Agricultural University. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely: Basic Plantation Management Program, Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015) ISO 17021, ISO 17065, SA 8000 training. He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Management Practices aspect, health and safety aspect and worker welfare aspect. During this audit, he conducted an assessment on BMP Agronomy, OHS and long term budget under supervised by M. Rinaldi. Briyogi Shadiwa (Auditor Trainee). Indonesian citizens. Diploma 3 of Oil Palm Plantation. He has 7 years working experience since 2009 as Agronomy Assistant and Agronomy Quality Control in several private oil palm plantation companies in Indonesia. The training has been followed include: ISPO Auditor Training, RSPO Lead Auditor Course by Checkmark Training, Lead auditor ISO 9001: 2015, Awareness SMK3, Lead Auditor ISO 14001: 2015, Awareness OHSAS 18001: 2007 and OHS Expert. During this audit, he assigned to verify Transparency, communication procedure and Worker Welfare under supervised by M. Rinaldi. |
| 2.2 | Assessment Methodology, Assessment Process and Locations of Assessment |
| 2.2.1 | Figure of person days to implement assessment |
| ASA1.2 | <p>Number of auditors : 2 auditors & 2 Auditor Trainee</p> <p>Number of days for ASA-1.2 at site : 4 days</p> <p>Number of working days for ASA-1.2 at site : 8 Working days</p> |
| 2.2.2 | Assessment Process |
| ASA1.2 | <p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Bahari Gembira Ria to the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production and Supply Chain Requirement for CPO Mill.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-1.2 delivered by the MUTU auditor to the management</p> |

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| | <p>unit and the results are the subject will be verified at the next assessment phase (ASA-1.3). Improvement of findings from main assessment findings were observed by auditors at this ASA-1.2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.2.</p> <p>The assessment program please find Appendix 2</p> |
| 2.2.3 | Locations of Assessment |
| ASA 1.2 | <p>The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p>Ladang Panjang Estate</p> <ol style="list-style-type: none"> Block C29. - Observation related to the Terentang River riparian area and Observation related to HGU boundary mark No. BGR 01 Block C040. Observation related to HGU boundary mark No. BGR 08 Block C033. Observation related to HGU boundary mark No. BGR 10 Block C40/41. Observation related to the area on the South Sumatra region and was not cultivated by the company. Daycare. Observation and interviews related to employee welfare facilities, wages, employment and domestic waste management. Housing complex (Estate & Mill). 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. Material storage. Observation material storage of estate. Fertilizer storage. Observation and interviews related to waste management and implementation 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. Land Application, Block C028. Ensure that the condition of the Land Application is in accordance with the block, there are no leaks and interview related aspects of OHS and Employment. Landfill Block C032. Observation of domestic waste management. Application of herbicide Block C036. Observation and interviews with foremen and spray workers regarding spraying technical standards according to procedures, OHS implementation, socialization of HCV areas, use of PPE, first aid training and understanding the materials and active ingredients used. Barn Owl Box (BOB) Block C036. Observation of rat pest control using owl's biological enemies. EFB application Block C037. Observation and interviews with the foreman regarding the technical standards for empty-bed applications according to procedures, OHS implementation, use of PPE, first aid training and employment. Nurseries Block C029. Observation of nursery area and condition of available seed stock. <p>POM</p> <ol style="list-style-type: none"> Grading. Observation of FFB grading and quality, OHS and worker welfare implementation. Sterilizer Station Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. |

23. **Clarification Station** Observation about infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.
 24. **Boiler Station** . Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.
 25. **Engine Room Station**. Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.
 26. **Hydrant on Boiler Station**. Simulate the facility of emergency
 27. **Water treatment plant**. Observation for water usage monitoring and interview with operator related workers welfare and OHS.
 28. **Weigh Bridge Station**. Observations related to the acceptance and separation of FFB entering the factory
 29. **Security post**. Observations related to receipt of FFB. (2 person)
 30. **Water intake**. Observation for POM water intake condition
 31. **Waste Water Treatment Plant**. Field observations and interviews with WWTP operators regarding waste water management.
 32. **Solid waste area**. Observation related to waste management and observation of leachate drainage.
 33. **Hazardous Waste Storage**. Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
 34. **Sparepart storage**. Observation material and sparepart storage of mill.
 35. **Chemical storage**. Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS.
 36. **Workshop**. Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.
 37. **Oil warehouse**. Observation of OHS implementation.
- Stakeholder Consultation**
38. Government Institutions of Muaro Jambi Districts (Environmental Agency, Manpower and Transmigration Agency, National Land Agency and Plantation Agency). Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area.
 39. Surrounding communities (Sungai Gelam Village, 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.

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| 2.3 | Stakeholder Consultation and Stakeholders Contacted |
| 2.3.1 | Summary of stakeholder consultation process. |
| ASA1.2 | <p>Consultation of stakeholders for PT Bahari Gembira Ria was held by:</p> <ul style="list-style-type: none"> • Conduct a public announcement on the CB website (www.mutucertification.com) on 4th April 2019. • Public consultation meeting with Related Agencies of Muaro Jambi District (Environment Agency, Plantation Agency, Manpower and Transmigration Agency and National Land Agency) conducted by visits and interview on April 22, 2019 • Public consultation meeting with stakeholder (Communities around including contractor) on April 22 & 23, 2019 • Public consultation meeting with internal stakeholder on April 22, 2019 • Public consultation with NGO by email conducted on April 15, 2019 <p>Numbers of input from stakeholders were clarified by the company as a part of this report</p> |
| 2.3.2 | Stakeholder contacted |
| | Please find appendix 1 |

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| 2.4 | Determining Next Assessment |
| | The next visit (ASA-1.3) will be determined one year after this ASA-1.2 (<i>April 2020</i>). |

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, SimeDarby Plantation Bhd** operation consisting of one (1) mill and one (1) oil palm estates.

During the assessment, there were one (1) nonconformity was assigned against Minor Compliance Indicators; and two (2) nonconformance against supply chain requirement for CPO mill and ten (10) 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) non- conformities against supply chain requirement for CPO mill 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 INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 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 | |
|--|---|--|
| PRINCIPLE #1 COMMITMENT TO TRANSPARENCY | | |
| 1.1 | Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. | |
| 1.1.1 & 1.1.2 | <p>A list of information that can be accessed by stakeholders is explained in the 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>The company can demonstrate list of stakeholders such as: surrounding village, organization of worker and community (<i>Muspika</i>, worker union, The Nature Conservancy, Labour Agency, Local Contractors, Scheme Smallholders, Smallholders Cooperatives, Plantation Agency, Environment Agency, National Land Agency, Etc. Ensure the existence of environmental and social NGOs and be included in the stakeholder list.</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>Based on interview with local communities (Ladang Panjang, Sungai Gelam and Tri Mulya Village), it is known that they are quite easy to access information. Information can be accessed by submitting requests verbally, e-mail, fax, telephone and direct visits.</p> | |

From document review of the Logbook Documents of 2018/2019, there was no request for information from the stakeholders, so there was no response. Based on interview with representatives of stakeholders, it was known that they had not requested information from the company. It is known that letters from external parties only contain letters related to requests for funding assistance and transportation units during 2018/2019, such as:

- Request for Heavy Equipment Assistance from Head of Sungai Gelam Sub-District Received by the company on March 16, 2019 and responded on March 19, 2019.
- Request for fund assistance from the Ladang Panjang Village for Islamic Boarding School. Received by the company on April 12, 2019 and responded on April 12, 2019

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, Ladang Panjang. Based on interviews with government agency and officials of Trimulya Jaya Village, they area 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

CH has commitment related to integrity and ethical conduct in all operational activities. The commitment is listed 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.

This policy is available in *Indonesian*. Based on interview with worker in estate and mill including worker union officials, it is known that they understand about the ethical conduct of the company. Interview with worker in estate and mill informed that there is no issue about integrity and ethical conduct.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1

The list of law or regulations is explained in the regulatory list document (law register) which already update on September 2018. Law registers are available in soft and hard copy. The company can demonstrate compliance with these law and

regulations, for example: have HGU, have environmental documents, conduct factory wastewater testing, conduct river water quality testing, conduct groundwater quality testing, conduct air quality testing, perform noise and noise testing, pay employee wages, pay employee overtime, etc.

BMP aspect

In term of best management practices, it was known that estate and mill management has implementing several pursuance with Indonesia laws and regulations, for example has conducting mechanical or zero burning method during land clearing, palms planted were derived from seeds (DxP) producers, recognized by the government of Indonesia. Furthermore, estate (each unit management) has implementing integrated pest management, biological control and only used pesticides listed on pesticide.id.

Environment aspect

- 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.

Legal aspect

- 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)

Worker welfare and OHS

In worker welfare aspect it's known that company has paid the employees wage in accordance with applicable regulation. In OHS Aspect the company has established the structure for guiding committee for occupational health and safety in each management unit and this committee has received an approval from Ministry of Manpower and Transmigration in Muaro Jambi Regency, has provide emergency facilities and etc.

The certificate holder shows evidence of compliance with relevant laws and regulations related to Best Management Practices, including :

- The certificate holder has plant machinery permits, such as Boiler License (Steam Boiler) and Sterilizer License from Muaro Jambi Manpower Office.
- The certification holder has undertaken prevention and control measures as listed in Safety Act no. 1 of 1970 Article 3, among others by monitoring the implementation of occupational safety and health, conducting accident investigations, hazard risk analysis, medical check up, machine operation by persons authorized and socialized safe work practices. Based on the results of document review and interviews with factory workers, for example at boiler stations, it is known that boiler operators have licenses to operate boilers in accordance with Minister of Manpower Regulation No. 1 of 1988.
- Use pesticides that have been registered with valid permits
- Has done routine reporting, for example report on the development of the plantation business semester II year 2018.

Based on field observation in chemical storage and sparying activities and document review, it is known that the certificate holder has used the pesticide which registered in "Komisi Pestisida". This is in accordance with Plantation Act 39/2015.

Based on interviews with relevant institutions in Muaro Jambi Regency (Plantation Agency, Manpower and Transmigration Agency, Environment Agency and National Land Agency), it is noted that the management unit has complied with the regulations related to the estate, mill, land legality, employment and the environment.
Bipartite cooperation institution registered on related agency. (OFI)

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.

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| Status: Comply |
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2.2

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

2.2.1

There are no changes related to land tenure ownership 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 January 2019.

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 C029 on pole No. BGR 1, C033 on pole No. BGR 10 and C40 on pole No. BGR 8, it is known that there are boundary pole in well maintained condition and directly adjacent to community land and Terentang River, community field and smallholders area.

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 and Farmers in Timulya Jaya Village, Sungai Gelam 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 440 KK group has been resolved through legal action, 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 KK Group) was rejected.

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| Status: Comply |
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2.3

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

2.3.1, 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.

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| Head of Ladang Panjang Village 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: | |
| 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 | | |
| <p>The certificate holder has a work plan for the next 5 years in the Business Plan years 2018 – 2023 which are made per unit of management. In the document has explained that the operational area plan has not changed, the number of seeds, FFB production, OER, Production Cost, price of CPO, Revenue, replanting and CPO Production.</p> <p>The certificate holder has conducted an evaluation of the estimated budget which is conducted every month through mill manager or estate manager report. In the document explaining that the difference between realization activities and budget as well as to explain the evaluation of these differences.</p> <p>Based on the results of a semi-detailed survey of land suitability studies, interviews with management and field observations, it was found that there was no peat soil in the operational area of the Ladang Panjang Estate Division 3. Thus, there are no long-term plans for flooding, drainability assessments and subsidence issues.</p> | | |
| 3.1.2 | | |
| <p>Unit certification has made a long-term plan of replanting is in Ladang Panjang Estate Division III. For the certification scope (Division 3 Ladang Panjang Estate, there is no replanting area. Division 3 area is programmed in 2024 namely for the planting year 1997 on the C033 and C036 block.</p> | | |
| | Status: Comply | |
| PRINCIPLE #4 Use of appropriate best practices by growers and millers | | |
| 4.1 | | |
| Operating procedures are appropriately documented and consistently implemented and monitored. | | |
| 4.1.1 | | |
| <p>The certificate holder has a documented procedure for the mill and estate. The estate procedure starts from the procedure of plant material, then the technique of nursery, fertilization, weed control, integrated pest management to harvesting and transporting it contained in the document of Standard Operating Procedure (SOP) of Agronomy Reference of Oil Palm Plantation, document number 110 / EST- ARM / 13, signed by Head Plantation Upstream Indonesia Minamas. The document has been distributed on September 16, 2013 to all leaders of the estate and mill units. The certificate holder also has a procedure for the process of receiving fresh fruit bunches to dispatch the CPO and kernels listed in the technical guidelines of the palm oil mills Part I and II, Minamas Plantation dated April 30, 2007.</p> <p>Operational procedures in general have been socialized to all employees in accordance with their respective fields of work.</p> <p>Based on field observations at Ladang Panjang Estate Division 3 on harvesting, spraying, EFB Application and nursery activities were found that employees can demonstrate how to work in accordance with existing procedures. Mill employees during field visits such as sterilizer operators and boiler operators can also explain tasks and responsibilities in accordance with existing work procedures.</p> <p>The certificate holder also conducts internal control of the contractor performance to monitor the consistency of the implementation of SOPs in the field, including the following:</p> <ul style="list-style-type: none"> • Internal control carried out by the Plantation Advisory Department • Internal control carried out by the Mill Advisory Department • Internal control carried out by the Foreman, Foreman I, Assistant, Senior Assistant and Manager. • Field inspection related to the use of PPE for FFB exporters from KUD and CPO transporters. | | |
| 4.1.2 | | |
| <p>The certificate holder has procedures for the documentation and supervision systems contained in the document. 724 / TQEM-SPM / 09 Chapter III point 3.1 which explains that sustainable plantation management guidelines will be documented and supervised by BPA-System & Procedure Department (led by General Manager of Business Planning &</p> | | |

System Procedure). The procedure also describes the implementation of internal audits, external audits, management evaluations, evaluation levels, evaluation responses and revisions of the procedures outlined in Chapter VII Implementation and Monitoring. Officers performing the audit and evaluation have the competencies as determined by the certificate holder.

Internal surveillance ranging from the smallest scope is done by the foreman to the manager level and beyond. Internal operational audits regularly supervise the implementation of SOPs, for example conducted in Ladang Panjang Estate on 18 to 22 November 2018 and previous visit on 12 to 15 December 2017.

4.1.3

Available recording action improvements. Among the results of the nonconformities of the operational audit conducted by Plantation Advisory is the uncontrolled *Nephrolepis Biserrata* growth and maintenance pruning that has not been working in accordance with the ideal conditions of procedures due to the certificate holder focus in the pursuit of production targets. The certificate holder shows evidence of corrective action of the uncontrolled *Nephrolepis Biserrata* growth as done in the A012 block on February 6, 2019, B022 on December 4, 2018, B018 on 14 February 2019 and the A014 block on December 18, 2018 and normalized the condition of the midrib has been completed in the field C025 and Field C030.

4.1.4

The company receives FFB from PIR-TRANS plasma smallholders, this explained in procedure third parties in the *SOP Transport TBS* (RSPO / 01 / BGR-EST / 14) which explains the mechanism for receiving FFB from third parties suppliers of FFB.

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 *KUD Trimulya* and *KUD Margomulyo*.

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| Status: Comply |
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4.2

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

4.2.1

The certificate holder already has a procedure related to fertilization activities contained in the Agricultural Reference Manual (ARM) document (No. Doc. 110 / EST-ARM / 13) Section 8 concerning the Fertilization of Oil Palm Crops which includes technical fertilization, empty fruit bunch application and compost application on Immature plants and mature plants, fertilizer placement and fertilizer application of 'focal feeding' on marginal soils.

Implementation of the SOP is monitored periodically with an operational audit or Plantation Advisory. In addition, the implementation of fertilization supervised by the foreman, assistant and re-evaluation by the manager.

Based on the document review of plan and realization of fertilizing the Ladang Panjang Estate Division 3 in January – April 2019, it is known that the company has documented the implementation of fertilizers per each type of fertilizer. For example, the type of CCM 44 semester 1 period for the area of 1.127,71 ha recommended a total of 601,994 kg (dose 3.64 - 4 kg / palm) and until April 2019 has been realized 583.295 kg (96.89%).

4.2.2

Unit certification has documented the use of fertilizer in each type, such as CCM 44, HGFB and Kieserite. For example, based on the document *Catatan Penggunaan Setiap Jenis Pupuk per Ton Produksi TBS* period July – December 2018 Ladang Panjang Estate Division 3, explained that the total realization of fertilization for CCM 44 type is 156,731 kg, HGFB type 3,119 kg and Kieserite type 26,759 kg.

4.2.3

Unit certification conducted soil analysis through semi-detailed soil survey issued by the Minamas Research Center. Semi-detailed soil survey was conducted in 2015. Measurement of the elements pH, C-Organic, N Total, P Total, P Available, K, Mg, Na and Ca.

Unit certification of sampling leaves annually for fertilizer recommendation for the next period. Leaf sampling results were analyzed by MRC (Minamas Research Centre) of Riau Province. Measurement of the elements nitrogen content, Phosphore, Potassium, Magnesium and Boron. The research team analyzed the content of plant nutrients (Nitrogen, Phosphate, Potassium, Magnesium, Boron and Carbon) for fertilizer recommendation for next year. Examples of leaf analysis results are presented as follows :

- Ladang Panjang Estate : Test Report No. P52 / 2018 dated May 8, 2018, the date issued May 30, 2018.

4.2.4

The unit of certification do the recycling of nutrients by applying a palm oil mill effluent and empty fruit bunch. The certificate holder shows the *Pemupukan Organik* document (empty fruit bunch) for the Division 3 Ladang Panjang Estate of 2019 (until March) which is concerned is served as follows:

- Area: 1,123.40 ha
- Ha program: 843 ha
- Tonase program : 32,034 tonnes
- March realization: 37.17 ha (1,412.64 tons)
- Realization until March : 180.05 ha (6,842.98 tons)
- Variance of the program: 662.95 ha (25,191 tons)

The certificate holder shows the land application report document in 2018 and 2019 which is indicated is summarized as follows:

March 2019

- Block application C27 Area 61,61 ha and area of Land Application 40 ha
- Rotation of this month 4 and until March 32. Volume waste this month 1,188 m3 and until March is 1,286,85 m3.
- Description: In repair.

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 Dystrupdept).

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 & 4.3.6

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 3, there were no areas with steep slopes, flat to wavy areas. There is no measurement of erosion rates in division 3 and no marginal / fragile / fragile land management.

4.3.3

The certificate holder has a *Rencana dan Realisasi Pemeliharaan Jalan* (use road grader) Divisi III Ladang Panjang Estate document from July 2018 to March 2019. For example as follows :

| Month | Total Plan Collection Road + Main Road (meter) | Total Realization Collection Road + Main Road (meter) | Hour Road Plan | Meter Grader | Hour Meter Road Grader Realization |
|---------------|--|---|----------------|--------------|------------------------------------|
| January 2019 | 8.180 | 32.000 | | 68,75 | 80 |
| February 2019 | 9.760 | 20.400 | | 68,75 | 52 |

Based on the results of field observations, all the sample locations in the Ladang Panjang Estate Division III is in good condition.

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

Status: Comply

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 distance of the left and right buffer areas are 50 meters.

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.
- Enriching plants in the riparian area
- 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 | 18 | 16 | 14 | 11 |
| pH | 6 – 9 | 5 | 6 | 5 | 6 |
| BOD | Max. 3 | 2,81 | 2,42 | 2,01 | 2,42 |
| DO | Min. 4 | 1,22 | 1,83 | 0,61 | 2,04 |
| Nitrat | 10 | 3,17 | 0,018 | 0,314 | 6,19 |
| 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 July 2018 – February 2019 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 March 2019 FFB processed 7,036 mt FFB, water usage 7,721.76m³, and water usage efficacy was 1.09 m³/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

Certification unit detection by receiving reports from workers then carried out a census to determine the actual level of attack through the sampling results. If the census showed the attack was above the threshold then control will be applied by a certification unit. The implementation of the early warning system is done with pest and disease observation periodically. Based on the results document verification of *Monitoring Hama Penyakit dan Pengendalian Divisi 3 Ladang Panjang Estate*, it is known that during the period of December to March 2019 there is no attack for the nettle caterpillar, *Apogonia sp.*, *Tirathaba* and rat. In addition, based on the result of field observation and interview with the harvester, applicator herbicide, Land Application officer, declared that pest and disease is in controlled condition. Based on the results of field observation on the application of integrated pest controls such as pest controls biologically for rat type with its predator (*Tyto alba*) in the C036 division 3, it is known that the barn owl box in active condition. In addition, also known the certificate holder, has done planting beneficial plant such as *Turnera subulata* and *Antigonon leptopus* found on the main roads and production roads.

4.5.2

Unit certification demonstrates records of training provided to workers involved in the process of integrated pest management, eg training pest and disease census and control, HIRARS and MSDS on February 11, 2019 Ladang Panjang Estate Division III which was attended by 8 participants and on April 5, 2019 which was attended by 9 participants. Based on interviews with workers in nursery area, it is known that the workers understand about integrated pest management, for example, the type of integrated pest management, including the planting of useful plants, the use of natural enemies and the use of chemicals as well as the process of pest control starts from the census and if the census results exceed the threshold then will be controlled.

| | | |
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| | Status: Comply | |
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4.6
Pesticides are used in ways that do not endanger health or the environment
4.6.1

The certificate holder has procedures related to chemical activities such as spray work and pest control. The procedure is contained in the Agricultural Reference Manual (ARM) (110 / EST-ARM / 13) on plant protection from pests and diseases and weed control in general, such as the spray width on the circle is 2 meters. In addition, the procedure also explains general weed controls that pesticides are used selectively for specific targets, described dosage per ha, and dilution dosage. The certificate holder also uses pesticides listed on the pesticide commission according to the actual targets and targets in the field. Based on the results of field visits in block C036 Division 3, known spraying herbicide active ingredient Glyphosate to control broadleaf weeds in the circle mature plant.

4.6.2

The certificate holder documents the use of pesticides, for example for use in the period 2019 until March, the use of glyphosate active ingredients of 0.302 liters / ha. The certificate holder records the use of pesticides including the active ingredients used and the LD50 of the active ingredient, the targeted area, the number of active ingredients applied per ha and the number of applications.

4.6.3

The certificate holder operates an integrated pest control system by collaborating on biological and chemical controls. The use of chemical techniques is not done in a preventive manner, however based on the results of early warning systems of detection and census. Biological pest control is done by applying the development of natural enemies of owls to control the pest population of rats. The development of useful plants such as *Turnera subulata* and *Antigonon leptopus* is also used as a biological control technique as a living place for predator caterpillars. Based on the results of field observation on the application of integrated pest controls such as pest controls biologically for rat type with its predator (*Tyto alba*) in the C036 division 3, it is known that the barn owl box in active condition. In addition, also known the certificate holder, has done planting beneficial plant such as *Turnera subulata* and *Antigonon leptopus* found on the main roads and production roads.

4.6.4

The certificate holder has a complete list of Pesticides belonging to the World Health Organization Class 1A or 1B, or those listed in the Stockholm or Rotterdam Conventions. The list is listed in appendix 2 of SOP Sustainable Plantations Management Manual No. Policy 724 / TQEM-SPMS / 09 was issued August 27, 2010. The certificate holder also does not use paraquat and pesticides classified as class 1A or 1B. This is affirmed by the policy of not using Paraquat contained in the memorandum document of Head Plantations Operation (number: POD-UM-127 / X / 2008 dated November 4, 2008) regarding the Substitute Recommendation for the Application of Paraquat-Gramoxone Active Ingredients in Minamas environment.

Based on the results of field observations on spraying activities at Ladang Panjang Estate and visitation in herbicide storage, there is no use of pesticides (WHO class 1A and 1B) or paraquat. It is also acknowledged by the foreman and spray employees during a field visit, that the certificate holder does not use pesticides made of paraquat.

4.6.5, 4.6.7 & 4.6.9

The certificate holder has SOP of Hazardous Material Handling (No.394/IT-LB3-23/11 dated on September 27, 2011). In addition, the certificate holder has identified the risk for pesticide application in HIRAC document.

Based on interviews with 4 workers and a foreman on spraying activity in Division 3 Ladang Panjang Estate, explained that the workers have received training in accordance with the procedure about spraying techniques, for example the workers can explain width of circle in accordance with procedure and risks that may occur in the spraying activities include toxicity, skin irritation up to the environmental pollution. Workers also explained that pesticide mixing is conducted in the special place and after work, all of equipment and PPE was washed and stored in a special place that is in the House of Block Spraying System.

Based on a visit to spray activities that using Kleen Up pesticides, the workers have been equipped with PPE with type of shoes, safety goggles, apron, shirts and trousers, masks and gloves made from rubber. The type of PPE is in accordance with the recommendations in the MSDS of Kleen Up pesticides.

Ensure the MSDS of chemicals (OFI)

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.

4.6.6 & 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 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 used rags (mill) No. AUJ 0001767.

Ensure the separation of pesticides with other ingredients in the seedling warehouse. (OFI)

4.6.11

The Certificate Holder has conducting medical checkup which conducted once a year. Type of analysis were consist of physical parameter and cholinesterase (blood check). The company shows a record of Medical Check Up activities for employees with high-risk activities carried out by the company paramedic (company doctor) on December 10, 2018. Examinations performed are spirometry, cholinesterase, audiometry, and physical examination. From the results of the examination it was found that there were 6 workers diagnosed beyond the normal range for the results of cholinesterase.

The company doctor recommends the employee concerned to always move the relevant worker to a job / activity that is not at high risk. The company follows up by moving workers based on the Work Transfer Letter made by the Division Assistant concerned and known to the Estate Manager on 11 December 2018. The employee concerned is transferred to a maintenance activities without using chemicals.

4.6.12

Certificate holder has a prohibition policy for pregnant and lactating female to work which are related to agrochemical. Certificate holder delivers monthly examination for female worker in order to ensure that they are not working with agrochemical when they are pregnant or lactating. Based on field observations and interviews with personnel of spraying team known that there were no personnel sprayers women who are pregnant and breastfeeding, and stated that policies related to the prohibition of pregnant and breastfeeding women to spray has been understood.

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| Status: Comply |
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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.

Signboard related to Occupational Safety and Health (OFI)

4.7.2

The management unit has had document of risk analysis for OHS program. The document is composed to conduct identification and analysis of dangers potential that is probably happened at workplace and the recommendation to reduce the potential of work accident. According to the result of document review and field visit to mill and estate, the management unit has socialized the risk analysis document to all workers. Based on interview with the employees in all unit, obtained information that the employee has known the potential of dangers that could occurred at workplace. During field observation found one FFB loader (Contractor worker) didn't use a PPE, documents verifications and interview with managements obtained information if currently the company has been controlling the use of PPE for the contractor through inspection and monitoring to increase employee awareness and discipline regarding the use of PPE.

4.7.3

Result of field observation in Mill and Estate and interviews with personnel's, it is known that the management unit has provided PPE and have been given training in safe work practices. This was evidence that the personnel's have understood their duties and responsibilities and also can demonstrate how to work correctly and appropriately in accordance with the procedures. Furthermore based on field visit in estate and mill and interview with personnel, it is known that the management unit has provided PPE for personnel. For instance, for example the sprayer using personal protective equipment in accordance with specified hazard identification and risk analysis. In addition, employees are also informed about the steps of secure work in each morning briefing before start working. In addition, interview with spraying personnel in Ladang Panjang estate revealed that company would substitute or replace the PPE if there is a damage or broken on the old one.

OFI

- HIRAC covers all activities on operational area.
- Socialization PPE replacement mechanism.

4.7.4

The management unit has guiding committee for occupational health and safety organization and personnel in charge on implementing the occupational health and safety program. Guiding Committee of Occupational Safety & Health Board has drafted an OHS working program and evaluates the implementation of OHS program in the field. In order to ensure that the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performs a monthly meeting with workers. The interview result with Manpower and Transmigration Agency in Muaro Jambi Regency revealed that the management unit has submitted the guiding committee for occupational health and safety's periodic report every 3 months. The guiding committee for occupational health and safety report covers the entire occupational health and safety activity within company's operation activity.

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, clothes for firefighters, chainsaws, and other supporting equipment.
- Conducting a training of emergency, example emergency response training in Mill and Estate on April 2, 2019.

Based on field observation to Ladang Panjang POM, it was found that Hydrant, fire extinguisher, first aid box were properly monitored and maintained. Moreover, hydrant was satisfactory works during simulation. Based on field visit, company has pointed the evacuation path/route and concentration point in order to smooth the evacuation process in emergency situation. The evacuation path is available in office and mill and has been completed with map and other *signboards*. At the time of the field visits it is known that in the mill, warehouse, workshop and division offices have supplied First Aid box which monitored regularly. As for the operational activities in the field, supervisors was carrying first aid kits during his work in the field, and mill was also equipped with first aid kits. Based on interview with supervisor, it is known that he understood the first aid mechanism in case of emergency. Some of the signboard in dirty condition, so the company should clean that. **OFI**

4.7.6

The management unit provided accident insurance for personnel based on the applicable regulation. The insurance such as manpower insurance is paid monthly to national social insurance for manpower/ BPJS. Meanwhile, for medical insurance, the company has registered its entire personnel in manpower medical insurance/ BPJS. Based on interview with some personnel, it is known that the entire personnel have been registered in manpower medical insurance/ BPJS. Moreover, Based on interview and documents verifications with contractor workers revealed that contractor's personnel has been registered in manpower insurance/ BPJS.

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 April 2018 to March 2019 note that in Estate and mill there are no accidents.

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| Status: Comply |
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4.8

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

4.8.1

The certificate holder has list of worker status. There is no smallholder scheme of certificate holder. The certificate holder has also list of training program and realization for 2019 which include : best management practices (spraying, harvesting, fertilizer, pest and disease), first aid kit, land fire management, HCV, MSDS and environment emergency respond. The program was based on identification needs.

4.8.2

Certificate holder shown the reports of realization in the form of minute of training along with materials, attendance list and photos. Training records for all employees and contractors are recorded that have been implemented and attended by employees; records of the training have been stored and maintained by the company. For example there's a record of Code of Conduct Socialization on April 19th, 2019. On the list of attendance, there's a representation from local contractor in the name of CV. Empat Zheed (empty bunch transporter).

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| Status: Comply |
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PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity
5.1

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

5.1.1

PT 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

Ensuring domestic waste management (OFI)

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| | Status: Comply | |
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5.2

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

5.2.1.

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 March 5, 2019 in block C023 and C025, for example:

- fauna identification seen by officers : such as *Macaca nemestrina* 9 animals are seen in block C025, *Alcedo atthis* 4 animals are seen in block C025, *Chloropsis synapogon* 7 animals are seen in block C023, *Geopelia striata* 6 animals are seen in block C025 and 3 animals are seen in block C023, *Corvus enca* 5 animals are seen in block C025 and *Varanus nebulasus* 10 animals are seen C023.
- 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 and on March 29, 2019 with 9 participants from workers and villagers. Based on the results of interviews with representatives of the community of Gelam 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. Based on the results of interviews and field visits, known that there was no workers were found to capture, harm, and collect wild animals.

CH has work programme of HCV that is available for every year. As for the HCV Management Plan, also covers types of activities, activity timelines, PIC, location of activities, and number of populations. 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
- etc

CH has an HCV evaluation on March 5, 2019 based on the results of monitoring that have been conducted, among others:

- Biodiversity: the biodiversity in the HCV area division III is well maintained
- The existence of flora and fauna: the types of flora and fauna found in HCV areas have not changed, naturally grown and developed. Specifically, the presence of flora in C025 and C029 needs to be planted with new crops because many old plants are lost due to flooding and are stolen so security supervision need to be improved.

- Social: regular socialization makes more surrounding communities know and understand the importance of HCV, as indicated by their participation in maintaining the integrity of HCV.

Based on evaluation result, known that there are some things that are of concern, specifically the presence of flora in C025 and C029 needs to be planted with new crops because many old plants are lost due to flooding and are stolen. Regarding the explanation, the company maintains the HCV management plan in accordance with the previous management plan add security supervision activities in the next Management plan.

5.2.5

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

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| Status: Comply |
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5.3

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

5.3.1

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 25 January 2019 (estate) and dated 17 January 2019 (mill) conducted by licensed collector. Agreement between company and third party which collect the hazardous waste showed by the document of agreement No. 0504/MOU-SCW/h/2019 (Mill) and No. 36/BGR-SPK/LPE/IV/2019 (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.

Observations of Mill drainage known that leachate from empty bunch and boiler ash flow through the mill drainage to the water body. Related to this, the company has not been able to show plan for leachate management and its implementation to avoid pollution. **NC 2019.01**

| | |
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| 5.3.3 | Status: NonConformity No. 2019.01 with Minor Category |
|--------------|--|

| |
|-------------|
| Open |
|-------------|

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 2018-March 2019, fiber and shell usage for boiler resulting average energy efficiency are 0.03 kwh/ton CPO for fiber and 0.04 kwh/ton CPO 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 2 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

Based on the tests performed, it is known that the results of noise testing in several places (engine room and Kernel Plant) 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 2018 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 emmison 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 | 22 – 26 April 2019 |
| 7. | Data set | Jan – Dec 2018 |

Summary of Net GHG Emissions

| Emmision per product | tCO2e/tProduct |
|----------------------|----------------|
| CPO | 5.29 |
| PK | 5.29 |

| Production | t/yr |
|---------------|-----------|
| FFB processed | 122213.89 |
| CPO produced | 25466.635 |
| PK produced | 5245.955 |

| Extraction | % |
|------------|-------|
| OER | 20.84 |
| KER | 4.29 |

| Lan use | Ha |
|-------------------|-----------|
| Planted area | 2819.28 |
| Planted on peat | 1662.9408 |
| Conservation Area | 8.11 |

Summary of field emission and Sinks

| Description | Own crop | | Group | | 3 rd party | |
|------------------------------------|------------------|-------------|----------|------------|-----------------------|------------|
| | tCO2e | tCO2e/tFFB | tCO2e | tCO2e/tFFB | tCO2e | tCO2e/tFFB |
| Emissions Sources | | | | | | |
| Land conversion | 45592.46 | 0.71 | 0 | 0 | 0 | 0 |
| CO2 emmisions from fertilizer | 2374.64 | 0.03 | 0 | 0 | 0 | 0 |
| NO2 emissions | 14690.06 | 0.19 | 0 | 0 | 0 | 0 |
| Fuel comsumption | 359.68 | 0.01 | 0 | 0 | 0 | 0 |
| Peat oxidation | 90796.52 | 1.19 | 0 | 0 | 0 | 0 |
| Sinks | | | | | | |
| Crop sequestration | -22378.8 | -0.34 | 0 | 0 | 0 | 0 |
| Sequestration in Conservation area | -34.85 | 0 | 0 | 0 | 0 | 0 |
| Total | 131399.71 | 1.78 | 0 | 0 | 7806.59 | 0 |

Summary Oil Mill Emissions and Credits

| | | |
|---------|-------|-------------|
| Remarks | tCO2e | tCO2e/t FFB |
|---------|-------|-------------|

| Emissions sources | | |
|----------------------------|----------|------|
| POME | 22183.66 | 0.18 |
| Fuel consumption | 938.96 | 0.01 |
| Grid electricity | 0 | 0 |
| Credits | | |
| Export of grid electricity | 0 | 0 |
| Sales of PKS | 0 | 0 |
| Sales of EFB | 0 | 0 |
| Total | 23122.62 | 0.19 |

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 that has been scheduled for the period January - December 2019 and has involved affected parties. the plan is divided into several aspects, including:

- Social aspects.
- Economy aspects
- Environment aspect

CH has also shown evidence of the implementation of social impact management plan that has been done. In the RKL-RPL implementation report for semester 2 of 2019 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 conducted a review of the management of social impacts carried out in 2018. Evidence of the review included, among others :

- A questionnaire sample document that has involved affected parties such as village representatives, employees, contractors and plasma farmers
- List of participants in the PT BGR social impact assessment
- Analysis of the PT BGR Social Impact Questionnaire (Recapitulation of questionnaire results)

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 and Gelam Village, 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.

Status: Comply

6.2

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

6.2.1

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

6.2.2

Corporate officer responsible for executing the procedures of communication and consultation is the management of the operational unit Mill and Estate, Head Department and the relevant departments in accordance with SOP Communication and Consultation with the Community (Doc No. 006/BGR-KKM/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.

Status: Comply

6.3

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

6.3.1

Certification unit has a system of communication and consultation document on 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

There were no internal and external disputes during the 2018/2019 period. Cross-checking had been carried out through interviews with worker union, interviews with employees during field observations and interviews with the sampled communities.

Based on interview with worker union, gender committee, local contractor that all affected parties has been accept about company complaints/grievances system.

The certificate holder has also monitored request for information and complaint from stakeholder in form of Logbook Documents of 2018/2019. The most of letter is about request of funding, repairing facilities and heavy equipment assisting and It was managed through estate and mill.

In addition, based on the results of public consultations with related agencies (Department of Plantations, Labor Agency and Environmental Agency) also found no information regarding complaints from parties around the company.

Status: Comply

6.4

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

6.4.1, 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. Head of Ladang Panjang Village 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

The company has the latest minimum wage decree in the form of the Decree of the Governor of Jambi No.: 1103 / KEP.GUB / DISNAKERS-3.3 / 2018 dated October 24, 2018 for the Jambi Province minimum wage in 2019 of Rp. 2,423,889.16 (The wage decree is effective from January 2019). As a follow-up to this, the Management Headquarters Human Resource issued Memo No. 014 / RSP-i4.3 / IV / 2019 on December 14, 2018 concerning the increase of the Province of 2019 Minimum Wage in Jambi Province, which is briefly explained as follows:

- The minimum wage for daily employees is set at Rp. 2,423,889 / month. And the deduction of salaries for absentees is Rp. 96,955 / day
- The lowest salary structure of the Employee Salary (G1) is Rp 2,456,339 and the highest group (A8) is Rp 3,027,299.

The salary process will be carried out on payroll in March 2019, this has been socialized to all workers on April 5, 2019 which was delivered directly by the Senior Asistant Division 3 (documentation and attendance list attached).

In addition, the company also has memos related to the determination of the value of rice allowance in the Sumatra region (No.: 036 / HRM-i5 / IV / 2019) issued by the Head of Human Resource Management on April 9, 2019. The document

explains that the price of rice is standard for Payroll program for employees of Region 2 SKU and RSS is Rp. 9,400 / kg.

The following is a list of employee wages (period March 2019):

- Employee Code 43075, with details: Basic Salary Rp 2,294,688; Overtime Rp. 1,379,757; Rice Rp. 366,600.
- Employee Code 99470, with details: Basic salary of Rp 2,276,168; Overtime Rp. 1,369,262; Rice Rp. 296,100
- Employee Code 43101, with details: Basic Salary of Rp 2,280,798; Overtime Rp. 1,189,897; Rice Rp. 211,500

The employee salary slip informs the component of income (basic wage, fixed allowance and non-permanent allowance / premium) and discount component (health insurance and deduction from Worker Union).

Based on the record of the salary slip, it is known that the employee's salary is in accordance with the Minimum Wage of Jambi Province.

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.

Regarding to family gang issues, the company also has a Memorandum concerning Appeal Not Reached Employing Workers Without Relationship to the Work Association with PT Bahari Gembira Ria (No.: 143 / BGR-INT / IV / 2019) determined by April 24, 2019 by the Unit Manager. The memo explained that all employees were not allowed to bring and or employ workers without any work ties with PT Bahari Gembira Ria. **OFI**

6.5.3 & 6.5.4

Based on field observation in all unit (estate and mill), it is known that the company has been providing housing facilities, lighting, water, daycare, worship place, school buses, and clinics. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with reasonable price. The Company also provides rice support to all permanent worker.

Status: Comply

6.6

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

6.6.1; 6.6.2:

CH 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.

Same as the previous assessment, it has been shown Decree Number: 23/PC F.SPPP-K.SPSI/Prov.Jambi/II/20177 dated February 12, 2017 concerning Ratification / Inauguration of the *Komposisi dan Personalia Pengurus Unit Kerja Federasi Serikat Pekerja Pertanian dan Perkebunan Serikat Pekerja Seluruh Indonesia (PUK F.SPPP-SPSI)* PT Bahari Gembira Ria period 2017 until 2022.

Public consultation through interviews with head of worker union submitted that:

- PT BGR has granted the freedom of association and no intimidation by the company against union officers.

- Meeting with management internally and done and the results of the meeting are documented in the form of news events.
- 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.
- Determination of minimum wage provisions of 2018.
- All employees have enrolled in the program the social insurance (*BPJS Ketenagakerjaan* and *BPJS Kesehatan*).
- Period 2018 there are no reports related to worker discrimination or violations of labor regulations.

Based on interview with worker union there's no intervention by Company, every workers has rights to choose representative in bipartite and there is no intervention by CH to the election of workers representative in Bipartite.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

The minimum age for new worker recruitment is 18 years old, it is based on company policy. Based on document review and field observation, there are no workers under 18 years old. Based on public consultation with Manpower Agency of Muaro Jambi Regency and field observation, there is no issue regarding child labor. Based on interview with worker in estate and mill, they know the minimum age to work in the company. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Moreover, interview with personnel revealed that there are no personnel under 18 years old and personnel understand the minimum age for recruitment in company.

Status: Comply

6.8

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

6.8.1, 6.8.2 and 6.8.3

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.

The results of interviews with workers, worker unions, gender committees, cooperative managers are known that in the recruitment process there are several requirements that must be met, such as identity cards, CVs, family cards, health examination results etc. In addition, workers are also given training related to their job description to improve the skills / expertise of workers. So that workers who are appointed or recruited already have the expertise / ability in accordance with the job description.

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.

Based on interview with women worker in all unit (estate and mill), it is known that there is no issue regarding discrimination. The workers that has been interviewed is came from various social origin, race, and religion. Local community also get the same opportunity to work in company.

Status: Comply

6.9

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

6.9.1; 6.9.2; 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 worker in child day care, it is known that they understand the policy. Also, interview with committee of worker union, it is known that there is no issue or complaint related to reproductive on the workplace and they all know the mechanism to make a complaint.

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| Status: Comply |
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6.10
Growers and mills deal fairly and transparently with smallholders and other local businesses.
6.10.1 & 6.10.2

Based on the letter of Cooperation Agreement with cooperatives, the determination of the purchase price of FFB from the smallholder's plantation follows the FFB price that determination by the Government of Jambi Province. Pricing is done 2 times a month.

Certificate holder can show Document of FFB price of Jambi Province dated February 21, 2019. Price determination is based on price of CPO and kernel and also adjusted age of plant. In the document explains the prices from 22 – 28 February 2019.

Based on the Smallholders Plantation Management Report, it is recognized that the FFB price information is contained in the document and every month the cooperative has acknowledged and approved the calculation in that Report.

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

Based on the results of interviews with local contractors, eg CV. Empat Zheed for the type of transportation of the empty fruit bunch division 3. In the contract letter transport of an number 08 / BGR-SPK / LPE / I / 2019 dated January 19, 2019. Stage and payment methods are doubt within 15 days since the first party of the written bill is written and correctly from the second part of the number of EFB listed in handover 1 recapitulation in 1 month of transportation. Payment by the first party through transfer to second-party account. For KUD, based on the interview of the study, the administration of the KUD management, it is known that payment is made in cash.

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

6.11.1, 6.11.2

The Certificate Holder shown evidences of contribution to local sustainable development, through develop oil palm scheme smallholder, acceptance of local workers, contractors and local businesses, as well as other contributions contained in CSR programs that are prepared in a participatory manner with the community.

Based on interviews with the Village Official of Ladang Panjang, Head of Plasma Cooperative, and local communities, it was known that the 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.

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| Status: Comply |
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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 interview with workers and stakeholders revealed that there is no migrant worker, forced labor, and illegal worker. Also, there is no contract substitution in the company. Each worker have appointment decree letter as daily or monthly permanent worker. Identity document of each worker is kept in unit office and if they want to access their document, they have to communicate it with their supervisor.

Based on document review, field observation, and interview with workers and stakeholders, auditors did not see any harvester accompanied by their wife or children and any indication of force labour. There is no threat against family members.

Re-evaluation company policies which not in collective labor agreement, for example harvesting penalty (OFI)

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| Status: Comply |
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6.13

Growers and millers respect human rights

The company has policies related to non-discrimination and equal opportunities in the Human Rights Policy (HAM) made in June 2015 was approved by the Chairman. In human rights policy, it was explained that PT. BGR, which is incorporated in Minamas Plantation Group, is committed to protecting human rights, all staff and employees and employees include: Right to life, family rights and continuing descent, self-development rights, right to justice, rights to personal freedom, rights to security, rights for welfare, rights to participate in government, women's rights, children's rights.

Based on interview with local contractor, worker union and committee gender, it is known that they already understand about the policy. Interview with worker in estate and mill informed that there is no complaint related to violation of human rights.

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| Status: Comply |
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PRINCIPLE #7 Responsible development of new plantings
7.1

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

7.1.1, 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.

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| Status: Comply |
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7.2

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

| | |
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| 7.2.1 & 7.2.2 | |
| According to hectare statement period 2018/2019 data and information from estate management unit, it could be concluded that there were no new planting and development areas from 2001 in Ladang Panjang Estate Division III. | |
| Status: Comply | |
| 7.3 | |
| New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values. | |
| 7.3.1; 7.3.2; 7.3.3; 7.3.4 and 7.3.5. | |
| 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. | |
| As a result of document review and management interviews, it is known that the company has been actively confirmed with RSPO to ensure SDP RaCP status (last email from RSPO March 7, 2019). In addition, there were no above planting in 2005. | |
| Ensuring progress of LUCA (OFI) | |
| Status: Comply | |
| 7.4 | |
| Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided. | |
| 7.4.1 & 7.4.2 | |
| According to hectare statement period 2018/2019 data and information from estate management unit, it could be concluded that there were no new planting and development areas from 2001 in Ladang Panjang Estate Division III. | |
| Status: Comply | |
| 7.5 | |
| No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. | |
| 7.5 | |
| The results of the document review and field visits revealed that since the ASA-1.1 activities until ASA-1.2 the company had not carried out the development of new area. | |
| Status: Comply | |
| 7.6 | |
| Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements. | |
| 7.6 | |
| The results of the document review and field visits revealed that since the ASA-1.1 activities until ASA-1.2 the company had not carried out the development of new area. | |
| Status: Comply | |
| 7.7 | |
| Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice. | |
| 7.7 | |
| The results of the document review and field visits revealed that since the ASA-1.1 activities until ASA-1.2 the company had not carried out the development of new area. | |
| Status: Comply | |
| 7.8 | |
| New plantation developments are designed to minimise net greenhouse gas emissions. | |
| 7.8.1 & 7.8.2 | |
| 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 | |

| PRINCIPLE #8 Commitment to continuous improvement in key areas of activity | | |
|--|-----------------------|--|
| 8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations. | | |
| 8.1.1 <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. <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. Internal Audit RSPO has been conducted on 27- 28 March 2019 by PSQM Department with scope assessment Mill and Estate. Internal audits are carried out to ensure that the company consistently implements RSPO P & C Standards. | | |
| | Status: Comply | |

3.2. Summary of Assessment Report of Supply Chain Requirement
3.2.1 General chain of custody requirements for the supply chain

| Clause | Requirement |
|------------|--|
| 5.1 | Applicability of the general chain of custody requirements for the supply chain |
| 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> |
| | Status: Comply |
| 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> |
| | Status: Comply |
| 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: RSPO_ PO1000000315</p> |
| | Status: Comply |
| 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> |
| | Status: Comply |
| 5.2 | Supply chain model |
| 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 -> Segregated -> 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 which is uncertified area of PT BGR (Division 1 & 2) and Plasma of PT BGR.</p> |
| | Status: Comply |
| 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> |
| | Status: Comply |
| 5.3 | Documented procedures |
| 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> <p>There is no change of company SCCS procedure that listed on 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</p> |

| | |
|--|--------------------------------|
| 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 procedure has contain all element of Chain of Custody and SCCS Module. | |
| | Status: Comply |
| 5.3.2 | |
| The site shall have a written procedure to conduct annual internal audit | |
| There is no change of Internal Audit procedure that listed 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 28 March 2019 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 6 non-compliance for example about evidence of registration transaction on palmtrace. | |
| | Status: Comply |
| 5.4 | Purchasing and goods in |
| 5.4.1 | |
| 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 | |
| | Status: Comply |
| 5.4.2 | |
| 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 | |
| | Status: Comply |
| 5.5 | Outsourcing activities |
| 5.5.1 | |
| 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 in the certified period (from September 2018). | |
| | Status: Comply |
| 5.5.2 | |
| Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: | |
| <ul style="list-style-type: none"> a. The site has legal ownership of all input material to be included in outsourced processes; 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. c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. 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 | |
| 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 in the certified period (from September 2018). | |
| | Status: Comply |

| | |
|--------------|---|
| 5.5.3 | <p>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.</p> <p>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 in the certified period (from September 2018).</p> <p>Status: Comply</p> |
| 5.5.4 | <p>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</p> <p>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 in the certified period (from September 2018).</p> <p>Status: Comply</p> |
| 5.6 | Sales and goods out |
| 5.6.1 | <p>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</p> <p>There is no physically selling or Book & Claim of CSPO and CSPK product since September 2018 till audit conducted.</p> <p>Status: Comply</p> |
| 5.7 | Registration of transactions |
| 5.7.1 | <p>Supply chain actors who:</p> <ul style="list-style-type: none"> are mills, traders, crushers and refineries; and 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 <p>RSPO IT Platform member registration number: RSPO_PO1000000315.</p> <p>There is no physically selling or Book & Claim of CSPO and CSPK product since September 2018 till audit conducted.</p> <p>Status: Comply</p> |
| 5.7.2 | <p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> 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. 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. Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. <p>There is no physically selling or Book & Claim of CSPO and CSPK product since September 2018 till audit conducted.</p> <p>Based on the balance sheet document, note the data for the period September 2018 to 20April 2019, it is known that there are non-certified / conventional certified CPO sales, but there is no registration of remove stock in the RSPO IT Platform (Palmtrace). It is become Non-Conformity No. 2019.2 with Major Category</p> <p>Status: Non-Conformity No. 2019.2 with Major Category</p> |
| 5.8 | Training |

5.8.1

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 2019 with training types including SCCS SOP training planned in March 2019.

Status: Comply

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 March 22, 2019 with a total of 11 participants (mill staff, contractor, weighbridge operator).

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.

LPF can show FFB delivery letter, weighbridge ticket till summary of receive and delivery certified product on 2017. It is shown that LPF keep the document for last 2 years.

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.

Facility estimated their palm product which is written in annex of certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.

| Product | The projection certified volume Last year (MT) | Actual Production last year (MT) | The projection certified volume 09 July 2019 to 08 July 2020 (MT) |
|---------|--|----------------------------------|---|
| FFB | 32,342 | 31,599.95 | 32,128 |
| CPO | 7,214 | 6,958.32 | 7,679 |
| PK | 1,530 | 1,444.12 | 1,536 |

| | |
|---------------|--|
| | 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); 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. |
| | Status: Comply |
| 5.12 | Complaints |
| 5.12.1 | 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 September 2018 till audit conducted there is no physically selling of certified product. |
| | Status: Comply |
| 5.13 | Management review |
| 5.13.1 | 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. |
| | Status: Comply |
| 5.13.2 | The input to management review shall include information on: <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. |

| | |
|--|-----------------------|
| <ul style="list-style-type: none"> • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. | |
| <p>The CH shows Management Review Minutes conducted on April 01, 2019 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.</p> | |
| | Status: Comply |
| <p>5.13.3</p> <p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. | |
| <p>The CH shows Management Review Minutes conducted on April 01, 2019 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.</p> | |
| | Status: Comply |

3.2.2 (Module E) CPO Mills - Mass Balance Requirements

| Clause | Requirement |
|--------------|--|
| E.1 | Definition |
| E.1.1 | <p>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.</p> <p>LPF still implemented a model of supply chain Mass Balance. FFB supply source for LPF is still received from uncertified sources which is uncertified area of PT BGR (Division 1 & 2) and Plasma of PT BGR.</p> |
| | Status: Comply |
| E.2 | Explanation |
| E.2.1 | <p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. 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.</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-1.2 report, consist of:</p> <p>FFB: 34,128 ton</p> <p>CPO: 7,679 ton (OER: 22.5%)</p> <p>PK: 1,536 ton (KER: 4.5%)</p> |
| | Status: Comply |
| E.2.2 | <p>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).</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 2018 to 20 April 2019.</p> |
| | Status: Comply |
| E.3 | Documented procedures |
| E.3.1 | <p>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:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. <p>There is no change of company SCCS procedure that listed on 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 procedure has</p> |

contain all element of Chain of Custody and SCCS Module.

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:

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 July 2018 to 20 April 2019

| Month, Year | FFB (ton) | | |
|--------------------------|----------------|---------------|------------|
| | RSPO Certified | Non Certified | Total |
| April 2018 to March 2019 | 31,599.95 | 73,548.56 | 105,148.51 |

Based on document review and interviews with KUD Karya Mandiri and weighing employees, it is known that changes in the RSPO certified stamp for KUD Karya Mandiri were conducted in March 2019, while the KUD Karya Mandiri has not been certified since December 2018. This shows that the company has not been able to demonstrate implementation towards identification of certified and not certified FFB properly. **Non-Conformity No. 2019.3 with Major Category.**

Status: Comply

E.4.2

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

Based on the estimated FFB, CPO and PK on annex 1 of initial assessment certificate, facility could be produce as follows:

| Product | Estimation of Certified Product (MT) | Extension Volume on 22 April 2019 (MT) | Actual Production April 2018 until March 2019 (MT) |
|---------|--------------------------------------|--|--|
| FFB | 29,121 | 3,221 | 31,599.95 |
| CPO | 6,552 | 662 | 6,958.32 |
| PK | 1,310 | 220 | 1,444.12 |

Based on the data above, there was overproduction and CH has inform to CB.

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.)

Mill has documented the record and balance of all RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. Based on certification period found that summary of certified/noncertified product sold as follow:

| Period | CPO Production (MT) | | Total | Cert CPO Dispatch (MT) | | | Total |
|-------------------------|---------------------|-----------|-----------|------------------------|--------------|----------|----------|
| | Cert | Non Cert | | RSPO | Other scheme | Non Cert | |
| April 2018 – March 2019 | 6,958.32 | 17,385.15 | 24,343.47 | - | - | 6,816.43 | 6,816.43 |

| Period | PK Production (MT) | | Total | Cert PK Dispatch (MT) | | Total |
|-------------------------|--------------------|----------|----------|-----------------------|----------|----------|
| | Cert | Non Cert | | RSPO | Non Cert | |
| April 2018 – March 2019 | 1,444.12 | 3,651.49 | 5,095.61 | - | 1,404.04 | 1,404.04 |

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-1.2 | PT BGR do not use RSPO Trademark and CB Logo, However PT GPI has had a trademark license under Sime Darby Plantation Berhard Group number RSPO – 1106024. | √ |
| | Status: Comply | |
| 2. | Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of Logo Use | X or√ |
| ASA-1.2 | PT BGR do not use RSPO Trademark and CB Logo, However PT GPI has had a trademark license under Sime Darby Plantation Berhard Group number RSPO – 1106024. | √ |
| | Status: Comply | |
| 3. | Implementation of Certificate and Trademark is not used on product | X or√ |
| ASA-1.2 | PT BGR do not use RSPO Trademark and CB Logo, However PT GPI has had a trademark license under Sime Darby Plantation Berhard Group number RSPO – 1106024. | √ |
| | Status: Comply | |
| 4. | Controlling of Certificate and Trademark, including withdrawing inappropriate logo. | X or√ |
| ASA-1.2 | PT BGR do not use RSPO Trademark and CB Logo, However PT GPI has had a trademark license under Sime Darby Plantation Berhard Group number RSPO – 1106024. | √ |
| | Status: Comply | |

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 January 2019 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 remains unresolved social i.e. from *Serikat Petani Kelapa Sawit* (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process to some of its operational area.
- PT Guthrie Pecconina Indonesia – Sungai Jernih Estate currently is in HGU process
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labor 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.

| 3.4.1 Un-Certified Units or Holdings | | |
|--------------------------------------|--|---|
| Section | Requirement | Concerns to Discuss, if any |
| 2.2.1 | Did the company conduct an internal audit? If so, has a positive assurance statement been produced? | <p>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company, latest partial internal audit are held in July – December 2018, for five units and three smallholder scheme.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit, latest partial internal audit are held in July – December 2018, for five units and three smallholder scheme.</p> <ul style="list-style-type: none"> - PT Mitra Austral Sejahtera : 2 December 2018 - PT Budidaya Agro Lestari : 2 April 2018 - PT Guthrie Pecconina Indonesia – Sungai Jernih Estate : 8 aug 2018 - PT Sandika Natapalma – Karya Palma Estate : 10 July 2018 |
| i. | <p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). | <p>Company Group/Holding Statement: HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p> |

| | | |
|-----|---|---|
| | <ul style="list-style-type: none"> Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. | <p>Auditor Verification: Sime Darby Plantation Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd revision on 24 June 2016. Current status of LUCA report of SDP Bhd is has been sent the 19 report of LUCA to RSPO on Aug 2018, responded by RSPO with need clarification. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.</p> |
| i. | Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure. | <p>Company Group/Holding Statement: A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</p> <p>Auditor Verification:</p> <ul style="list-style-type: none"> Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP. RSPO NPP process has been completed in 2011 for a new mill in Liberia. |
| ii. | Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6. | <p>Company Group/Holding Statement: Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46 PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve. |

| | | |
|------|--|--|
| iii. | Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3. | <p>Company Group/Holding Statement: No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</p> |
| iv. | Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. | <p>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, i.e.:</p> <ul style="list-style-type: none"> • PT Sime Indo Agro 1,652 Ha • PT Aneka Inti Persada 421.31 Ha • PT Bina Sains Cemerlang 308.25 Ha • PT Bersama Sejahtera Sakti 765 Ha • PT Langgeng Muaramakmur 1,162 Ha • PT Paripurna Swakarsa 1,120 Ha • PT Swadaya Andika 63 Ha • PT Bahari Gembira Ria 1,639 Ha • PT Guthrie Pecconina Indonesia 4,133 Ha • PT Perkasa Subur Sakti 1,286 Ha |

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.
3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-1.1 Assessment

| | | | |
|--|--|------------------------|--------------------|
| NCR No. | : 2018.01 | Issued by | : Dwi Haryati |
| Date Issued | : 27 September 2018 | Time Limit | : 26 December 2018 |
| NC Grade | : Major | Date of Closing | : 24 October 2018 |
| Standard Ref. & Requirement | 3.1.1 A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders. | | |
| Non-Conformance Description & Evidence observed (filled by auditor): 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). | | | |
| Root Cause Analysis (filled by organization audited): The lack of attention from the Team to be able to monitor and follow up immediately with regard to long-term plans in Jakarta | | | |
| Correction (filled by organization audited): The document of long-term plan has been sent on October 4 and has been informed to the Auditor. | | | |
| Corrective Action (filled by organization audited): 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. | | | |
| Assessor Evaluation and Conclusion (filled by auditor): 24 October 2018 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. | | | |
| Verified by | : | Dwi Haryati | |

| | | | |
|--------------------|---------------------|------------------------|--------------------|
| NCR No. | : 2018.02 | Issued by | : Dwi Haryati |
| Date Issued | : 27 September 2018 | Time Limit | : 26 December 2018 |
| NC Grade | : Major | Date of Closing | : 04 December 2018 |

| | |
|--|---|
| Standard Ref. & Requirement | 4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers. |
| <p>Evidence observed (filled by auditor): Based on field observations and interviews with workers in Factory and Estates, it is known:</p> <ol style="list-style-type: none"> <i>Emdek</i> Tractor Operators do not have OHS licenses of heavy equipment in accordance with Regulation of Labour Ministry No. 09 of 2010 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 The OHS license of the boiler operator has expired on November 25, 2010 <p>Regarding the above, the company shows the following documentation:</p> <ul style="list-style-type: none"> 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 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. <p>Non-Conformance Description (filled by auditor): 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>Root Cause Analysis (filled by organization audited):</p> <ol style="list-style-type: none"> 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. Engine room operators do not have a OHS license in accordance with Permenaker No. 38 of 2016 because the current operator is a previous operator replacement operator transferred to another station. 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. | |
| <p>Correction (filled by organization audited): 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"> Registered to <i>PJK3</i> (PT Arpindo Pratama) to be included in Tractor Operator competency training on 27 November 2018. Registered to <i>PJK3</i> (PT Arpindo Pratama) to be included in the OHS licensed power and production equipment training on November 27, 2018 Registered to <i>PJK3</i> (PT Arpindo Pratama) to carry out an extension of the SIO Boiler Operator which has expired. | |
| <p>Corrective Action (filled by organization audited): 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>Assessor Evaluation and Conclusion (filled by auditor): 04 December 2018 The company shows the following documents:</p> | |

- a. Letter No. 794/SK/AP/XI/2018 dated November 15, 2018 issued by PT Arpindo Pratama (PJK3) concerning a letter of registration for the training of OHS Tractor Operators on behalf of Karimullah Erwin.
- 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**

| | | | | | |
|---|----------|---|------------------------|----------|-------------------------------|
| NCR No. | : | 2018.03 | Issued by | : | Rizliani Aprianita Hsb |
| Date Issued | : | 27 September 2018 | Time Limit | : | ASA 1.2 |
| NC Grade | : | Minor | Date of Closing | : | 4 January 2019 |
| Standard Ref. & Requirement | : | 6.1.4 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. | | | |
| Evidence observed & Non-Conformance Description (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. | | | | | |
| Root Cause Analysis (filled by organization audited): The social impact management plan should be reviewed on May 2017 to be implemented in 2018, but cannot be implemented due to at that month until September 2017, The PIC of the social team coordinator and other social teams socialized Regulation of Agricultural Ministry No. 14 of 2013 concerning Guidelines for determining the purchase price of fresh fruit bunches produced by planters to plasma farmers PT. Bahari Gembira Ria, so the social impact management plan for the implementation of 2018 is still referring to the previous year. | | | | | |
| Correction (filled by organization audited): Conducting a review of the plan for managing social impacts for the 2019 period which is carried out on October 13, 2018 until November 26, 2018. The review of the questionnaire was given to 8 villages bordering the company's operations, including: Ladang Panjang Village, Tri Mulya Jaya, Petaling Jaya, Sido Mukti, Mingkung Jaya, Sumber Agung, Gambut Jaya and Sungai Gelam Village (attached sample questionnaire from 8 villages around company operations, recapitulation of results of questionnaires and Social Impact Management Programs / Plans in 2019). The review also involved plasma farmers and employees (List of impact assessment participants / questionnaires attached). | | | | | |

Corrective Action *(filled by organization audited):*

Conducting a review of the social impact management plan accordance with procedures under the coordination of the social team that has been appointed by the Chairman of SOU.

To ensure that nonconformity do not recur in the future: the company has appointed a PIC to coordinate the program review / Social Impact Management Plan (SK PIC and Schedule attached).

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on December 5, 2018

The company shows evidence of improvement in the form of:

- Documentation of questionnaire activities to the community on 13 October - 26 November 2018 involving 3 villages namely Ladang Panjang Village, TriMulya Jaya Village and Petaling Jaya Village.
- Sample questionnaire documents that have been filled in by the community from 3 Villages, namely Ladang Panjang Village, TriMulya Jaya Village and Petaling Jaya Village.
- Social impact management plan for 2019 which covers social, economic and environmental impacts.

Verification on January 2, 2018

The company shows evidence of improvement in the form of:

- Sample questionnaires from 8 villages bordering the company include Gambut Jaya Village, Ladang Panjang Village, Mingkung Jaya Village, Petaling Jaya Village, Sido Mukti Village, Sumber Agung Village, Sungai Gelam Village, and Tri Mulya Jaya Village.
- A review schedule for the Implementation of the Plan and Management of Social Impacts in villages around the PT BGR company for the period of 2020.
- Analysis of the PT BGR Social Impact Questionnaire (Recapitulation of questionnaire results) conducted in 8 Villages.
- Letter of Appointment to the Responsible Officer of the PT BGR Social Team Coordinator who appoints an employee namely Naswir as Coordinator of the Social Team which was set on September 2, 2018.

Verification on January 3, 2018

The company shows evidence of improvement in the form of a list of participants in the PT BGR social impact assessment questionnaire. Based on the list of participants, a SIA review was conducted involving communities from 8 villages, employees and plasma farmers.

Verification on January 4, 2018

The company shows evidence of the involvement of employees and plasma farmers in the review of management of social impacts. The evidence shown in the form of a sample questionnaire that has been filled out by plasma farmers and employees.

Based on the evidence presented, NC is stated to have been fulfilled.

Verified by : **Rizliani A Hsb**

| | | | |
|--------------------|--------------------------|-------------------|-------------------------------|
| NCR No. | 2018.04 | Issued by | Rizliani Aprianita Hsb |
| Date Issued | 27 September 2018 | Time Limit | ASA 1.2 |

| | | | |
|---|---|-----------------|--------------------|
| Tanggal diterbitkan | | | |
| NC Grade | : Minor | Date of Closing | : 13 November 2018 |
| Standard Ref. & Requirement | 6.11.1 Records of contributions to local development based on the results of consultation with local communities shall be available. | | |
| Evidence observed (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 | | | |
| Non-Conformance Description (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. | | | |
| Root Cause Analysis (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 | | | |
| Correction (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). | | | |
| Corrective Action (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. | | | |
| Assessor Evaluation and Conclusion (filled by auditor): Verification on October 29, 2018 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. | | | |

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| Verified by | : Rizliani Aprianita Hsb |
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| | | | |
|---|---|------------------------|---------------------------|
| NCR No. | : 2018.05 | Issued by | : Muhammad Rinaldi |
| Date Issued | : 27 September 2018 | Time Limit | : 26 December 2018 |
| NC Grade | : Major | Date of Closing | : 08 November 2018 |
| Standard Ref. & Requirement | General COC 5.7.2 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">• 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.• 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.• Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.• Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. | | |
| Evidence observed (filled by auditor): Based on the balance sheet document, note the data for the period September 2018 to 20 April 2019, it is known that there are non-certified / conventional certified CPO sales, but there is no registration of remove stock in the RSPO IT Platform (Palmtrace).. | | | |
| Non-Conformance Description (filled by auditor): This shows that not all certified products are registered (Remove / Book & Claim) on palmtrace | | | |
| Root Cause Analysis (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 | | | |
| Correction (filled by organization audited): <ul style="list-style-type: none">• Request evidence / registration data (Remove / Book & Claim) on the palm trace to the Marketing Department Head Office (Jakarta)• Socialization to PICs who register palmtrace (Marketing Department) | | | |
| Corrective Action (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: <ul style="list-style-type: none">• Registration for credit allocation on February 19, 2018 totaling 5,000 tons• Remove stock CPO on October 17, 2018 as many as 6,426.36 tons• 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.

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| Verified by | : | Muhammad Rinaldi |
|--------------------|----------|-------------------------|

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1.2 Assessment

| | | | |
|---|--|------------------------|--------------------------|
| NCR No. | : 2019.1 | Issued by | : Rizliani Aprianita Hsb |
| Date Issued | : 25 April 2019 | Time Limit | : ASA 1.3 |
| NC Grade | : Minor | Date of Closing | : |
| Standard Ref. & Requirement | 5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available. | | |
| Evidence observed & Non-Conformance Description (filled by auditor): Observations of Mill drainage known that leachate from empty bunch and boiler ash flow through the mill drainage to the water body. Related to this, the company has not been able to show plan for leachate management and its implementation to avoid pollution. | | | |
| Root Cause Analysis (filled by organization audited): | | | |
| Correction (filled by organization audited): | | | |
| Corrective Action (filled by organization audited): | | | |
| Assessor Evaluation and Conclusion (filled by auditor): | | | |
| Verified by | : | | |

| | | | |
|---|--|------------------------|--------------------|
| NCR No. | : 2019.2 | Issued by | : Muhammad Rinaldi |
| Date Issued | : 25 April 2019 | Time Limit | : 24 July 2019 |
| NC Grade | : Major | Date of Closing | : 13 June 2019 |
| Standard Ref. & Requirement | General COC 5.7.2 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"> 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. 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. Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. | | |
| Evidence observed & Non-Conformance Description (filled by auditor): | | | |

Based on the balance sheet document, note the data for the period September 2018 to 20 April 2019 as follows:

- Non-certified CPO production is 13,755.13 tons while sales of non-certified CPO (conventional) are 22,464.76 tons

- Non-certified CPO production is 2,914.33 tons while sales of non-certified CPO (conventional) are 4,431.78 tons

Based on these data, it is known that there are non-certified / conventional certified CPO sales, but there is no registration of remove stock in the RSPO IT Platform (Palmtrace). It

Root Cause Analysis (filled by organization audited):

PICs that register palmtrace (Marketing Jakarta) have not received a conventional sales recap from the Dept. PSQM due to the Personal PSQM unit of PT. BGR does not yet know the mechanism for Monitoring CPO & PK Sales stocks between the PSQM Dept. & Dept. Marketing Jakarta

Correction (filled by organization audited):

Recap the unit sales data and reported to Marketing Dept. and then removed stock on the RSPO Platform (Palmtrace) according to sales data by the Dept. Marketing Jakarta

Corrective Action (filled by organization audited):

Socialization Mechanisms to PIC PSQM about mechanisms of Monitoring stock sales of CPO and PK between PSQM Dept. and Marketing Jakarta Dept.

Assessor Evaluation and Conclusion (filled by auditor):

13 June 2019

The company shows proof of remove stock on April 25, 2019 with the amount of CPO as much as 7.214 tons and PK as much as 1.530 tons.

In addition, it shows the CPO & PK Stock Sales Monitoring Coordination Mechanism between PSQM and Marketing Jakarta which was approved by the Head of Sustainability on April 9, 2019 and was received on April 26, 2019 which explained that:

- Monitoring the stock of CPO & PK sales is done every 3 months
- Coordination with the Marketing Department regarding certified products sold on the RSPO platform every 3 months
- Marketing Jakarta will remove / allocate credit for RSPO certified volumes sold under other schemes
- Marketing will send proof of product that has been removed or allocated to credit sales.

Based on the explanation above, this non-conformity is stated to be fulfilled.

Verified by : **Muhammad Rinaldi**

| | | | | | |
|--|----------|--|------------------------|----------|-------------------------|
| NCR No. | : | 2019.3 | Issued by | : | Muhammad Rinaldi |
| Date Issued | : | 25 April 2019 | Time Limit | : | 24 July 2019 |
| NC Grade | : | Major | Date of Closing | : | 13 June 2019 |
| Standard Ref. & Requirement | : | E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received. | | | |
| Root Cause Analysis <i>(filled by organization audited):</i> Operational unit staff do not know about the implementation of SCCS and are concerned with the treatment of changes in RSPO certified FFB to non RSPO certified | | | | | |
| Correction <i>(filled by organization audited):</i> Mechanisms were made for the treatment of changes in certified FFBs to non-certified FFBs and socialized to | | | | | |

| | |
|---|---------------------------|
| officials related to the mechanism | |
| Corrective Action (filled by organization audited): | |
| The related PIC must understand related to the application of SCCS and its mechanism by giving socialization regularly | |
| Assessor Evaluation and Conclusion (filled by auditor): | |
| 13 June 2019 | |
| The company shows Inter-Office Mail No. 002 / PSQM / V / 2019 dated May 6, 2019 from the Head of Sustainability and Safety which explains that if there is a plasma plantation that comes out of the scope of certification, it is applied as a non-certified Estate according to the RSPO SCCS Manual since the certificate has expired. | |
| In addition, the company has demonstrated socialization on May 8, 2019 regarding the mechanism with from workers and LPF & LPE staff. | |
| Based on the explanation above, this non-conformity is stated to be fulfilled. | |
| Verified by | : Muhammad Rinaldi |

3.5.3 Opportunity for Improvement

| No | Ref. Std. | Description Deskripsi |
|----|-----------|--|
| 1 | 2.1.1 | Bipartite cooperation institution registered on related agency |
| 2 | 2.2.2 | The company is encouraged to ensure and consult with the National Land Agency related to the points of boundary coordinates |
| 3 | 4.6.5 | Ensure the MSDS of chemicals |
| 4 | 4.6.6 | Ensure the separation of pesticides with other ingredients in the seedling warehouse |
| 5 | 4.7.1 | Signboard related to Occupational Safety and Health |
| 6 | 4.7.3 | <ul style="list-style-type: none"> HIRAC covers all activities on operational area. Socialization PPE replacement mechanism. |
| 7 | 5.1.2 | Ensuring domestic waste management |
| 8 | 6.5.2 | Evaluation related to un-contract worker issues. |
| 9 | 6.12 | Re-evaluation company policies which not in collective labor agreement, for example harvesting penalty. |
| 10 | 7.3.1 | Ensuring progress of LUCA |

5.5.4 Noteworthy Positive Components

| No | Descriptions |
|----|--|
| 1 | The company's commitment to apply the principles of sustainable palm oil management. |
| 2 | Good document presentation. |
| 3 | Personnel who are competent in their respective fields. |

| No | Descriptions |
|----|---|
| 4 | Has received PROPER with a "BLUE" rating for the period 2017 - 2018. |
| 5 | Zero Accident Award for the period 1 January 2015 - 31 December 2017 from the Ministry of Manpower. |



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

| Public Issues (Institution/ NGO/Community) | Auditor Responses |
|--|--|
| Worker Welfare and Transmigration Agency Muaro Jambi Regency <ul style="list-style-type: none"> • P2K3, WLTk, and routine accident reports are reported. • Currently the company has a Worker Agreement and there has been no change • There are no issues related to employment. • The company accepts local workers • Wages according to province minimum wage. • Worker Unions actively communicate with companies • The company registers all employees at BPJS • There are no issues regarding underage workers, unpaid overtime and workers who do not get their rights. • There is no discrimination issue. | <p>Has been verified on indicators related to worker welfare and occupational health and safety.</p> <p>Auditor has done consultation public with worker union that there are no issues related to worker welfare.</p> |
| National Land Agency Muaro Jambi Regency <ul style="list-style-type: none"> • The company has land use title. • The company has reported the Report on the Utilization of land use title. • There are no issues related to land disputes and overlapping land. | <p>Company already showed land use title certified and based on interview with surrounding villages there's no land conflict.</p> |
| Plantation Agency Muaro Jambi Regency <ul style="list-style-type: none"> • The company has not carried out the latest plantation class assessment. • The company has reported plantation report. • There are no issues related to land disputes and burning. • There has been no change in business license. • The company uses registered pesticides. | <ul style="list-style-type: none"> • The company has answered the questionnaire regarding the assessment of plantation business and is currently waiting for an answer from the plantation office. • It has been described in the ISPO pre-requisite document. • Has verified the documents that the company has a business license. • Based on field observations, the pesticides used are registered trademarks. |
| Environment Agency Muaro Jambi Regency <ul style="list-style-type: none"> • Environmental permits owned by the company have not been amended / revised. • Hazardous Waste Storage permit has been obtained • The company reports the implementation of environmental permits every semester • No negative issues related to the environment. | <p>Based on field observation on Palm Oil Mill, Ladang Panjang Estate and High Conservation area (riparian) there's no issue related to environment pollution.</p> |
| Sungai Gelam Village (Head of Village) <ul style="list-style-type: none"> • There is land dispute with Parit Village | <ul style="list-style-type: none"> • Land dispute with Parit Village has been resolved in 2011 through the court. The result of court is |

| Public Issues (Institution/ NGO/Community) | Auditor Responses |
|--|--|
| <ul style="list-style-type: none"> There is assistance in the form of road maintenance, assistance on religious feast day and scholarship There is no environmental pollution including land fire Has known the person in charge to communication There is identification of community necessities 80% of village resident are immigrant, therefore there is no more customary activities. There are no mines in the company area | <p>contained on <i>Mahkamah Agung</i> Decision with No. 1254/Ptd/2011 dated 13 September 2011</p> <ul style="list-style-type: none"> This is in accordance with the criteria 2.2, 5.1,5.3,6.1, 6.2, 6,11. |
| <p>Ladang Panjang Village (Head of Village)</p> <ul style="list-style-type: none"> Company area is a community area that has been compensated by negotiation There is assistance in the form of road maintenance, assistance on religious feast day There is no environmental pollution including land fire Has known the protected area in the form of river border There are no mines in the company area There is no dispute area There is requesting from community for conduct a contract to buy/sell sludge POME. There is areal of 18 Ha not operated by the company and the area has been requested by Muara Medak Village. | <ul style="list-style-type: none"> This is in accordance with the criteria 2.2, 5.1, 5.2, 5.3,6.1, 6.2, 6,11. The request related to contract of selling POME Sludge must conduct by auction and for now, Sludge POME selling has have contract with CV Empat Zheed and PT Tunas Mulia Jambi located on Jambi. Based on field visit on Block C40/41, it is known that areal of 18 Ha has been exclude from company operational area. Until now, the area is not operated by company or community. |
| <p>Labor Union PT BGR</p> <ul style="list-style-type: none"> BKS-PPS is still valid. Determination of minimum wage provisions of 2019. Complaint or a request for information from the union then the company has responded well and quickly. Company have given freedom of association and no intimidation. Changes in the management of the period of 2017 – 2022. All workers have been registered in the <i>BPJS Ketenagakerjaan</i> dan <i>BPJS Kesehatan</i>. Performance rating conduct 1 year once that will affect the grade salary. | <p>The Company has implemented a policy of freedom of association as described in criteria 4.7 and 6.5</p> |
| <p>Local contractor (CV Empat Zheed)</p> <ul style="list-style-type: none"> There are no complaints from contractors during the period of the employment agreement. Workers have been given PPE by contractors and companies. The company has carried out evaluations to contractors related to the fulfillment of social security and PPE for contractor employees. The contractor has included workers in the labor and health social security program The entire implementation of work and payment in | <p>Based on document verification, show that the rights and obligation of each party has been set in the contract.</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Responses |
|--|--|
| <p>accordance with the applicable agreement.</p> <ul style="list-style-type: none"> The company has disseminated company policies related to the company's code of ethics and workers aged over 18 years. | |
| <p>Trimulya Jaya Village (Community Leaders)</p> <ul style="list-style-type: none"> The company has contributed to village development such as maintain the village roads, providing rice assistance to elderly and widowed residents and providing sacrificial animals assistance during Eid Al-Adha. Communication between companies and villages runs quite well. All plasma areas have been realized and FFB payments are going well There are no issues of environmental pollution and land burning by the community in the company's operational area. There is no land dispute between the community and the company. | <p>This is in accordance with the criteria 2.2, 2.3, 5.1, 5.2, 6.10, 6.11</p> |
| <p>KUD Karya Mandiri (officials & member)</p> <ul style="list-style-type: none"> The price of FFB is stipulated by the Jambi Provincial Plantation Office, with a two-week period. Latest TBS price announced at KUD office. Training related to plantation management has been submitted by the company. 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. | <p>The company has participated in improving the welfare of the community surrounding the operational area through purchase agreement FFB produced from farmers.</p> |
| <p>Gender Committee</p> <ul style="list-style-type: none"> The company has a gender committee structure that includes the plantations and mill. The company has given H1 (menstruation) and H2 (maternity) leave in accordance with the applicable regulations for all female workers in accordance with the applicable procedures (prior examination by a doctor or nurse). There is a gender committee representative in each plantation unit, factory and division. Gender committees have work programs such as gender committee socialization, recitation / <i>wirid</i>, etc. There are no complaints regarding violations of the rights of women workers or complaints relating to women's issues. | <p>It has been verified by the auditor team and further explained in the criteria 6.9</p> |

| Public Issues (Institution/ NGO/Community) | Auditor Responses |
|---|-------------------|
| <ul style="list-style-type: none"> Female workers with pregnant and lactating conditions are not permitted to work related to the application of chemicals. Monitoring workers in conditions of pregnancy by using worker H1 leave records. As for pregnant / lactating mothers, monitoring is carried out by midwives / clinical nurses. There are no issues related to discrimination. The company provides equal opportunities to women and men workers in obtaining jobs or promotions. | |

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| 4.0 | CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY |
| 4.1 | Formal Sign-off of Assessment Findings |
| | <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>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</p> <p>Head of Sustainability – Minamas Plantation</p>  <p><u>Alagendran Maniam</u></p> <p>Thursday, 13 June 2019</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari</p> <p>Lead Auditor</p>  <p><u>Rizliani Aprianita</u></p> <p>Thursday, 13 June 2019</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 | Manpower and Transmigration Agency of Muaro Jambi Regency | Muaro Jambi Regency | - | Interview | 22 April 2019 | √ | - |
| 2 | Environment Agency of Muaro Jambi Regency | Muaro Jambi Regency | - | Interview | 22 April 2019 | √ | - |
| 3 | Plantation Agency of Muaro Jambi Regency | Muaro Jambi Regency | - | Interview | 22 April 2019 | √ | - |
| 4 | National Land Agency of Muaro Jambi Regency | Muaro Jambi Regency | - | Interview | 22 April 2019 | √ | - |
| 5 | Labor Union | Muaro Jambi Regency | - | Interview | 22 April 2019 | √ | - |
| 6 | Local contractor (CV Empat Zheed) | Muaro Jambi Regency | - | Interview | 22 April 2019 | √ | - |
| 7 | Trimulya Jaya Village (Community Leaders) | Muaro Jambi Regency | - | Interview | 22 April 2019 | √ | - |
| 8 | Gender Committee | Muaro Jambi Regency | - | Interview | 22 April 2019 | √ | - |
| 9 | Sungai Gelam Village | Muaro Jambi Regency | - | Interview | 23 April 2019 | √ | - |
| 10 | Ladang Panjang Village | Muaro Jambi Regency | - | Interview | 22 April 2019 | √ | - |
| 11 | KUD Karya Mandiri (officials & member) | Muaro Jambi Regency | - | Interview | 23 April 2019 | √ | - |
| 12 | Division 3 Ladang Estate (for example) - Land Application : 1 workers - Herbicide application : 5 workers - EFB Application : 1 foreman - Nursery area : 3 workers - Storage officer : 2 workers - Daycare : 1 - BSS Officer : 1 worker | Ladang Panjang Estate | - | Interview | 23 April 2019 | √ | - |
| 13 | POM (for example) - Loading Ramp : 3 workers | Ladang Panjang POM | - | Interview | 24 April 2019 | √ | - |

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | <ul style="list-style-type: none"> - Sterilization : 1 worker - Boiler : 1 workers - Engine Room : 2 workers - WTP : 1 Worker - Storage officer : 2 workers - WWTP : 1 officer | | | | | | |
|--|--|--|--|--|--|--|--|

Appendix 2. Assessment Program

| DATE | 22 to 26 April 2019 | |
|---------------------------------|--|--------------------|
| PLANNED TIME | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| Monday, 22 April 2019 | | |
| 06.00 – 07.10 | Jakarta – Jambi | All Team |
| 07.30 – 14.00 | Public Consultation with Agency in Muaro Jambi Regency | BSH |
| 07.30 – 08.30 | Jambi – PT BGR | AFF/RPN/MRD |
| 09.00 – 10.00 | Opening Meeting | AFF/RPN/MRD |
| 10.00 – 12.00 | Public Consultation with plasma officer & farmer, Worker Union and Gender Committee | AFF |
| 10.00 – 12.00 | Public Consultation with Ladang Panjang and Trimulya Jaya Village | MRD |
| 12.00 – 13.00 | Break | All Team |
| 13.00 – 16.00 | Verification of previous NCR, Time Bound Plan, Partial certification and Basic Info | RPN |
| Tuesday, 23 April 2019 | | |
| 08.00 – 12.00 | Field observation to Division 3 : <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Fragile Soil Management, OHS implementation and Worker Welfare (payments, complaint mechanism) Legal operational High Conservation Value Area, Empty Fruit Bunch Application Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect. | All team |
| 12.00 – 13.00 | Break | All team |
| 13.00 – 16.00 | <ul style="list-style-type: none"> Public consultation with CPO & PK transporter (contractor) Continue Field Observation and field observation clarification Verification of field visit and completing checklist | All team |
| Wednesday, 24 April 2019 | | |
| 08.00 – 12.00 | <ul style="list-style-type: none"> Continue Public consultation Continue Field clarification Verification of Document and completing checklist | All team |
| 12.00 – 13.00 | Break | All team |
| 13.00 – 16.00 | Field observation to Ladang Panjang POM : <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge,) FFB Sorting, Processing Activity, Despatch CPO | All team |

| DATE | 22 to 26 April 2019 | |
|--------------------------------|---|-----------------|
| PLANNED TIME | PROCESSES / CLAUSES TO BE AUDITED | AUDITOR |
| | <ul style="list-style-type: none"> Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond, Land Application) Continue Field Observation and field observation clarification Verification of field visit and completing checklist | |
| Thursday, 25 April 2019 | | |
| 08.00 – 12.00 | <ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist | All team |
| 12.00 – 15.00 | Break & Closing meeting preparation | All team |
| 15.00 – 17.00 | Closing Meeting | All team |
| Friday, 26 April 2019 | | |
| 11.00 -..... | Jambi – Jakarta | All team |