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# PENGESAHAN DOKUMEN
*(DOCUMENT APPROVAL)*

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<th>No. Dokumen</th>
<th>SOL-HSE-037E-PR</th>
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<td>Tingkat Dokumen</td>
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<th>Judul Dokumen</th>
<th>Rewards and Punishment Procedure of BAP Implementation</th>
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<tr>
<th>Nama (name)</th>
<th>Jabatan (position)</th>
<th>Tanggal (Date)</th>
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<tr>
<td>Johannes Sagala</td>
<td>HSE Engineer</td>
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<td>William Lajousky</td>
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<td>Shinichi Aburaya</td>
<td>CEO</td>
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</tr>
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1.0. PURPOSE

This Standard Operating Procedure (SOP) of Reward and Punishment for BAP Implementation is prepared to support Biodiversity Action Plan implementation by encouraging the SOL employees to comply with BAP and discouraging non-compliance in regards to biodiversity or environmental laws and regulations. This SOP covers also workers' or community's BAP infringement that could require reporting to the police or relevant government institutions.

2.0. SCOPE

This SOP covers reportings or findings of Biodiversity Action Plan environmental nonconformities and related performance evaluation of SOL employees such as:

- Evaluation of workers' performance related to any infringements of Biodiversity Action Plan;
- Rewards giving to the workers who contribute to reporting of non-compliances of Biodiversity Action Plan;
- Punishment of the workers who are involved in Biodiversity Action Plan infringements.

3.0. RELATED DOCUMENTATION AND/OR REFERENCES

- Biodiversity Action Plan

4.0. RELATED FORMS AND/OR ATTACHMENTS

- Non-Conformance Alert Form
- Non-Conformance Log Summary/Corrective Action Tracking System Log/CATS

5.0. DEFINITION

- Rewards : Appraisal to workers who make non-compliance reports
- Punishment : A discipline action to worker's infringement
- Corrective Action : Action to eliminate cause of detected nonconformity
- Non Compliance : Non-fulfillment of a requirement
- Preventive Action : Action to eliminate the cause of a potential nonconformity

6.0. RESPONSIBILITIES

6.1. The HSE Manager has overall responsibility to ensure that this SOP including Rewards and Punishment of Biodiversity Action Plan are implemented properly. HSE Manager also is responsible to ensure that SOL's contractors establish and implement the similar rewards and punishment procedures of BAP implementation.
6.2 Department heads are responsible to ensure that workers who violate the Biodiversity Action Plan and other related requirements are reported to HSE Department and HR Department for investigation and Punishment arrangement.

6.3 The HR Manager has responsibility to determine and implement Punishment to workers who conduct Biodiversity infringements as well as to approve Rewards.

6.4 Biodiversity team consists of:
   - HSE Manager or his appointed Environmental Engineer as the Team Leader.
   - Environmental Staff as a Secretary.
   - Team members consists of:
     - Site Construction Manager or his appointed personnel
     - ER Manager or his appointed personnel
     - Security Head
     - Legal Personnel (in adhoc basis)
     - Ecologist
     - Project Finance manager or his appointed personnel
   The Biodiversity team has the overall responsibility to implement this procedure covering recording, updating, analyzing/evaluating and making a recommendation related to BAP Non-compliances to HR Manager for his further action.

7.0 Biodiversity Non-Compliance Reports, Rewards and Punishment Procedure.

1. Workers who find Non Compliance will report to their Department Head and/or security personnel by verbal or filling up the Non-Conformance Alert Form.

2. Security will process the violation findings and reports received from workers as per 7.1 above by filling Non-Conformance Alert Form and report to HSE Department.

3. Department heads who receive reports of the finding from their subordinates report to HSE Department.

4. HSE Department will review the Non-Compliance report.

5. HSE Manager will check involvement of employees in the Non-Compliance and report to HR Manager if Punishment is required.

6. Punishment should be addressed to worker's infringements such as describe below:
   a. Involved in illegal logging;
   b. Poaching;
   c. Birds trapping;
   d. Littering in forest;
   e. Bringing pets in to the site or construction/forest area;
   f. Driving too fast (exceed the allowed speed) in construction area, especially where collision with wild life occurs;
   g. Destroying the dens or nest of animal species;
   h. Keeping wildlife at captivity;
7. HR Manager will determine and implement Punishment related to the violation, such as:
   a. 1st Warning letter for the first infringement;
   b. 2nd Warning letter for the second infringement;
   c. 3rd warning letter for third the infringement;
   d. Termination of worker after the third infringements;
   e. Termination of worker upon major violation, inline with Company Regulation.
   f. The warning letter is not necessary in subsequent. It is depend on the infringements cases.

8. Biodiversity team will analyze root cause of the non-compliance and develop Corrective/Preventive Action;


10. HSE Department will summarize the Non-Compliance logs monthly to evaluate the workers who make reporting of Biodiversity Non-Compliance.

11. HSE Manager or designated person will select the best finding or worker with criteria below:
    a. Total numbers of finding reports by workers;
    b. Quality of worker's Biodiversity Non-Compliance finding;

12. HSE Manager will recommend to HR Manager who to award the Reward and HR Manager decides and award the workers who make Non-Compliance report after evaluation as stated in item 10).

13. The Rewards will be conducted quarterly.
8.0. Biodiversity Non-Compliance Reports, Rewards and Punishment Process Flow.

- **Biodiversity Noncompliance Finding Report**
  - Department Head
  - HSE Department
  - Evaluate the report NonCompliance?
    - NO: CLOSE
    - YES: Biodiversity Team Will Analyse the Root Cause
  - Security Personnel
  - Record on Logs
  - Regular Patrol (by HSE and/or Security)
  - Employee Involved?
    - YES: Record the Employees who made infringement
      - Report to HR Department
      - Punishment Implementation by HR Dept.
    - NO: Corrective/Preventive Action Development
      - Update LOG CATS
      - HSE: Summarize the monthly finding for workers' participation
      - HSE: selection of Best participating workers for reporting of Biodiversity noncompliance
      - Awarding of Rewards to the WORKERS by HR Manager (QUARTERLY)
9.0. Protocols to Police or Authorities

9.1. HSE Department and/or External Department maintains communication with the local Police and relevant local authorities in case violations are found, including where violators are not identified and preventive actions to avoid illegal logging and hunting.

9.2. Communication to the police/local authorities, follow below flow chart.

[Diagram]

- Verified Non-Conformance Report
- Security Check Points Logs
- Violations Identification based on applicable laws
- Coordination/Report to Police or local Authority
- CLOSE and Recorded