

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

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

**Name of Management Organisation :** Gunung Makmur Palm Oil Mill, PT Karya Makmur Bahagia subsidiary of Bumitama Agri Limited

**Plantation Name :** Gunung Makmur Estate, Bukit Kecubung Estate, Bukit Makmur Estate, Bukit Daman Estate and Sungai Mentaya Estate

**Location :** Village of Rantau Tampang, Sub District of Telaga Antang, District of Kotawaringin, Province of Kalimantan Tengah, Indonesia

**Certificate Code :** **MUTU-RSPO/045**

**Date of Certificate Issue :** 21 July 2014      **Date of License Issue :** 21 July 2015  
**Date of Certificate Expiry :** 20 July 2019      **Date of License Expiry :** 20 July 2016

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1	25-29 May 2015	Ardiansyah (Lead Auditor); Muardi Marwas; M Rinaldi; Yohanes Hardian; Entin Hendartin; Sapto Hadi Winarno	Octo HPN Nainggolan	Tony Arifiarachman

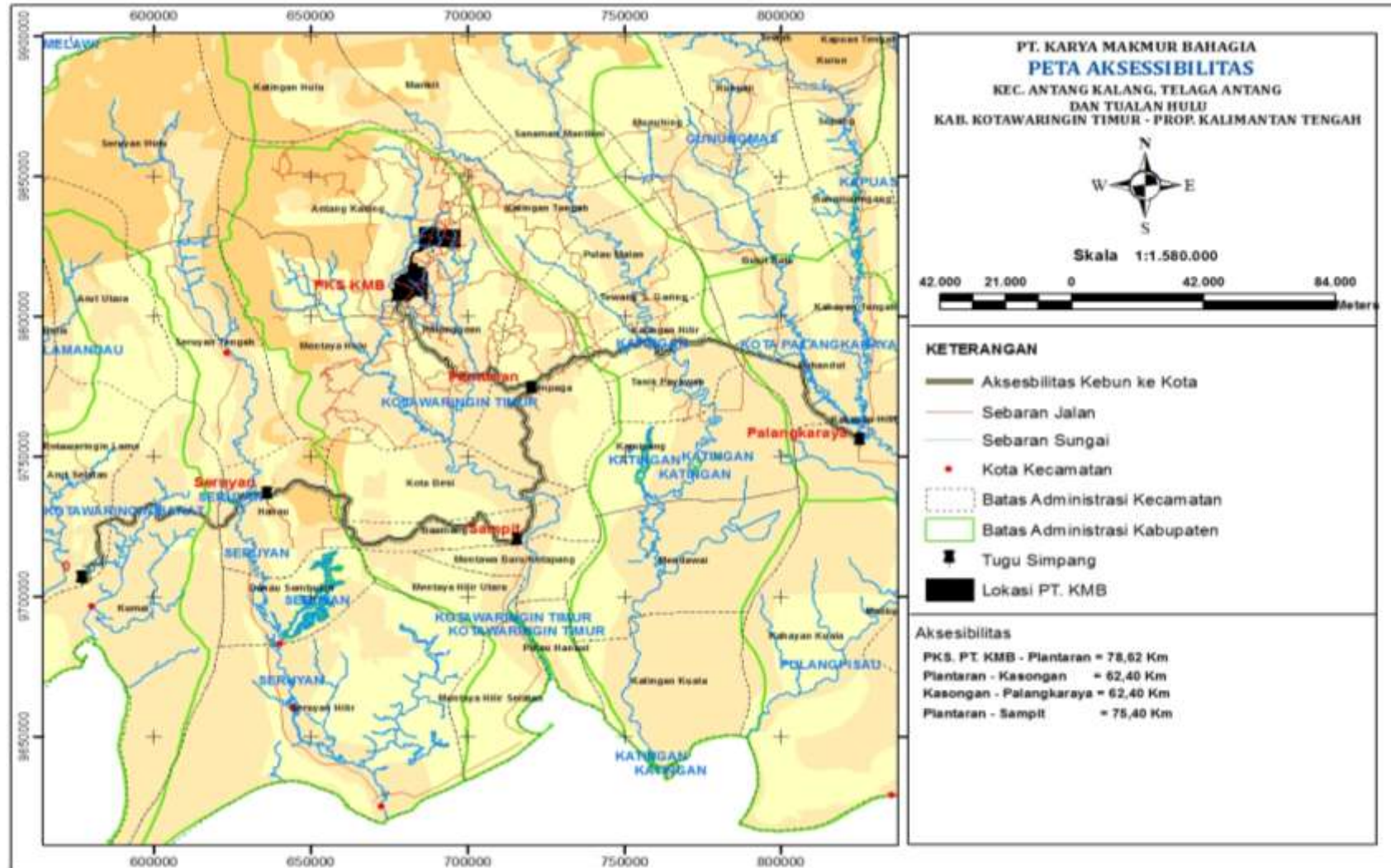
Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	14 August 2015

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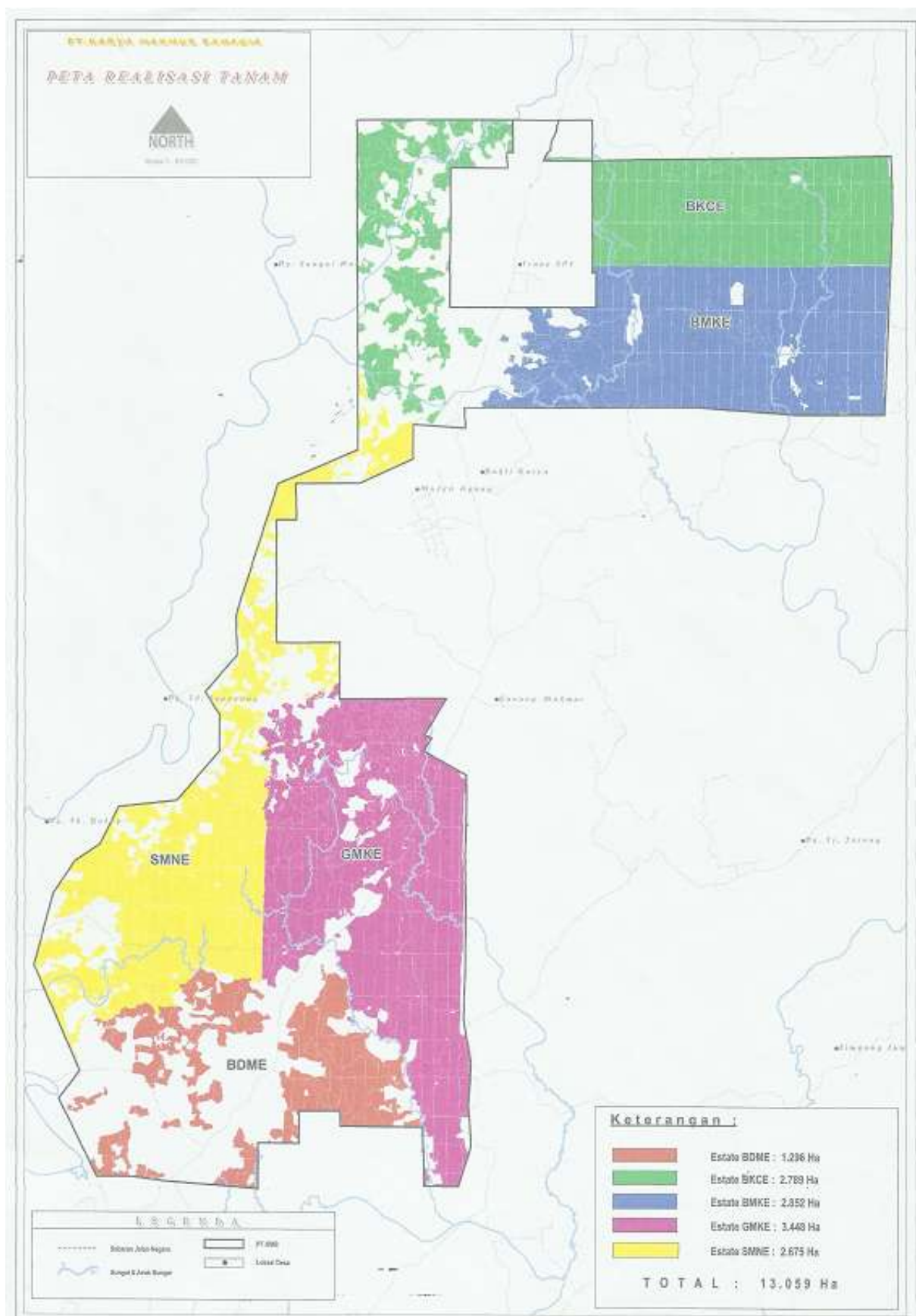
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### FIGURE

Figure 1. Location Map of PT Karya Makmur Bahagia



**Figure 2. Operational Map of PT Karya Makmur Bahagia**





**Glossary**

BGA	:	Bumitama Gunajaya Abadi
BGUM	:	Bangkit Giat Usaha Mandiri
BMKE	:	Bukit Makmur Estate
BMKM	:	Bukit Makmur Mill
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i>
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
CKMT	:	Central Bukit Makmur Traction
DNL	:	Document and Legal
DSD	:	Donation and social development
EFB	:	Empty Fruit Bunch
EIA	:	Environment Impact Assessment
FGD	:	focus Group Discussion
GHG	:	Green House Gass
GMKE	:	Gunung Makmur Estate
GMKM	:	Gunung Makmur Mill
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRAC	:	Hazard Identification Risk Assessment and Risk Control
IAD	:	Internal Audit Department
IPM	:	Intergrated Pest Management
ISCC	:	International Sustainability and Carbon Certification
ISO	:	International Organization for Standardization
ISPO	:	Indonesia Sustainable Palm Oil
KMB	:	Karya Makmur Bahagia
LBD	:	Local business development
LCC	:	Land Cover Crop
NPP	:	New Planting Procedure
OHS	:	Occupational Health and Safety
OHSMS	:	Occupational Health and Safety Management System
PAD	:	Public Affair Departement
PIC	:	Person In Charge
PPE	:	Personal Protection Equipment
POD	:	People Organizational Development
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
QC	:	Quality Control
RSPO	:	Roundtable Sustainable Palm Oil
SCR	:	Synergic Community Relation
SIA	:	Sosial Impact Assessment
SOP	:	Standart Operational Procedure
WHO	:	World Health Organization
WWTP	:	Waste Water Treatment Plant

<b>1.0</b>	<b>SCOPE OF THE CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li><i>RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013.</i></li> <li><i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i></li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	<b>PT KARYA MAKMUR BAHAGIA – BUMITAMA AGRI LIMITED</b>	
1.2.2	Contact person	Bremen Yong	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> <li>RSPO registered company: 10 Anson Road, #11-19 International Plaza Singapore 079903</li> <li>Liaison Office: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia.</li> </ul>	
1.2.4	Telephone	(62-21) 727 98418	
1.2.5	Fax	(62-21) 727 98665	
1.2.6	E-mail	<a href="mailto:bremen.yong@bumitama.com">bremen.yong@bumitama.com</a>	
1.2.7	Web page address	<a href="http://www.bumitama-agri.com">www.bumitama-agri.com</a>	
1.2.8	Management Representative who completed the application for certification	Bremen Yong (Corporate Communication & Sustainability Group Department)	
1.2.9	Registered as RSPO member	1-0043-07-000-00 08 October 2007	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	<b>Palm Oil Mill and Supply Base:</b> Gunung Makmur Mill, Gunung Makmur Estate, Bukit Kecubung Estate, Bukit Makmur Estate, Bukit Daman Estate dan Sungai Mentaya Estate	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b>
			<b>Longitude</b>
	Gunung Makmur	Rantau Tampang Village, Telaga Antang Sub District, Kotawaringin Timur District, Kalimantan Timur Province, Indonesia	S 1° 45' 36"
			E 112° 35' 56"

1.4.2	Location of Certification Scope of Supply Base						
	Name of Supply Base	Location	Coordinate				
			Latitude		Longitude		
	Gunung Makmur Estate	Gunung Makmur Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Timur Province, Indonesia	S 1° 43' 32"		E 112° 39' 41"		
	Bukit Kecubung Estate	Waringing Agung Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Timur Province, Indonesia	S 1° 33' 19"		E 112° 43' 19"		
	Bukit Makmur Estate	Sungai Hanya Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Timur Province, Indonesia	S 1° 33' 19"		E 112° 43' 54"		
	Sungai Mentaya Estate	Gunung Makmur Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Timur Province, Indonesia	S 1° 43' 35"		E 112° 39' 42"		
	Bukit Daman Estate	Gunung Makmur Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Timur Province, Indonesia	S 1° 43' 57"		E 112° 39' 42"		
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State		15,056.31 Ha				
	• Community		Ha				
1.5.2	Area Statement						
	• Total area		15,056.31 Ha				
	• Mature		12,622.00 Ha				
	• Immature		437.10 Ha				
	• Mill/Buildings/Road		964.00 Ha				
	• Occupation Area		518.69 Ha				
	• HCV Area		514.52 Ha				
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		BDME	BKCE	BMKE	GMKE	SMNE	Total
	1998	0	0	0	254.00	0	254.00
	1999	0	0	0	1,439.63	495.77	1935.40
	2000	32.32	0	75.00	671.90	77.58	856.80
	2001	0	0	2.14	5.35	7.27	14.76
	2002	365.04	0	109.24	105.89	320.81	900.98

	2003	286.69	0	0	401.18	197.27	885.14
	2004	44.13	0	0	0	25.75	69.88
	2005	150.36	10.55	1	24.44	0	186.35
	2006	25.80	115.54	180.51	35.39	0	357.24
	2007	168.00	1,039.60	1,603.08	124.99	81.41	3,017.08
	2008	0	630.77	514.09	9.24	14.73	1,168.83
	2009	64.94	145.84	137.17	20.00	223.19	591.14
	2010	30.19	132.53	17.49	17.46	235.02	432.69
	2011	70.68	425.61	120.13	120.25	300.21	1,036.88
	2012	0	209.38	78.52	116.89	510.04	914.83
	2013	57.41	79.44	13.19	101.59	185.47	437.10
	TOTAL	1,295.56	2,789.26	2,851.56	3,448.20	2,674.52	13,059.10
1.6.2	New Planting area after January 2010			2,821.50 Ha			
1.6.3	Planting Cycle			1 <sup>st</sup> Cycle			
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Gunung Makmur Mill	75	316,625.91	72,399.15	22.88	15,400.65	4.87
	<i>*Production data source period May 2014 to April 2015</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Gunung Makmur Estate	3,831.93	3,448.20	63,896.44	18.53	63,896.44	100
	Bukit Kecubung Estate	3,393.37	2,789.26	41,747.47	14.97	-	-
	Bukit Makmur Estate	3,173.04	2,851.56	45,162.09	15.84	-	-
	Sungai Mentaya Estate	2,959.60	2,674.52	24,883.27	9.30	24,883.27	100
	Bukit Daman Estate	1,697.72	1,295.56	29,456.62	22.74	29,456.62	100
	TOTAL	15,056.31	13,059.10	205,145.89	15.71	118,236.33	57.63
	<i>*Production data source period May 2014 to April 2015</i>						
1.7.3	FFB description from other source						
	Name of sources	Organisation		Location		Supplied to Mill	
FFB							
(tonnes/year)							
	Beringin Agung Estate <i>*Non RSPO certified</i>	PT Tanah Tani Lestari (subsidiary of Bumitama Agri Ltd) 6,771.38 Ha		Kotawaringin Timur Sub District		302.09	
	Bukit Hijau Estate (BHJE) <i>*Non RSPO certified</i>					7,952.99	



	Sungai Penyahuan (SPYE) <i>*Non RSPO certified</i>		Kotawaringin Timur Sub District	49,868.99			
	Sungai Meraya Estate (SMRE) <i>*Non RSPO certified</i>		Kotawaringin Timur Sub District	44,978.49			
	Individual/Independent Supplier <i>*Non RSPO certified</i>	-	Kotawaringin Timur Sub District	95,287.02			
	TOTAL			198,389.58			
	<i>*Production data source period May 2014 to April 2015</i>						
1.7.4	Product categories	FFB, CPO, PK					
1.8 Estimate Tonnage of Certified Product							
1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim 21 July 2014 to 20 July 2015 (tonnes/year)		Actual certified product 21 July 2014 to 24 Mei 2015 (tonnes/year)			
	• FFB Production	200,943.51		100,020.96			
	• CPO Production	47,221.72		22,816.62			
	• Palm Kernel (PK) Production	9,283.59		4,933.73			
1.8.2	Estimate of Certified FFB Claim						
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Gunung Makmur Estate	3,831.93	3,448.20	68,964	20.00		
	Bukit Kecubung Estate	3,393.37	2,789.26	44,628	16.00		
	Bukit Makmur Estate	3,173.04	2,851.56	48,477	17.00		
	Sungai Mentaya Estate	2,959.60	2,674.52	26,745	10.00		
	Bukit Daman Estate	1,697.72	1,295.56	31,093	24.00		
	TOTAL	15,056.31	13,059.10	219,907	16.84		
<i>*Projected FFB production for 12 months of certificate (21 July 2015 to 20 July 2016)</i>							
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Gunung Makmur Mill	75	219,907	50,579	23.00	10,995	5.00
					<i>*Projected CSPO and CSPK production for 12 months of certificate (21 July 2015 to 20 July 2016)</i>		
1.9 Other Certifications							
	ISPO		Certificate ISPO from Mutuagung Lestasi with No. MUTU-ISPO/023				
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 Plan				
	Pundu Nabatindo (PT Windu Nabatindo Lestari)	2014	Pundu Nabatindo	2014	Kab. Kotawaringin Timur, Kalimantan Tengah	Certified
			Katari Agro			Certified
			Pelantaran Agro			Certified
			Pantai Mas Estate			Certified
	Katari Agro (PT Windu Nabatindo Lestari)	2016	-	2016	Kab. Kotawaringin Timur, Kalimantan Tengah	ST-01
	Gunung Makmur (PT Karya Makmur Bahagia)	2014	Gunung Makmur	2014	Kab. Kotawaringin Timur, Kalimantan Tengah	Certified
			Bukit Kecubung			
			Bukit Makmur			
			Sungai Mentaya			
	Bukit Makmur (PT Karya Makmur Bahagia)	2018	-	2018	Kab. Kotawaringin Timur, Kalimantan Tengah	ST-01
	Kendawangan (PT Gunajaya Karya Gemilang)	2016	Mekar Utama (PT GKG)	2016	Kab. Katapang, Kalimantan Barat	ST-02
			Kendawangan (PT GKG)			
			Sungai Tapah (GKG)	2016	Kab. Katapang, Kalimantan Barat	ST-02
			Membuluh Jaya (PT GKS)			
			Seriamjaya (PT GKS)			
			Banjarsari (PT GKS)			
	Selucing Agro (PT Windu Nabatindo Abadi)	2018	-	2018	Kab. Kotawaringin Timur, Kalimantan Tengah	2018
	Kotawaringin (PT Bumitama Gunajaya Abadi)	2020	Sepantaian	2020	Kab. Kotawaringin Timur, Kalimantan Tengah	ST-01
			Danau Merah			
			Kotawaringin			
			Tonam Raya			
	Suka Damai (PT Rohul Sawit Industri) & (PT Masuba Citra Mandiri)	2020	-	2020	Rokan Hulu, Provinsi Riau	2020
	Pembangunan Raya Mill (PT Agro Sejahtera Manunggal)	2016	-	2016	Kab. Katapang, Kalimantan Barat	NPP
	Bukit Tunggul Jaya (PT Ladang Sawit Mas)	2020	-	2020	Kab. Katapang, Kalimantan Barat	NPP
	-	-	PT Nabatindo Karya Utama	-	Kalimantan Tengah	NPP

	-	-	PT Karya Makmur Langgeng	-	Kab. Katapang, Kalimantan Barat	NPP
	-	-	PT Agro Manunggal Sawitindo	-	Kab. Katapang, Kalimantan Barat	NPP
	-	-	PT Andalan Sukses Makmur	-	Kab. Kotawaringin Lama, Kalimantan Tengah	NPP
	-	-	PT Karya Bakti Agro Sejahtera	-	Kab. Katapang, Kalimantan Barat	NPP
	-	-	PT Lestari Gemilang Intisawit	-	Kab. Katapang, Kalimantan Barat	NPP
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	smallholder partners will be assessed in 2017 or 3 years after the mill received certificates .Until now business unit sending it into Gunung Makmur mill is in the process of RSPO standard.					

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>ASA-1</b>	<ol style="list-style-type: none"> <li><b>1. Ardiansyah (Lead Auditor).</b> Bachelor of Forest Resources Conservation, Department of Forestry, Bogor Agricultural University. He has followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), Environmental Management System (ISO 14001-2004), SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Diameter, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. During the assessment the auditor verified supply chain and HCV aspect.</li> <li><b>2. Muhammad Rinaldi (Auditor).</b> Diploma 3 of Oil Palm Plantations, Bogor Agricultural Institute. He have 4 years experience working as a staff operational plantations at oil palm plantation companies in Indonesia. He has attended the RSPO Awareness training, Lead Auditor/Auditor ISPO training, Auditor/Lead Auditor ISO 9001-2008 training, HCV training and Health and Safety Officer training. During this audit, he assigned to verify of Best Management Practices and OHS aspect.</li> <li><b>3. Sapto Hadi Winarno (Auditor).</b> Scholar of Forest Product, Faculty of Forestry, Bogor Agriculture Institute. He has work experience as air sensing photograph consultant since 1994 to 1997. He was working on company of plywood and he was appointed as IPK Manager of Palm Oil Company. He was also appointed as Company Operational Director of PMDN and PMA Manufacture Company on 1998 to 2005. He has certificates of assessor/auditor/lead auditor on Forest Management and Wood Assurance Certificate since 2005 to recently. He has competence certificate for PHPL and VLK auditor. The professional experience he was dealing with was as the trainer of PHPL and SLK workshop for the Supervisor of Forest. He is now as professional consultant for forestry. In this audit, he conducted an assessment on Environmental aspect.</li> <li><b>4. Muardi Marwas (Auditor).</b> Bachelor of Agriculture Bogor Agriculture Institute. Attended RSPO and ISPO Assessment in Indonesia. He had been trained Auditor/Lead auditor Management System Certification (ISO 9001-2008), Awareness HACCP certification, training of RSPO auditor and training of RSPO Lead Auditor, ISPO Lead auditor training, awareness green house gas and Wittedness Distribution Quality Management Process (DQMP) APMEA. Currently he works for Independent Certification Body. He had involved activities RSPO and ISPO certification assessment as an auditor. At this audit, he assessed aspect of legality, good manufacturing practices and supply chain.</li> <li><b>5. Entin Hendartin (Auditor).</b> Doctor of Forest Study Bogor Agriculture University. She experienced as lecture of environment study subject at Bandung Institute of Technology. Trainings she followed are RSPO lead auditor, management of production forest, ISO 9001, and ISO 14001. She has followed several audit program of palm oil estate certification system as an auditor. She assess field of environmental, social, conflict, and manpower in RSPO ASA-1 program. She is now work on several independent certification bodies.</li> <li><b>6. Yohanes Hardian (Auditor).</b> Diploma 3 of Forest Resource Conservation, Faculty of Forestry, Institute of Pertanian Bogor, Environment and Wildlife Specialist. He had attended HCV training, RSPO Awareness training, Auditor/Lead Auditor ISO 9001-2008 training, and training Auditor ISPO, involved in HCV identification in some Oil Palm Companies. He is ever worked as a environmental staff in Oil Palm Company. At this audit he assessed environmental aspect.</li> <li><b>7. Radytio Puspanjana (Observer)</b> The Agriculture Scholar of Andalas University, Padang, West Sumatera. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMTI, ISPO auditor training and RSPO Awareness. During the Surveillance program he is considered as Observer.</li> </ol>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-1</b>	<p>Number of auditors : 6 auditor and 1 Observer</p> <p>Number of days for <b>ASA-1</b> at site : 4 days</p> <p>Number of working days for <b>ASA-1</b> at site : 24 Working days</p>

<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-1</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT KARYA MAKMUR BAHAGIA to the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production on April 2013 and Supply Chain Requirement for CPO Mill, November 2014.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results <b>ASA-1</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>ASA-2</b>).</p> <p>Improvement of findings from main assessment findings were observed by auditors at this <b>ASA-1</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-1</b></p> <p>The assessment program please find Appendix 2</p>
<b>2.2.3</b>	<b>Location of Assessment</b>
<b>ASA-1</b>	<p><b><u>Sungai Mentaya Estate:</u></b></p> <ul style="list-style-type: none"> <li>• <b>Division I, Block A19.</b> Observation and interview with the harvesters in term of the harvest method based on SOP, the mature FFB criteria, manpower, PPE, employee facilities, waging system, pest and disease attack on the plant and the termit attack on the plant nearby root.</li> <li>• <b>Division I, Block A20.</b> Observation in term of pest and disease control by using <i>Beneficial Plantlike Turnera subulata</i>.</li> <li>• <b>Division II, Block A23.</b> Observation in term of EFB application to improve the soil fertility and its application based on SOP.</li> <li>• <b>Division III, Block. F192.</b> Observation and interview with the sprayers in term of the use of pesticide, safety work procedure based on SOP, use of PPE, waging system, reproduction right, manpower, training, medical check up, first aid training and first aid kits, work accident insurance, socialization of HCV area, reproduction rights, employee organization and employee facilities.</li> <li>• <b>Division III, Block D214.</b> Observation in term of the land clearing on 2013.</li> <li>• <b>Emplasment Division 3.</b> Observation in term of facilities for Employees consist of settlement, place of worship, clean water, student pick up and drop in, medical facilities.</li> <li>• <b>Generator Station of Division 3.</b> Observation and interview in term of the public facilities and hazardous waste management for the waste generated by generator station.</li> <li>• <b>Bumitama Spraying System Station of Division 3.</b> Observation on the chemicals management.</li> <li>• <b>Bumitama Manuring System Station of Division 1 and Bumitama Spraying System Station of Division 2.</b> Observation on the chemicals management.</li> <li>• <b>Petroleum Fuel Storage of Division 2.</b> Observation on the hazardous material management.</li> <li>• <b>Central Clinic of Region 1 of PT KMB.</b> Observation in term of medical waste management, data of work accident, data of worker's disease, paramedic training.</li> <li>• <b>National Land Agency boundary pole No. 32 of block E. 282.</b> The pole is well maintained and is identified as belong to PT KMB.</li> <li>• <b>National Land Agency boundary pole No. 30 of block C. 332.</b> The pole is well maintained and is identified as belong to PT KMB.</li> <li>• <b>National Land Agency boundary pole No. 28 of block of enclave area.</b> The pole is well maintained and is identified as belong to PT TTL</li> <li>• <b>National Land Agency boundary pole No. 27 of block A. 484.</b> The pole is well maintained and is identified as belong to PT TTL</li> <li>• <b>National Land Agency boundary pole No 26 of block I. 481.</b> The pole is well maintained and is identified as belong to PT TTL</li> <li>• <b>Block A. 483.</b> Observation HCV area in term of Mentaya Tributary 2 riparian.</li> </ul>



### Gunung Makmur Mill:

- **Processing Stage.** Observation and interview with the Operator in term of the FFB processing stage to CPO, awareness over SOP, fire control facilities at mill, first aid kits, OHS implementation, the facilities given by the company, medical check up, training programs and manpower.
- **Engine/Turbine Room.** Observation and interview with the Operator in term of the petroleum fuel consumption efficiency, awareness over SOP, fire control facilities at mill, first aid kits, OHS implementation, the facilities given by the company, medical check up, training programs and manpower.
- **Boiler Room.** Observation and interview with the Operator in term of the awareness over SOP, fire control facilities at mill, first aid kits, OHS implementation, the facilities given by the company, medical check up, training programs and manpower.
- **Workshop.** Observation and interview in term of the mill machine maintenance, training to employees, PPE at workshop and emergency response facilities.
- **WTP.** The WTP condition is well maintained and there is a flowmeter to recognize the amount of the consumed water. There were HIRAC and SOP of chemicals usage at the chemicals mixing station.
- **WWTP.** There were 12 ponds consisted of 3 cooling ponds and 9 aerob ponds. The flow of WWTP needs 24 hours divided into 3 shifts. According to the interview, the distance from Mentaya River is 1.5 Km.
- **Reservoir.** The water of reservoir is flown from Mentaya River (1.5 Km away). There were *Pterocarpus indicus* and sengon tree to hold the erosion.
- **Hazardous Waste Storage:** Observation and interview in term of hazardous waste management. According to the observation and interview, the generated hazardous waste have been placed on the hazardous waste storage. The hazardous waste are categorized based on type. There were symbols and labels of hazardous waste at storage. The hazardous waste were consisted of used filter, used battery, chemicals and oil containers. There were also emergency response equipments such as handy fire equipments, shower, oil trap and secondary containment.
- **Oil and Chemicals Storage:** observation on the hazardous waste management. According to the result of observation, there were hazardous waste symbol at storage and oil trap at oil storage.

### Bukit Makmur Estate

- **Division III, Block Q 034 (Manuring).** According to the field visit and interview with the manurer, they have known the SOP, conservation area, prohibition to the pregnant and breastfeeding women workers to work with chemicals, waging system, PPE use, socialization of the company regulation, BPJS, the training programs.
- **Division III, Block Q 035.** Field observation in term of the pest and disease control by using *Beneficial Plantlike Turnera subulata*.
- **Division III, Block Q 038.** Field observation in term of the slope area management by making terrace and planting *Legume Cover Crop*.
- **Division IV, Block Q 038 (Semprot).** Field observation and interview with the sprayers in term of the use of pesticide, safety work procedure, PPE use (Apron, boots, helmet, gloves), PPE storage management, waging system, reproduction rights, manpower, training, medical check up, socialization of conservation, OHS aspect, labour union, company regulation.
- **Division IV, Block Q35.** Observation and interview with the harvesters and harvest clerk, the provision and use of PPE, harvest work procedure, manpower, waging system, the training programs.
- **Division III, Block Q30.** Based on the field observation in term of EFB application.
- **Block O034, Division 3:** Observation on Land Use Title (HGU) pole No. 74. The pole was well maintained.
- **Block O031, Division 3:** Observation on Land Use Title (HGU) pole No. 75. The pole was well maintained.
- **Block O291, Division 2:** Observation on Land Use Title (HGU) pole No. 98. The pole was well maintained.
- **Block O025, Division 2:** Observation on Land Use Title (HGU) pole No. 99. The pole was well maintained.
- **Block O-P351:** observation on the Merayak Riparian management. The riparian was planted by palm oil plants since 2007. The planting of *Terminalia catappa* and Borneo ironwood was conducted. There were 33 *Terminalia catappa* and zero borneo ironwood till May 2015. There are poles in riparian.
- **Block P-Q023:** Observation on the Panyahuan Riparian. Several area of riparian was not planted with palm oil plants and vice versa (year of planting on 2008 – 2011). The planting of *Terminalia catappa* and Borneo ironwood was conducted. There are poles in riparian.

**Gunung Makmur Estate**

- **Block A28, Division 4. Spraying Program.** According to the field visit, the use of glyphosat and metil metsulfuron were based on the usage recommendation. The sprayers have used PPE such as masker, apron, gloves, boots and glassess. The regular medical check up has been held and the wage has been paid based on the minimum standard.
- **Harvest at block A22.** According to the observation on the harvesters, they have known the FFB maturity criteria. The harvest interval is 7 days. The employees were equipped with safety helmet and work equipments.
- **Block B23, Division 4. Manuring.** According to the field observation, the dosage of MOP (fertilizer) was based on the usage recommendation. The regular medical check up has been conducted and the payment as well. The rotation of MOP is twice, the rotation of Urea is three.
- **Block E171.** Observation on Land Use Title (HGU) pole No. 14.
- **Block 10.** Observation on Land Use Title (HGU) pole No. 10
- **Block F29.** Observation on LA program.
- **Sangsang Riparian of block A 02 of division 1.** There are signboards and marks in form of paint on the plants.
- **Ehang Hill.** Observation of management of HCV 6 area. There is a sacred house considered as sacred by the Dayak people. The land has been compensated and has been managed by the company.
- **Daycare of 'Nusa Indah' at division 4.** The activity at daycare is started from 5 a.m. The employees get their kid to be taken care of on 5 in the morning and they shall pick their kids at 2 at the noon. There are facilities for kid to play such as swing. There is a monthly maternal and baby clinic program.
- **Bumitama Spraying System of division 4** there are supports of the storage room of PPE, wash room, aprong washing station as well as spray equipments and HIRAC and MSDS.
- **Reservoir of division 4,** there is a reservoir as the clean water source. The reservoir is fenced and is installed with signboard to keep the water source clean.
- **Generator Station of division 4.** The generator used in division 4 has the capacity for 100 kVA. The generator is operated since 5 at the evening to 12 at midnight and 3 at the dawn to 5 at dawn.

**Stakeholder Consultation**

- **East Kotawaringin District Agencies (Environment Agency; Manpower Agency; National Land Agency).** In terview in term of the report obligation, waste management, environment contamination issue, manpower and land legality.
- **Villages Nearby Company Area (Mulya Agung Village, Rantau Tampang Village, Waringin Agung Village, Luwuk Kowan Village).** Interview in term of the CD/CSR program, social interrraction between the company and the locals, progress of land dispute resolution and issue of environment contamination.
- **Local Contractor.** Interview in term of the obligation of the company over the business contract with the local contractor/supplier/vendor and the contribution of the company over the locals.

<b>2.3 Stakeholder Consultation and Stakeholders Contacted</b>	
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-1</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Karya Makmur Bahagia was held by:</p> <ol style="list-style-type: none"> <li>(1) Public notification at website MUTU (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) on May 08<sup>th</sup>, 2015.</li> <li>(2) Public consultation meeting with government institution of Kotawaringin Timur Regency (Environment Agency; Manpower Agency; Natural Resource Economy; National Land Agency) on May 26<sup>th</sup>, 2015.</li> <li>(3) Public consultation meeting with Villages Nearby Company Area (Mulya Agung Village, Rantau Tampang Village, Waringin Agung Village, Luwuk Kowan Village) on May 26<sup>th</sup>, 2015.</li> <li>(4) Public consultation meeting with gender committee, Biparitit Cooperative Forum and local contractor pada tanggal 26 Mei 2015.</li> <li>(5) Public consultation meeting with NGO (WWF Kalimantan Tengah) on May 25<sup>th</sup>, 2015.</li> </ol> <p>Numbers of input from stakeholders were clarified by PT. Karya Makmur Bahagia</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>

	Please find appendix 1	
2.4	Determining Next Assessment	
	The next visit ( <b>ASA-3</b> ) will be determined one year after this <b>ASA-1</b> (May -2016).	

### 3.0 ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of Gunung Makmur Mill – PT Karya Makmur Bahagia, Bumitama Agri Limited operation consisting of one (1) mill and five (5) oil palm estates.

During the assessment, there were fifteen (15) Nonconformities were assigned against Major Compliance Indicators; ten (10) nonconformities were assigned against Minor Compliance Indicators and five (5) 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 actions that had been reviewed and accepted by Auditor(s) in form of documentation evidences. Those corrective actions taken that consist of fifteen (15) Major nonconformities and ten (10) Minor nonconformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Gunung Makmur Mill – PT Karya Makmur Bahagia, Bumitama Agri Limited complied with the requirements of *Principles and Criteria for Sustainable Palm Oil Production on April 2013 and Supply Chain Requirement for CPO Mill, November 2014*.

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>
	<p>The company has the procedure of information provision written on Procedur of Transparency and Mechanism (Doc No. BGA-SOP-KMB 16-RO). It has been legalized by the Area Controller of region 1 and General Manager of Plantation 1. The information request and response retention period based on the procedure of record management (No. BGA-SOP-GI-002.1-RO) is 5 years.</p> <p>According to the data of incoming letter to PT KMB during period of January 2014 to May 2015, there was only 1 incoming letter asking for information. It was the letter from BPJS No. B/589/13.2014 in term of the administration for Manpower BPJS. However, the management unit was not able to show the document of letter as well as the response over the information request. Hence, <b>NC No. 2015.01 with Major category</b>.</p> <p><b>Auditor Verification</b> <b>June 30th 2015</b></p> <p>The management unit has shown the logbook of communication and response over the incoming letter. For example, the incoming letter to GMKE from Gunajaya Vocational School No. 421.3/421.6/330/11/2015 in term of the proposal to allow the student to do intership. It was responded on February 14th 2015.</p> <p>However, there was no evidence of the response over the incoming letter from BPJS to GMKE in letter No. B/589/13.2014 to GMKE and log book of GMKM.</p>

**July 14th 2014**

The management unit has shown the logbook of GMKM and response over the letter from BPJS. Hence, **NC No. 2015.1 is closed.**

1.1.2	Status: NC No. 2015.01 with Major category is closed
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**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.**

According to the procedure of *Transparency and Mechanism* (Doc No. BGA-SOP-KMB 16-RO) which was legalized by Area Controller 3 on August 28th 2012, there are publicly-accessed documents. For example:

1. The publicly-accessed documents (widely-accessed by the stakeholders).
2. The non publicly-accessed documents which can be accessed by the approval of Department Head/Area Controller.
3. The non publicly-accessed documents which can be accessed by the approval of Group Department Head/GM Level.
4. The non publicly-accessed documents which can be accessed by the approval of Management Level.

Furthermore, the management unit also has procedure of communication No. KMB-KOM-039-R2. It discussed the communicated object and open for public such as the vision of the company and quality policy, OHS, company environment and social, environment and social OHS corrective action program, progress of environment and social OHS corrective action, things that have to do with RSPO, ISPO, ISCC, Sistem Manajemen Mutu ISO 9001, ISO 14001, OHSMS and social which are communicated to the related stakeholders, document of EIA and RKL, RPL, the company policy and manual, Document of HCV and SIA.

Status: Comply
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**1.3**

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

BGA Group has Code of Conduct (BGA-COC-HC-333.1-R0). It was legalized by the management on October 28th 2014. the document describes:

- **Chapter III. Company Ethic Standard over Stakeholders:**
  - 3.5: the ethic of company over the business partner. Prioritizing mutual principle by selecting business partner which give the good reputation to the company (free of corruption).
  - 3.6: the ethic of company over the supplier/contractor/vendor. Avoiding corruption on the procurement process with supplier/contractor/vendor.
- **Chapter IV. Guideline for BGA Group Employees to Act:**
  - 4.12: Receiving gift or bribe and others. The employees are not allowed to receive and or to give souvenir, gift, business service and other facilities which could influence the decision making process.

Code of Conduct has been socialized to the workers. For example:

- It was socialized to 5 staff of Gunung Makmur Mill at office on May 23rd 2015. Attendance list, minutes of meeting and photographs are available.
- It was socialized to 16 workers of Bukit Makmur Estate on March 23rd 2015. Attendance list, minutes of meeting and photographs are available.

According to the result of interview with the workers, they have aware of the company ethic code such as the prohibition to do corrupt actions.

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

The company has shown the evidence of compliance over the regulation. For example:

- The company has Land Use Title (HGU) certificate No.19 from National Land Agency dated October 22nd 2001 for 15,056.31 Ha. It complied the statute No. 5 year 1960 in term of agraria basic.
- The company has plantation business permit from East Kotawaringin Regent on Agusut 4th 2006 for ± 15,056.31 Ha. It complied the Agriculture Ministry Regulation No. 98 year 2013.
- The company has EIA document which was legalized by the East Kotawaringin District Environment Contamination Control Agency No.25/Komisi-Kotim/VIII/02 dated August 9th 2002 for estate for 17,500 ha and POM with capacity of 40 ton/hour.
- Providing PPE to workers free of charge. It was in line with the statute No. 1 Year 1970 and Manpower Ministry Regulation No. 8 Year 2010.
- The company has hyperkes-trained paramedics based on the Manpower Ministry Regulation No. 1 Year 1979.
- The company has had first aid Officer who has followed training based on the Manpower Ministry Regulation No.15 Year 2008 in term of the first aid action on the workplace.
- The company has had steam machine operator based on the Manpower Ministry Regulation No. 1 Year 1988 in term of the steam machine qualification and requirements.
- The company has had well trained welding expert based on the Manpower Ministry Regulation No. 02 Year 1982 in term of welding expert qualification at the workplace.
- The company has electricity OHS technician based on the decree of Director General of Guidance and Monitoring No. 311 Year 2002 in term of the electricity OHS competence certification.
- The company has crane and load operator based on the Manpower Ministry Regulation No. 09 Year 2010.

However, PT KMB was not able to show the evidence of compliance over the law. For example:

- Manpower Ministry Regulation No. 100 year 2004. There were temporary period workers who were working for 21 days a month for 3 months in a row but not yet promoted to permanent period workers.
- According to the document review, the company was not reporting OHS Guiding Committee routinely each quarter. It was not in line with the Manpower Ministry Regulation No. 4 year 1987.
- The unit management BMKE has not been able to show the working accident report to the concerned agency complying with the valid regulation.

Hence, **NC No. 2015.2 with Major category.**

PT KMB has had the documented system in ter of the must-complied law and regulation on the document follow:

- List of the law, regulation and act requirements of OHS based on the document No. 007/LR-K3/KMB/III/2015 of Revision 02 since January 1st 2015.
- List of the law, regulation and act requirements of estate based on the document No. 007/LR-KB/KMB/III/2015 of Revision 02 since January 1st 2015.
- List of the law, regulation and act requirements of Manpower based on the document No. 005/LR-TK/KMB/III/2015 of Revision 02 since January 1st 2015.
- List of the law, regulation and act requirements of Environment based on the document No. 005/LR-LH/KMB/III/2015 of Revision 02 since January 1st 2015.

However, PT KMB was not able to show the evaluation over all legal requirements relevant with the estate. For example, Environment Ministry Regulation No. 5 Year 2014 and ratification of the international convention. Hence, **NC**

**No. 2015.03 with Minor category.**

In order to ensure the implementation of the compliance over the law, the management unit evaluated the document of law, regulation and statute requirements list. According to the result of evaluation, the management unit has complied the law relevant with estate and mill business. However, PT KMB was not able to show the evaluation over all legal requirements relevant with the estate. For example, Environment Ministry Regulation No. 5 Year 2014 and ratification of the international convention. Hence, **NC No. 2015.04 with Minor category.**

PT KMB has adjusted the change of the applied law. For example, the change of minimum wage standard based on the decree of Central Kalimantan Governor No. 43 Year 2014 dated October 28th 2014 in term of the district minimum wage standard and sectoral minimum wage standard on 2015 in East Kotawaringin District. The applied minimum wage standard in East Kotawaringin District for IDR 2,008,254/month and the sectoral minimum wage standard for IDR. 2,108,920. According to the result of document review and interview, the company applied the wage for IDR 2,108,920.

**Auditor Verification:**
**June 30th 2015**

PT KMB has shown several evidence of corrective action. For example:

- The company showed the evidence of the report of OHS Guiding Committee in 1st quarter of 2015 on June 16th 2015. It described the report of work accident during period of January – March 2015 in all units including BMKE. Hence, **NC No. 2015.02 is not yet closed** due to the fact that there was no evidence of compliance over the Manpower Ministry Regulation No. 100 Year 2004.
- PT KMB has shown the list of the updated statute in document No. 005/LR-LH/KMB/III/2015 of Revision 02 dated January 1<sup>st</sup> 2015. The list of regulation has described the latest law requirements in term of the estate management and its evaluation. For example:
  - Statute No. 5 Year 1994 in term of the UN Convention for the Biodiversity (United Nations Convention On Biological Diversity)
  - Statute No. 06 Year 1994 in term of the legalization of United Nation Framework Convention on Climate Change (UN program framework for climate change)
  - Government Regulation No. 101 Year 2014.
 Hence, **NC No. 2015.03 is closed.**
- PT KMB has shown the list of the updated statute in document No. 005/LR-LH/KMB/III/2015 of Revision 02 dated January 1<sup>st</sup> 2015. The document describes the evaluation of the law requirements such as Environment Ministry Regulation No. 5 Year 2014 and the international convention ratification. Hence, **NC No. 2015.04 is closed.**

**July 14th 2015**

The management unit has shown the evidence of the promotion for temporary period employees who has been working for 21 days a month for 3 months in a row. For example, the workers of SMNE. Hence, **NC No. 2015.02 is closed** and it shall be observed on the next assessment.

2.1.1	Status: NC No. 2015.02 with Major category is closed	
2.1.2	Status: NC No. 2015.03 with Minor category is closed	
2.1.3	Status: NC No. 2015.04 with Minor category is closed	

**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.**

According to the result of field visit, document review and interview, PT KMB managed 15,056.31 Ha area. It complied the land right owned by them which was Land Use Title (HGU) certificate No. 19 dated October 22nd 2001 for 15,056.31

Ha. It was in line with the result of interview with East Kotawaringin District National Land Agency which informed that PT KMB has had Land Use Title for 15,056.31 Ha.

PT KMB has monitored Land Use Title (HGU) boundary poles. It is monitored in each quarter. According to the result of monitoring, there are several facts. For example:

- According to the monitoring program on April 26th 2015 to Bukit Makmur Estate, there were 8 (71; 72; 73; 74; 75; 98; 99; 100) well maintained poles. According to the result of field visit, the pole No. 74; 75; 98; 99 were well maintained.
- According to the monitoring program on February 26th 2015 to Sungai Mentaya Estate, there were 9 (14, 15, 16, 99, 100, 20, 30, 31, 32) well maintained poles and 2 missing poles. According to the result of field visit, the pole No. 30 and 32 were well maintained.
- According to the field visit to Gunung Makmur Estate, the pole No. 10, 14, 26, 27, 28, 30 and 32 are well maintained.

There are land belongs to the community in form of the plantation or settlement on the Land Use Title (HGU) of the company. The company shall not cultivate the land if the land owner does not agree to lease it.

There was a land dispute between PT KMB and PT BGUM during ST-2 assessment program. The dispute was caused by the land cultivation for the land belong to PT KMB by PT BGUM and also the Land Use Title (HGU) overlap between PT BGUM and PT KMB. Both parties agreed to solve the problem at the end of 2014. The agreement was signed on December 9th 2014 in front of Notary. According to the agreement, PT KMB lease 190.5 hectare of the land to PT BGUM. According to the public consultation with East Kotawaringin District National Land Agency, the land lease of PT KMB for ± 80 Ha to PT BGUM has been solved in Central Kalimantan Province National Land Agency on November 2014.

According to the interview with the staff of DNL (document and legal), there was a land claim in region 1 (Sungai Mentaya Estate, Bukit Daman Estate dan Gunung Makmur Estate) on 2014. It was claimed by Herman, Rawing, Mariane, Maher from Tembang Sepayang Village, Salu Duhung from Lubuk Kowan Village. The land dispute of the land claimed as belong to Salu duhung has been facilitated by the representatives of Lubuk Kowan Village, Tembang Sepayang Village and Antang Talang Sub-District. Furthermore, there was no further information for the land claim on region 2 (Bukit Kecubung Estate and Bukit Makmur Estate). Hence, **NC No. 2015.05 with Minor category**.

#### **Auditor Verification**

##### **July 14th 2015**

The management unit has shown the map of land claim of all operational area (region 1 and region 2) consisted of:

- Mariani (7d.09 ha)
- Herman (0.37 ha)
- Saluh Duhung (20.20 ha)
- Maher (kuasa Reguel Bilem, 31.34 ha)
- Kartandi (39.12 ha)
- Masin (4.20 ha)

Hence, **NC No. 2015.05 is closed**

<b>2.2.5</b>	<b>Status: NC No. 2015.05 with Minor category is closed</b>
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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.**

The company has shown the evidence that there are no traditional land in form of communal land based on the result of study and inventory. For example:

- Document of Social Impact Assessment on 2011 which shows that there is no *indigenous people* traditional right within the company area. The land for the estate area and its area nearby was the land for transmigration, the individual land gotten by purchasing land or as the legacy of parents and the state forest clearing conducted by the individuals.
- Local culture inventory on March 4th 2013. It was conducted by the company through consultation with the community figures including the Dayak customary figure.

The Auditor have verified the existence of traditional right through the consultation with the village government apparatus of the villagers nearby estate and with the National Land Agency on May 26th 2015. According to it, the existence of the estate did not harm the traditional right.

PT KMB was not able to show the map in proper scale. It should show the right of use, customary right or legal right which are not yet composed based on the mapping process which involve the *amicus curiae*. Hence, **NC No. 2015.06 with Major category**.

#### **Auditor Verification**

**July 14th 2015**

PT KMB has shown the letter from the Board of Dayak Custom of Antang Kalang Sub-District on July 7th 2015. It stated that there was no customary nor traditional land within PT KMB Land Use Title (HGU) area. Hence, **NC No. 2015.06 is closed**.

**2.3.1 Status: NC No. 2015.06 with Major category is closed**

### **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.**

The management unit has the long term plan for period of 2015 to 2018. The document only inform the area hectare and FFB production to 2018 for GMKE, SMNE and BMKE. However, the management unit was not able to show:

- Long term projection of GMKE for at least 3 years.
- BMKE, GMKE and SMNE have shown the evidence of long term projection for the production cost.

Hence, **NC No. 2015.07 with Major category**.

The realization of the processed FFB in Gunung Makmur Mill for period of 2014 was 320,869.833 Ton of FFB or 86% of the budget (370,877.859 Ton of FFB). Meanwhile, the processed FFB budget for period of 2015 is 399,733 Ton of FFB. It has been realized for 204,973 Ton of FFB or 51.3% of the budget from January 1st to May 24th 2015.

PT KMB does not have plan for replanting program for the next five years due to the fact that the first year of planting in 1998 (17 years old). According to the procedure of agronomy operational standard of 3rd edition (BGAAGRKS-SOP-17 Rejuvenation), the productive age of palm oil plants is 25 years before having it replanted.

#### **Auditor Verification:**

**July 22nd 2015**

PT KMB has been able to show the long term projection evidence for period of 2015 to 2020 to all units. It describes the estate harvest projection, mill production projection, price prediction, OER and production cost projection. Hence, **NC No 2015.07 is closed**.

**3.1.1 Status: NC No 2015.07 with Major category is closed**

**PRINCIPLE #4 Use of appropriate best practices by growers and millers**
**4.1**
**Operating procedures are appropriately documented and consistently implemented and monitored.**

There was no change of SOP applied by the company. According to the field visit and interview with the harvesters of SMNE, GMKE and BMKE, the harvesters have known the FFB criteria, method of harvest and it has been conducted based on the procedure. According to the interview with the sprayers and manurer, they have worked based on the procedure. For example, the workers were able to describe the width of circle and harvesting path based on the procedure for the circle spray program.

The company has monitored the operational of the company in order to implement monthly monitoring conducted by the Department of Quality Control whether at estate or mill. The assessment concern the quality and quantity aspect. For example, the parameter of harvest program are the harvest quality and quantity such as the implementation of SOP of harvest, POM grading, rotation quality to transport quality. Meanwhile, the parameter of assessment on mill are the production quality and quantity to production facilities. There was a result of latest internal audit on April 2015.

PT KMB also has Department of Audit named Internal Audit Department (IAD). The function of the department is to conduct internal audit process for estate or POM operationals. The audit covers physical and cost audit (twice a year). Furthermore, there is also monthly audit process in estate and POM. For example, what is written on the document of Ranging Performance – Based QC Harvesting 2015 on May 2015.

The company monitor and report the program monthly on the manager monthly report. It describes:

- Estate: Recapitulation of estate area statement, division area statement, map of area statement, insert, recapitulation of estate production, production per division, recapitulation of FFB cut output, FFB cut output per division, production data per block, FFB quality, FFB cut circle, recapitulation of manuring program, pest and disease control.
- Mill: Production (incoming FFB, the processed FFB, processing hour), production quality and FFB quality, extraction, CPO and Kernel loss, data loss.

The management unit of estate and mill was able to show the estate manager monthly report for the last 1 year. It was the monthly report for period of May 2014 – April 2015. According to the result of analysis and interview with the estate and POM foremen, the monthly report was the monthly recapitulation of all estate operationals recorded by foreman and clerk.

Gunung Makmur Mill has recorded the FFB origins from the third parties. the third parties who are allowed to send the FFB are the third parties who cooperated with the company based on the contract for service agreement. At first, the commercial dept shall survey the supplier and the supplier must sign the paper that FFB are indeed from the supplier with the quality requested by the company. Hence, there are 39 suppliers who send the FFB to Gunung Makmur Mill. All data of suppliers are maintained by the Commercial Dept.

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

PT KMB has the SOP of plant cultivation (SOP BGAAGRKS-SOP-01 in 1st and 2nd edition). The SOP describes the LCC planting (SOP-06) and manuring (SOP-09).

The company has conducted manuring program based on the manuring recommendation. According to the result of



document review and interview, the manuring recommendation is based on the leaf and soil analysis which is conducted annually. The manuring recommendation is described on the document of book of manuring program. According to the manuring program, PT KMB used 6 type of chemicals fertilizer. Based on the result of interview and field visit to Bukit Makmur Estate Division III Block Q34 SMNE, the manuring program implementation has been referring the recommended dosage (1 Kg/plant for Urea fertilizer). The record of the manuring program is described on the estate manager monthly report and book of manuring program.

The management unit was able to show the evidence of the record of annual soil and leaf analysis. For example, the result of leaf analysis of GMKE on May 2014 to recognize the soil nutrient of N, P, K, Mg, Ca and B as well as the soil analysis on July 2014 to recognize the soil nutrient of N, P, K, Mg, CaO, NH<sub>4</sub> dan pH.

Furthermore, PT KMB also applied EFB and effluent on the estate area. According to the field visit to Mentaya River of division II block A23, the EFB was applied on the sandy area between the palm oil plants. Meanwhile, during the field visit to block F29 of Gunung Makmur Estate Block F29, the effluent has been applied on the estate area. The effluent is applied on the flatbed by using overflow system. The company is able to re-evaluate the POME dosage flown based on the applied procedure due to there is no dosage parameter yet. It is caused by the disfunctioned flowmeter (**OFI 01**).

Status: Comply

#### 4.3

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

PT KMB has had the map which describe the type of soil and marginal soil. According to the map, there is no peatland withi PT KMB area. However, there are marginal soil consisted of:

- Slope > 12% : 2,089.01 ha
- Laterite soil: 116.70 ha
- Kaolin soil: 568.88 ha

PT KMB has the SOP of plant cultivation (SOP BGAAGRKS-SOP-01 in 1st and 2nd edition). The SOP describe the SOP of soil and water conservation (SOP-05) on the slope area by making contour terrace and planting LCC plants. Furthermore, the slope area management program is included on the Project E which is the resolution package for managing slope area without conservation. It is conducted by making contour terrace and individual terrace, planting *Mucuna bracteata*, making siltpit for accomodating rain water and applying EFB and U shaped frond stacking. According to the field visit to Bukit Makmur Estate, Division III, Block Q038, the slope area has been managed with terrace contour. The company also monitor the erosion on the slope area. According to the result of measurement for period of July – December 2014 in PT KMB, the result of erosion on the terrace area was between 14–57 mm.

PT KMB maintained the road based on the applied road maintenance program. The applied road maintenance program were lateralization and grading. The lateralization shall be conducted in GMKE and SMNE for period of 2015. Meanwhile, the road grading which have been conducted till May 2015 was 258,580 m in GMKE and 404,080 m in SMNE.

The strategy of marginal soil management conducted by the company are by composing the programs below:

- Project A: resolution package for the spodic sandy area with the high erosion boundary factor as well as high soil nutrient runoff, low organic ingredient, low rainfall rate, low soil nutrient status, spodic layer. It is managed by making discontinued trench, individual siltpit, applying fertilizer on the hole, planting *Mucuna bracteata* or *Nephrolepis sp*, applying U shaped frond stacking and selective weeding.
- Project B: resolution package for the flat kaolin with the boundary factors such as messy drainage, dirty water during rain, acid pH, low soil nutrient status, low road durability, high clay ingredient, challenged root. Those are

managed by making specific trench design, flow-designed trench, applying compost/EFB, planting *Mucuna bracteata* or *Nephrolepis sp*, applying U shaped frond stacking and selective weeding.

- Project D: resolution package for the sandy and lateritic area with the boundary factor of high erosion, high soil nutrient runoff, low organic ingredient, low rainfall rate, low soil nutrient status. The area is managed by applying compost/EFB, planting *Mucuna bracteata* or *Nephrolepis sp*, applying U shaped frond stacking and selective weeding.

<b>Status: Comply</b>
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#### 4.4

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

The water sources management conducted by the company are as follow:

- Installation of signboard to inform HCV area (riparian area and springs) and to warn the people not to harm the natural ecosystem on the riparian area.
- Woody plants enrichment to rehabilitate the riparian area, springs buffer zone and lake buffer zone.
- Socialization of policy of prohibition to use chemicals on the riparian area.
- Utilizing effluent on the permitted estate area based on the permit from East Kotawaringin Regent in decree No.660/39/BLH-PP/LA/V/2012.

According to the field visit to GMKE reservoir, the company has preserved and maintained it by applying policy to prohibit the use of chemicals nearby reservoir. The company also installed fence and signboard which inform the prohibition to play nearby water source. According to the result of field visit to Sangsang Riparian area of GMKE, the plants painting for about 10 meters away from the riparian has been conducted. It marked the area where the chemicals application not allowed. There are also signboard which inform the prohibition to poison the fish at the river as well as to inform HCV area.

The effluent quality test is conducted monthly. According to the data verification, the effluent quality test is conducted routinely (monthly). The applied effluent quality has complied the quality threshold for the effluent based on the decree of environment ministry No. 29 Year 2003.

The budget of water consumption for supporting the FFB processing stage on POM was determined for 0.7 M<sup>3</sup> per ton of FFB per month. The water consumption still below the applied budget.

<b>Status: Comply</b>
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#### 4.5

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

The company has SOP of plants pests monitoring and control. The SOP is consisted on the weed control (BGAAGRKS-PTKS-PGL) and the pest and disease control (BGAAGRKS-PTKS-PHT). It was legalized by the top management (Director) on January 4th 2011. According to the SOP, the method of monitoring and control of the disturbing organism are described. The disturbing organism monitoring is conducted by implementing pest and disease census. Meanwhile, the disturbing organism control is conducted by implementing IPM.

The company has monitored the plants disturbing organism monthly like the rat, Oryctes, palm frond leaf eater caterpillar, termit and tirathaba. It was composed by the Department of Research. There was a result of monitoring on April 2015. For example, the monitoring on division 3 and 4, block P34, Q33-38 of BMKE, the attack of rat below the quality threshold (1-3%), the oryctes attack still below the quality threshold (1-4%). Meanwhile, the attack of palm oil frond leaf eater caterpillar was undetected and the attack of tirathaba was still below the quality threshold (0-3%).

According to the field visit to block A19 of division 1 of SMNE, there was a termit attack and according to the result of census it still below the quality threshold. There are beneficial plants (*Turnera subulata*) on block A20 of division 1.

The company has held training in term of IPM. For example, there was pest and diseases training on BMKE on March 20th 2015 in term of the pest and disease of plants and its type and the method to conduct census. It was attended by 16 participants. However, GMKE and SMNE were not able to show the evidence of training program. **NC No. 2015.8 with minor category.**

#### **Auditor Verification on June 30th 2015:**

GMKE and SMNE has shown the evidence of pest and disease training. For example:

- SMNE: pest and disease training on January 30th 2015. It was attended by 24 participants. It taught the definition of pest and disease, stage to conduct census, type of pest and disease and the beneficial plants.
- GMKE: training of pest and disease specifically for Oryctes on June 13th 2015. It was attended by 14 participants. It taught the explanation from census to its control.

Hence, **NC No. 2015.8 with minor category is closed.**

<b>4.5.2</b>	<b>Status: NC No. 2015.8 with minor category is closed</b>
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#### **4.6**

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

The company has the justification over the use of pesticide on the document of recommendation of herbicide use for the harvesting path and circle and the herbicide for the selective weeding. It was composed on May 9th 2015. It describes the type of work, the pesticide used by the company, type of weed, dosage per cap, volume of mix spray (liter/ha), need (per ha/year). According to the field visit and interview with the foreman (sprayers), the sprayers have known the type of pesticide for the exist weed. However, the company is not able to show the the pesticide used by them are the listed pesticide on the Pesticide Commission. **NC No. 2015.9 with Major category.**

BMKE has had the record of pesticide on report of active ingredient pesticide use analysis. It describes type of pesticide, name of active ingredient, amount of pesticide use per year, LD50 of active ingredient, hectareage of application to the amount of active ingredient per ha. However, GMKE and SMNE were not able to show the record of pesticide use including the monitoring of active ingredient per ha. **NC No. 2015.10 with Major Category.**

In order to reduce the use of pesticide, the company has the SOP of disturbing organism monitoring and control which set the regular plants pests per month to recognize the level of pest and disease attack as well as controlling it by using *Turnera subulata*.

According to the field visit to agrochemicals storage, the company has used chemicals categorized as class 1A of WHO. Those are *Brodifakum* and *Paraquat dichloride*. The company has attempted to reduce the use of pesticide by conducting census to recognize the level of pest attack and replace paraquat herbicide with other herbicide like *Metil Metsulfuron* and *Gliphosate*. The company also has policy of Internal Agriculture & Technical Circular No. 016/IOM/RSC/II/2015 dated may 9th 2015 from the Head of Palm Research to all Area Controllers in term of the adjustment of herbicide use on 2015 to replace paraquat herbicide. The company is able to re-evaluate the use of pesticide categorized by WHO as class 1A or 1B or those which are attached on the Stockholm or Rotterdam Convention and paraquat (**OFI 2**).

The company has held training program for the sprayers in term of the safety work procedure based on SOP. However, the company was not able to show that the limited pesticide operators have had certificate. Hence, **NC No. 2015.11 with Major category.**

The company has attempted to reduce the potential of negative impacts caused by pesticide application. For example:

- The company has identified the risk analysis and the company has had plan to reduce the risk potential.
- The use of PPE to reduce the potential of sprayers exposed by hazardous pesticide.
- Regular medical check up for the sprayers by checking physic and blood annually.
- Holding training of safety work procedure and first aid as well.

According to the result of field visit and interview with the sprayers, the workers have used PPE and they have been trained (spray training), they have gotten regular medical check up. Furthermore, there was no pregnant nor breastfeeding workers.

The company has stored pesticide particularly as well as the unused containers. According to the field visit to the agrochemicals storage, the pesticide storage has been adjusted to the type. The storage has been supported by first aid kit, handy fire extinguishers, hazard symbol to MSDS. Furthermore, according to the field visit to hazardous waste storage, the unsued chemicals containers shall be stored there and it shall be recorded on the logbook. The pesticide containers shall be delivered to the licensed collector.

According to the result of field visit, document review and interview, there was no pesticide application through air and there was no scheme smallholder system.

BMKE management unit has monitored the medical treatment in form of the physical check up for the sprayers. However, the result of medical check was not able to show that the use of chemicals shall not harm the employee's health. **NC No. 2015.12 with Major category.**

#### **Auditor Verification on June 30th 2015**

The company has shown the list of chemicals used by the company. The document describes the product brand, active ingredient to registration number at Pesticide Commission based on the book of pesticide for agriculture and forestry on 2014. For example, the trademark of Gramoxone with Paraquat Dichloride Active Ingredient with Reg No. RI.010301197436. Hence, **NC No. 2015.9 is closed.**

GMKE and SMNE has recorded the use of pesticide on the document of active ingredient pesticide use analysis. It describes the amount of ingredient, active ingredient substance, amount of active ingredient, active ingredient per ha and per ton of FFB, total quantity of FFB and total of ha applied annually. The data covers period of 2012 to 2014. Hence, **NCNo. 2015.10 is closed.**

The company has held limited pesticide training on June 15th 2015. It was held by cooperating with Pesticide Commission. It was attended by 171 workers of all estate units. Based on the explanation, **NC No. 2015.11 is closed** and it shall be observed on the next assessment over the limited pesticide Operator certificate.

BMKE has held medical check up by checking cholinesterase for the employees who dealing with agrochemicals (fertilizer and pesticide). It was held on June 17th 2015 for 74 employees. According to the result of medical check up, there were 3 workers who experienced heavy expose. The company has mutated them to the position away from chemicals based on the letter No. 001/SK-BMKE/Mts/VI/2015 dated June 24th 2015 in term of mutation for Yanti of division 3 who was working as chemicals applicators to the manual maintenance for plants. Hence, **NC No.2015.12 is closed** and it shall be observed on the next assessment program.

**4.6.1 Status: NC No. 2015.09 with Major category is closed**

**4.6.2 Status: NC No. 2015.10 with Major category is closed**

4.6.5	Status: NC No. 2015.11 with Major category is closed	
4.6.11	Status: NC No. 2015.12 with Major category is closed	
<b>4.7</b> <b>An occupational health and safety plan is documented, effectively communicated and implemented.</b>		
<p>The company has had the OHS programs for PT KMB on 2015. The programs are the socialization, review of SOP of OHS and regulation of the OHS statute, OHS Guiding Committee reporting and work accident analysis, training, audit and evaluation of OHS. The company has implemented the composed plan. For example:</p> <ul style="list-style-type: none"> <li>• Socialization and training of OHS procedure. For example, training of fire control simulation, fire extinguishing equipments use to socialization of the SOP.</li> <li>• Composing the report of OHS Guiding Committee to the associated agency in term of the content of the report such as the company profile, the minute of meeting in term of OHS to the report of work accident.</li> <li>• Composing HIRAC</li> <li>• Evaluating the OHS regulation.</li> <li>• Holding regular medical check up.</li> </ul> <p>There were 2 workers of GMKM who experienced heavy hearing disorder based on the medical check up on June 2013 as well as 4 workers who experienced the medium hearing disorder and 31 workers who experienced light hearing disorder during the ST-2 assessment. However, there was no appropriate stage to protect the workers from the negative impacts caused by the operational of the company over the employee's health until ASA-1 assessment program. Hence, <b>NC No. 2014.02 with minor category is changed to Major category.</b></p> <p>The field visit showed:</p> <ul style="list-style-type: none"> <li>• The harvest program at SMNE and BMKE. The harvesters used PPE (helmet and boots). It was not in line with the applied HIRAC (the PPE for harvesters should be helmet, boots, glasses, gloves and sickle cover).</li> <li>• The spray program at SMNE. The sprayers used cotton gloves. It was not in line with the applied HIRAC (the PPE for sprayers should be rubber gloves).</li> <li>• The field visit to GMKM. The welding expert did not use PPE.</li> </ul> <p>Hence, according to the field visit, the company still not able to show that the PPE have been handed over based on HIRAC. <b>NC No 2015.13 with Major category</b></p> <p>The company has held training of safety work based on the procedure. For example:</p> <ul style="list-style-type: none"> <li>• There was a boiling procedure training which was held at GMKM on April 17th 2015. It taught the boiling cycle, awareness of SOP and the problem on the boiling program. It was attended by 18 participants.</li> <li>• There was a chemicals application training which was held at SMNE on September 16th 2014. It was attended by 13 participants.</li> </ul> <p>The company changes the structure of OHS Guiding Committee. It was legalized by the Head of East Kotawaringin District Manpower Agency in decree No. KEP.560.566/139/WAS-KK.P2K3/IV/2015 dated April 6th 2015. The secretaries of OHS Guiding Committee are Budianto Surbakti, Gatot Supriono, Hotman Siregar (OHS Expert-certified and appointed by the Manpower Ministry based on Manpower Ministry Regulation No. 04 Year 1987). However, the decree of appointment on behalf of Budianto Surbakti has expired on April 16th 2015. (Decree No. 1074/M/DJPPK/IV/2012 dated April 16th 2012 for 3 years). <b>NC No 2015.14 with Major category.</b></p> <p>The company has composed the report of OHS Guiding Committee. It describes the report of workforce, report of work accident to the report of meeting. For example, the report of meeting which was held on May 20th 2015. The meeting discussed the risk of harvest program work accident as well as accident caused by chemicals.</p>		



The company has the procedure to deal with emergency situation. The company hold first aid action training program as well as the emergency response training program (fire simulation and method to use fire extinguishing equipments). The company also has the emergency response facilities such as first aid kit, handy fire extinguisher, water pump machine, watertank and other fire extinguishing equipments. According to the result of field visit and interview with the workers and forement (sprayers), the workers have been trained to deal with first aid action and they have been able to describe the first aid action on the spray program incident. According to the result of field visit and document review of BMKE, the handy fire extinguishers were not fully loaded and not available. **NC No. 2015.15 with minor category.**

The company has registered all employees on the work accident insurance program (BPJS). There was an evidence of payment on March 2015. For example, there were 57 permanent employees and 483 temporary period employees who were registered on the work accident insurance program from BMKE. According to the result of interview with the estate and mill workers, all employees have been insured. According to the document review of the medical check up, there were workers who experienced hearing disorder. The company is able to evaluate all workers who experienced work accident to be reported to the insurance program or not **(OFI 3)**.

The report of work accident is composed in each quarter. For example, the work accident report in 1st quarter of 2015 (January – March 2015), there were 14 work accidents with the LTA (lost time accident) for 14 days on BMKE. According to the result of interview with the paramedic on the clinic of PT KMB region 2, the Hyperkes paramedic have aware of the difference between the disease caused by job they deal with or not. Hence, the company shall be able to evaluate the recording of the worker's disease. **(OFI 4)**

#### **Auditor Verification**

##### **June 30th 2015:**

The company showed the changes of the OHS Guiding Committee structure (Decree No.560.566/219/WAS-KK.P2K3/VI/2015 dated June 15th 2015 for 2 years). The secretary named Parisro Sendro (OHS Expert based on decree No. KEP.6789/M/DJPPK/VI/2014 dated June 27th 2014 for 3 years). Hence, **NC No.2015.14 is closed.**

The company has complied and provided handy fire extinguishers (fully loaded). There was an evidence in form of invoice of handy fire extinguisher refuel for 19 units. Those were placed on the trifo emplacement, warehouse and traction. Hence, **NC No.2015.15 is closed** and it shall be observed on the next assessment.

##### **July 14th 2015**

The company showed the PPE handover to workers based on HIRAC. For example:

- The handover of PPE (gloves and glasses) to 56 harvesters of GMKE on July 1st 2015.
- The handover of PPE (rubber gloves, apron and boots) to 16 chemicals applicators of division 2 of SMNE.

Furthermore, the company also socialize the urgency of the PPE use and the knowledge over HIRAC to the workers. For example, the socialization on GKME on June 11th 2015 to all sprayers of division 5. It socialized the type and function of PPE. It was attended by 17 sprayers. Hence, **NC No 2015.13 is closed** and it shall be observed on the next assessment.

##### **July 23rd 2015**

The management unit has shown the result of diagnose which have been signed by the doctor and the result of the diagnose have been given to the employees. Hence, **NC No. 2014.02 is closed and it shall be observed on the next assessment.**

<b>Minor 4.7.2</b>	<b>Status: NC No. 2014.02 with Major category is closed</b>
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4.7.2	Status: NC No. 2015.13 with Major category is closed	
4.7.3	Status: NC No. 2015.13 with Major category is closed	
4.7.4	Status: NC No. 2015.14 with Major category is closed	
4.7.5	Status: NC No. 2015.15 with Minor category is closed	
<b>4.8</b> <b>All staff, workers, smallholders and contractors are appropriately trained.</b>		
<p>The analysis of training program need is based on the SOP of Procedure–In House and Public Training (BGA-SOP-HC-305.1-R0). The detail of the stage are as follow:</p> <ul style="list-style-type: none"> <li>- The manager shall evaluate the attitude and performance of the employees.</li> <li>- The manager shall decide the must-improved competence in order to make them high quality human resource (the method is supported by Competency Gap Survey by coordinating with People Organizational Development Department (POD Dept).</li> <li>- According to the manual of annual training program issued by POD Dept, the manager shall decide the need of training to improve the competence as the company need.</li> <li>- The manager shall suggest the Dept Head for the specific training programs for the employees.</li> <li>- Dept Head fill the form Career Development Plan attached on the performance appraisal and give it to the POD Dept each January.</li> </ul> <p>The management unit of POM has the plan and realization of the regular training program (weekly) for internal or external training. For example, the training of hazardous material spillage control, training of OHS and waste identification over the unsafe action and condition on the first week of April 2015. The record of training was supported by the attendance list, the photographs and the training materials. However, the estate management unit was not able to show the document of training need, training program and realization during period of 2014 to May 2015. Hence, <b>NC No. 2015.16 with Major category</b>.</p> <p>The management unit of estate and POM were not able to show the record of training programs to employees. Hence, <b>NC No. 2015.17 with minor category</b>.</p> <p><b>Auditor Verification</b>  <b>July 14<sup>th</sup> 2015</b></p> <p>The management unit has shown the training programs for mill and estate for period of 2015. Furthermore, there was a record of training program realization. For example, training of SOP of harvest which was held at BKME on February 17th 2015 and the training of fire prevention and control at GMKM on May 2015. Hence, <b>NC No. 2015.16 is closed</b>.</p> <p><b>July 29th 2015</b></p> <p>The management unit has shown the “Private Training Card”. It describes the data of worker’s profile, type of the held training, training program period, evaluation of the result of training and the urgent training program. The data describes the annual period. Hence, <b>NC No. 2015.17 is closed</b>.</p>		
4.8.1	Status: NC No. 2015.16 with major category is closed	
4.8.2	Status: NC No. 2015.17 with minor category is closed	
<b>PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity</b>		
<b>5.1</b> <b>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.</b>		

PT KMB did not change the operational program. Hence, the EIA document did no change as well. For example:

- EIA has been legalized by East Kotawaringin District Environment Contamination Control Agency No. 25/Komisi-Kotim/VIII/02 dated August 9th 2002 for 17,500 hectare of estate.
- Environment permit from East Kotawaringin Regent No. 188.45/293/Huk-BLH/2013 tanggal 30 Mei 2013 for the Gunung Makmur Mill and its supporting facilities establishment. The capacity of POM is 90 Ton of FFB/ Hour.

PT KMB composed the report of environment permit result as the evidence of the environmental management and monitoring implementation. The management unit has shown the evidence of the report of environmental management and monitoring plan in 1st and 2nd semester of 2014 to the associated agency.

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

The company has identified HCV area on 2012. It was identified by RSPO approve assessor. The HCV identification report compilation has involved the locals (Village of Bakti Karya; Village of Tumbang Sepayang; Village of Waringin Agung; Village of Agung Mulya; Village of Gunung Makmur; Village of Mulya Agung; and Village of Rantau Tampang). According to the HCV analysis, there was 693.48 Ha of HCV area consisted of riparian, lake buffer zone, springs, hill, corridor (between Kala Hill and Tualang River) and the sacred area.

PT KMB reviewed the result of HCV identification on 2015 due to the fact that there were several uncompensated HCV area on the community's land. Hence, the company hit the barrier to manage HCV area. The determined area as HCV area until audit program was 514.52 Ha.

According to field visit to the Mentaya 2 tributary and Sangsang River, the company has conducted several management. For example:

- HCV signboard which informs the HCV area and the things people do's and don'ts.
- Installation of the buffer zone poles nearby Sangsang River bridge as the boundary of spray program.
- Palm oil plants painting as the mark of the frontier of riparian area. The painted plants should not be applied with chemicals.

According to the result of field visit to the sacred spot, the company has managed and rehabilitated the sacred area (HCV 6) at bukit ehang. The land has been compensated by the company. The company and the figure of community agreed to preserve it.

The company has regular training programs for employees and the locals. The training programs are conducted during the morning briefing. It is conducted by each assistant of each division. The socialization conducted by the company are:

1. Prohibition to apply chemicals nor fertilizer on the springs and riparian area.
2. Prohibition to hunt the endanger species.
3. Installation of the signboard which inform the prohibition to apply chemicals and fertilizer on the springs and riparian area and the prohibition to hunt the endanger species.
4. The company has the record of training programs implementation on January 27th 2014 in Bakti Karya Village.

The company has monitored the wildlife and the flora within PT KMB area. According to the result of HCV identification on period of July – December 2014 on Bukit Setan HCV area, there were 15 type of mammals and 14 type of mammals (both of them are protected) within PT KMB area. Furthermore, there were 18 type of flora on the area.

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

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

The management unit has identified and documented the sources of pollution and waste products as described on the document of EIA and environmental management and monitoring plan.

In order to manage hazardous waste, the management unit has the procedure to manage hazardous waste like pesticide containers, the company also has the licensed hazardous waste storage. There are 3 hazardous waste storage, those are located on Gunung Makmur Mill, Central Mentaya Traction and CKMT. The generated hazardous waste are then handed to PT Nazzar. Meanwhile, the medical waste are managed by the company by cooperating with Hospital of Sari Mulia Banjarmasin.

According to the result of field visit, the waste have been managed based on the management plan. For example:

- The EFB from the mill is placed on the specific location to be then sent for the EFB application program.
- The shell and fiber are placed on the specific location to be then utilized for the boiler fuel.
- The effluent is processed on the WWTP pond and is flown through pipe to the land.
- The hazardous waste generated by mill are stored at the licensed hazardous waste storage at Gunung Makmur Mill.
- The hazardous waste generated by estate are stored at the licensed hazardous waste storage at Central Mentaya Traction.
- The domestic waste generated by office and settlement are disposed on the landfill.

According to the result of Sungai Mentaya Estate and hazardous waste storage of CKMT, the waste was not managed based on the applied procedure yet. Hence, **NC No. 2015.18 with minor category**.

#### **Auditor Verification**

**July 14th 2015**

The management unit has shown the evidence that the hazardous waste have been well managed by referring the applied procedure. For example:

- Documentation of the oil-trap making at the generator station in Sungai Mentaya Estate settlement.
- Documentation of the hazardous waste storage rehabilitation in CKMT.
- Official record, attendance list and documentation of the socialization of hazardous waste management to the workers.

Hence, **NC No. 2015.18 is closed**.

**5.3.3 Status: NC No. 2015.18 with minor category is closed**

#### **5.4**

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

Gunung Makmur Mill has monitored the renewable energy use and its efficiency analysis. For example:

Month	Processed FFB (Ton)	Waste Utilization (Ton)		kWh of Turbine	Renewable Energy/ Ton of FFB
		Shell	Fiber		
January 2015	25,526.832	1,403.976	3,063.220	621,500	24.35
Feb 2015	24,211.341	1,331.624	2,905.361	633,600	26.17
Mar 2015	28,902.472	1,589.636	3,468.297	752,400	26.03
April 2015	26,950.409	1,482.272	3,234.049	599,500	22.24

The turbine-fueled shell and fiber can reduce the use of generator-fueled petroleum.

**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.**

PT KMB never conduct replanting program since the ST-2 assessment till ASA-1 assessment. It is supported by the result of document review showed the area statement of PT KMB since 1998 to 2013.

PT KMB has the procedure of plant cultivation which inform that the replanting program is conducted mechanically/manually.

**Status: Comply**

**5.6**

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

The plan to reduce pollution and emission have been described on the document of environment such as EIA and environmental management and monitoring plan. The record of the pollution and reduction plans are as follow:

- Reduction on the river pollution by applying effluent (land application).
- The use of solid waste for productive programs such as EFB for compost and shell for boiler fuel.
- Managing the generated hazardous waste by having it stored at the licensed hazardous waste storage and send it to the licensed hazardous waste collector.
- Prohibiting the spraying program on the riparian are and other water sources. For example, issuing Intern Office Memo No. 06/IOM/RSPO/VI/13 in term of the prohibition for the chemicals application at the riparian area.
- Collecting metal crap on the well prepared storage.

The management unit has the report of the result of test on several air aspects such as the ambient air, odour and non-moving emission source. According to the result of the test in 2nd semester of 2014, all the tested parameters complied the quality threshold. Furthermore, the effluent quality test was also conducted to ensure the effluent suitability for LA program. The test standard refers to the applied law.

PT KMB has tested the GHG emission generated by the operational program by using GHG calculation EU Directive 2009-28-EC amended method supported by the reference from ISO 14064: Greenhouse Gases, Palm GHG ISPO Calculator, Palm GHG RSPO Calculator, etc. the result of the GHG calculation has been reported to the RSPO secretariat on June 12th 2015.

**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.**

The analysis to recognize the positive and negative impacts are written on the document of EIA and document of SIA. The analysis of the impacts over the locals caused by the estate are described. The analysis process has involved the locals participatively on the FGD (focus Group Discussion) with Agung Mulya Villagers, Gunung Makmur Villagers, Mulya Agung Villagers, Tanjung Jurung Villagers, Waringin Agung Villagers, Bhakti Karya Villagers, Rantau Tampang Villagers and Tumbang Mangkup Villagers.

The participative social impact assessment monitoring:



1. Questionnaire of the social impact monitoring over the villages nearby company area such as Rantau Tampang Village.
2. The list of the social impacts monitoring respondents (46 respondents).
3. The result of social impact monitoring program.

The company has composed plans to avoid or reduce the negative impacts and improve the positive impacts and has monitored it based on the process of consultation with the amicus curiae. The Department of CSR consult with the villagers on the routine visitation or the unintention visitation. The plan to improve the positive impact is conducted by implementing CSR program based on the consultation with the locals (Agung Mulya Villagers, Rantau Tampang Villagers, Tumbang Mangkup Villagers, Luwuk Kowan Villagers). There was a record of the meeting with the Head of Telaga Antang Sub-District on March 16th 2015 to discuss the road damage and its solution.

According to the result of interview with the villagers of Agung Mulya Village, the aspiration and complaints have been informed orally on the village development forum annually. The villagers were never inform the objection in writing. According to the result of forum on February 5th 2014, the estate company (including KMB) shall plan the repairment on Sehati Road and shall construct the mosque on Telaga Antang Sub-District.

PT KMB has cooperative agreement with the cooperative unit which manage the scheme smallholder. PT KMB scheme smallholder was established on 2005 based on the location permit for scheme smallholder issued by East Kotawaringin Regent. The scheme smallholder was established by implementing full managed system so the FFB quality can be concerned by the company. The profitshare is distributed in each quarter. The document of the profit share calculation and payment can be shown.

According to the interview with the Head of Mekar Jaya Cooperative Unit, there were several facts. For example:

- The smallholders allocate 2.5% of their profit as the donation for the mosque construction. Once the mosque construction finished, it shall be allocated to the village treasury.
- The scheme smallholder land of the ex transmigrants for 1.25 Ha and of the locals for 0.75 Ha have been compensated by the company on the land and crops compensation program.
- Mekar Jaya Cooperative unit has 1 Ha of land. The output is used for the operational upkeep. The scheme smallholder land is the result of the fund donation from the smallholders.
- The smallholders know the price of FFB from the representative of cooperative unit who attend the meeting of FFB pricing

<b>Status: Comply</b>
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## **6.2**

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

PT KMB has the procedure of communication (SOP-KMB-KOM-01). It was legalized by the Area Controller on August 29th 2013. The external communication in form of the official letters should be send to the company. It (complaint and information request) shall be responded within 15 days. According to the procedure, the flowchart of the procedure of consultation and dialogue with the locals is described. According to the flowchart, the management unit informs the plan of consultation with the locals in writing to the chief of village/chief of customary board/community figures or the local government apparatus. Then it shall be responded by the chief of village/chief of customary board/community figures or the local government apparatus, management of head office/amicus curiae which give positive respond in writing within 15 days. The forum of consultation shall be facilitated by PAD/CSR/management unit. The result of assembly shall be distributed to the amicus curiae by the management unit. The follow up of the result of consultation with the locals by



PAD/CSR/management unit.

PT KMB management unit showed the official record of the socialization of SOP of communication to the employees on May 28th 2015. The taught materials were the internal and external communication. According to the result of interview, the workers have aware of the procedure to communicate with the management.

The company has the list of stakeholders consisted of Central Kalimantan Province Agency (6 agencies), East Kotawaringin District Agency (7 agencies), sub-district administrative government (3 sub-districts), village administrative government (19 villages), the Head of cooperative units (8 Heads), University (3 people), local contractor (12 contractors) and supplier (4 suppliers) and hospitals (4 hospitals).

The PIC to communicate and consult with the locals was legalized based on the decree No. 129/SK/Kptsn/x/13 dated October 28th 2013. The PIC for dealing with that are Partnership Asisstant, PAD Asisstant and CSR Asisstant. All the PIC have been well recognized by the locals.

**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.**

PT KMB has the procedure to send the complaint and grievance as written on the company regulation legalized based on the decree of Director General of Industrial Relation Guidance and Labour Social Assurance No.346/PHIJSK-PKKAD/PP/IV/2014 in term of the legalization of PT KMB company regulation on April 7th 2014, specifically on clause 22 in term of the complaint delivery. The input to complaint the disgruntle is supported by contact person, complaint formulir and suggestion / complaint box in each division.

PT KMB has had the procedure of land conflict resolution No. BGA-SOP-KMB 25-RO to deal with the land conflict. It describes that the land conflict resolution shall be solved based on the agreement with the land owner or the key person.

According to the interview with the village apparatus, the community figures, the youth figure and the locals of the Agung Mulya Village, Rantau Tampang Village, Waringin Agung Village and Luwuk Kowan Village, they have aware of the procedure to send the complaint.

According to the result of field visit, the management unit of PT KMB installed signboard which inform the complaint box in several strategic location passed by the employees and the locals such as the cooperative unit building, the office of the chief of village and the settlement. Therefore, it can be easily read. The advise box is in form of the cell phone number, email and PO BOX.

According to the result of document review at PT KMB, there are several records of suggestion, criticism and information from the workers. For example, the complaint of employees on January 8th 2015. It talked about the matter of sight at the intersection metro nearby security post. The management unit respond it by installing convex mirror.

**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.**

According to the interview with the DNL staff – Document and Legal – and the community figure of Agung Mulya Village and Waringin Agung Village, the conflict is solved on the forum between the village apparatus, lawyer and back to point

4. Identification of the legal and customary right involves the representatives of villages, customary figures, land owner and the representatives of sub-district government.

PT KMB has the document of land and crops compensation (SOP-PAD-001) in term of the procedure of land and crops compensation in all BGA operational area. According to the interview with the DNL staff and the community figure of Agung Mulya Village and Waringin Agung Village, the conflict is solved on the forum between the village apparatus, lawyer and back to point 4. Identification of the legal and customary right involves the representatives of villages, customary figures, land owner and the representatives of sub-district government.

PT KMB did not expand the area of estate since the ST-2 assessment program (January 2014) till ASA-1 assessment program (May 2015). The latest land compensation was conducted on 2013.

**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.**

The waging system is written on the company regulation based on the decree of the Director General of Industrial Relation Guidance and Social Labour Agreement No. 346/PHIJSK-PKKAD/PP/IV/2014 in term of the legalization of the company regulation of PT KMB on April 7th 2014. PT KMB also issued Intern Office Memo No. 010/IOM/HC/BGA/I/2015 dated January 21st 2015 in term of the wage of employees of permanent monthly worker, permanent daily worker, temporary period worker on 2015 in region 1, 2, 3, 4 (East Kotawaringin District – Central Kalimantan Province). It was validated on January 1st 2015.

The waging system of PT KMB on 2015 have been adjusted to the regulation of the Central Kalimantan Governor No. 43 on Year 2014 in term of the minimum wage standard and sectoral minimum wage standard on 2015 for East Kotawaringin District. The minimum wage standard of East Kotawaringin is IDR 2,008,254/month and the sectoral minimum wage standard for IDR 2,108,920/month. According to the result of document review and interview with the workers, PT KMB has complied the minimum wage standard. The lowest wage of class 1 is IDR 2,127,300 and the highest wage of class 8 is IDR 3,072,300. According to the result of interview with the workers of POM and the harvesters of Sungai Mentaya Estate, the wage of employee have complied the applied sectoral minimum wage standard.

The management unit showed the document of blank collective labour agreement. It contains the period of work and status of the workers (clause 1), task and placement (clause 2), work disciplin (clause 3), waging (clause 4), termination of the agreement (clause 5), dispute resolution (clause 6), cover letter (clause 7). According to the result of field observation, not all of the employees working on PT KMB has the collective labour agreement. Hence, they probably do not know the tasks and responsibilities as well. Hence, **NC No. 2015.19 with Major category**.

According to the result of field observation in term of the facilities to support the welfare of employees, PT KMB has provided well maintained and ready use facilities. For example, the settlement for workers, lighting, water source, policlinic, place of worship, educational facilities and sport facilities.

The management unit attempted to monitor and improve the access of workers to the affordable, high quality and sufficient food. For example:

- The management unit established minimarket with the affordable price (lower than the market price).
- The management unit provided transportation to buy goods at sampit central market.
- Minimarket is not charged with tax.

- The management unit allowed the merchant to enter estate.

**Auditor Verification**
**July 14th 2015**

The management unit has shown the evidence of the handover of collective labour agreement to the daily temporary period workers No. 012/KMB-SMNE/SPK-PTT/III 2013. It was handed over to Romayanti. The management unit also show the decree of promotion of employee to the daily permanent workers No. 021/ SK/ KMB/ SMNE/ VI/ 2015 dated July 2nd 2015. Hence, **NC No. 2015.19 is closed.**

<b>6.5.2</b>	<b>Status: NC No. 2015.19 with Major Category is closed</b>
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**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.**

PT KMB has had commitment to allow the workers to unite as written on the company policy. The policy was legalized by the GM of Plantation on July 2012. The management unit was able to show the record of meeting between Bipartit cooperative forum and the representatives of company on April 18<sup>th</sup> 2015 at the Regional Office Meeting Room to discuss the socialization for company regulation for period of 2014-2016 by the central HRD staff.

According to the result of interview with the workers of Gunung Makmur Mill, Sungai Mentaya Estate, Gunung Makmur Estate and Bukit Makmur Estate, there is no prohibition for workers to unite and join organization.

	<b>Status: Comply</b>
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**6.7**

**Children are not employed or exploited.**

PT KMB has a policy in term of the employees minimum age to work. It was legalized by the GM of Plantation on 2012. According to point 4, the company shall not employ underage workers based on the statute No. 13 Year 2003 in term of Manpower as well as statute No. 1 Year 2000 in term of the ratification of ILO Convention. according to the result of document review on the list of employees (permanent or temporary period), there is no underage workers. The youngest worker was born on October 5th 1996. He was 18 years and 3 months once the company accept him to work on January 12th 2015.

According to the result of interview with the workers of Gunung Makmur Mill, Sungai Mentaya Estate, Gunung Makmur Estate and Bukit Makmur Estate, they have aware of the prohibition for the underage workers to work.

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

The policy was legalized by the GM of Plantation on July 2012. According to the point 1, the recruitment for workers should be conducted regardless tribe, religion, social status, gender, skin colour, disability, sexual orientation, political affiliation, organization membership and age.

According to the document review, the employees of GMKM are constituted by several tribes such as Dayaknese 30%, Sundanese 15%, Javanese 33%, Bataknese 2%, Bugis 4%, Melayu 3%, Banjar 8%, Flores 1%, and other tribes 4%. According to the result of interview with the workers of Gunung Makmur Mill, Sungai Mentaya Estate, Gunung Makmur Estate and Bukit Makmur Estate, there is no discrimination conducted by the company.

PT KMB has shown that there is no discrimination on the recruitment for employees, mutation and promotion conducted

by the company. Those things are based on the result of employee work performance.

**Status: Comply**

## 6.9

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

The management unit has a policy of reproduction right protection as written on the internal memo No. 010/IOM/HRD/V/2013 from the area controller 1 in term of the procedure of coordination of staff and the women workers dated May 27th 2013.

The implementation of the policy is by forming gender committee. It was legalized by the area controller 1 and the Head of Administration of Region 1. According to the result of interview with employees of estate and mill, the employees did not know the existence of gender committee. Hence, **NC No. 2015.20 with Major category**.

The management unit has a policy of reproduction right protection as written on the internal memo from the area controller 1 on April 1st 2015. It describes the protection over the women workers from the sexual harassment and domestic violence and any actions which harm the women reproduction. According to the result of interview with workers, the women workers do not know their rights over the reproduction right such as the menstruation day off. Hence, **NC No. 2015.21 with Major category**.

Furthermore, the management unit is not able to show the procedure of specific complaint to deal with the sexual harassment and domestic violence as well as the evidence of its socialization. Hence, **NC No. 2015.22 with minor category**.

#### **Auditor Verification**

#### **June 30th 2015**

The management unit of GMKE, BMKE, SMNE and GMKE has socialized gender committee, the right to take day off for the women workers and its specific Grievance Resolution. For example:

- Socialization at SMNE which was attended by 10 workers on May 30th 2015.
- Socialization at GMKE which was attended by 35 workers on May 30th 2015.

Hence, **NC No. 2015.20 with Major category; NC No. 2015.21 with Major category and NC No. 2015.22 with Minor category is closed** and it shall be verified on the next assessment.

**6.9.1 Status: NC No. 2015.20 with Major category is closed**

**6.9.2 Status: NC No. 2015.21 with Major category is closed**

**6.9.3 Status: NC No. 2015.22 with Minor category is closed**

## 6.10

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

PT KMB has maintained the cooperation program with the local contractor. The task for them are the construction of generator house, FFB transpor, Cut Fruit Distribution Conveyor, bottom plate bunchoverhaul, bottom plate fruioverhaul, manufacturing and canopy installation, strengthening of boiler wall, establishment of harvest point, construction of septic tank, fertilizer pallet construction, beneficial plants planting.

PT KMB has had the list of the selected contractor as the partner. The list is supported by the name of contractor, estate, number of contract for service, type of work, official record of task monitoring, number of deduction and payment realization.

The management unit showed the evidence of the payment for the contract No.460/KMBL-MMNR/Lokal/10/2014 which paid according to the agreement. The evidence of payment was supported by Print Screen of Invoice, law seal receipt, payment request, official record of the task monitoring, copy of contract for service and other supporting documents such as procurement and bank account. According to the contractor and supplier, PT KMB pay the payment on time as written on contract for service. However, according to the result of public consultation, the FFB supplier does not get the copy of the composed contract for service yet. Hence, **NC No. 2015.21 with minor category**.

#### **Auditor Verification**

**July 14th 2015**

The management unit has shown the evidence of the contract agreement has been given to the cooperating third party. Hence, **NC No. 2015.23 is closed**.

<b>6.10.3</b>	<b>Status: NC No. 2015.21 with minor category is closed</b>
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#### **6.11**

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

The commitment of the social and environment responsibility of PT KMB is written on the SOP of Community Development – Community Program Management Plan (BGA-SOP-CCS-1104.1-R0). It was legalized by the Director on August 25th 2011. The community empowerment is implemented on the construction on aspect of intellectuals (human resource), material and physic, managerial, education, culture, economy and environment. By developing OVOP (One Village One Product) as the reference for the community empowerment to create the typical products of one region.

The compilation of the CSR plan have to do with the social and environment responsibility based on the result of basic need identification through observation on the village profile or the locals profile. The programs are developed annually.

According to the observation on the village profile and interview with the parties, PT KMB has composed CSR programs. The realization of CSR programs for period of January 2014 to May 2015 were as follow:

- Local business development (LBD) : Training of rubber and palm oil palms cultivation at Rantau Tampang Village and Tumbang Mangkup Village, Workshop business at Bukit Makmur Village and Wonosari Village, Vegetable farm at Gunung Makmur Village and Mukit Makmur Village
- Synergic Community Relation Program (SCR) : New year's eve event for the employees and staff, celebration of RI independence day whether internal or external celebration, routine meeting and visitation to village, monthly CSR meeting with the teacher, sponsorship, corporate communication.
- Donation and social development (DSD): intellectuals debat competition at level of elementary school, secondary school, high school/vocational school (internal and external), writting contest at level of teacher guru, kindergarten, elementary school, secondary school, high school/vocational school (internal), art competition at level of kindergarten (internal), education (scholarship, school facilities, training and education for teacher), medical aspect (baby and maternal clinic, medical service, mass circumcision, free medical service, fogging and medical facilities provision), socio-culture (village infrastructure, road, rbridge, electricity facilities, clean water facilities, art and culture preservation), spiritual aspect (religious feast celebration and place of worship construction), environment (reforestation and environment preservation program, environment control program).

According to the result of interview with the village apparatus, community figure, secretary of cooperative unit and community of Agung Mulya Village, the PT KMB has given catfish for the fish farm, has established scheme smallholder and has offered job opportunity.

PT KMB attempted to improve the productivity of the smallholders nearby company operationals area. For example:

- Training of rubber and palm oil palms cultivation at Rantau Tampang Village and Tumbang Mangkup Village,



- Workshop business at Bukit Makmur Village and Wonosari Village,
- Vegetable farm at Gunung Makmur Village and Mukit Makmur Village.

<b>Status: Comply</b>	
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**6.12**
**No forms of forced or trafficked labour are used.**

According to the interview with the estate Manager and the Head of administration, there are several facts. For example:

- Annual evaluation for the employees to decide the career path for the evaluated employees.
- The collective labour agreement is read by the employee before having it signed. The employees have aware of the tasks and responsibilities they must deal with.

According to the interview with the representative of Bipartit, there are several facts. For example:

- Personnaly apply to PT KMB,
- There is no enforcement for employees to do such a job nor placed on specific position.
- The employees have aware of the rights and obligations written on the composed collective labour agreement.
- Have been working since the beginning of PT KMB (not at the other company "despite" under PT BGA).

The management unit has shown the evidence that there is no any trafficking activity nor contract substitution. substitusi kontrak. PT KMB does not have the policy in term of foreign worker nor contractual worker. According to the document review, there is no foreign worker, migrant worker nor temporary period worker.

<b>Status: Comply</b>	
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**6.13**
**Growers and millers respect human rights**

The management unit also has policy of human right as written on the policy of social responsibility. It was legalized by the director and the president director on May 2011. One of the point of the policy is the obligation for the company to respect the local wisdom of the locals nearby company area and preserve it as well. The company assist the local wisdom preservation by giving assistance as follow: fund assistance for the customary rituals on February 24th 2014 and for the Lewu Memapas event on June 6th 2014.

Furthermore, the management unit also has policy to treat employees regardless religion, race and tribe. The policy was legalized by the GM of Plantation on July 2012. According to the point 1, the job opportunity should be announced regardless tribe, religion, social status, gender, skin colour, disability, sexual orientation, political affiliation, organization membership and age.

The policy of the fair opportunity and treatment as written on the company regulation is legalized based on the decree of the Director General of Industrial Relation Guidance and Labour Social Assurance No. 346/PHIJSK-KKAD/PP/IV/2014 in term of the legalization of the company regulation of PT KMB on April 7th 2014. It is referring the clause 4 in term of provision, recruitment and placement.

According to the document review, the employees of GMM are constituted by several tribes such as Dayaknese 30%, Sundanese 15%, Javanese 33%, Bataknese 2%, Bugis 4%, Melayu 3%, Banjar 8%, Flores 1%, and other tribes 4%.

<b>Status: Comply</b>	
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**PRINCIPLE #7 Responsible development of new plantings**



<b>7.1</b> <b>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.</b>		
PT KMB did not expand the land from ST-2 assessment (January 2014) till ASA-1 assessment (May 2015). The managed area has had Land Use Title (HGU) for 15,056.31 Ha since 2001. According to the result of document review and field visit, the youngest year of planting within PT KMB was on 2013. The SEIA has been conducted in entire area as described on the criteria 5.1 and 6.1.		
PT KMB has conducted RSPO New Planting Procedure (NPP) assessment on December 10th 2013 for the land clearing post Janaury 1st 2010.		
	<b>Status: Comply</b>	
<b>7.2</b> <b>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.</b>		
PT KMB did not expand the land from ST-2 assessment (January 2014) till ASA-1 assessment (May 2015). The managed area has had Land Use Title (HGU) for 15,056.31 Ha since 2001.		
PT KMB has conducted RSPO New Planting Procedure (NPP) assessment on December 10th 2013 for the land clearing post Janaury 1st 2010.		
	<b>Status: Comply</b>	
<b>7.3</b> <b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>		
According to the result of document review, interview with the management and the field visit, PT KMB cleared the land during period of November 1st 2005 to 2013. Meanwhile, the HCV was identified on 2012. According to the data, the land clearing program was conducted without HCV identification. According to the analysis of the change of land layer conducted byICRAF-Bogor, there is no primary forest within PT KMB Land Use Title (HGU) area since 1989.		
According to the result of interview with the Head of Sustainabilty BGA Group,PT BGA has sent the result of the Land Use Change Analyses to RSPO Panel Compensation previously. The evidence of the record of email from RSPO Panel Compensation to the BGA Group management representatives has been shown.		
	<b>Status: Comply</b>	
<b>7.4</b> <b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>		
PT KMB did not expand the land from ST-2 assessment (January 2014) till ASA-1 assessment (May 2015). The managed area has had Land Use Title (HGU) for 15,056.31 Ha since 2001.		
PT KMB has conducted RSPO New Planting Procedure (NPP) assessment on December 10th 2013 for the land clearing post Janaury 1st 2010.		
	<b>Status: Comply</b>	
<b>7.5</b> <b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>		
PT KMB did not expand the land from ST-2 assessment (January 2014) till ASA-1 assessment (May 2015). The		

managed area has had Land Use Title (HGU) for 15,056.31 Ha since 2001.		
PT KMB has conducted RSPO New Planting Procedure (NPP) assessment on December 10th 2013 for the land clearing post January 1st 2010.		
	<b>Status: Comply</b>	
<b>7.6</b>		
<b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>		
PT KMB did not expand the land from ST-2 assessment (January 2014) till ASA-1 assessment (May 2015). The managed area has had Land Use Title (HGU) for 15,056.31 Ha since 2001.		
PT KMB has conducted RSPO New Planting Procedure (NPP) assessment on December 10th 2013 for the land clearing post January 1st 2010.		
	<b>Status: Comply</b>	
<b>7.7</b>		
<b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>		
PT KMB did not expand the land from ST-2 assessment (January 2014) till ASA-1 assessment (May 2015). The managed area has had Land Use Title (HGU) for 15,056.31 Ha since 2001.		
PT KMB has conducted RSPO New Planting Procedure (NPP) assessment on December 10th 2013 for the land clearing post January 1st 2010.		
	<b>Status: Comply</b>	
<b>7.8</b>		
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>		
PT KMB did not clear new land post January 1st 2015.		
	<b>Status: Comply</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>8.1</b>		
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>		
The management unit has conducted sustainable corrective action. For example:		
<ul style="list-style-type: none"> <li>Monitoring the air quality, generator and boiler emission quality each semester. Once the parameters exceed the quality threshold, the management unit shall control it.</li> <li>Utilizing waste consistently such as shell, fiber, EFB and effluent.</li> </ul>		
Furthermore, PT KMB also hold RSPO internal audit to monitor the implementation of the applied plan on each unit. The latest internal audit program was held on March 9th – 10th 2015. According to the result of internal audit, there were 13 nonconformities on GKME; 17 nonconformities on SMNE; 13 nonconformities on BDME; 19 nonconformities on BKCE; 6 nonconformities on GMKM. The progress of the corrective action has been shown to the auditor.		
	<b>Status: Comply</b>	

**3.2 Summary of Assessment Report of Supply Chain Requirements**

Clause	(Module E) CPO Mills - Mass Balance Requirements																								
E.1	Definition																								
E.1.1																									
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.																									
The SCCS procedure has described the definition of the supply chain applied by Gunung Makmur Mill.																									
	Status: Comply																								
E.2	Explanation																								
E.2.1																									
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.																									
Gunung Makmur Mill has had SOP of product identification and traceability as written on SOP-KMB-OPR-02-R2, Revision 2 dated May 18th 2015. The procedure describes:																									
7.1: the estimation of the processing of the FFB and the RSPO-certified products produced at mill through the cailculation of the daily production and dispatch report based on the data of weighbridge. Each weighbridge ticket is stamped.																									
	Status: Comply																								
E.2.2																									
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).																									
<ul style="list-style-type: none"><li>RSPO IT Platform member registration number: RSPO_PO1000001684</li><li>Certified CPO sold to each buyer period of July 21<sup>st</sup> 2014 to May 24<sup>th</sup> 2015: there is no CSPO sales.</li><li>Certified Palm Kernel sold to each buyer period of July 21<sup>st</sup> 2014 to May 24<sup>th</sup> 2015.</li></ul>																									
<table><tr><th>Date</th><th>Buyer</th><th>Volume</th></tr><tr><td>January 30th 2015</td><td></td><td>245</td></tr><tr><td>February 2nd 2015</td><td></td><td>2,055</td></tr><tr><td>February 20th 2015</td><td></td><td>495</td></tr><tr><td>February 20th 2015</td><td></td><td>600</td></tr><tr><td>February 20th 2015</td><td></td><td>25</td></tr><tr><td>February 23rd 2015</td><td></td><td>757</td></tr><tr><td colspan="2">Total</td><td>310</td></tr></table>		Date	Buyer	Volume	January 30th 2015		245	February 2nd 2015		2,055	February 20th 2015		495	February 20th 2015		600	February 20th 2015		25	February 23rd 2015		757	Total		310
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February 23rd 2015		757																							
Total		310																							
	Status: Comply																								

E.3	Documented procedures			
E.3.1				
The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:				
a. Complete and up to date procedures covering the implementation of all the elements in these requirements;				
b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.				
Gunung Makmur Mill has had SOP of product identification and traceability as written on SOP-KMB-OPR-02-R2, Revision 2 dated May 18th 2015. The procedure describes:				
<ul style="list-style-type: none"><li>• Definition of POM, FFB, CPO, OER, FFA, Mass Balance, Supply Chain. MB supply chain system allows the mix of the RSPO-certified FFB with the non RSPO-certified one on the supply chain as long as no overproduction on the final supply chain.</li><li>• Responsibilities of Area Controller, Mill Manager, certification &amp; compliance dept; OQC Departement, Commercial &amp; Logistic Group Departement Head. Responsibility of Area Controller is to ensure the SOP of product identification and traceability to be socialized and to be implemented on all PT WNL operational unit.</li><li>• 7.1: FFB Identification from the RSPO-Certified estate marked by the use of RSPO logo on its FFB covering letter.</li><li>• 7.1: the estimation of the processing of the FFB and the RSPO-certified products produced at mill through the caiculation of the daily production and dispatch report based on the data of weighbridge. Each weighbridge ticket is stamped.</li><li>• 6.1: retention period of all records or reports of the FFB receipt at POM, CPO processing stage, CPO bulking, CPO and PK product dispatch to the buyer is 5 years.</li><li>• 7.3: CCD shall inform the CB over the overproduction (more than the projected production) that might occurred.</li></ul>				
According to the result of field visit and interview with the workers, they have aware of the recording and marking of FFB from the RSPO-Certified estate.				
	Status: Comply			
E.3.2				
The site shall have documented procedures for receiving and processing certified and non-certified FFBs.				
The procedure of the product identification and traceability describe the method of RSPO-certified and non RSPO-certified FFB receipt and processing. The FFB from the RSPO-certified estate are identified by the mark of RSPO logo on the FFB covering letter.				
	Status: Comply			
E.4	Purchasing and goods in			
E.4.1				
The site shall verify and document the volumes of certified and non-certified FFBs received.				
Gunung Makmur Mill has shown the data of the RSPO-certified and non RSPO-certified FFB receipt for period of July 21st 2014 – May 24th 2015.				
No	Month	FFB Receipt (Ton)		
		Certified	Non-Certified	Total
1	July 21st – 31st 2014	800.73	16,062.84	16,863.57
2	August 2014	10,522.86	16,260.09	26,782.95

3	September 2014	9,180.52	17,303.10	26,483.95
4	October 2014	10,751.47	16,176.00	26,927.47
5	November 2014	9,730.54	15,644.26	25,374.80
6	December 2014	10,794.59	15,834.67	26,629.26
7	January 2015	9,806.37	15,815.18	25,621.55
8	February 2015	9,120.80	15,113.40	24,234.20
9	March 2015	10,821.98	18,202.69	29,024.67
10	April 2015	10,385.32	16,584.85	26,970.17
11	May 1st – 24th 2015	8,105.78	13,575.10	21,680.88
	Total	100,020.96	176,572.18	276,593.14

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

There is no overproduction since Gunung Mill achieve RSPO certificate (July 21st 2014) till the ASA-1 program (May 24th 2015). For instance:

FFB: 100,020.96 Ton; projected FFB 200,943.51 Ton

CPO: 22,816.62 Ton; projected CPO 47,221.72 Ton

PK: 4,933.73 Ton; projected PK 9,283.59 Ton

The overproduction of the certified product shall be reported by Communication and Certification Departement to the 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 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 months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

- The management unit has recorded and balanced all the RSPO-certified product dispatch and receipt for period of July 21st 2014 to May 24th 2015.
- The volume of the RSPO-certified product (CPO and PK) dispatched to the other parties have been reduced from the production of the RSPO-certified product.
- All the products dispatched/sold to the third parties are the positive stock.

According to the SOP of product identification and traceability, the retention period of all records or reports of the FFB receipt at POM, CPO processing stage, CPO bulking, CPO and PK product dispatch to the buyer is 5 years.

**Status: Comply**
**E.5.2**

**In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.**

Gunung Makmur does not cooperate with the independent KCP.

**Status: Comply**



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

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-1</b>	Company not use RSPO logo	√
	<b>Status:</b> Not Applicable	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA-1</b>	Company not use RSPO logo	√
	<b>Status:</b> Not Applicable	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA-1</b>	Company not use RSPO logo	√
	<b>Status:</b> Not Applicable	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-1</b>	Company not use RSPO logo	√
	<b>Status:</b> Not Applicable	

**3.4 Summary of RSPO Partial Certification**

<b>The Management Unit name, under subsidiaries:</b>		
1. PT Bumitama Gunajaya Abadi 2. PT Karya Makmur Langgeng		
<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	
	<p><b>PT Bumitama Gunajaya Abadi</b>            The management unit shows the evidence of the compliance over all law associated with the estate operationals. For example:</p> <ul style="list-style-type: none"> <li>• Location permit from West Kotawaringin Regent for ± 26,900 Ha.</li> <li>• Plantation business permit from the West Kotawaringin Regent for 18,000 Ha of land and mill with capacity for 90 Ton of FFB/Hour.</li> <li>• Land Use Title (HGU) for 5,632.835 Ha.</li> <li>• Hazardous waste storing permit from the West Kotawaringin Regent.</li> </ul> <p><b>PT Karya Makmur Langgeng</b>            The management unit shows the evidence of the compliance over all law associated with the estate operationals. For example:</p> <ul style="list-style-type: none"> <li>• Location permit from Ketapang Regent for ± 19,000 Ha on 2006.</li> <li>• The extension of the location permit from Ketapang Regent for ± 19,000 Ha on 2010.</li> <li>• Plantation business permit from the Ketapang Regent for 16,700 Ha and mill with capacity for 60 Ton of FFB/Hour on 2013.</li> <li>• Environment permit from West Kalimantan Governor on 2013.</li> </ul>	√
	<b>Status: Comply</b>	
<b>2.2</b>	<b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>	
	<p><b>PT Bumitama Gunajaya Abadi</b>            PT Bumitama Gunajaya Abadi has shown the evidence of the record of the right achievement over the land. The document describes the declaration letter of land handover; the agreement letter of the land and crops compensation; ownership letter from the Chief of village; receipt of the land compensation payment and map of land handover. For example:</p> <ul style="list-style-type: none"> <li>➢ Area for 20 Ha in Block M-39 of Tonam Raya Estate:               <ul style="list-style-type: none"> <li>- Declaration letter of the land handover which was signed by the company and the compensated party on June 26<sup>th</sup> 2013 and was witnessed by the Chief of Kotawaringin Hulu Village.</li> <li>- Payment receipt which was given by the company to the land owner and was witnessed by the Chief of Kotawaringin Hulu Village and the company GIS Staff, TRYE Manager, Coordinator of Public Affair Department and the Head of Company Administration on June 26<sup>th</sup> 2013.</li> <li>- Agreement letter of the nucleus estate land acquisition (land and crops compensation) by both parties which states that the land owner grant the land to be managed by the company in scheme smallholder program.</li> <li>- Information letter number 593/131/Pem from the Chief of Kotawaringin Hulu Village dated June 21<sup>st</sup> 2013 which describes the land ownership and hectareage.</li> <li>- Map of land handover in participative mapping by the company. It is approved by the land owner and is witnessed by the Chief of Kotawaringin Hulu Village.</li> <li>- Declaration letter on behalf of Gusti Baret on June 25<sup>th</sup> 2013. It describes that they have received payment from the company, the landowner and the family shall not sue the company at the compensated location.</li> </ul> </li> </ul>	√

	<p>➤ Area for 5.43 Ha in Block R-46 of Kotawaringin Estate:</p> <ul style="list-style-type: none"> <li>- Agreement letter number 008/RGN-KTWE/06/2012 dated June 27<sup>th</sup> 2012 by both parties and it was witnessed by the Head of Kotawaringin Lama Sub-District and was witnessed by the Chief of Rungun Village.</li> <li>- Declaration letter of the land handover which was signed by the company and the compensated party on June 27<sup>th</sup> 2013 and was witnessed by the Chief of Rungun Village.</li> <li>- Payment receipt which was given by the company to the land owner and was witnessed by the Chief of Rungun Village, the company GIS staff, KTWE Manager, Coordinator of Public Affair Department and the Head of Company Administration.</li> <li>- Agreement letter of the nucleus estate acquisition with the land and crops compensation signed by both parties. It describes that the land owner grants the land to the company to be managed in scheme smallholder program (50:50).</li> </ul> <p><b>PT Karya Makmur Langgeng</b></p> <p>The management has shown the evidence of the record of the land acquisition. There was a process of the land compensation for the operational area of PT KML which was conducted on April 19<sup>th</sup> 2013 to September 19<sup>th</sup> 2013. There are 154 location hotspot within 2,522.85 ha. All evidence of the land compensation documentations are available. (Documentation of all land acquisition is available).</p> <ul style="list-style-type: none"> <li>• Data of land acquisition.</li> <li>• ID.</li> <li>• Official record of the land measurement.</li> <li>• Map of the compensated location.</li> <li>• Official Record of the price agreement.</li> <li>• Declaration letter of the land lease.</li> <li>• Cultivation Information letter (SKGR) of the land ownership.</li> <li>• Supporting letter over the rights origins.</li> <li>• Information letter over the land origins.</li> <li>• Brief summary of the land acquisition.</li> <li>• Information letter over the approval of the land heir.</li> <li>• Information letter from the land heir.</li> </ul>	
	<b>Status: Comply</b>	
<b>6.3</b>	<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>	
	<p><b>PT Bumitama Gunajaya Abadi dan PT Karya Makmur Langgeng</b></p> <p>The management unit has procedure of the land and crops compensation number SOP-BGB-GRTT-PAD-001 dated October 12<sup>th</sup> 2012. It was approved by the Area Controller 5. It describes the stages on the land and crops compensation for stocktaking the future-compensated land, socialization to the landowners, negotiation on land and crops compensation, management approval, conducting payment, land handover and documentation. According to the result of the document review, all the process of the compensation have been documented and the company does not force the community.</p>	√
	<b>Status: Comply</b>	
<b>6.4</b>	<b>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.</b>	
	<p><b>PT Bumitama Gunajaya Abadi dan PT Karya Makmur Langgeng</b></p> <p>The management unit has procedure of the land and crops compensation number SOP-BGB-GRTT-PAD-001 dated October 12<sup>th</sup> 2012. It was approved by the Area Controller 5. It describes</p>	√

	the stages on the land and crops compensation for stocktaking the future-compensated land, socialization to the landowners, negotiation on land and crops compensation, management approval, conducting payment, land handover and documentation. According to the result of the document review, all the process of the compensation have been documented and the company does not force the community.	
	<b>Status: Comply</b>	
<b>7.3</b>	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	
	<p><b>PT Bumitama Gunajaya Abadi</b> PT Bumitama Gunajaya Abadi has identified HCV on 2012. According to the landsat image of 2003, the condition of the land layer on the area of PT Bumitama Gunajaya Abadi is consisted of the bushe (1,187.74 ha), small bushes (1,706.73 ha), secondary forest (66.83 ha), tersier forest 1,886.95 ha), mix land (252.51 ha) and the enclave (552.24 ha).</p> <p><b>PT Karya Makmur Langgeng</b> PT Karya Makmur Langgeng has identified HCV before the land clearing program. The HCV was identified on 2012. Meanwhile, the land clearing was conducted after NPP program on 2013.</p>	√
	<b>Status: Comply</b>	
<b>7.5</b>	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	
	<p><b>PT Bumitama Gunajaya Abadi</b> The management unit has procedure of the land and crops compensation number SOP-BGB-GRTT-PAD-001 dated October 12<sup>th</sup> 2012. It was approved by the Area Controller 5. It describes the stages on the land and crops compensation for stocktaking the future-compensated land, socialization to the landowners, negotiation on land and crops compensation, management approval, conducting payment, land handover and documentation. According to the result of the document review, all the process of the compensation have been documented and the company does not force the community. There is evidence of the compensation over the land acquisition. For example, the payment receipt in Tonam Raya Estate, Block M-39 for 20 Ha on June 26<sup>th</sup> 2013. It was given to the land owner and witnessed by the Chief of Kotawaringin Hulu, the company GIS staff, TRYE Manager, Coordinator of the Public Affair Department and the Head of the Company Administration.</p> <p><b>PT Karya Makmur Langgeng</b> The management unit has socialized the estate establishment to achieve the community's approval. There are minutes of meeting of the estate establishment socialization of PT.Karya Makmur Langgeng in Simpang Dua and Simpang Hulu Sub-District, Ketapang District on:</p> <ol style="list-style-type: none"> <li>Dated March 5<sup>th</sup> 2012 in the Church of Pantan Hamlet, Kampar Sebomban Village, Simpang Dua Sub-District. It was attended by <b>TP3K (Team of the District Estate Establishment Guidance) Ketapang</b>, The Forum of the Sub-District Head of Simpang Dua, the Head of Dayak Customary Board of Simpang Dua, the Chiefs of Villages and Village Supervising Board (BPD) of Kampar Sebomban, the Chief of Pantan Hamlet, the Chief of Mentawa Hamlet, the Chief of Semandang Kanan Village, the Chief of Sekucing Baru Hamlet, the Chief of Sei Tontang Hamlet, the Chief of Selantak Hamlet.</li> <li>Dated March 6<sup>th</sup> 2012 in the Hall of the Elementary School of Kek Lipur Hamlet, Paoh Concong Village, Simpang Hulu Sub-District. It was attended by <b>TP3K (Team of the District Estate Establishment Guidance) Ketapang</b>, The Forum of the Sub-District Head of Simpang Dua, the Head of Dayak Customary Board of Simpang Hulu, the Chiefs of Paoh Concong Village, the Chief of Kek Lipur Hamlet, Chief of Baram Hamlet and the community</li> </ol>	√

	<p>representatives.</p> <p>The management has shown the evidence of the record of the land acquisition. There was a process of the land compensation for the operational area of PT KML which was conducted on April 19<sup>th</sup> 2013 to September 19<sup>th</sup> 2013. There are 154 location hotspot within 2,522.85 ha.</p>	
	<b>Status: Comply</b>	
<b>7.6</b>	<b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	
	<p><b>PT Bumitama Gunajaya Abadi</b></p> <p>The management unit has procedure of the land and crops compensation number SOP-BGB-GRTT-PAD-001 dated October 12<sup>th</sup> 2012. It was approved by the Area Controller 5. It describes the stages on the land and crops compensation for stocktaking the future-compensated land, socialization to the landowners, negotiation on land and crops compensation, management approval, conducting payment, land handover and documentation. According to the result of the document review, all the process of the compensation have been documented and the company does not force the community. There is evidence of the compensation over the land acquisition. For example, the payment receipt in Tonam Raya Estate, Block M-39 for 20 Ha on June 26<sup>th</sup> 2013. It was given to the land owner and witnessed by the Chief of Kotawaringin Hulu, the company GIS staff, TRYE Manager, Coordinator of the Public Affair Department and the Head of the Company Administration. It was supported by the evidence of the payment receipt.</p> <p><b>PT Karya Makmur Langgeng</b></p> <p>The management has shown the evidence of the record of the land acquisition. There was a process of the land compensation for the operational area of PT KML which was conducted on April 19<sup>th</sup> 2013 to September 19<sup>th</sup> 2013. There are 154 location hotspot within 2,522.85 ha. All evidence of the land compensation documentations are available. (Documentation of all land acquisition is available).</p> <ul style="list-style-type: none"> <li>• Data of land acquisition.</li> <li>• ID.</li> <li>• Official record of the land measurement.</li> <li>• Map of the compensated location.</li> <li>• Official Record of the price agreement.</li> <li>• Declaration letter of the land lease.</li> <li>• Cultivation Information letter (SKGR) of the land ownership.</li> <li>• Supporting letter over the rights origins.</li> <li>• Information letter over the land origins.</li> <li>• Brief summary of the land acquisition.</li> <li>• Information letter over the approval of the land heir.</li> <li>• Information letter from the land heir.</li> </ul>	√
	<b>Status: Comply</b>	



### 3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

#### 3.5.1 Identification of Findings, Corrective Actions and Observations at ST-2 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.01	Minor 4.4.1	<b>Recording of water management program.</b> There are several discrepancies in the recording of water management conducted by KMB, such as: <ul style="list-style-type: none"> <li>From the result of field visit to the spring in BMKE, the company has made a ban on the use of chemicals around the spring tanks, but the water source has not been well-protected and maintained yet.</li> <li>Based on the testing result of River Mentaya water quality in two sites (up and down), there was an increasing value of concentration in several parameters such as COD (27.5 ( 35.78/ BM= 25); BOD (12.3 ( 16.5/ BM=3); Zinc (0.081 ( 0.105/ BM= 0.05).</li> </ul>	BMKE	Minor	S-1	<ul style="list-style-type: none"> <li>Company must protect and maintain water sources around the plantation area.</li> <li>Company must ensure the plantation and mill activities do not contaminate the water surface.</li> </ul>	<b>10 February 2014</b> <i>Root cause:</i> <ul style="list-style-type: none"> <li>Instruction for maintaining the riparian through IOM has not been disseminated to HCV officers.</li> <li><i>There has not been an identification of root of the problem regarding improvement of BOD, COD, and Zinc content.</i></li> </ul> <i>Corrective Action:</i> KMB has conducted several efforts to protect water sources with recording available such as: <ul style="list-style-type: none"> <li>Installing a ban board prohibiting the application of chemicals/spray and fertilizer around the spring on 24 January 2014.</li> <li>Installing boundary signs of the chemicals/spray and fertilizer application ban around the spring on 24 January 2014.</li> <li>Conducting dissemination to employees for example the one on 24 January 2014, attended by 34 chemicals officers in Bukit Makmur Estate.</li> </ul>	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>However, related to the management and monitoring of the River Mentaya water quality, PT KMB has not demonstrated the evaluation and follow-up plans to the increase of the concentration in several test parameters of river water in River Mentaya, particularly BOD, COD and zinc.</p> <p><i>Preventive action:</i></p> <ul style="list-style-type: none"> <li>A dissemination of spring protection (HCV) for employees has been conducted by the plantation leader (Area Controller) to staffs in the field, including regular water testing.</li> <li>Identification of root of the problem related to the improvement of BOD, COD, and zinc content has not been available yet.</li> </ul>		
2014.02	Minor 4.7.2	<p><b>Periodic Medical Screening for high-risk workers.</b></p> <p>Based on the result of medical screening on June 2013, there were 2 workers who suffered from severe hearing loss (severe conductive), 4 workers suffered from moderate hearing loss, and 31 workers suffered from mild hearing loss. There is not sufficient evidence yet that the company has taken adequate measures to protect the workers' health from negative impacts of operational activities.</p>	Mill	Minor	S-1	Company must demonstrate the evidence of the workers' health disturbance handling to ensure that operational activities do not have negative impacts to their health.	<p>Root Cause: There was a continuously high noisy sound (&gt;85dB) at the workplace.</p> <p>Corrective Action: <b>Auditor Verification:</b> <b>May 26th 2015</b> The company has held socialization in term of the noise quality threshold, PPE use, procedure of audiotometri test on November 12th 2014. It was attended by 14 participants consisted of mill employees and staff.</p>	Closed	23 July 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>There was an auditometri check up on May 21st 2015. It was attended by 19 employees of Gunung Makmur Mill. All workers were normal. However, there was no any medical check up result and the follow up of 2 workers who experienced hearing disorder (heavy) based on the medical check up on June 2013 and on March 2014.</p> <p>The company has composed program to hold medical check up for 2 workers who experienced heavy hearing disorder on June 2015. The company also has mutated them to another work station with noise level less than 85 dB.</p> <p>According to the result of observation, there was no enough actions over the medical disorder case over the workers.</p> <p><b>June 30th 2015</b> The result of recommendation of the doctor was not yet received due to the doctor was not able to prove that the doctor has followed Hyperkes training.</p> <p>Based on the result of medical check up conducted by the otolaryngologist (RSUD dr. Doris Sylvanus), there was an indication of the deaf caused by noise.</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p><b>July 14th 2015</b> The result of the diagnosis should be supported by the signature and evidence that the workers have known it.</p> <p><b>July 23rd 2015</b> The management unit has shown that the evidence of the diagnosis has been signed by the doctor and have been known by the checked-up workers. Hence, NC No. 2014.02 is closed and it shall be observed on the next surveillance.</p> <p>Preventive Action: Reducing the exposure over the noise by setting the rotation of workers who work at the noisy workplace &gt;85dB regularly.</p>		
2014.03	Major 5.2.2	<p><b>Measures Taken for HCV Protection.</b> Based on the field verification to HCV 4 (springs) at BMKE Estate, it is known that the company has issued a ban for chemicals application near the water spring tubs. However, there has not been sufficient evidence for spring protection and maintenance.</p>	BMKE	Major	Before the report is sent to RSPO	Company must show evidence of protection and maintenance of the water sources around the plantation area.	<p><b>10 February 2014</b> <i>Root cause:</i> Instruction for maintaining the riparian through IOM has not been disseminated to HCV officers.</p> <p><i>Corrective Action:</i> KMB has conducted several efforts to protect water sources with recording available such as:</p> <ul style="list-style-type: none"> <li>Installing a ban board prohibiting the application of chemicals/spray and fertilizer around the spring water on 24 January 2014.</li> </ul>	Closed	10 February 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> <li>Installing boundary signs of the chemicals/spray and fertilizer application ban around the spring on 24 January 2014.</li> <li>Conducting dissemination to employees for example the one on 24 January 2014, attended by 34 chemicals officers in Bukit Makmur Estate.</li> </ul> <p><i>Preventive Action:</i> A dissemination of spring protection (HCV) for employees has been conducted by the plantation leader (Area Controller) to staffs in the field, including periodic water testing.</p>		
2014.04	Minor 5.2.1.	<b>HCV Dissemination to the community living around the estate.</b> Company has not been able to demonstrate evidence of HCV dissemination to the community living around the estate.	KMB	Minor	S-1	Company must provide the evidence of HCV dissemination to the community living around the estate.	<b>10 February 2014</b> <i>Root cause:</i> Obligation for dissemination HCV to community has not been know by HCV officers.  <i>Corrective Action:</i> KMB has provided the evidence of HCV dissemination to the community, such as: <ul style="list-style-type: none"> <li>Dissemination on 27 January 2014 at the Office of the Head of Bakti Karya Village attended by 21 community representatives.</li> <li>Dissemination on 27 January 2014 at the office of the Head of Waringin Agung attended by 7 community representatives.</li> </ul>	Closed	10 February 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p><i>Preventive Action:</i> A dissemination of HCV for community has been conducted by the HCV officers.</p>		
2014.05	Minor 6.1.1	<p><b>Recording of the social impact management and monitoring with public participation.</b> Company has reported the results of social impact monitoring in the document of Environmental Management Plan/Environmental Monitoring Plan. However, there has not been sufficient evidence showing participatory social impact monitoring.</p>	KMB	Minor	S-1	Company must provide recording evidence of social impact participatory management and monitoring.	<p><b>10 February 2014</b> <i>Root cause:</i> Unavailability of instruction and methods clarity of the social impact participatory monitoring for executive officers.</p> <p><i>Corrective action:</i> KMB demonstrated the evidence of the implementation of social impact participatory monitoring which is a part of the document of Environmental Management Plan/Environmental Monitoring Plan in the form of:</p> <ol style="list-style-type: none"> <li>1. Sample of questionnaires of the social impact monitoring results.</li> <li>2. List of social impact monitoring respondents (46 respondents).</li> <li>3. Results of social impact monitoring.</li> </ol> <p><i>Preventive action:</i> There was an instruction from the plantation leader (Area Controller) to implement Environmental Management Plan and Environmental Monitoring Plan related with the social impact monitoring according to applicable provisions.</p>	Closed	10 February 2014



**3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment**

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
2015.1.	1.1.2	<p><b>Information Request and Response</b></p> <p>The management unit was not able to show the document of information response over the information request. For example, the response over the letter from BPJS No. B/589/13.2014 to GMKE.</p> <p>The management unit of SMNE, BMKE and GMKM were not able to show the documentation of the information request and response (Log book)</p>	Estate and Mill	Major	July 28th 2015	The management unit must be able to show the record over the information request and response.	<p><b>Root Cause:</b></p> <p>The company did not do external communication based on SOP of communication.</p> <p><b>Auditor Verification</b>  <b>June 30th 2015</b></p> <p>The management unit has shown the logbook of communication and response over the incoming letter. For example, the incoming letter to GMKE from Gunajaya Vocational School No. 421.3/421.6/330/11/2015 in term of the proposal to allow the student to do intership. It was responded on February 14th 2015.</p> <p>However, there was no evidence of the response over the incoming letter from BPJS to GMKE in letter No. B/589/13.2014 to GMKE and log book of GMKM.</p> <p><b>July 14th 2014</b></p> <p>The management unit has shown the logbook of GMKM and response over the letter from BPJS. Hence, <b>NCNo. 2015.1 is closed.</b></p>	Closed	July 14th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<b>Preventive Action:</b> Implementing the external communication based on the SOP of communication and improving the control over the document of letter.		
2015.2.	2.1.1	<b>Compliance over Regulation</b> PT KMB was not able to show the evidence of compliance over the law. For example: <ul style="list-style-type: none"> <li>Manpower Ministry Regulation No. 100 year 2004. There were temporary period workers who were working for 21 days a month for 3 months in a row but not yet promoted to permanent period workers.</li> <li>According to the document review, the company was not reporting OHS Guiding Committee routinely each quarter. It was not in line with the Manpower Ministry Regulation No. 4 year 1987.</li> <li>Unit manajemen BMKE belum dapat menunjukan</li> </ul>	Estate	Major	July 28th 2015	PT KMB must be able to show the compliance over the regulations that have to do with estate management.	<b>Root Cause:</b> <ul style="list-style-type: none"> <li>The company did not promote the workers based on the applied procedure.</li> <li>The company did not implement the procedure of obligation to report OHS Guiding Committee programs based on the applied SOP and regulations.</li> </ul> Corrective Action: <b>Auditor Verification:</b> <b>June 30th 2015</b> <ul style="list-style-type: none"> <li>There was no evidence of compliance over the Manpower Ministry Regulation No.100 Year 2004.</li> <li>The company showed the evidence of the report of OHS Guiding Committee in 1st quarter of 2015 on June 16th 2015. It described the report of work accident during period of January – March 2015 in all units including BMKE.</li> </ul> <b>July 14th 2015</b>	Closed with Observation	July 14th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		bukti pelaporan kecelakaan kerja kepada Instansi terkait sesuai dengan peraturan yang ada.					<p>The management unit has shown the evidence of the promotion for temporary period employees who has been working for 21 days a month for 3 months in a rows. For example, the workers of SMNE on behalf of Romayanti, Marliyanti, Haryati, Widodo, Winarti, Mathari, Rida, Suliyati. Hence, <b>NC No. 2015.02 is closed</b> and it shall be observed on the next assessment.</p> <p><b>Preventive Action:</b></p> <ul style="list-style-type: none"> <li>Conducting assessment and improvement over the worker's competence based on the applied procedure and regulations.</li> <li>Holding routine meeting and composing the report based on the SOP of OHS Guiding Committee each date 5th of the month.</li> </ul>		
2015.3.	2.1.2	<p><b>Information of Legal Requirements</b></p> <p>PT KMB was not able to show all information over legal requirements that have to do with estate management. For example, government regulation No. 101 Year 2014.</p>	Estate and Mill	Minor	ASA-2	PT KMB must be able to show all information over legal requirements that have to do with estate management.	<p><b>Root Cause:</b></p> <p>The company did not review nor update the law and regulations list based on the SOP of regulation identification and evaluation.</p> <p><b>Corrective Action:</b></p> <p><b>Auditor Verification:</b> <b>June 30th 2015</b></p> <p>PT KMB has shown the list of the updated</p>	Closed	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							statute in document No. 005/LR-LH/KMB/III/2015 of Revision 02 dated January 1 <sup>st</sup> 2015. The list of regulation has described the latest law requirements in term of the estate management and its evaluation.Hence, <b>NC No. 2015.03 is closed</b>  Preventive Action: Reviewing the regulation based on theSOP of regulation identification and evaluation.		
2015.4.	2.1.3	<b>Evaluation over the legal requirements compliance.</b> PT KMB was not able to show the evaluation over the legal requirements that have to do with estate. For example, Environment Ministry Regulation No. 5 Year 2014 and ratification of international convention.	Estate and Mill	Minor	ASA-2	PT KMB must be able to show the evaluation over the legal requirements that have to do with estate.	<b>Root Cause:</b> The company did not review nor update the law and regulations list based on the SOP of regulation identification and evaluation.  <b>Corrective Action:</b> <b>Auditor Verification:</b> <b>June 30th 2015</b> PT KMB has shown the list of the updated statute in document No. 005/LR-LH/KMB/III/2015 of Revision 02 dated January 1 <sup>st</sup> 2015. For example,Environment Ministry Regulation No. 5 Year 2014 and ratification of the international convention.Hence. NC No. 2015.04 is closed.  <b>Preventive Action:</b>	Closed	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							Reviewing the regulation based on the SOP of regulation identification and evaluation.		
2015.5.	2.2.5	<b>Map of Land Dispute</b> The map of land dispute was not covering all the disputed area. The map of land identification made on February 2013 was not complete. For example, the claim on behalf of Mrs. Mariane, Reguel Bilem, Saluh Duhung, Herman etc were not mapped. The map of land claim identification of region 2 was not mapped.	Estate	Minor	ASA 02	Each land dispute must be mapped collectively with the amicus curiae whether on region I or region II.	<b>Root Cause:</b> The company did not update the status of land claim within the operational scope.  <b>Corrective Action:</b> <b>Auditor Verification</b> <b>July 14th 2015</b> The management unit has shown the map of land claim of all operational area (region 1 and region 2) consisted of: - Mariani (7d.09 ha) - Herman (0.37 ha) - Saluh Duhung (20.20 ha) - Maher (kuasa Reguel Bilem, 31.34 ha) - Kartandi (39.12 ha) - Masin (4.20 ha)  <b>Preventive Action:</b> Updating the map of land dispute for each new land dispute progress.	Closed	July 22nd 2015
2015.6.	2.3.1	<b>Map of right over the land and customary right</b> The map in proper scale which shows the right over the land, customary right or legal right was	Estate	Major	July 28th 2015	The company was expected to provide the proper map in proper scale based on collective mapping program	<b>Root Cause:</b> The process to ask for the information over the customary land from the customary body takes time.	Closed	July 22nd 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		not yet composed based on the collective mapping program involving several parties.				involving several parties.	<b>Corrective Action:</b> <b>Auditor Verification</b> <b>July 14th 2015</b> PT KMB has shown the letter from the Board of Dayak Custom of Antang Kalang Sub-District on July 7th 2015. It stated that there was no customary nor traditional land within PT KMB Land Use Title (HGU) area.  <b>Preventive Action:</b> The map shall be updated regularly to recognize the change of status.		
2015.7.	3.1.1	<b>Long Term Plan</b> GMKM was not able to show the long term projection for at least for the next 3 years.  GMKE and SMNE have shown the projection of long term plan. However, only the harvest and area statement projection.  BMKE was not able to show the cost of long term projection for production cost.	Estate and Mill	Major	July 28th 2015	The company must be able to show the long term projection for at least for the next 3 years.	<b>Root Cause:</b> Updating the projection takes time due to the changes on the number of unit at PT KMB (Disintegration of number of Estate on the same Land Use Title).  <b>Corrective Action:</b> <b>Auditor Verification:</b> <b>July 22nd 2015</b> PT KMB has been able to show the long term projection evidence for period of 2015 to 2020 to all units. It describes the estate harvest projection, mill production projection, price prediction, OER and production cost	Closed	July 22nd 2015



No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							projection.  Preventive Action: The regular update shall be conducted especially for the addition/change of estate unit.		
2015.8.	4.5.2	<b>IPM Training</b> GMKE and SMNE were not able to show the evidence of IPM training to employees.	Estate	Minor	ASA-2	The company must be able to show the evidence of training program to the employees in term of IPM training.	<b>Root Cause:</b> The training program has been held. However, it has not yet documented based on the composed program.  <b>Corrective Action:</b> <b>Auditor Verification on June 30th 2015:</b> GMKE and SMNE has shown the evidence of pest and disease training. For example: <ul style="list-style-type: none"> <li>• SMNE: pest and disease training on January 30th 2015. It was attended by 24 participants. It taught the definition of pest and disease, stage to conduct census, type of pest and disease and the beneficial plants.</li> <li>• GMKE: training of pest and disease specifically for Oryctes on June 13th 2015. It was attended by 14 participants. It taught the explanation from census to its control. Hence, <b>NC No. 2015.8 is closed.</b></li> </ul>	Closed	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<b>Preventive Action:</b> Refreshing the training each semester and improve the control over documentation.		
2015.9.	4.6.1	<b>Pesticide Product Selection</b> The company was not able to show that the pesticide used by company was listed on the Pesticide Commission.	Estate	Major	July 28th 2015	The company must be able to show that the pesticide used by company was listed on the Pesticide Commission.	<b>Root Cause:</b> Lack of socialization of pesticide use by the Dept of Reasearch.  <b>Corrective Action:</b> <b>Auditor Verification on June 30th 2015</b> The company has shown the list of chemicals used by the company. The document describes the product brand, active ingredient to registration number at Pesticide Commission based on the book of pesticide for agriculture and forestry on 2014. For example, the trademark of Gramoxone with Paraquat Dichloride Active Ingredient with Reg No. RI.010301197436. Hence, <b>NC No. 2015.9 is closed.</b>  <b>Preventive Action:</b> The socialization and recommendation of pesticide use shall be supported with the list of the allowed pesticide based on the Book of Pesticide.	Closed	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
2015.10.	4.6.2	<b>Record of Pesticide Use</b> GMKE and SMNE were not able to show the record of the use of pesticide including the monitoring over active ingredients per ha.	Estate	Major	ASA-2	The company must be able to show the record of the use of pesticide including the monitoring over active ingredients per ha.	<p>Root Cause: Monitoring and documentation over the active ingredient has not yet conducted consistently.</p> <p>Corrective Action: <b>Auditor Verification:</b> <b>June 30th 2015</b> GMKE and SMNE has recorded the use of pesticide on the document of active ingredient pesticide use analysis. It describes the amount of ingredient, active ingredient substance, amount of active ingredient, active ingredient per ha and per ton of FFB, total quantity of FFB and total of ha applied annually. The data covers period of 2012 to 2014. Hence, <b>NCNo. 2015.10 is closed.</b></p> <p><b>Preventive Action:</b> Recording the use of pesticide (budget vs realization) per month and improving the control over the documentation.</p>	Closed	June 30th 2015
2015.11.	4.6.5	<b>Training of Limited Pesticide Use</b> According to the document review and field visit, the company has used limited	Estate	Major	July 28th 2015	The company must be able to show that the sprayers have gotten limited pesticide operator certificate from the	<p><b>Root Cause:</b> The high turn over and mutation of employees. Therefore, the certified sprayers have resigned or mutated to other estate (scheme smallholder).</p>	Closed with Observati on	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		<p>pesticide (paraquat active ingredient). The company was not able to show that the sprayers have been certified. For example:</p> <ul style="list-style-type: none"> <li>• BMKE: there was 1 worker who has limited pesticide operator certificate</li> <li>• GMKE: there was 6 workers who has limited pesticide operator certificate</li> <li>• SMNE: there was no any worker who has limited pesticide certificate</li> </ul>				associated agency.	<p><b>Corrective Action:</b>  <b>Auditor Verification:</b>  <b>June 30th 2015</b></p> <p>The company has held limited pesticide training on June 15th 2015. It was held by cooperating with Pesticide Commission. It was attended by 171 workers of all estate units. Based on the explanation, <b>NC No. 2015.11 is closed</b> and it shall be observed on the next assessment over the limited pesticide Operator certificate.</p> <p><b>Preventive Action:</b>            Updating and refreshing the training program routinely (each semester).</p>		
2015.12.	4.6.11	<p><b>Medical Check Up</b></p> <p>BMKE has monitored the sprayers. However, the result of medical check up was not adequate to show that the use of chemicals did not harm the employee's health.</p>	Estate	Major	July 28th 2015	The company must be able to show that the use of chemicals shall not harm the health of employees.	<p><b>Root Cause:</b>            The company did not hold regular medical check up for the sprayers based on the SOP.</p> <p><b>Corrective Action:</b>  <b>Auditor Verification:</b>  <b>June 30th 2015</b></p> <p>BMKE has held medical check up by checking cholinesterase for the employees who dealing with agrochemicals (fertilizer and pesticide). It was held on June 17th 2015 for 74 employees.</p>	Closed with Observati on	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>According to the result of medical check up, there were 3 workers who experienced heavy expose. The company has mutated them to the position away from chemicals based on the letter No. 001/SK-BMKE/Mts/VI/2015 dated June 24th 2015 in term of mutation for Yanti of division 3 who was working as chemicals applicators to the manual maintenance for plants. Hence, <b>NC No.2015.12 is closed</b> and it shall be observed on the next assessment program.</p> <p><b>Preventive Action:</b> Holding regular medical check up for all sprayers based on the applied SOP.</p>		
2015.13.	4.7.2 4.7.3	<p><b>Completion of PPE based on the Risk Analysis</b></p> <p>According to the result of field visit, the company was not able to show that the provided PPE were based on the HIRAC. For example:</p> <ul style="list-style-type: none"> <li>The harvest program at SMNE and BMKE. The harvesters used PPE (helmet and boots). It was</li> </ul>	Estate	Major	July 28th 2015	The company must be able to show that the provided PPE has complied the composed risk analysis.	<p><b>Root Cause:</b></p> <ul style="list-style-type: none"> <li>The company did not provide PPE based on the SOP of PPE.</li> <li>Kurangnya control terhadap penggunaan APD karyawan.</li> </ul> <p><b>Corrective Action:</b> <b>July 14th 2015</b></p> <p>The company showed the PPE handover to workers based on HIRAC. For example:</p> <ul style="list-style-type: none"> <li>The handover of PPE (gloves and</li> </ul>	Closed	July 14th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		<p>not in line with the applied HIRAC (the PPE for harvesters should be helmet, boots, glasses, gloves and sickle cover.</p> <ul style="list-style-type: none"> <li>The spray program at SMNE. The sprayers used cotton gloves. It was not in line with the applied HIRAC (the PPE for sprayers should be rubber gloves).</li> </ul>					<p>glasses) to 56 harvesters of GMKE on July 1st 2015.</p> <ul style="list-style-type: none"> <li>The handover of PPE (rubber gloves, apron and boots) to 16 chemicals applicators of division 2 of SMNE.</li> </ul> <p>Furthermore, the company also socialize the urgency of the PPE use and the knowledge over HIRAC to the workers. For example, the socialization on GKME on June 11th 2015 to all sprayers of division 5. It socialized the type and function of PPE. It was attended by 17 sprayers. Hence, <b>NCNo 2015.13 is closed</b> and it shall be observed on the next assessment.</p> <p><b>Preventive Action:</b></p> <ul style="list-style-type: none"> <li>Providing PPE based on the SOP of PPE (referring the risk of the job and the lifetime of the PPE used)</li> <li>Inspecting the OHS, especially over the use of PPE.</li> </ul>		
2015.14.	4.7.4	<p><b>Person in Charge over the OHS</b></p> <p>The company has had 3 OHS experts. However, the appointment letter on behalf of Budianto Surbakti has expired on</p>	Estate	Major	July 28th 2015	The company must be able to show that all people in charge over OHS are still valid.	<p>Root Cause: The company did not control the validity period of decree of Manpower Agency.</p> <p>Corrective Action: <b>Auditor Verification</b></p>	Closed	June 30th 2015



No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		April 16th 2015. (Decree No. 1074/M/DJPPK/IV/2012 dated April 16th 2012 for 3 years).					<p><b>June 30th 2015:</b> The company showed the changes of the OHS Guiding Committee structure (Decree No.560.566/219/WAS-KK.P2K3/VI/2015 dated June 15th 2015 for 2 years). The secretary named Parisro Sendro (OHS Expert based on decree No. KEP.6789/M/DJPPK/VI/2014 dated June 27th 2014 for 3 years). Hence,<b>NC No.2015.14 is closed.</b></p> <p><b>Preventive Action:</b> Monitoring the decree of appointment and other permits.</p>		
2015.15.	4.7.5	<p><b>First Aid Kits</b> According to the field visit to Central Storage of Region II, the handy fire extinguishers at hazardous waste storage of region II of BMKE settlement were empty and not available on its place.</p>	Estate	Minor	ASA-2	The company must be able to show that the emergency response equipments are ready use.	<p><b>Root Cause:</b> The company did not check the handy fire extinguisher based on the SOP.</p> <p><b>Corrective Action:</b> <b>Auditor Verification:</b> <b>June 30<sup>th</sup> 2015</b> The company has complied and provided handy fire extinguishers (fully loaded). There was an evidence in form of invoice of handy fire extinguisher refuel for 19 units. Those were placed on the trifo emplacement, warehouse and traction. Hence,<b>NC No.2015.15 is closed</b></p>	Closed with Observation	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							and it shall be observed on the next assessment.  <b>Preventive Action:</b> - Monitoring the emergency response equipments, especially handy fire extinguisher. - Filling the checklist of handy fire extinguisher monitoring monthly.		
2015.16.	4.8.1	<b>Formal Training of RSPO P&amp;C</b> The management unit of estate and POM were not able to show the plan and realization of training for employees.	Estate	Major	July 28th 2015	The management unit of estate and POM must be able to show the plan and realization of training for employees	<b>Root Cause:</b> The plan and realization of training program was not consistently documented.  <b>Corrective Action:</b> <b>Auditor Verification</b> <b>July 14<sup>th</sup> 2015</b> The management unit has shown the training programs for mill and estate for period of 2015. Furthermore, there was a record of training program realization. For example, training of SOP of harvest which was held at BKME on February 17th 2015 and the training of fire prevention and control at GMKM on May 2015. Hence, <b>NC No. 2015.16 is closed.</b>  <b>Preventive Action:</b>	Closed	July 14th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							Improving the control over the training program documentation.		
2015.17.	4.8.2	<b>The training programs record.</b> The management unit was not able to show the record of training programs for each employee.	<b>Estate and Mill</b>	<b>Minor</b>	<b>ASA-2</b>	The management unit must be able to show the record of training programs for each employee.	<p><b>Root Cause:</b> The plan and realization of training program was not yet documented consistently.</p> <p><b>Corrective Action:</b> <b>Auditor Verification</b> <b>July 14<sup>th</sup> 2015</b> The management unit has shown the record of training in form of the minute of meeting, event documentation and attendance list. However, the management unit was not able to show the record of training for each employee.</p> <p><b>July 29<sup>th</sup> 2015</b> The management unit has shown the "Private Training Card". It describes the data of worker's profile, type of the held training, training program period, evaluation of the result of training and the urgent training program. The data describes the annual period. Hence, <b>NC No. 2015.17 is closed.</b></p> <p><b>Preventive Action:</b> Improving the control over the training program</p>	<b>Closed</b>	<b>July 29<sup>th</sup> 2015</b>

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							documentation.		
2015.18.	5.3.3	<b>Waste Management</b> According to the field visit to Sungai Mentaya Estate and CKMT hazardous waste storage, the waste management was not in line with the applied procedure.	Estate	Minor	ASA-2	The management unit must be able to show the evidence that the hazardous waste were managed in line with the procedure.	<b>Root Cause:</b> The company did not manage hazardous waste based on the applied SOP.  <b>Corrective Action:</b> <b>Auditor Verification</b> <b>July 14th 2015</b> The management unit has shown the evidence that the hazardous waste have been well managed by referring the applied procedure. For example: <ul style="list-style-type: none"> <li>• Documentation of the oil-trap making at the generator station in Sungai Mentaya Estate settlement.</li> <li>• Documentation of the hazardous waste storage rehabilitation in CKMT.</li> <li>• Official record, attendance list and documentation of the socialization of hazardous waste management to the workers.</li> </ul> Hence, <b>NC No. 2015.18 is closed.</b>  <b>Preventive Action:</b> Managing hazardous waste based on the SOP.	Closed	July 14th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
2015.19.	6.5.2	<b>Collective Labour Agreement</b> According to the result of field observation to SMNE, there were daily temporary period workers who did not have agreement.	Estate	Major	July 28th 2015	The management unit must be able to show that each employee has collective labour agreement.	<b>Root Cause:</b> Lack of documentation conducted by HRD.  <b>Corrective Action:</b> <b>Auditor Verification</b> <b>July 14th 2015</b> The management unit has shown the evidence of the handover of collective labour agreement to the daily temporary period workers No. 012/KMB-SMNE/SPK-PTT/III 2013. It was handed over to Romayanti. The management unit also show the decree of promotion of employee to the daily permanent workers No. 021/ SK/ KMB/ SMNE/ VI/ 2015 dated July 2nd 2015. Hence, <b>NC No. 2015.19 is closed.</b>  <b>Preventive Action:</b> Implementing HR management based on the SOP and IOM of policy.	Closed	July 14th 2015
2015.20.	6.9.1	<b>Policy of sexual harasshment and domestic violence prevention</b> According to the result interview with the employees of estate and mill, they did not know the gender committee.	Estate and Mill	Major	July 28th 2015	The board of gender committee must socialize the policy in term of the sexual harasshment and domestic violence.	<b>Root Cause:</b> Kurangnya peran aktif dan program yang dilaksanakan oleh Komite Gender.  <b>Corrective Action:</b> <b>Auditor Verification</b> <b>June 30th 2015</b>	Closed with Observati on	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>The management unit of GMKE, BMKE, SMNE and GMKE has held socialization in term of gender committee to the women. For example:</p> <ul style="list-style-type: none"> <li>The socialization to 28 workers in BMKE on June 25th 2015.</li> <li>The socialization to 27 workers in GMKM on May 30th 2015.</li> </ul> <p>Hence, <b>NC No. 2015.20 is closed</b> and it shall be verified further on the next assessment (ASA-2).</p> <p><b>Preventive Action:</b> Holding routine gender committee meeting by involving employees.</p>		
2015.21.	6.9.2	<p><b>Policy to protect reproduction rights</b></p> <p>According to the result of interview with the women workers, the interviewed workers did not know the right to get menstruation day off.</p>	Estate and Mill	Major	July 28th 2015	The management unit must be able to show the evidence of implementation of reproduction right policy as well as make sure that the period of day off could be taken known by the women workers.	<p><b>Root Cause:</b> The lack of socialization in term of the protection over the reproduction rights to employees and the high turn over of employees.</p> <p><b>Preventive Action:</b> <b>Auditor Verification</b> <b>June 30th 2015</b> The management unit of GMKE, BMKE, SMNE and GMKE has socialized the right to</p>	Closed with Observation	June 30th 2015



No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>take day off for the women workers and its specific <i>Grievance Resolution</i>. For example:</p> <ul style="list-style-type: none"> <li>• Socialization at SMNE which was attended by 10 workers on May 30th 2015.</li> <li>• Socialization at GMKE which was attended by 35 workers on May 30th 2015.</li> </ul> <p>Hence, <b>NC No. 2015.21 in Major category and NC No. 2015.22 in Minor category is closed</b> and it shall be verified on the next assessment.</p> <p><b>Preventive Action:</b> Holding socialization over the company regulation and policy to employees regularly.</p>		
2015.22.	6.9.3	<p><b>Complaint delivery procedure (specific)</b></p> <p>The management unit was not able to show the complaint delivery procedure to specifically deal with sexual harasshment and domestic violence as well as the evidence of the socialization of the procedure.</p>	Estate and Mill	Minor	ASA-2	Unit manajemen harus menunjukkan The management unit must be able to show the complaint delivery procedure to specifically deal with sexual harasshment and domestic violence as well as the evidence of	<p><b>Root Cause:</b> The lack of socialization in term of the complain delivery procedure to employees and the high turn over of employees.</p> <p><b>Corrective Action:</b> <b>Auditor Verification</b> <b>June 30th 2015</b> The management unit of GMKE, BMKE, SMNE and GMKE has held socialization in</p>	Closed with Observation	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
						the socialization of the procedure.	<p>term of the procedure of specific complaint delivery (Grievance Resolution). For example:</p> <ul style="list-style-type: none"> <li>The socialization which was participated by 26 workers of SMNE on June 20th and 22nd 2015.</li> <li>The socialization which was participated by 23 workers of GMKM on June 13th 2015.</li> </ul> <p>Hence, NC No. 2015.22 is closed and it shall be verified further on the next assessment (ASA-2).</p> <p><b>Preventive Action:</b> Holding socialization over the company regulation and policy to employees regularly.</p>		
2015.23.	6.10.3	<p><b>Contract for Service Agreement</b></p> <p>According to the result of public consultation, the FFB contractor named Birma Simanjuntak did not get the copy of contract for service agreement. Therefore, there was no any evidence that the contract has been composed fairly, legally and transparently.</p>	Estate and Mill	Minor	ASA-2	The management unit must ensure that the copy of contract for service agreement held by the contractor. Therefore, the evidence that the contract has been composed fairly, legally and transparently can be shown.	<p><b>Root Cause:</b> The contract for service agreement was being reviewed by the associated department.</p> <p><b>Corrective Action:</b> <b>Auditor Verification</b> <b>July 14th 2015</b> The management unit has shown the evidence that the contract for service agreement has been shown the the cooperating third party. Hence, <b>NC No. 2015.23 is closed.</b></p>	Closed	July 14th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<b>Preventive Action:</b> Ensuring that all FFB contractors have gotten the copy of contract for service agreement.		
2015.24.	-	<b>Time bound plan</b> The management unit was not able to show all entities nor subsidiaries under bumitama agro limited.	-	Minor	ASA-2	The management unit must be able to show all entities nor subsidiaries under bumitama agro limited.	<b>Root Cause:</b> The update of Time Bond Plan need to be verified by the associated department of company.  <b>Corrective Action:</b> The management unit has shown time bound plan for all units (10 mills) based on the document of Annual Communication Of Progress (ACOP) sent by Bumitama Agri Ltd to RSPO on July 9th 2015.  <b>Preventive Action:</b> Reviewing it regularly with the associated Dept.	Closed	July 14th 2015

**3.5.3 Opportunity for Improvement**

No	Ref Std	Descriptions
1	4.2.4	The company is able to evaluate the dosage of the POME flown based on the applied procedure (Observation)
2	4.6.4	The company is able to evaluate the use of pesticides categorized by WHO as class 1A or 1B or those which are listed on the Stockholm or Rotterdam Convention and paraquat (Observation)
3	4.7.6	The company is able to re evaluate that the workers experiencing work accident to be reported to the work accident insurance (Observation)
4	4.7.7	The company is able to re-evaluate the recording of the worker's disease so the disease could be classified whether is it caused by the work or not (Observation)
5	6.5.2	The company is encouraged to socialize the company regulation to all workers

**3.5.4 Noteworthy Positive Components**

No	Ref Std	Descriptions
1	-	The company showed the commitment to assist the locals through CSR programs
2	-	The company realized the establishment of scheme smallholder for the locals for ± 7.720,25 Ha (more than what the government want)
3	-	The company showed the commitment to assist the locals through CSR programs

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

Issue from Public	Management Response	Auditor Response
<p><b>East Kotawaringin District Manpower Agency</b></p> <ul style="list-style-type: none"> <li>• Good relation between the company and the agency.</li> <li>• The company has implemented province minimum wage standard for period of 2015.</li> <li>• There is no report of the manpower conflict.</li> <li>• The management unit has reported the work accident routinely.</li> <li>• The management unit has reported the OHS Guiding Committee each quarter and has reported the workforce obligation annually.</li> <li>• The management unit does not have the labour union but they has Bipartit cooperative forum.</li> <li>• The load and crane operator training has been conducted on the PT WNIL training center and cooperating with the Manpower Agency (training coach).</li> <li>• The input from the Manpower Agency to company for informing the job opportunity before having it informed on the mass media (decree of President No. 4 Year 80).</li> <li>• The management unit does not employ foreign workers.</li> <li>• Several workers have been registered to the Manpower BPJS, several others have not due to the obstacle on ID and family card of employees.</li> <li>• The contractors should have legal standing.</li> </ul>	<ul style="list-style-type: none"> <li>• PT.KMB conducted routine reporting to Manpower Agency of East Kotawaringin District.</li> <li>• Noted. The company has commitment to implement minimum standard based on the province law.</li> <li>• The conflict shall be solved in forum.</li> <li>• Noted. Positive, it shall be conducted and corrected.</li> <li>• Based on the Decree of legalization No. 560.565/1069/KEP/HI-KESJA/XI/2012 dated November 22nd 2012</li> <li>• BGA Group cooperated with the Manpower Agency to hold load and crane training, first aid training, hyperkes training, OHS training, electricity training, etc.</li> <li>• It shall be considered as an input to the company.</li> <li>• Noted.</li> <li>• The obstacles in term of the BPJS registration is now being reviewed. The solution and follow up actions are being discussed by HCGD Head Office with Regional RD so the BPJS registration shall comply the applied law.</li> <li>• It shall be considered as an input to the company.</li> </ul>	<ul style="list-style-type: none"> <li>• It complies the criteria 1.1; 2.1; 4.7; 4.8; 6.5; 6.6.</li> </ul>

<b>East Kotawaringin District Environment Agency</b> <ul style="list-style-type: none"> <li>The management unit has had hazardous waste storage permit. Meanwhile, the permit for the hazardous waste storage of Bukit Makmur Mill is now being processed.</li> <li>The management unit has had document of environmental management and monitoring effort for POM at Sungai Hanya Village, Telaga Tambang Sub-District, East Kotawaringin District for 45/90 ton of FFB/hour capacity on 2013.</li> <li>There is no issue of environment contamination.</li> <li>The management unit has had LA permit on Bukit Makmur Mill and Gunung Makmur Mill.</li> </ul>	<ul style="list-style-type: none"> <li>There are 2 permits of PT KMB hazardous waste storage. Those are: <ul style="list-style-type: none"> <li>Reg No. 660/35/BLH-LB3/VIII/2012 at GMKM POM, Traction of Region I and Traction of Region II (Waringin Agung Village).</li> <li>Reg No. 660//1024/BLH-Ek.SDA/II/2015 at <b>BMKM POM</b>.</li> </ul> </li> <li>environmental management and monitoring effort for GMKM POM environmental management and monitoring effort for BMKM POM.</li> <li>Noted.</li> <li>Based on the achieved permits : <ul style="list-style-type: none"> <li>LA Permit for GMKM POM No. 660/39/BLH-PP/LA/V/2012</li> <li>LA Permit for BMKM POM No. 188.45/165/HUK-BLH/2014</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>It complies the criteria 2.1; 4.4; 5.1; 5.3.</li> </ul>
<b>Natural Resource Economy</b> <ul style="list-style-type: none"> <li>The management unit has had plantation business permit for processing for period of 2013 and 2014.</li> <li>Program of Bina Usaha Mandiri</li> </ul>	<ul style="list-style-type: none"> <li>Noted</li> <li>Noted</li> </ul>	<ul style="list-style-type: none"> <li>It complies the criteria 2.1; 6.11</li> </ul>
<b>National Land Agency</b> <ul style="list-style-type: none"> <li>There is a Land Use Title (HGU) No. 24 on behalf of PT. Windu Nabatindo Lestari on March 10th 2004 for 9,616.28 Ha. Land Use Title (HGU) 19 on October 22nd 2001 on behalf of PT Karya Makmur Bahagia in which the HQ is located in Jakarta for 15,056.31 Ha</li> <li>Land lease for 80 Ha to PT BUM which have been finalized by Province National Land Agency on November 2014.</li> </ul>	<ul style="list-style-type: none"> <li>Noted. Land Use Title (HGU) 19 on October 22nd 2001.</li> <li>Noted. Based on the agreement between PT KMB &amp; P BUM</li> </ul>	<ul style="list-style-type: none"> <li>It complies the criteria 2.1; 2.2.</li> </ul>



<p><b>Agung Mulya Village (Secretary of Village Administrative Government, Village Forum Body, Figure of Education, the Head of Mekar Jaya Cooperative Unit, Secretary of the Cooperative Unit, Community)</b></p> <p><b>Positive Aspects</b></p> <ul style="list-style-type: none"> <li>• Good relation between the locals, village apparatus and cooperative unit with the company.</li> <li>• The improvement on the economy of the community due to the scheme smallholder program.</li> <li>• The job opportunity to be employees of PT KMB.</li> <li>• The profitshare procedure of the scheme smallholder is: 30% for the installment payment to bank, 10% for the deposito, 40% for the company (operational upkeep) and 20% for the smallholders.</li> <li>• The smallholders allocate 2.5% of their profit as the donation for the mosque construction. Once the mosque construction finished, it shall be allocated to the village treasury.</li> <li>• The scheme smallholder land of the ex transmigrants for 1.25 Ha and of the locals for 0.75 Ha have been compensated by the company on the land and crops compensation program.</li> <li>• Mekar Jaya Cooperative unit has 1 Ha of land. The output is used for the operational upkeep. The scheme smallholder land is the result of the fund donation from the smallholders.</li> <li>• The smallholders know the price of FFB from the representative of cooperative unit who attend the meeting of FFB pricing.</li> </ul>	<ul style="list-style-type: none"> <li>• The company maintains communication and transparency for the company's partners.</li> <li>• The company manages the scheme smallholder on the one management system to get the better quality and quantity.</li> <li>• PT. KMB inform the job opportunity for anyone who wants to apply on the company by prioritizing the locals based on the need of the company and the competence the applicants offer.</li> <li>• According to the contract for service between the cooperative unit and the company, the percentage of the profitshare is that 40% for the operationals, 40% for the installment payment, 20% for the SHK.</li> <li>• Form of the concern of the locals and the smallholder over the village development.</li> <li>• Based on the concept of scheme smallholder, the area is distributed for 2 Ha per smallholder.</li> <li>• Form of the cooperative unit independence.</li> </ul>	<ul style="list-style-type: none"> <li>• It complies the criteria 1.1; 6.2; 6.1; 6.10; 6.11.</li> </ul>
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<ul style="list-style-type: none"> <li>• The village apparatus know the employees who frequently communicate with the locals (Mr Buanto, Mr Yasin, Mr Ronald, Mr Widi).</li> <li>• The villagers are given catfish to be farmed.</li> </ul> <p><b>Negative Aspects:</b></p> <ul style="list-style-type: none"> <li>• There is a social jealousy between the locals and the transmigrants.</li> <li>• There is social restlessness of the smallholders. They think that the nation law shall be defeated by the customary land. Hence, there is bigger potential of the land ownership.</li> <li>• Most of the locals sell the land on the land and crops compensation program. The land are then reclaimed by the locals.</li> <li>• The village apparatus frequently send the proposal. However, there is no further response. For example, the proposal for the bridge construction assistance request and the for the teacher honorarium to be paid on December 2015. Those proposals were not responded till May 2015.</li> <li>• The village apparatus only know that the proposal must be sent to the CSR Department.</li> <li>• The road and bridge which are frequently passed by the CPO truck of PT KMB have broken. Meanwhile, there is no attempt of the company to repair those routinely unless the company threat the company by blockading it or proposing repairment to the company gently.</li> <li>• The bridge was made of bridge. Therefore, it shall easily broken.</li> </ul>	<ul style="list-style-type: none"> <li>• The company facilitates the cooperative unit (partner) to participate on the meeting of the FFB pricing.</li> <li>• Positive Issue. The good relation shall be maintained and improved.</li> <li>• One of the CSR program for the micro business.</li> <li>• There are many of the FFB trade conducted by the locals.</li> <li>• Coordination with the regional government and the customary figures.</li> <li>• According to the document of land and crops compensation, the compensated land cannot be reclaimed.</li> <li>• The process of the fund assistance request proposal to PT KMB must pass through several stages as written on the SOP. It is also adjusted to the result of the analysis conducted by the company. PT KMB shall conduct corrective action in aspect of the response of request.</li> <li>• According to the Job Desk / Job Profile of the Staff of CSR team (Mr. Dullah is the member of CSR team). PT KMB shall socialize the procedure of information request to the locals.</li> <li>• The list of price from the division of commercial head office.</li> <li>• The company has inisitive to repair and maintain the road. PT KMB shall also improve the communication with the locals to deal with the arising issue.</li> </ul>	<ul style="list-style-type: none"> <li>• The company is expected to issue due to its impact to the smallholder.</li> <li>• The company must respond the incoming letter and the procedure of the assistance request must be socialized to the locals.</li> <li>• The company must manage and monitor the impacts caused by the operational program to</li> </ul>
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<ul style="list-style-type: none"> <li>There are plenty of dust caused by CPO truck passing through the road during the drought season.</li> <li>There are indications of the Mentaya River contamination (dead fish and black water) probably caused by the pipe leakage.</li> <li>The complaints have been informed on the village development forum orally. However, the villagers are not attempting to inform the complaint in writing.</li> <li>The locals and the village apparatus are questioning the follow up of the questionnaires they have filled (the questionnaires are given by PT KMB)</li> <li>There is no HCV socialization, socialization of the publicly-accessed documents and the socialization of the procedure of communication and consultation with the locals.</li> </ul> <p><b>Expectation:</b></p> <ul style="list-style-type: none"> <li>The villagers, especially the member of Mekar Jaya Cooperative Unit expect the solution from PT KMB to reduce the social impacts caused by scheme smallholder.</li> <li>The solution composed by the company is expected to assist the economy of the locals so the gap between the smallholders and the locals is not too far.</li> </ul>	<ul style="list-style-type: none"> <li>The bridge condition is good. The company shall concern the condition of infrastructure that has to do with the locals interest.</li> <li>Due to the dirt road condition, any vehicle passing through the road shall cause dust. The company shall water the road.</li> <li>The company shall coordinate with the environment agency and the locals to clarify the water sampling from Mentaya river as the attempt of anticipation.</li> <li>The data of the questionnaire is being processed. The follow up shall be adjusted with the result of data processing.</li> <li>Socialization of HCV and SOP of communication is held on June 1<sup>st</sup> – 23<sup>rd</sup> 2015 to the nearby villages.</li> <li>The community empowerment through business unit outside the plantation (Agriculture, Transportation, Shop, etc)</li> <li>The community empowerment through the estate output management and analysis.</li> </ul>	<p>reduce the potential of the caused impacts.</p> <ul style="list-style-type: none"> <li>The company must manage and monitor the impacts caused by the operational program to reduce the potential of the caused impacts.</li> <li>The company should coordinate with the agency and the locals to describe the actual condition.</li> </ul>
<p><b>Rantau Tumpang Village (Head of Community Association 01, Figure of Custom, Reverend, Head of Community Association 03, Village Community Forum, Housewives and FFB supplier).</b></p>		

<p><b>Positive Aspects:</b></p> <ul style="list-style-type: none"> <li>No late payment to the FFB contractor.</li> <li>Assistance for the electrical grid installation from the company (IDR 4.5 million per house), road construction, road maintenance, well digging and heavy equipments for leveling the area designed as house.</li> <li>The increase of the economy due to the sale of crops and the accessible daily need purchase.</li> <li>The locals can sell the FFB to the company.</li> </ul> <p><b>Negative Aspects:</b></p> <ul style="list-style-type: none"> <li>The unfair distribution of the assistance for well digging. Furthermore, the well are not well maintained.</li> <li>The lack of educational assistance.</li> <li>The inconsistent visitation of the company on the village development forum.</li> <li>There is a restlessness experienced by the local FFB contractor due to the information that the company disallow the small truck</li> </ul>	<ul style="list-style-type: none"> <li>The payment to the contractor is conducted based on the contract agreement.</li> <li>Positive Issue. The good relation shall be maintained and improved.</li> <li>Positive Issue. The good relation shall be maintained and improved.</li> <li>The FFB purchase from the locals is conducted by the analysis over the FFB ownership on the MoU of trade.</li> <li>The assistance given by PT KMB is adjusted with the incoming proposal and the composed program and budget. The maintenance become the responsibility of the villagers due to the assistance requires community's participation.</li> <li>The assistance for Rantau Tampang Village is focused on another aspects such as infrastructure based on the request from the village administrative government parties.</li> <li>The village development forum is village administrative government planning program by prioritizing the use of village development fund. The fund for development should be normally allocated.</li> <li>It is planned to anticipate the mass FFB robbery. However, it is not yet implemented.</li> <li>The mass recruitment for employees is not yet conducted. Several recruitment is announced orally to the workers to get the new workers based on the qualification. The response for the submitted CV can be asked on the spot.</li> <li>The process of the fund assistance request proposal to PT</li> </ul>	<ul style="list-style-type: none"> <li>It complies the criteria 1.1; 6.2; 6.10; 6.11.</li> </ul>
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<p>to transport FFB to POM (since June 1st 2015).</p> <ul style="list-style-type: none"> <li>• The company is considered less transparent to announce the job opportunity.</li> <li>• The assistance request proposed by the village is not responded.</li> <li>• The frequent change on the appointed Officer to communicate and consult with the locals (the locals know only Mr. Dullah).</li> <li>• The villagers know the FFB price information from the SMS of the collector.</li> </ul> <p><b>Expectation:</b></p> <ul style="list-style-type: none"> <li>• The guidance of proper palm oil plant cultivation (seed selection, planting, maintenance and harvest).</li> <li>• The scheme smallholder plan to be soon realized.</li> <li>• Assistance for the elementary school guidance at Rantau Village to enlighten the villagers.</li> </ul>	<p>KMB must pass through several stages as written on the SOP. It is also adjusted to the result of the analysis conducted by the company. PT KMB shall conduct corrective action in aspect of the response of request.</p> <ul style="list-style-type: none"> <li>• According to the Job Desk / Job Profile of the Staff of CSR team (Mr. Dullah is the member of CSR team). PT KMB shall socialize the procedure of information request to the locals.</li> <li>• The list of price from the division of commercial head office of Jakarta is sent via email. Print out of information is available at POM office. The staff of commercial division inform the price of the FFB to the FFB supplier to be socialized to the smallholders.</li> <li>• It shall be considered as input for the company.</li> <li>• Adjusting the program of the company with the program of government for the subsidy budget realization. The company role on the seed and cultivation technical subsidy.</li> <li>• It shall be considered as input for the company.</li> </ul>	<ul style="list-style-type: none"> <li>• The company must respond the incoming letter and the procedure of the assistance request must be socialized to the locals.</li> </ul>
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<p><b>Waringin Agung Village (Chief of Village, Secretary of Village, Head of Cooperative Unit, Secretary of of Cooperative Unit, Villagers, Contractor)</b></p> <p><b>Positive Aspect:</b></p> <ul style="list-style-type: none"> <li>• Good relation between the village apparatus and cooperative unit with the company.</li> <li>• The improvement of economy welfare of the locals.</li> <li>• Many villagers become the employees of PT KMB.</li> <li>• The company gives assistance in form of the road maintenance and daily need commodities.</li> <li>• The company assist the road maintenance.</li> </ul> <p><b>Negative Aspect:</b></p> <ul style="list-style-type: none"> <li>• 60% of the hectareage of scheme smallholder lies on Tanjung Jorong Village but 100% of the owner of scheme smallholder are the villagers of Waringin Agung Village. Therefore, many of the Tanjung Jorong Villagers demand compensation (social jealousy).</li> <li>• There is no guarantee that the scheme smallholder land shall be owned by the Waringin Agung villagers despite the authentic abstract of title they have.</li> <li>• The staff of village concern the hostile relation potential between Waringin Agung villagers and Tanjung Jorong villagers caused by the location of scheme smallholder.</li> <li>• MoU with the cooperative unit is not given by the company.</li> <li>• The FFB contractor does not maintain the document of contract for service signed with the company.</li> <li>• The board of Waringin Jaya Cooperative Unit complaint that the</li> </ul>	<ul style="list-style-type: none"> <li>• Positive Issue. The good relation shall be maintained and improved.</li> <li>• The area is determined by the government and based on the agreement with the Waringin Agung villagers to comply the scheme smallholder estate.</li> <li>• According to the contracto for service agreement, the scheme smallholder is belong to the member of cooperative unit with the abstract of title.</li> <li>• The scheme smallholder program has authentic legal standing.</li> <li>• On the process of MoU handover to the Head of cooperative unit.</li> </ul>	<ul style="list-style-type: none"> <li>• It complies the criteria 1.1; 6.2; 6.10; 6.11.</li> <li>• The company should clarify it due to the impact for rising social issue.</li> <li>• The company must give the MoU to the parties which cooperates with them. The ongoing process must be communicated with the parties which cooperate with them.</li> </ul>
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<p>company does not give the document of the cooperative agreement of the KKPA scheme smallholder establishment for 1,000 hektar.</p> <ul style="list-style-type: none"> <li>The villagers know the FFB price information from the SMS of the collector.</li> <li>The village apparatus are questioning the extra 125 ha of land due to the fact that the agreement only inform 1,000 ha (the early plan was for 1,125 ha) and the villagers know that the 125 ha of the scheme smallholder location is exist.</li> <li>The smallholders think that they have add more 2 years on the agreement with the bank from 10 years to 12 years.</li> <li>There is no transparence of the scheme smallholder operational fund usage which is used by the company.</li> <li>There is no routine meeting between the company and the locals.</li> <li>The result of grading is quite high (between 3,8% to 4,9%)</li> <li>The locals know only the result of the grading once the company pay them.</li> <li>Proposal of the assistance request is not responded by the company. For example, the proposal of construction of</li> </ul>	<ul style="list-style-type: none"> <li>On the process of contract for service agreement handover to the FFB contractor.</li> <li>The board of Waringin Jaya Cooperative Unit at KKPA has been given the copy of MoU and contract for service. Due to the change of the cooperative unit board up to 4 times, there might a miscommunication occured. The copy of contract for service and MoU is always given to the new board. Meanwhile, the original MoU and contract for service is held by the cooperative unit, regent, notary, plantation agency, cooperative unit agency.</li> <li>The list of price from the division of commercial head office of Jakarta is sent via email. Print out of information is available at POM office. The staff of commercial division inform the price of the FFB to the FFB supplier to be socialized to the smallholders.</li> <li>According to the contract for service, the scheme smallholder area is 1,000 Ha.</li> <li>According to the contract for service, the credit period is 10 years.</li> <li>The use of operational fund usage is reported each the end of December and proven by the checking account.</li> <li>The meeting with the board of cooperative unit is held once each 2 months.</li> <li>The FFB quality grading comply the procedure of processing stage to produce high quality FFB and it is informed to the FFB supplier.</li> </ul>	<ul style="list-style-type: none"> <li>The company must communicate it and clarify it to the village party.</li> <li>The company must inform the scheme smallholder operational fund to the parties which cooperate with them.</li> <li>The company must respond the incoming letter</li> </ul>
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<p>Elementary School and Islamic School.</p> <ul style="list-style-type: none"> <li>Air pollution (effluent odour).</li> <li>There is no HCV socialization, publicly-accessed document socialization and socialization of the procedure of communication and consultation to the locals.</li> </ul> <p><b>Expectation:</b></p> <ul style="list-style-type: none"> <li>The community expect the exchange of the scheme smallholder area in Tanjung Jorong Village with the nucleus area of the company in Waringin Agung Village.</li> </ul>	<ul style="list-style-type: none"> <li>The process of the fund assistance request proposal to PT KMB must pass through several stages as written on the SOP. It is also adjusted to the result of the analysis conducted by the company. PT KMB shall conduct corrective action in aspect of the response of request.</li> <li>The odour of effluent from the POM WWTP still comply the quality threshold.</li> <li>Socialization of HCV and SOP of communication is held on June 1<sup>st</sup> – 20<sup>th</sup> 2015.</li> <li>The exchange cannot be realized due to the scheme smallholder land now is the reserve area for transmigration for KKPA 4 so the scheme smallholder project becomes 2 Ha from East Kotawaringin Regent. Meanwhile, the land for exchange requested by the locals is the Land Use Title of PT KMB.</li> </ul>	<p>and the procedure of the assistance request must be socialized to the locals.</p>
<p><b>Luwuk Kowan Village (Head of Government Affair Division, Figure of Community, Housewives, Member of Mangkup Cooperative Unit)</b></p> <p><b>Positive Aspects:</b></p> <ul style="list-style-type: none"> <li>Good relation with the company.</li> <li>PT KMB never force the locals to sell their land.</li> <li>The assistance given by the company. For example, the road construction (laterit and heavy equipments), improvement of body nutrient for the elementary school students (milk, egg and</li> </ul>	<ul style="list-style-type: none"> <li>Positive Issue. The good relation shall be maintained and improved.</li> </ul>	<ul style="list-style-type: none"> <li>It complies the criteria 1.1; 6.1; 6.2; 6.10; 6.11.</li> </ul>

<p>green beans), well digging for 4 well in 2 neighbourhood association, food for flood victims, free annual medical service, honorarium for elementary school, donation for the customary event such as donation for the family whose the member of family recently died and tiwah rituals, incentive for the Chief of Village.</p> <ul style="list-style-type: none"> <li>• 25% of the villagers work as PT KMB employees.</li> <li>• The telephone number of the appointed Officers to communicate and consult with the village parties are there (Mr. Yevi, Mr. Tri Minanto and Mr. Dullah)</li> </ul> <p><b>Negative Aspects:</b></p> <ul style="list-style-type: none"> <li>• Only 5 villagers who become the member of Mangkup Cooperative Unit scheme smallholder from Luwuk Kowan Village due to the fact that most of the villagers do not have land for scheme smallholder.</li> <li>• The company does not respond the application letter or proposal.</li> <li>• There is no announcement for the job opportunity and contractor.</li> <li>• There is no HCV socialization, socialization of the list of the publicly-accessed documents and socialization of the procedure of communication and consultation with the locals.</li> </ul> <p><b>Expectation:</b></p>	<ul style="list-style-type: none"> <li>• Most of the locals want the compensated land given for them as scheme smallholder estate.</li> <li>• The mass recruitment for employees is not yet conducted. Several recruitment is announced orally to the workers to get the new workers based on the qualification. The response for the submitted CV can be asked on the spot.</li> <li>• The selection of the competent contractor through tender.</li> <li>• Socialization of HCV and SOP of communication is held on June 1<sup>st</sup> – 20<sup>th</sup> 2015.</li> <li>• The independent scheme smallholder is the program of community empowerment from the government.</li> <li>• It is considered as the input for the company.</li> <li>• The company is quite transparent for the external parties.</li> </ul>	
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<ul style="list-style-type: none"> <li>• The figure of the community expect the independent scheme smallholder to be immediately realized.</li> <li>• The company is expected to socialize the proper palm oil plants cultivation.</li> <li>• The locals and the community figure expect that the company shall assist the economy development for the villagers.</li> <li>• The community figures expect the improvement of the communication with the company.</li> <li>• The sense of appreciation and respect should be maintained.</li> <li>• Strengthening the legal aspect of land and crops compensation to avoid the future claim.</li> <li>• It is expected that there is no longer assistance overlap from the company and from the village administrative government.</li> <li>• The answer of the proposed proposal to the company in form of the written answer.</li> <li>• The CSR assistance program effectiveness should be evaluated.</li> </ul>	<p>The SOP of communication is socialized to the nearby villages. The external communication is conducted by staff of CSR, PAD, scheme smallholder, estate, etc.</p> <ul style="list-style-type: none"> <li>• It is considered as the input for the company.</li> </ul>	
<p><b>Bipartit Cooperative Forum</b></p> <ul style="list-style-type: none"> <li>• The company allows the workers to join and unit.</li> <li>• The input of the forming of Bipartit cooperative forum was initiated by the employees.</li> <li>• The election of the Head of Bipartit is conducted democratically and the board of the Bipartit cooperative forum is constituted by the representatives of several departments.</li> <li>• Bipartit cooperative forum monitor the compensation calculation for the employees who decide to resign or retire.</li> <li>• Monitor the registration of the temporary period workers to BPJS (estate temporary period workers registration on January 2015 and mill temporary period workers registration on October 2014).</li> </ul>	<ul style="list-style-type: none"> <li>• Noted. Positive issue. It shall be continuously conducted and improved.</li> </ul>	<ul style="list-style-type: none"> <li>• It complies the criteria 2.1; 4.7; 6.5; 6.6.</li> </ul>

<ul style="list-style-type: none"> <li>• Holding the meeting with the company at least once a month.</li> <li>• The assurance for workers cover the work accident assurance, death assurance and pension assurance.</li> <li>• Socializing BPJS as well.</li> <li>• The promotion for temporary period workers who have reached 45 years old maximum.</li> <li>• The company facilitate the forum by providing vehicle, consumption and hall for meeting.</li> <li>• There is no unsolved issue.</li> <li>• The company pays the wage and religious feast allowance based on the applied law.</li> <li>• There is no complaint from the temporary period daily workers.</li> <li>• Adequate worker's welfare facilities.</li> <li>• Expecting the well running career path procedure.</li> </ul>	<ul style="list-style-type: none"> <li>• Procedure of promotion of staff through program of PAJA, PAMA, PAMK at Training Centere of Pundu &amp; Training Centre of Kendawangan</li> <li>• Noted. Positive issue. It shall be continuously conducted and improved.</li> <li>• It shall be considered as an input for the company.</li> </ul>	
<p><b>Local Contractor (FFB transport and building construction)</b></p> <ul style="list-style-type: none"> <li>• Been 7 years as contractor for PT KMB</li> <li>• Getting the information by coming to the company directly.</li> <li>• There are 10 workers who work as construction program. All of them are not insured due to the temporary period workers (1-3 months).</li> <li>• The FFB transport driver are insured.</li> </ul>	<ul style="list-style-type: none"> <li>• Noted</li> <li>• The job offering is based on the annual budget plan of company. It is offered to the contractor based on the company RAB standard. If the contractor agree to do the job with the price offered then it shall be processed further by composing contract for service agreement. If the contractor mind, the contractor could propose the price offering and it shall be re-evaluated.</li> <li>• The insurance for the workers of contractor becomes the responsibility of contractor as written on the contract for service agreement. The obstacle for insuring the company is caused by the uncertain job and intensity.</li> <li>• Noted, Positive Issue. It shall be maintained and improved.</li> </ul>	<ul style="list-style-type: none"> <li>• It complies the criteria 4.8; 6.7; 6.11.</li> </ul>

<ul style="list-style-type: none"> <li>• The payment is conducted on time. The late payment is caused by the different bank the company and the contractor use. The late payment usually takes 4 days.</li> <li>• The safety briefing is routinely conducted by the company.</li> <li>• The assembly with the industrialist is routinely conducted (3 times during period of 2015). The discussed issues are the worker's age, PPE, insurance and job term.</li> <li>• All of the workers are more than 20 years old.</li> <li>• The workers always wear PPE.</li> <li>• Sanction for the workers of contractor who do not wear PPE is that the disallowance for them to enter the workplace.</li> <li>• There is no dissatisfaction. The cooperation is well maintained.</li> <li>• The contractors expect that the long term cooperation with the company shall make the company insure the workers.</li> <li>• The wage paid by the contractor is based on the work contract.</li> <li>• The FFB driver get 25% of revenue of each vehicles (wage).</li> </ul>	<ul style="list-style-type: none"> <li>• Noted, Positive Issue. It shall be maintained and improved. The payment to the contractor is based on the schedule written on the contract for service agreement.</li> <li>• Noted, Positive Issue. It shall be maintained and improved.</li> <li>• The law disallow the underage workers to be hired.</li> <li>• PPE must be worn and the sanction for those who refuse to wear it is the disallowance to enter the workplace.</li> <li>• Noted, Positive Issue. It shall be maintained and improved.</li> <li>• It is considered as the input for the company.</li> <li>• As written on the procedure, the contractor sign the contract for service, the company pay the contractor number of payment as written on the contract for service agreement and the invoice.</li> </ul>	
<p><b>The Head of Gender Committee</b></p> <ul style="list-style-type: none"> <li>• The structure of gender committee is selected by the employees.</li> <li>• The latest socialization of gender, sexual harasshment and domestic violence was held on 2013</li> <li>• There was only 1 complaint in term of the domestic violence on</li> </ul>	<ul style="list-style-type: none"> <li>• The structure of gender committee is selected by the employees and is guided by HRD/</li> <li>• The socialization of gender, sexual harasshment and domestic violence was held on February 6th 2013. The new socialization in term of the new policy and the change of employees shall be held.</li> <li>• Noted</li> </ul>	<ul style="list-style-type: none"> <li>• It complies the criteria 6.3; 6.5.</li> </ul>

2014. <ul style="list-style-type: none"><li>The company support the gender committee by providing vehicle for the monthly shopping, consumption and hall if they need to meet and other supports based on the proposal of gender committee.</li></ul>	<ul style="list-style-type: none"><li>Noted, Positive Issue. It shall be maintained and improved.</li></ul>	
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## 4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

## 4.1 Formal Sign-off of Assessment Findings

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT Karya Makmur Bahagia  
Management Representative



Bremen Yong

Wednesday, 12/August/2015

Mutuagung Lestari  
Lead Auditor



Ardiansyah

Wednesday, 12/August/2015



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

No	Instansi/LSM/Masyarakat	Alamat	No. Telp/e-mail	Tipe Konsultasi	Tanggal	Respon	
						Ya	Tdk
1	Manpower Agency	Kota Waringin timur District	-	Interview	May 26 <sup>th</sup> , 2015	√	
2	Environment Agency	Kota Waringin timur District	-	Interview	May 26 <sup>th</sup> , 2015	√	
3	Natural Resource Economy	Kota Waringin timur District	-	Interview	May 26 <sup>th</sup> , 2015	√	
4	National Land Agency	Kota Waringin timur District	-	Interview	May 26 <sup>th</sup> , 2015	√	
5	Agung Mulya Village (Secretary of Village Administrative Government, Village Forum Body, Figure of Education, the Head of Mekar Jaya Cooperative Unit, Secretary of the Cooperative Unit, Community)	Kota Waringin timur District	-	Interview	May 26 <sup>th</sup> , 2015	√	
6	Rantau Tumpang Village (Head of Community Association 01, Figure of Custom, Reverend, Head of Community Association 03, Village Community Forum, Housewives and FFB supplier).	Kota Waringin timur District	-	Interview	May 26 <sup>th</sup> , 2015	√	
7	Waringin Agung Village (Chief of Village, Secretary of Village, Head of Cooperative Unit, Secretary of of Cooperative Unit, Villagers, Contractor)	Kota Waringin timur District	-	Interview	May 26 <sup>th</sup> , 2015	√	
8	Luwuk Kowan Village (Head of Government Affair Division, Figure of Community, Housewives, Member of Mangkup Cooperative Unit)	Kota Waringin timur District	-	Interview	May 26 <sup>th</sup> , 2015	√	
9	Bipartit Cooperative Forum	Kota Waringin timur District	-	Interview	May 26 <sup>th</sup> , 2015	√	
10	Local Contractor (FFB transport and building construction)	Kota Waringin timur District	-	Interview	May 26 <sup>th</sup> , 2015	√	
11	The Head of Gender Committee	Kota Waringin timur District	-	Interview	May 26 <sup>th</sup> , 2015	√	
12	World Wide Fund	Kalimantan Tengah Province	-	Interview	May 25 <sup>th</sup> , 2015		√

**Appendix 2. Assessment Program**

Date	25 – 30 May2015							
PROGRAM	AUDIT PROCESS	AUDITOR						
		ARD	MM	MR	YH	SHW	EH	RP
Monday, 25 May2015								
06.00 – 09.00	JAKARTA → PALANGKARAYA	√	√	√	√	√	√	√
09.00 – 13.00	Stakeholders consultation to NGO (WWF)			√	√		√	
09.00 – 13.00	PALANGKARAYA → SITE	√	√			√		√
14.30 – 15.30	OPENING MEETING	√	√			√	√	
15.30 – 17.00	Verification finding ST-2 RSPO AND ISPO Document review of Gunung Makmur Mill; Bukit Makmur Mill; Sungai Mentaya Estate; Gunung Makmur Estate; Bukit Makmur Estate	√	√	√	√	√	√	√
Tuesday, 26 May 2015		ARD	MM	MR	YH	SHW	EH	RP
08.00 – 12.00	<ul style="list-style-type: none"><li>Stakeholders consultation to Related Government Institution (Kotawaringin Timur District Government)</li><li>Stakeholders consultation to Nearest village and community leader</li></ul> Field Observation Sungai Mentaya ESTATE: <ul style="list-style-type: none"><li>Manuring, Spraying, Harvesting, best agricultural practices, Worker Welfare</li><li>Worker facilities (housing, health clinic, clean water, etc) and Land Fire facilities, Storage,</li><li>Legal boundry</li><li>HCV area</li></ul>		√			√	√	√
12.00 – 14.00	BREAK	√	√	√	√	√	√	√
14.00 – 17.00	<ul style="list-style-type: none"><li>Clarification of Public Consultation and field observation</li><li>Stakeholders consultation to Labour union (SPSI), Gender Committee and local contractor</li></ul> Field ObservationGunung Makmur Mill: <ul style="list-style-type: none"><li>Operational, OHS</li><li>WWTP, WTP Hazardous Waste Material (B3) management and Warehouse.</li><li>Supply Chain.</li></ul>		√		√	√	√	√
Wednesday, 27 May2015		ARD	MM	MR	YH	SHW	EH	RP
08.00 – 12.00	Field Observation Gunung Makmur ESTATE <ul style="list-style-type: none"><li>Manuring, Spraying, Harvesting, best agricultural practices</li><li>Worker Welfare (payments, complaint mechanism)</li><li>Hazardous Waste Material (LB3) and Hazardous Material (B3) management</li><li>Legal operational and Conservation Area</li><li>Worker facilities (housing, health clinic, clean water, etc) and</li><li>Land Fire facilities, Storage, ect.</li></ul>		√					

	<b>Field Observation <u>Bukit Makmur ESTATE</u></b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, best agricultural practices</li> <li>• Worker Welfare (payments, complaint mechanism)</li> <li>• Hazardous Waste Material (LB3) and Hazardous Material (B3) management</li> <li>• Legal operational and Conservation Area</li> <li>• Worker facilities (housing, health clinic, clean water, etc) and</li> <li>• Land Fire facilities, Storage, ect.</li> </ul>			√				
12.00 – 14.00	<b>BREAK</b>	√	√	√	√	√	√	√
14.00 – 17.00	Field observation clarification and document review of <u>Gunung Makmur Mill; Bukit Makmur Mill; Sungai Mentaya Estate; Gunung Makmur Estate; Bukit Makmur Estate</u>	√	√	√	√	√	√	√
<b>Thursday, 28 May 2015</b>		<b>ARD</b>	<b>MM</b>	<b>MR</b>	<b>YH</b>	<b>SHW</b>	<b>EH</b>	<b>RP</b>
08.00 – 12.00	Field observation clarification and document review of <u>Gunung Makmur Mill; Bukit Makmur Mill; Sungai Mentaya Estate; Gunung Makmur Estate; Bukit Makmur Estate.</u>	√	√	√	√	√	√	√
12.00 – 14.00	<b>BREAK</b>	√	√	√	√	√	√	√
14.00 – 17.00	Field Field observation clarification and document review of <u>Gunung Makmur Mill; Bukit Makmur Mill; Sungai Mentaya Estate; Gunung Makmur Estate; Bukit Makmur Estate.</u> Field Observation <u>Bukit Makmur Mill:</u> <ul style="list-style-type: none"> <li>• Operational, OHS</li> <li>• WWTP, WTP Hazardous Waste Material (B3) management and Warehouse.</li> <li>• Supply Chain.</li> </ul>	√	√	√	√	√	√	√
<b>Friday, 29 May 2015</b>		<b>ARD</b>	<b>MM</b>	<b>MR</b>	<b>YH</b>	<b>SHW</b>	<b>EH</b>	<b>RP</b>
08.00 – 10.00	Field Field observation clarification and document review of <u>Gunung Makmur Mill; Bukit Makmur Mill; Sungai Mentaya Estate; Gunung Makmur Estate; Bukit Makmur Estate.</u>	√	√	√	√	√	√	√
10.00 – 12.00	Audit finding Preparation	√	√	√	√	√	√	√
12.00 – 14.00	<b>BREAK</b>	√	√	√	√	√	√	√
14.00 – 15.30	<b>CLOSING MEETING</b>	√	√	√	√	√	√	√
16.00 – 21.00	<b>SITE → PALANGKARAYA</b>	√	√	√	√	√	√	√
<b>Saturday, 30 May 2015</b>		<b>ARD</b>	<b>MM</b>	<b>MR</b>	<b>YH</b>	<b>SHW</b>	<b>EH</b>	<b>RP</b>
08.00 – 12.00	<b>PALANGKARAYA → JAKARTA</b>	√	√	√	√	√	√	√