

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

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

Name of Management : Gunung Makmur Palm Oil Mill, PT Karya Makmur Bahagia subsidiary of Organisation Bumitama Agri Limited
 Plantation Name : Gunung Makmur Estate, Bukit Kecubung Estate, Bukit Makmur Estate, Bukit Daman Estate and Sungai Mentaya Estate
 Location : Rantau Tampang Village, Telaga Antang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia
 Certificate Code : **MUTU-RSPO/045**
 Date of Certificate Issue : 21 July 2014 Date of License Issue : 21 July 2016
 Date of Certificate Expiry : 20 July 2019 Date of License Expiry : 20 July 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	25 – 29 April 2016	Trismadi Nurbayuto (Lead Auditor), Oktovianus Rusmin, Muardi Marwas, Sofyan Hadi Lubis, Andi Pratama Pasaribu	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	24 July 2016

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FIGURE

Figure 1. Location Map of PT. Karya Makmur Bahagia

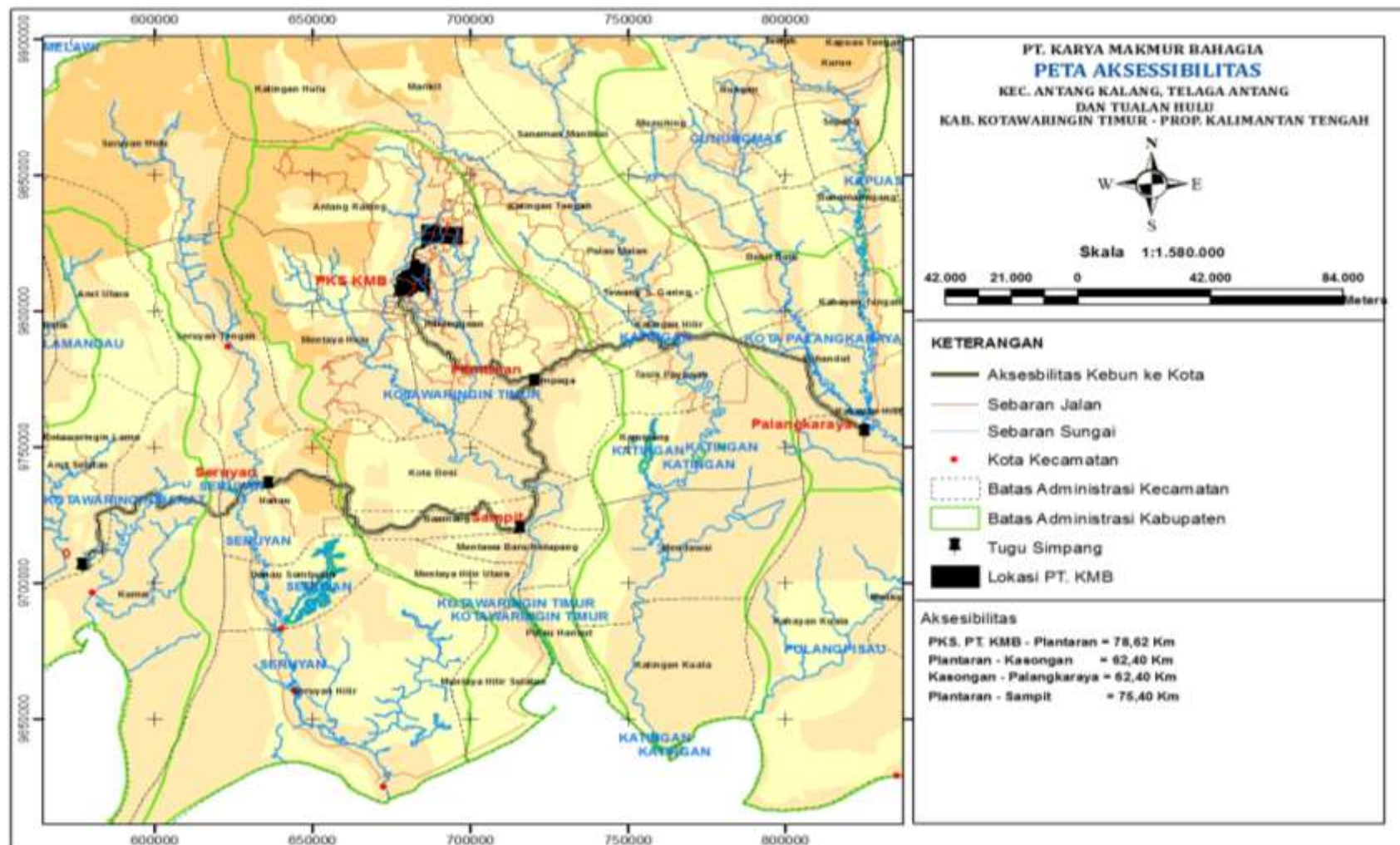
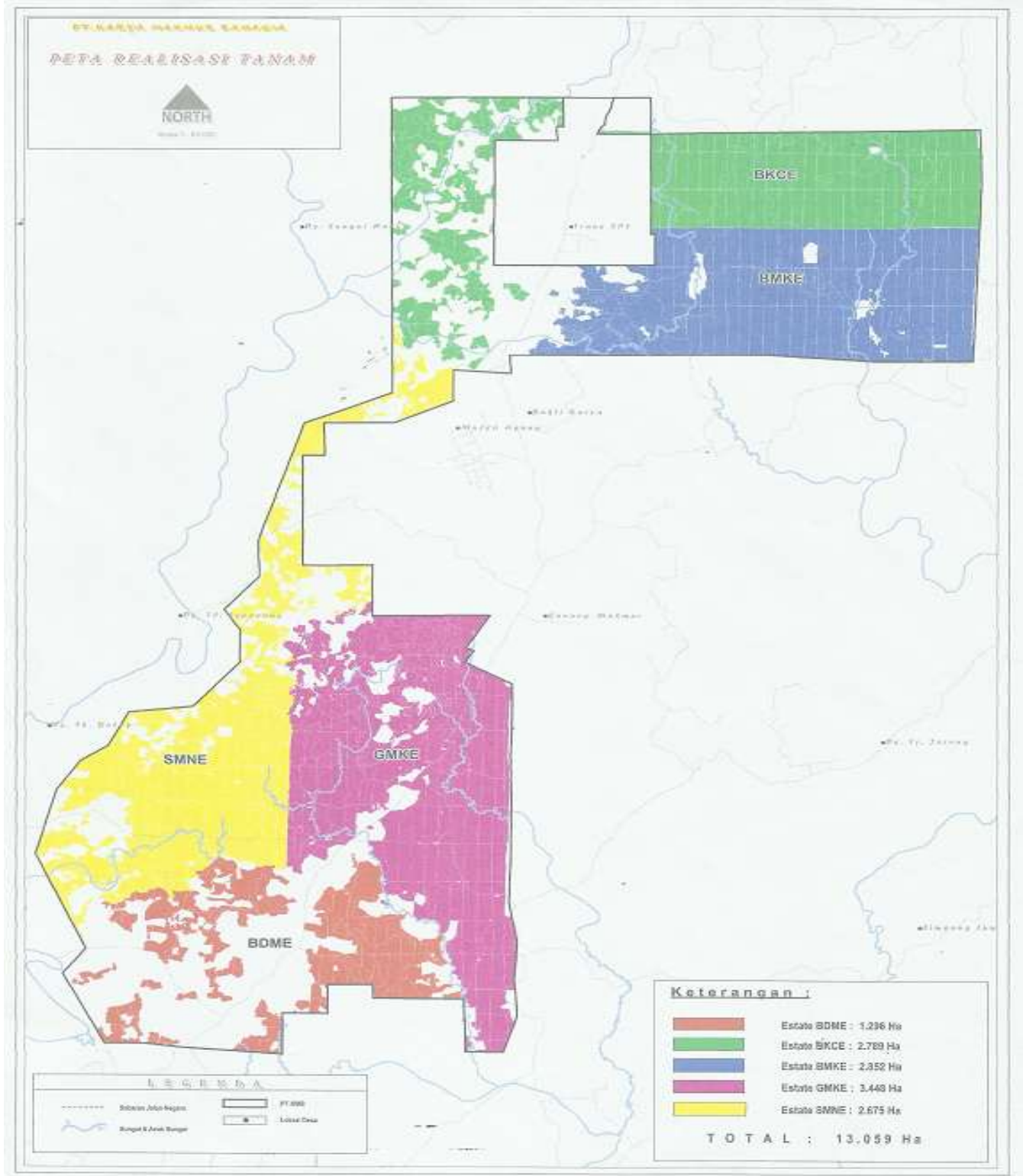


Figure 2. Operational Map of PT. Karya Makmur Bahagia



Glossary

BGA	:	Bumitama Gunajaya Abadi
BGUM	:	Bangkit Giat Usaha Mandiri
BMKE	:	Bukit Makmur Estate
BMKM	:	Bukit Makmur Mill
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial (National Social Insurance Agency)</i>
BPN	:	<i>Badan Pertanahan Nasional (National Land Agency)</i>
CCM	:	Certification and Compliance
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
DNL	:	Document and Legal
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 (Land Use Permit)</i>
HIRAC	:	Hazard Identification Risk Assessment and Risk Control
IPM	:	Intergrated Pest Management
ISO	:	International Organization for Standardization
SPO	:	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

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT				
1.1 Assessment Standard Used				
<ul style="list-style-type: none"> <i>RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013.</i> <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> 				
1.2 Organisation Information				
1.2.1	Organisation name listed in the certificate		PT KARYA MAKMUR BAHAGIA subsidiary of BUMITAMA AGRI LIMITED	
1.2.2	Contact person		Lim Sian Choo	
1.2.3	Organisation address and site address		<ul style="list-style-type: none"> RSPO registered company: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia . Liaison Office: Jl. Melawai Raya No. 10 Kebayoran Baru Jakarta Selatan 12160 Indonesia. 	
1.2.4	Telephone		(62-21) 727 98418	
1.2.5	Fax		(62-21) 727 98665	
1.2.6	E-mail		lim.sian.choo@bumitama.com	
1.2.7	Web page address		www.bumitama-agri.com	
1.2.8	Management Representative who completed the application for certification		Lim Sian Choo (Head of CSR and Corporate Sustainability)	
1.2.9	Registered as RSPO member		1-0043-07-000-00 – 08 October 2007	
1.3 Type of Assessment				
1.3.1	Scope of Assessment and Number of Management Unit		Palm Oil Mill and Supply Base: 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	
1.4 Locations of Mill and Plantation				
1.4.1	Location of Mill			
	Name of Mill	Location	Coordinate	
			Latitude	Longitude
	Gunung Makmur	Rantau Tampang Village, Telaga Antang Sub District, Kotawaringin Timur District, Kalimantan Tengah 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 Tengah	S 1° 43' 32"	E 112° 39' 41"

	Province, Indonesia		
Bukit Kecubung Estate	Waringing Agung Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia	S 1° 33' 19"	E 112° 43' 19"
Bukit Makmur Estate	Sungai Hanya Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia	S 1° 33' 19"	E 112° 43' 54"
Sungai Mentaya Estate	Gunung Makmur Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia	S 1° 43' 35"	E 112° 39' 42"
Bukit Daman Estate	Gunung Makmur Village, Antang Kalang Sub District, Kotawaringin Timur District, Kalimantan Tengah Province, Indonesia	S 1° 43' 57"	E 112° 39' 42"

1.5 Description of Area Statement

1.5.1	Tenure	
	• State	15,100.24 Ha
	• Community	- Ha
	*HGU: 15,056.31 & HGB: 43.93	
1.5.2	Area Statement	
	• Total area	15,100.24 Ha
	• Mature area	12,622.00 Ha
	• Immature area	437.10 Ha
	• Mill/emplacment/roads	1,007.93 Ha
	• Occupation area	518.69 Ha
	• HCV	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 st Cycle			
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Gunung Makmur Mill	75	364,738.81	76,695.40	21.85	16,777.99	4.60
	<i>* Source: FFB Production data period April 2015 – March 2016</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)	%
	Sungai Mentaya Estate	2,959.60	2,674.52	25,321.08	9.47	25,227.37	99.63
	Bukit Daman Estate	1,697.72	1,295.66	23,488.11	18.13	23,488.11	100.00
	Gunung Makmur Estate	3,875.86	3,448.20	67,467.73	19.57	60,709.99	89.98
	Bukit Makmur Estate	3,173.04	2,851.56	50,987.47	17.88	-	0
	Bukit Kecubung Estate	3,394.02	2,789.26	38,683.04	13.87	-	0
	TOTAL	15,100.24	13,059.10	205,947.44	15.77	109,425.46	
	<i>* Source: FFB Production data period April 2015 – March 2016</i>						
1.7.3	FFB description from other source						
	Name of sources	Planted Area (ha)	Organisation	Location	Supplied to Mill		
					FFB (tonnes/year)		
	Sungai Mentaya Estate (uncertified)	470.00	PT. Tanah Tani Lestari (PT TTL) (BGA Group)	Kotawaringin Timur District	218.79		
	Bukit Daman Estate (uncertified)	958.00	Joint Venture with PT TTL	Kotawaringin Timur District	8,924.05		
	Gunung Makmur Estate (uncertified)	71.00	PT. Tanah Tani Lestari (PT TTL) (BGA Group)	Kotawaringin Timur District	149.25		
	Bukit Hijau Plasma (uncertified)	2,003.00	Lestari Cooperation (500 members)	Kotawaringin Timur District	46,682.75		
	Beringin Agung Plasma (uncertified)	2,136.00	Mekar Jaya Cooperation (1,109 members)	Kotawaringin Timur District	52,569.75		
	Sungai Meraya Plasma (uncertified)	1,731.00	Bina Tani Cooperation (625	Kotawaringin Timur District	14,196.95		

			members); Rika Bersatu (375 members) Under PT TTL		
	Mulya Agung Plasma (uncertified)	2,849.00	Hapakat Cooperation (390 members); Waringin Jaya (256 members); Sekartani Cooperation (685 members) under PT TTL	Kotawaringin Timur District	1,905.19
	Sungai Penyahuan Estate (uncertified)	2,249.00	Sekartani Cooperation (868 members); Ekaharahap Cooperatio (52 members) under PT TTL	Kotawaringin Timur District	1,990.70
	Sungai Puring Estate (uncertified)	1,760.00	Eka Harahap Cooperation (525 members); Telawang Bersatu (227 members) under PT TTL	Kotawaringin Timur District	905.00
	Bukit Harapan Estate (uncertified)	2,449.00	Hinje Atei Cooperation (175 members) under PT TTL	Kotawaringin Timur District	109.20
	Local Supplier (37 persons)	-	Independed Outgrowers	Kotawaringin Timur District	126,856.78
	PT Bangkit Giat Usaha Mandiri	-	Independed Outgrowers	Kotawaringin Timur District	805.93
	TOTAL				255,313.35
	* Source: FFB Received data period April 2015 – March 2016				
1.7.4	Jenis Produk			FFB, CPO, PK	
1.8 Estimate Tonnage of Certified Product					
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 21 July 2015 to 20 July 2016 (tonnes/year)	Actual certified product 21 July 2015 to 20 July 2016 (tonnes/year)	
	• FFB Production		219,907	92,720	
	• CPO Production		50,579	21,343	
	• Palm Kernel (PK) Production		10,995	4,124	
1.8.2	Estimate of Certified FFB Claim				
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
	Sungai Mentaya Estate	2,959.60	2,674.52	26,587	9.94
	Bukit Daman Estate	1,697.72	1,295.66	24,663	19.03
	Gunung Makmur Estate	3,875.86	3,448.20	70,841	20.54
	Bukit Makmur Estate	3,173.04	2,851.56	53,537	18.77

	Bukit Kecubung Estate	3,394.02	2,789.26	40,617	14.56		
	TOTAL	15,100.24	13,059.10	216,245	16.56		
	<i>* Source: Projected FFB Production data period May 2016 – April 2017</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	216,245	47,574	22.00	10,812	5.00
	<i>* Source: Projected FFB Processing data period May 2016 – April 2017</i>						
1.9	Other Certifications						
	Indonesia Sustainability Palm Oil (ISPO)			MUTU-ISPO/023 certified since September 9 th , 2014			
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 WNL)	2014	Pundu Nabatindo	2014	Kotawaringin Timur District, Kalimantan Tengah	Certified	
			Katari Agro			Certified	
			Pelantaran Agro			Certified	
			Pantai Mas Estate			Certified	
			Koperasi Harapan Abadi	2017		Certification Preparation	
	Katari Agro (PT WNL)	2016	Pelantaran Agro Estate	2016	Kotawaringin Timur District, Kalimantan Tengah	ST-01	
			Katari Agro Estate				
			Pantai Mas Estate				
	Gunung Makmur (PT KMB)	2014	Gunung Makmur	2014	Kotawaringin Timur District, Kalimantan Tengah	Certified	
			Sungai Mentaya				
	Bukit Makmur (PT KMB)	2018	Bukit Kecubung	2018	Kotawaringin Timur District, Kalimantan Tengah	ST-01	
			Bukit Makmur				
	Kotawaringin (PT BGB)	2020	Sepantaian	2020	Kotawaringin Timur District, Kalimantan Tengah	ST-01	
			Danau Merah				
			Kotawaringin				
			Tonam Raya				
	Lamandau Mill (PT BGB)	2020	-	2020	Lamandau District, Kalimantan Tengah	-	
	Kendawangan Mill (PT. Gunajaya Karya Gemilang)	2016	Mekar Utama Estate	2016	Ketapang District, Kalimantan Barat	Certified 2015	
			Kendawangan Estate				
			Banjar Sari Estate				
			Seriam Jaya Estate				

		Membuluh Jaya Estate			
	2018	Koperasi Serba Usaha Bersama	2018	Ketapang District, Kalimantan Barat	2018
		Koperasi Binasari			
		Koperasi Serba Usaha Karya Bersama			
		Koperasi Binasari			
		Koperasi Perkebunan Fajar Mandiri			
		Koperasi Rimba Sari			
Suka Damai (PT RSI) & (PTMCM)	2020	-	2020	Rokan Hulu District, Riau	2020
Pembangunan Raya Mill (PT ASM)	2016	Pembangunan Raya Estate	2016	Ketapang District, Kalimantan Barat	NPP
		Bengkuang Raya Estate			
		Belaban Raya Estate			
Sungai Rasau Mill (PT Karya Bakti Agro Sejahtera/KBAS)	2017	Marau Raya Estate	2017	Ketapang District, Kalimantan Barat	Certification Preparation
Selucing Mill (PT. Windu Nabatindo Abadi)	2018	-	2018	Central Kalimantan	2018
Sungai Cempaga Mill (PT. Windu Nabatindo Abadi)	2018	-	2018	Central Kalimantan	2018
Bukit Tunggul Jaya Mill (PT LSM)	2020	-	2020	Ketapang District, West Kalimantan	NPP
Bukit Tunggul Jaya (PT LSM)	2020	-	2020	Ketapang District, Kalimantan Barat	NPP
Suka Damai Mill (PT RSI)	2020	PT. Masuba Citra Mandiri (MCM)	2020	Rokan Hulu District, Riau	2020
-	-	PT Nabatindo Karya Utama	-	Ketapang District, Kalimantan Barat	NPP
-	-	PT KML	-	Ketapang District, Kalimantan Barat	NPP
-	-	PT AMS	-	Ketapang District, Kalimantan Barat	NPP
-	-	PT ASMR	-	Kotawaringin Barat District, Kalimantan Tengah	NPP
-	-	PT Karya Bakti Agro Sejahtera	-	Ketapang District, Kalimantan Barat	NPP
-	-	PT LGI	-	Ketapang District, Kalimantan Barat	NPP
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	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 rsपो standard.				

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2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-2	<ol style="list-style-type: none"> Trismadi Nurbayuto (Lead Auditor). Bachelor of Economics from the Department of Agribusiness, Faculty of Economics and Management, Bogor Agricultural University. Specialists for Environmental Social Impact Assessment (SEIA) and High Conservation Value (HCV). Has attended several training such as: HCV, Auditor for Indonesian Sustainable Palm Oil (ISPO) training and Auditor/Lead auditor Management System Certification (ISO 9001-2008). Previously worked in the private oil palm plantations, became HCV assessor who registered at the Roundtable on Sustainable Palm Oil (RSPO) until 2014. He has been involved in the SEIA and Identification of HCV in Plantation company. During this assessment he was observed and audit on workers welfare, safety and health aspect. Oktovianus Rusmin (Auditor). Bachelor's Degree in Social & Political Sciences Department of Anthropology. Specialists in the field of Social and Cultural (Social Impact & Conflict Resolution) and HCVF. Already participated in Forest Management Auditor Training (FSC Standard), ISO 14001, ISO 9001:2008, Environmental Management System Training, SVLK (wood legality) Auditor, Indonesian Sustainable Palm Oil (ISPO) and RSPO Lead Auditor Training. He was several times involved in the assessment of Sustainable Forest Management Certification (Standard LEI) and Gap Analysis Audit (FSC Standard). Had worked at the Center for study of Anthropology University of Indonesia and Social Advisor at Tropical Forest Trust (TFT) Indonesia. He was numerously involved in Social Impact Assessment and HCV Identification in Palm Oil Plantations and Natural Forest concessions. Have been approved as HCV assessor by RSPO for Social Discipline Specialist. During this assessment was observed and audit on social and HCV aspect. Muardi Marwas (Auditor). 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 Witteness 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. During this assessment was observed and audit on BMP and SCCS aspect. Sofyan Hadi Lubis (Auditor). Master's Program in Environmental and Natural Resource Management, Institute Pertanian Bogor (IPB) and Bachelor of Social Economic Agriculture, Gadjah Mada University (UGM). Participated in several environmental management workshops, climate change mitigation training and adaptation for agricultural productivity in Southeast Asia, Carbon Forum Asia Update. He has also been involved as a research team at the research centre for development and climate change policy - Ministry of Forestry and Research Team in cooperation program IPB-ETH Zurich Switzerland - NUS Singapore. He has followed auditor training, such as Indonesia Sustainability Palm Oil (ISPO), ISO 9001-2008, ISO 14001, Awareness RSPO, HCV, GHG Calculation, and LUC by ISCC. During this assessment was observed and audit on environment and transparacies aspect. Andi Pratama Pasaribu (Auditor). Bachelor of the social economy, agribusiness a course of study agricultural university faculty of Jember. He had followed the training of auditor sustainable Indonesian palm oil (ISPO). He has attending several training such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, Awareness ISO 22000 etc. Former, He has experience of work for five years as an operational staff in several plantation companies in Indonesia private oil palm plantation. Currently working on certification body as independent auditors. Auditor conducting assessment in the management of a plantation of pest and disease of plants. During this assessment was observed and audit on legal aspect.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-2	<p>Number of auditors : 5 auditor</p> <p>Number of days for ASA-2 at site : 5 days</p> <p>Number of working days for ASA-2 at site : 25 Working days</p>
2.2.2	Assessment Process
ASA-2	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.

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

Some opportunities for improvement of the results **ASA-2** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-3**).

Improvement of findings from main assesment findings were observed by auditors at this **ASA-2** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-2**.

The assessment program please find Appendix 2

2.2.3	Location of Assessment
ASA-2	<p>Number of units in this certification activity is Gunung Makmur Estate, Bukit Kecubung Estate, Bukit Makmur Estate, Bukit Daman Estate dan Sungai Mentaya Estate, which supply the raw material (FFB) to Gunung Makmur palm oil mill. In conducting the assessment, the team of auditors used the $0.8\sqrt{y}$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one palm oil mill (Gunung Makmur POM) and two estates (Bukit Kecubung estate and Gunung Makmur estate).</p> <p>GMKE</p> <ol style="list-style-type: none"> Observation D19 block fertilization in Division 4 GMKE, employees have to use PPE such as: apron, mask, google goggles, gloves, and boots. Mandor understand the first aid, but the contents of the box P3K incomplete. Observation of harvesting in blocks A22 Division 4 GMKE, employees have to use PPE such as helmets, gloves and boots. Mandor understand the first aid, but the contents of the box P3K incomplete. Observation spraying activities in Block A06 Division 1 GMKE, the employees have to use PPE such as: apron, mask, google goggles, gloves, and boots. Mandor understand the first aid, but the contents of the box P3K incomplete. Boundary poles No 02, 03, 04, 05 and 06. Observation maintainance and monitoring boundary poles, there was only poles no 03 were identified. Housing Complex in Division 3. Auditor was observed housing condition, domestic waste management, clean water for workres, emergencies response tools, and fire drill simulation. Housing Complex in Division 1 and Division 4. Auditor was observed housing condition, domestic waste management, clean water for workres, and emergencies response tools. Block Spraying System (BSS) storage. Auditor was observed spraying tools places, apron, and safety shoes. Water Treatment Process (WTP) Installation. According to the result of field observation, the water source for production is pumped from Mentayan River. The water is then flowed to reservoir by using pipe / water intake, the water is then get through raw water tank, and it will be treated or processed and finally it is flown to processing stage, housing complex, etc. Water Flow meter at mill is working well, recording of mill water consumption is routinely conducted. The officer is equipped with complete APD, the officers have been scanned with medical checkup specifically, housing complex, electricity, clean water, trash can and receive proper salary based on government regulation. Boiler Furnace & Other Area. According to the field observation, the boiler furnace for EFB is not activated anymore. Recently, the EFB has been applied for soil as compost. Leachate from the buildup of EFB and cleaning activities is flown to <i>secondary trapping</i> and is then pumped to WWT pond No. 4 called Anaerobic Pond. Fiber and Shell. According to the field observation, the shell and fiber are utilized as boiler fuel. Waste Water Treatment Pod (WWTP). According to the field observation, the condition of 12 WWT Ponds are in good condition, there is no leakage nor overflow to drainage, riverbank nor environment. The condition of inlet and outlet flow meter is good. The officer is equipped with complete APD, the officers have been scanned with medical checkup specifically, housing complex, electricity, clean water, and receive proper salary based on government regulation. Land Application and Monitoring Well, Block F29 of Div. 2 of BKCE. According to the result of field observation, the condition of application pond and monitoring well is in good condition, there is no leakage nor overflow to drainage, riverbank or environment. The officer is equipped with complete APD, the officers have been scanned

with medical checkup specifically, housing complex, electricity, clean water, and receive proper salary based on government regulation.

BKCE

13. **Harvesting observation in block S22 Division 3 BKCE.** All harvester has been used PPE such as: hard hat, gloves and boots. The harvesting supervisor understand the first aid, but the contents of the box P3K incomplete.
14. **Observation spraying activities in Block T24 Division 3 3 BKCE,** the employees have to use PPE such as: apron, mask, google goggles, gloves, and boots. Mandor understand the first aid, but the contents of the box P3K incomplete.
15. **HCV Area, Riparian of Penyahuan River Block R21 Division 3.** Observation of HCV management, there were a non chemical application signboard and red painting in palm oil trees.
16. **Boundary poles No 55, 56, 57, 58, 59 and 60.** Observation maintainance and monitoring boundary poles, there was only poles no 59 and 60 were identified.
17. **Block T24.** Auditor was observed harvesting path and circle condition. There are spraying activities with 6 spraying worker and 1 foreman. According to interview with workers, they has spraying with chemical contain: Glyphosate and Methyl Metsulfuron.
18. **Block S21 and S22 in Division 3.** Auditor was observed harvesting activities and interview with 3 hasvester, they can explaining about jobdescription and their responsible.
19. **Block S21 in Division 3.** Auditor was observed EFB mulching on sandy area.
20. **Block S23 in Division 3.** Auditor was observed Barn Owl Box, there are some mice bond in below of BOB. It's meaning the BOB still active.
21. **Housing Complex of Div. 5/6.** According to the field observation, 1 house is inhabited by 1 family, provided there clean water, physically the water is clean and not stink, electricity is provided as well as trash can. There is no trash burning activity or ex burning activity, there is no agrochemical waste found, good safety tank condition. If any complain, would be told to assistant / Head of Administration, manager or gender committee.
22. **BSS House of Div. 5/6.** According to the field observation, the number of sprayers are 17 people, all spraying equipment and PPE would have been washed at first and then stored at BSS station, water used to wash the equipment and PPE is stored on *secondary trapping* and is used as mix for next spraying program.
23. **Generator House of Div. 5/6.** According to the field observation, the capacity of generator is 80 KPA, there is no spillage of oil and hazardous waste and mini fire extinguishers are in good condition, routine machine service conducted by traction officer, the generated hazardous waste is stored at hazardous waste storage. The officer is equipped with complete APD, the officers have been scanned with medical checkup specifically, housing complex, electricity, clean water, and receive proper salary based on government regulation.
24. **Landfill, Block S36 of Div. V.** According to the field observation, the dumped trash on landfill is organic and an organic waste in one hole. Distance of landfill from housing complex is more than 100 meters, landfill is not located on the water source, there is no hazardous waste and there is no any burning activity and ex burning activity.
25. **Metro Chemical Storage of Region II.** According to the field observation, there are several incomplete things such as MSDS and hazardous waste symbol. During the observation, there were one ex pesticide containers found in fertilizer storage. The company has fix it by adding MSDS based on type of chemical product and hazardous substance symbol and storing pesticide pack on hazardous waste storage.
26. **Hazardous Waste Storage.** According to the field observation, the hazardous waste storage has had proper coordinate. It is located in free flood area, not on the drainage / water source, away from housing complex and worker's settlement, good mini fire extinguisher condition, there are symbols of hazardous waste, MSDS, *secondary trapping*, etc. The stored hazardous waste has been arranged based on the type and characteristic of each waste, there is no spillage on floor nor ground. There is still found used oil drum outside the storage. However, the company has fixed it by storing it at hazardous waste storage.
27. **Clinic of Region II.** According to the field observation and result of interview, during period of 2015/2016, work accidents were frequently occurred due to get thorn by palm oil thick leave and frequent disease like respiration infection. Medicines are provided for free and no expire, medical waste is temporarily stored on the closed box to be then delivered to central clinic and then delivered to hospital to be incinerated. According to the result of interview, the midwife of region 2 clinic did not get socialization of *code of the conduct*.
28. **Workshop of BKCE Metro.** According to the field observation, there is no spillage nor leakage of oil and other hazardous materials. The company recognize the source and how to deal with the hazardous waste generated by

workshop. The officer is equipped with complete APD, the officers have been scanned with medical checkup specifically, housing complex, electricity, clean water, trash can and receive proper salary based on government regulation.

GMKM

29. **Security Post, Weight Bridge and Kernel Silo.** Auditor was observed and interview with security, weight bridge officer, and Kernel Silo officer about SCCS applied.
30. **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.
31. **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.
32. **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.

2.3 Stakeholder Consultation and Stakeholders Contacted
2.3.1 Summary of stakeholder consultation process.

ASA-2 Summary of stakeholder consultation process
 Consultation of stakeholders for PT Karya Makmur Bahagia was held by:

- (1) Public notification at website MUTU (www.mutucertification.com) on April 11th 2016.
- (2) Public consultation meeting with stakeholder (National Land Agency, Region Secretary of Kotawaringin Timur, Manpower Agency, Forest and Plantation Agency, and Environment Agency) on April 26th, 2016.
- (3) Public consultation meeting with Villages Nearby Company Area (Mulya Agung Village, Rantau Tampang Village, Waringin Agung Village, Luwuk Kowan Village) on April 26th, 2016.
- (4) Public consultation meeting with Gender Committee, Biparitif Cooperative Forum and Local Contractor on April 26th, 2016.
- (5) Public consultation to NGO by email has been sent on April 20th 2016.

Numbers of input from stakeholders were clarified by PT. Karya Makmur Bahagia

2.3.2 Stakeholder contacted

Please find appendix 1

2.4 Determining Next Assessment

ASA-2 The next visit (**ASA-3**) will be determined one year after this **ASA-2** (April 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 eleven (11) Nonconformities were assigned against Major Compliance Indicators; ten (10) nonconformities were assigned against Minor Compliance Indicators and two (2) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s). Those corrective action(s) taken that consist of eleven (11) 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	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
1.1.1 According to the document review of stakeholder on April 1st 2016, the company has stakeholders such as Kalimantan Tengah Province Government, Kotawaringin Timur District Government, Sub District Government and Village Administration Government, Community Figures, Contractor, Supplier, NGO, Internal Party, etc. The type of documents that can be accessed by stakeholders, such as EIA, SIA, CSR, etc. Based on interview with several government agency and surrounding villagers, they has known to access the information from the company. The company has pointed personal in charge to handling information request by stakeholders. The PIC are head of administration, estate controller, regional head and sustainability officer. Based on procedure, time frame for response to request for information is 10 days and period for keeping the record of information request is 5 years.		
1.1.2 According to the document review of logbook, there is no information request requested by stakeholders. There is only proposal for fund and service request. However, the company routinely submit mandatory report to related agency, such as: (1) Report of environmental management and monitoring plan implementation in 2nd semester of 2015 to Environment Agency on March 1st 2016, (2) Report of mill effluent quality on 4th quarter of 2015, report of emission and ambient quality on 2nd semester of 2015 to Environment Agency on March 1st 2016. But, there are still report uninformed to the related agencies, such as (1) Report of Mill and Estate Hazardous Waste on fourth quarter of 2015 and on 1st quarter of 2016, and (2) Mandatory report of manpower on 2015. Based on the explanation, raised the Non Conformance 2016.01 with major category		
Major 1.1.1	Status: Non Conformance 2016.01 with major category	Open
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.		
The type of documents that can be accessed by stakeholders, such as Environmental Impact Assessment (EIA) document, Land Use Title document, Production Report document, Company Policy document, List of Employee document, CD / CSR document, Map		

document, Salary document, Letter of Establishment document, Complain document and etc. The document is stored in the SOP secretariat for 5 years. Based on interview with several government agency and surrounding villagers, they has known to access the information from the company, can be phone or mail.

Status: Comply

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

The company has document of Code of the conduct No. BGA-COC-HC-333.1-R0, authorized on October 28th 2014. Code of the conduct has socialized to five mill workers on March 23rd 2015 and to 16 estate workers. However, the company is not able to show the socialization of Code of the conduct to all workers. According to the result of interview, the midwife of clinic in region II does not get the socialization of code of the conduct, in which the prohibition for corruption, colution and nepotism, receiving or giving gifts and souvenirs, business service or any acts which might influence the decision making in the company. Based on the explanation, raised the **Non Conformance 2016.02 with minor category**

Major 1.3.1 Status: Non Conformance 2016.02 with minor category

Open

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

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

2.1.1

The 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 on October 22nd 2001 for 15,056.31 Ha. It complied the statute No. 5 year 1960 in term of agraria basic.
- Building Use Title (HGB) No. 1 dated January 18th 2005 for 439,329 Ha that has released by National Land Agency of Kotawaringin Timur District. It is located Rantau Tampang Village, Kotawaringin Timur District, Kalimantan Tengah Province. This HGB valid until January 18th 2033. According to the observation and interview with legal staff, this HGB is using for Mill (GMKM), office, storage, workshop and housing.
- The company has plantation business permit from Kotawaringin Timur Regent on Agustus 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 Kotawaringin Timur 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.
- 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.

There is a discrepancy the regulatory compliance see at **NCR 2016.3**. Among others:

- The company can't show the license to use the water for mill process from local government.
- According to document verification, an operator of steam machine licensed has expired in November 2015.

2.1.2

PT KMB has 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/LRLH/KMB/III/2015 of Revision 02 since January 1st 2015.

The company has pointed personal in charge to manage set of legal document are Sustainability officer. The legal document is available for all level managements.

2.1.3 & 2.1.4.

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. 53 Year 2015 dated November 2nd 2015 in term of the district minimum wage standard and sectoral minimum wage standard on 2016 in Kotawaringin Timur District. The applied minimum wage standard in the sectoral minimum wage standard for IDR. 2,277,634. According to the result of document review and interview, the company applied the wage for IDR 2,277,634.

Sustainability officer has conducted internal audited for legal compliance every years. He was communicated with local government to tracking changes of legal requirement.

Major 2.1.1.	Status: Non conformity with No. NCR 2016.3.	Open
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2.2

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

2.2.1

The company has shown the legal document for land right. Based on document review, the company has two document regarding to land right as follows:

1. Land Use Title (HGU) No. 19 dated October 22nd 2001 for 15,056.31 Ha that has released by National Land Agency of Kotawaringin Timur District. This HGU located in Rantau Tampang Village, Kotawaringin Timur District, Kalimantan Tengah Province. This HGU valid until October 22nd 2036. Based on the boundary poles coordinate that has been National Land Agency, all over area demarcated by 104 boundary poles.
2. Building Use Title (HGB) No. 1 dated January 18th 2005 for 439,329 Ha that has released by National Land Agency of Kotawaringin Timur District. It is located Rantau Tampang Village, Kotawaringin Timur District, Kalimantan Tengah Province. This HGB valid until January 18th 2033. According to the observation and interview with legal staff, this HGB is using for Mill (GMKM), office, storage, workshop and housing. Based on the document review and interview with legal staff that known the HGB (Building use title) which is using for GMKM are outside the HGU (land use title) area, however the certification scope were included mill and estate which is HGU and HGB area. Therefore the total scope of certification are 15,100.24 ha.

At the first time, some area under the company's HGU were managed by local village for small farming, cultural activities etc. However, legal staff has been show the valid land compensation documents, e.g land compensation of Gumel (4,58 Ha) in 2003. Land compensation process takes place without coercion. Several document that shows for land compensation process as follows:

1. Land owned certificate approved by village head and subdistrict representative.
2. Land owned statement letter approved by head of neighbourhood association.
3. Land release letter agreement approved by head of village and subdistrict representative.
4. Minutes meeting of land inspection and measurer approved by head village.
5. Payment receipt that witnessed by head village and clan leader.
6. Statement of land release letter approved by village head and subdistrict representative.

All over area has been used. Based on hectare statement data, the area has used for palm oil cultivation, road/bridges, housing, office, storage, polyclinic, conservation area etc. To ensure conservation area and or social impact of plantation activities, the company has set the High Conservation Value (HCV) and Social Impact Assesment (SIA) identification in collaboration with Department of Forestry, Bogor Agriculture Institute on 2012.

2.2.2

The company has shows the HGU map (boundary poles map) that set by Geographic Information System (GIS) Department. The map refer to coordinate list of HGU National Land Agency on 2012. They also conducted monitoring of boundary poles each quarter. Based on field observation, some poles has placed on the right coordinate that set by BPN. For example, poles number 59 and 60. All land disputes has been reported to the local government (Land National Agency). It was explained on indicator 2.2.3. and 2.2.4.



Figure 1 boundary poles No. 59

However, field observation in GMKE and BKCE shows that several area that not installed by boundary poles according to Coordinate List by BPN. Based on the explanation, raised the **Non Conformance 2016.04 with minor category**

2.2.3

The company has a land dispute problem with another plantation company (PT. BGUM) and villager. The dispute was caused by the land cultivation for the land belong to PT. KMB and also the Land Use Title (HGU) overlap between them. The problem has been solved in December, 9th 2014 in front of notary. According to the agreement, PT. KMB lease 190.5 Ha of the land to the PT. BGUM. According to the public consultation with East Kotawaringin District National Land Agency, the land lease of PT KMB to PT BGUM has been solved in Central Kalimantan Province National Land Agency on November 2014.

Beside that, PT. KMB also has a land dispute with a villager named Chang Ilas a.k.a Oloi on 2016. Based on mediation that held and witnessed by local government, the company agreed to gift land compensation on disputed land (0,01 Ha). The company has shows the evidences of land compensation as follows minutes meeting of mediation, land release letter agreement and payment receipt.

2.2.4

The company has a procedure of land dispute handling (SOP No. BGA-SOP-KMB 25-RO) that described that land dispute resolution based on agreement between interested parties. The step of land dispute resolution in KMB is (1) land identification or potential of land dispute, (2) gradual resolution starting from gathering information, negotiation, agreement, land compensation (if needed), (3) payments, administration process and (4) legal action by court if no deal in negotiation.

Beside a land dispute resolution with PT. BGUM, the company also handling another land dispute case with Mariane F. Kuling who claimed 7.09 Ha area in GMKE. The company has held several negotiation witnessed by local government. However, at the end there was no deal between them. The last negotiation result on July 27th 2015, both of them agreed to bring it to the court.

2.2.5

Land dispute mapping has been conducted together. For example, land dispute with Mariane F. Kuling were checking and mapping together on September 12th 2014. Minutes of meeting it activities has signed by company representatives and Mariane F. Kuling. The Department of GIS has map it into the document of land dispute identification map.

2.2.6

According to the procedure of land dispute handling (SOP No. BGA-SOP-KMB 25-RO) that has approved by top management, conflict resolution must has to do with soft approach such as discussion and negotiation. Based on negotiation document that shown, all lan dispute case always involve the local government.

Through the public consultation with related agencies in Kotawaringin Timur and representatives villagers, there was no coercion approach by the company to handling land dispute cases so far. All compensation implemented by mutual agreement.

Minor 2.2.2	Status: Non compliance 2016. 4 with minor category	Open
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2.3
Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior

and informed consent.
2.3.1 & 2.3.2

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.

Based on interview with government agencies and village representatives on April, 26th 2016, there were no objection from the villagers due to plantation activity.

Beside that, the company's activity has bring some positive impact. The villager has challenging to be a business partner for the company. Such as transporter of FFB, CPO and PK. They also getting a job opportunity. The company's existence also increasing access for education, information and transportation. The company has build school for workers children and for surrounding villagers.

2.3.3

Based on public consultation with villagers representative, all agreement and cooperation between the company and villagers has been presented in a language can be understood.

2.3.4

In all activities that involving the communities, even a land dispute or empowerment program (such as CD/CSR), the company always involving local government. Result or decision of meeting has well documented.

Status: Comply

PRINCIPLE #3 Commitment to long-term economic and financial viability
3.1

There is an implemented management plan that aims to achieve long term economic and financial viability.

3.1.1 & 3.1.2

The company has been shows Business Plan PT. Karya Makmur Bahagia document which is contain long range program for year 2015 – 2020. Through this document, the company has set projection until 2020 for production, extraction (OER and KER), price, cost, revenue, profitability, replanting plan etc. Based on the Business Plan, there was no replanting plan for the next 5 year (2020). It also no expansion program through expansion area, lifting mill capacity etc.

Annual achievement evaluated regularly and documented on Explanation and Report of Achievement drafted by Estate Controller. For example, crop realization of 2015 only 78% from budget. Several notes regarding to it realization was low productivity of harvester, losses and road maintenance.

Beside that, the company has shown his good liquidity such as tax payments. Annual tax payment receipt of 2014 and 2015 has been shows. Based on hectare statement data, the oldest palm were planted on 1998 (18 year). Therefore, replanting will be executed at least on 2023.

Status: Comply

PRINCIPLE #4 Use of appropriate best practices by growers and millers
4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

There was no change of SOP applied by the company since the last visit (surveillance 1). According to the field visit and interview with the harvesters of block A22 Division 4 GMKE, the harvesters have known harvesting procedures such as FFB criteria, PPE usage, payments etc. All harvester can demonstrated harvesting procedure as good and safe.

4.1.2

The company has conducted monitoring of operational activity to ensure implementation of procedures. For example, internal

agronomy audit conducted by Quality Control Department every months for all operational activity such as upkeep, manuring and harvesting. Harvesting audit measuring harvesting activity which is parameter such as mill grading (unripe, underripe, ripe, overripe, empty bunch), harvesting plots quality (loose fruit and unharvested bunch) and transporting quality (loose fruit and bunches in collecting point). Result of regular assessment will determine performance of all staff.

4.1.3

The company has documented all activity in estate or mill monthly on monthly manager report. For example, monthly manager report of GMKM on March 2016 shows mill production, throughput, extraction (OER and KER) and stock on storage tank. Based on that report known that mill were produced 5,328.189 ton CPO (OER 21.94).

4.1.4

Beside of FFB from own estate and scheme smallholder, GMKM also received FFB from the third parties (local supplier). All supplier has engaging mutual agreement with the company. Based on public consultation with local FFB supplier representatives, known that supplier has to be submitting propose of FFB supplier which contain all land legality from it supply bases. After the document verified by Commercial Department, the company will be conducted field observation to ensure legality of all area. Further, mutual agreement will be signed.

Based on data from Commercial Department, GMKM receiver FFB from 4 cooperation and 25 local supplier. FFB receiving documented every day and shall be attached to compile invoice 2 times a month.

OFI: The company has a chance to evaluated FFB source from local supplier regularly.

Major 4.1.4 **Status: Comply**

4.2

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

4.4.1

Soil fertility is maintained and even improved by adding nutrients. Sandy land and kaolin given Empty Fruit Bunch, that is able to increase organic matter in the soil. Land cover is maintained by planting *Mucuna bracheata*, thus reducing nutrient run-off. During field visit in Bukit Kecubung Estate, Land covered by *Mucuna bracheata* and *Neprolephis*.

4.2.2

The report of fertilizers is well documented, recorded in the "Buku Program Pemupukan 2016"

Tabel 1 Actual Manuring Period January - March 2016 di GMKE

Fertilizer	Mature			Immature		
	Program	Actual	%	Program	Actual	%
TSP	210,530	208,760	99	5,920	5,840	99
Urea	526,310	431,370	18	14,790	1,810	12
MOP	842,050	-	0	23,640	-	0
Kieserit	110,710	-	0	4,400	-	0
HGFB	42,070	-	0	1,190	-	0

Tabel 2 Actual Manuring Period January - April 2016 di BKCE

Fertilizer	Mature		
	Program	Actual	%
TSP	189,733	153,445	81
Urea	455,356	79,530	17
MOP	720,941	-	0
Kieserit	26,148	-	0
HGFB	34,140	-	0

Application of urea does not fullfill the program in early 2016. The Headquarters restricts the application of fertilizer due to high rainfall on January to April 2016. 321 mm rainfall in January, February 282 mm, 188 mm in March and April of 456 mm. Rainfall 2016 in Bukit Kecubung Estate, 186 mm in January, February, 445 mm, 557 mm March. In addition, Headquarters has issued a policy termination of the use of fertilizers (doc 010 / IOM / HeadKalteng Kalbar - BGA / III / 2016, May 31, 2016).

TSP, Kieserit, HGFB applied 1 time / year, while urea and MOP was applied 2 times / year . Schedule 2016 is the TSP fertilizer (January), Urea (February and May) , MOP (March, June) , Kieserit (September) .
During the inspection in Block D19 Division 4. The Auditor verifies manuring with urea dose of 0.75 kg /tree in accordance with the recommendation.

4.2.3

Soil analysis is done 4 years and leaf analysis annually. Soil and leaf analysis carried out by the Research Department. Sample soil / leaf analyzed in laboratories of PT Bumitama Gunajaya Agro. Fertilizer recommendation is based on soil and leaf analysis. Analysis of leaves in GMKE took place during March-April 2015 to determine changes in nutrients N, P , K , Mg, Ca and B.

4.2.4

Nutrient recycling strategy has been implemented, includes the application of Empty Fruit Bunches and Palm Oil Mill Effluent (POME). Application Empty Fruit Bunches per March is 10 hectares (7 % of the program).

During visit to Block F29, Div. 2 BKCE known palm oil mill effluent applied to the estate. Flat bed maintained, no leaks or spills into the ditch / river / environment.

Tabel 3 Empty Fruit Bunch applied in GKME, 2015 (ton)

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
84	8	292	251	816	2130	591	1157	487	1098	608	1897

Tabel 4 Empty Fruit Bunch applied in BKCE, 2016 (ton)

Jan	Feb	Mar	Apr
99.7	1579.45	293.21	105.35

Empty bunches applied in Block S20. A total of 17 tonnes to 7.30 hectares. Also in Block S24 5 tons to 0.32 hectares. Block S25 10 tons to 0.42 hectares in Block S26 125 tonnes to 7.73 hectares.

Status: comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

Unit manajement has been analyzing soil types, including marginal lands. Soil maps fragile can be shown, by category spodik Sand,



Figure 2 Empty Fruit Bunch applied in fragile soil

Kaolin flat, sandy > 30 cm, laterite, low mineral and hilly.

Distribution of marginal land in Bukit Kecubung Estate, in the form of sandy spodik and Hilly of 655.2 hectares. Marginal land has been mapped at a scale of 1: 35,000 (July 9, 2015), its distribution as follows:

Division 2: 126.6 hectares of hilly.
 Division 3: 53 hectares of sandy / spodosol.
 Division 4: 120 hectares of sandy / spodosol, 170.2 hectares of hilly.
 Division 5: 97.1 hectares of sandy / spodosol, 53.6 hectares of hilly.
 Division 6: 34.7 hectares of sandy / spodosol

4.3.2 & 4.3.6

During the field visit in Bukit Kecubung Estate, it's known strategy planting in hilly land, planting *Mucuna bracteata*, and application of *Empty Fruit Bunch* (EFB), terracing, making silt pit to collect rain water. Population *Nephrolepis* is maintained, not sprayed massively. Land cover is maintained by planting *Mucuna bracteata*, thus reducing nutrient run-off. The results of data analysis Gunung Makmur Estate, *Mucuna bracteata* actual planted 82 hectares, spread in Division 1 and Division 3.

4.3.3

The Company has a road and bridge maintenance program for the period 2016. Programmed road maintenance every month. For instance, road Maintenance in BKCE Division 2, has been realized 235.01 hectares of 488.59 hectares. The company provides Graders and Compactor to repair damaged roads, especially during the rainy.

4.3.4 & 4.3.5

During inspection in Division 1,3,4 GMKE and Division 3 BKCE known there is no peat.

Distribution of marginal land in Gunung Makmur Estate showed in a map scale of 1: 225,000, where the marginal / fragile:

- Hilly, Slopes more than 12 %: 2089.01 ha
- Laterite: 116.7 ha
- Kaolin: 568.88 ha.

Status: Comply

4.4

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

4.4.1.

According to the review on document of environmental management and monitoring plan and report of test result, the company has tested the underground water quality on monitoring well in 1st semester of 2015. The result complied the quality threshold regulated by the government. However, the result of underground water quality test result in 2nd semester of 2015 cannot be shown yet. Based on the explanation, raised the **Non Conformance 2016.05 with minor category**

According to the review on document of environmental management and monitoring plan and report of test result, the company has tested the surface water quality on monitoring well in 1st semester of 2015. The result complied the quality threshold regulated by the government. However, the result of surface water quality test result in 2nd semester of 2015 cannot be shown yet. Based on the explanation, raised the **Non Conformance 2016.05 with minor category**

4.4.2

According to the field trip to Block R21, OU3 - Sungai Panyauan BKCE, the conservation attempts conducted by the company are by installing the signboard informing the prohibition to apply chemicals on riparian area, installing the boundary pole for riparian area, mark on the fifth line of palm oil tree off the riparian (\pm 50 meter on left and right off the river).

According to the result of interview with the sprayer foremen, they have known how to deal with chemicals on spraying riparian area and they have known the boundary of riparian area.

4.4.3

According to the result of review on the document of environmental management and monitoring plan implementation and report of test result, the company has tested the mill effluent in 3rd and 4th semester of 2015, the result complied the quality threshold regulated by the government. However, the result of the test and report of effluent quality during period of January to March 2016 is not yet shown. Based on the explanation, raised the **Non Conformance 2016.06 with minor category**

According to the result of interview with East Kotawaringin District Environment Agency and the locals, there is no any contamination caused by effluent processing.

4.4.4.

According to the document review of surface water consumption monitoring for processing FFB during period of January to April 2016, the water consumption for processing FFB in January 2nd 2016 was 1.70 m³/ton of FFB, in February 3rd 2016 for 1.36 m³/ton of FFB,

on March 31st for 2.29 m³/ton of FFB and on April 25th 2016 for 1.51 m³/ton of FFB.

According to the field observation to Water Treatment Process (WTP) installation, the source of water for mill processing stage is from Mentayan River. It is flown to reservoir through pipe / water intake, then through raw water tank, it is then treated and flown to processing stage, housing complex, etc. Flowmeter works well, recording of water consumption is a routine job, the officers wear complete PPE, officers have been provided with housing complex, electricity, medical facility and getting decent salary based on government regulation.

Minor 4.4.1.	Status: Non Conformance 2016.05 with minor category	Open
Major 4.4.3.	Status: Non Conformance 2016.06 with minor category	

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

4.5.1
Census of pests has been conducted by the Research Department on a regular basis in every month for rats, *Oryctes*, Caterpillars, termites and *Tirathaba*. Observations in January - March 2016 in BMKE, pests under control, under economic threshold.

Observations on March 4, 2016, Block E12b. Census of *Mahasena corbetti*, *Oryctes rhinoceros* and *termites* attacks. *Mahasena corbetti* attack 2 tree of 230 sample, the percentage of 0.008 attack/ tree. *Oryctes rhinoceros* attacks by 11 tree with a percentage of 4.78% and termite attack two tree with a percentage of 0.86%. Pest attacks still under 5% (economic threshold). Observations on February 25, 2016, Block C20. Census attacks *Tirathaba mundella* and rats. *Tirathaba mundella* attack as much as 5 FFB of 221 samples with a percentage of 2.36% and for the rat as much as 3 FFB with a percentage of 1.42%. Pest attacks still under 5% (economic threshold).

Observations on February 5, 2016, Block D03a. The results of the census are known *Tirathaba mundella* and rat attacks. *Tirathaba* attack as much as 7 FFB of 264 samples with a percentage of 2.65% and for the rat as much as 4 FFB with a percentage of 1.51%. Pest attacks still under 5% (economic threshold).

Observations Ganoderma attack in 2015, showed no attack.

During the inspection and analysis of program and realization, Bukit Kecubung Estate, known there was delays in the progress of weed control in the circle and path, for example in Block T24 Division 3. This is not in accordance with the procedure Weed Control (BGAAGRKS-PTKS-PGL). Based on the explanation, raised the **Non Conformance 2016.07 with Major category**



4.5.2
Workers involved in the implementation of IPM has been trained, for example worker of GMKE was trained on June 13, 2015 with 14 participants. IPM handling, How to census of *Oryctes* and handling it.

Major 4.5.1	Status: Non Conformance 2016.7 with major categories	Open
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4.6 Pesticides are used in ways that do not endanger health or the environment

4.6.1

Pesticides (herbicides, rodenticides, insecticides) used has been ascertained in accordance with the target weeds and pests. The company carries out control weeds in path and circle, as well as Selective Weeding.

Target Pest and weed	Merck	Active ingredient
Broad leaf weeds	Kleenup + Metaprima	Glyphosate Isopropyl amina + Metil Metylmetsulfuron
Rat	Petrocum	Brodifacum
Caterpillar	Decis	Deltametrin

The previously pesticide have been registered in accordance with "Buku Komisi Pestisida in 2014".

Safe use of chemicals described in health and safety policy was signed by President Director on May 2011.

4.6.2

The company has documented the pesticide in the document "*Analisa Penggunaan Pestisida*" that informs pesticides, the active ingredient, the amount of pesticide use per year, Lethal Doses 50 active ingredients, extensive application to the amount of active ingredient per hectare.

4.6.3 & 4.6.4

Use of Paraquat (GMKE) decreased from 2014, 2015, 2016. The use of paraquat 2014 (2067 liters), 2015 (1497 liters), 2016 (274 liters). Head of oil palm research (May 2015) sets Paraquat is no longer used to control weeds. Throughout 2016, there is no use Brodifacum. During the inspection in agrochemical storage GMKE, there are herbicides stored like Methly metsulfuron 43,385 kg, Paraquat 81.030 liters, lindomin 25.680 liter, glyphosat 280.190 liters.

The review of weeds handling in Bukit Kecubung Estate, herbicide was applied January - March 2016 is 574.02 liters of Glyphosat, methyl metsulfuron 35.42 kg and 51 kg Centra fur.

4.6.5

Sprayer 'paraquat operator' have been trained by the authorities (Pesticide Committee), take place on 15.06.2015. Training was attended by 171 participants from all over the estate.

Based on interview with pesticide applicators in block T24 BKCE and block A6 GMKE, able to demonstrate understanding of the hazards and risks related to chemicals used.

Based on field visit to agrochemical storage on BKCE that's known the MSDS were put on the wall appropriate with agrochemical types, and also MSDS for pesticides used readily on Bahasa.

Based on field observation, all PPE's used has appropriate with MSDS. For example the company using carbon masker for pesticide applicator to reduce risk of pesticide contaminate.

4.6.6

Chemical storage in BKCE. During the assessment, 2 agrochemical container (Paraquat) were stock of 2014. MSDS were put in appropriate with agrochemical types. There were Symbol of Hazardous. The company store paraquat in licence temporary storage.

Based on observation in agrochemical storage of GMKE. There were Metil metsulfuron 43,385 kg, Paraquat 81,030 liter, 2.4 D Dimetil Amina/lindomin 25,680 liter, glyphosate 280,190 liter.

Agrochemical container was clean up and rinse. Then store in license temporary storage in appropriate with hazardous management procedur (KMB-SOP-LK-010-RO).

4.6.7

During the inspections and interviews with sprayers and foremen, known the workers already know the type of pesticide used is in conformity with the existing weeds. Agrochemicals are being applied is methyl metsulfuron + Glyphosat.

During the inspection in Gunung Makmur Estate and Bukit Kecubung Estate, Sprayer been using personal protective equipment as well as trained. Sprayer explained they have been checked by doctor. Medical check up periodically carried out every year.

4.6.8

Pesticides has not applied from the air, but with knapsack manual.

According to the review of procedural document, the procedure of pesticide waste processing does not change at all, still same like during ASA-1, which is procedure No. KMB-SOP-LK-010-RO. Pesticide box waste are sent to the water flowing pesticide cleaning station. The pesticide box would be cleaned by using water at least three times based on the supplier's recommendation. Once those are clean, those would be placed on the licensed Hazardous Waste storing station.



4.6.9.

Training for 16 person pesticides applicator was done at March 11th, 2016. And also was sighted documentation record of Socialization of Smallholder Program and Palm Oil Plantation System in Bukit Makmur Village, dated on 18 November 2015 and Rantau Tampang Village dated on 25 November 2015.

The smallholders involved in stakeholders meeting, consist of Mekar Jaya Cooperation and Waringin Jaya Cooperation members. And also there were 16 pesticide applicators has interviewed.

4.6.10.

According to the review of procedural document, the procedure of pesticide waste processing does not change at all, still same like during ASA-1, No. KMB-SOP-LK-010-RO. Pesticide box waste are sent to the water flowing pesticide cleaning station. The pesticide box would be cleaned by using water at least three times based on the supplier's recommendation. Once those are clean, those would be placed on the licensed Hazardous Waste storing station.

According to the review on document of trip paper for waste delivery, GMKE has sent five ex agrochemical pack to Hazardous Waste Storage of region I on April 21th 2016. BKCE has sent one ex agrochemical pack to Hazardous Waste Storage of region II on April 28th 2016. According to the result of interview, the sprayer of GMKE from Div. 1 & 4 has understood the procedure of pesticide waste management. The officers have also been sociealized as well as trained to use and deal with pesticide including the storing of pesticide box by Health Agency, Agriculture Agency and Supplier on July 15th 2015.

According to the field visit to fertilizer storage in region II of BKCE, there is one ex agrochemical pack in fertilizer storage of region II of BKCE. Considering that matter, the management unit has fixed the matter by sending ex agrochemical container to Hazardous Waste Storage of region II on April 28th 2016.

According to the field visit to housing complex of division 5/6 of BKCE, there is no use of ex agrochemical pack. The settlers have understood the hazard of ex agrochemical pack due to the toxic substance.

According to the field observation to Hazardous Storage of BKCE, there is no stored ex agrochemical containers. All ex agrochemical containers have been delivered to the waste collector on April 6th 2016.

4.6.11.

Certificate holders has Block Spraying System (BSS) team in each estate with 15 workers and 1 foreman. General medical checkup (MCU) has conducted every three month, last MCU was conducted on GMKE at 5-6 April 2016 and conducted on BKCE at 1-2 April

2016. According to result of MCU all workers is fit to work, while the specific medical checkup as cholinesterase was held in September 2015 for 67 spraying and fertilizing workers in GMKE and BKCE. According to interview with BSS team in block A06 GMKE, and also BSS team in block T24 BKCE. There were explain that general MCU was held every three months and a specific MCU was held every six months. Result of MCU has socialized to each worker.

There are nonconformity (**NCR No. 2016.8**) as follows:

- According to interview results not all pesticide operators has gained a specific MCU for example: chemical mixing operators in GMKE and Chemical Storage Region 2.
- According to cholinesterase test result in September 2015, it's known that 7 spraying and fertilizing workers are below the threshold. But can't be showed an evidence that re-test of cholinesterase has been conducted in accordance with a doctor's recommendation.

4.6.12.

Certificate holders has a policy to protect the reproductive right of women workers by not hiring a pregnant or a nursing women worker for pesticide operators in accordance with Law No. 13/2003. They have Block Spraying System (BSS) team in each estate with 15 women workers and 1 foreman. According to field observation and interview with spraying workers in Block A06 GMKE and Blok T24 BKCE; it's known that no pregnant and nursing women workers. There were explain that a system to identify pregnant is through integrated medical services every month by company midwife.

Major 4.6.11 | **Status: Non Conformity 2016.8 with major category**

Open

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

4.7.1.

There is no changes on the policy and procedure of OHS. Certificate holders have a health and safety policy was signed by President Director on May 2011, they will committed to comply with all laws and regulations of Occupational Health and Safety. Meanwhile the OHS work program for period of 2015 – 2016 are the socialization and training of OHS Procedures; composing the report of OHS Guiding Committee to associated agency; the annual HIRAC evaluation; Evaluating the OHS regulation; and holding regular Medical Checkup and specific Medical checkup as Cholinesterase, Audiometry and Spirometry test.

All workers has been briefed about safety working every muster morning by field assistant. Based on interview with workers in estate and mill, they can explaining about safety work and health and safety policy.

4.7.2.

Certificate holders has composed Hazard Identification Risk Assessment and Risk Control (HIRAC) for the estate and POM operationals. It has been updated on 2016. The HIRAC compilation refers the SOP of OHS identification guidance. The HIRAC (BGA-SOP-KMB 12 – R0) was legalized on September 17th, 2012. Hazards are identified based on the type of work then determined dangers and impact, using a qualitative assessment (Risk=Probability x Exposure) the risk assessment determined a low, medium or high. According to interview with workers in estate and mill, they had known about potential risk or accident in work place, and also was used PPE's.

4.7.3.

Certificate holders has conducted a periodic safe working socialization to all workers and contractors. For example: safe working was socialized to PT. PCN (road maintenance contractor) at November 10th, 2015 and socialized to Fertilizing workers in GMKE at March 21st, 2016. Based on field observation in block D19 GMKE, fertilizing workers have to use PPE's such as: apron, masker, goggles, gloves, and boots. And also based on field observation in block A22 GMKE and block S22 BKCE, harvesting workers have to use PPE's as: helmets, boots and safety glasses.

According to field observation in Mill, that were founded:

- Grading officer and some operator don't using safety shoes, they were used boots shoes.
- PPE's (safety shoes) reserves in the storage is less than 10% of the existing needs.

This was not accordance to SOP No. BGA-SOP-CCS-1106.1-R0 about Personal Protective Equipment. Based on the explanation, raised the **Non Conformance 2016.09 with major category**

4.7.4.

The responsible person in the OHS program has also been identified. The management unit has had the organization container in Guiding Committee of Occupational Safety & Health which is responsible for OHS program, it was legalized by the Head East Kotawaringin District Manpower Agency in decree No. KEP.560566/20/WAS-KK.P2K3/IV/2016 dated April 7th, 2016. Safety expert was extend the licensed accordance to Decree No. Kep.560.566/40/WAS.KK/IV/A.K3/2016 dated April 18th, 2016.

Results of the verification document and public consultation with Manpower Agency, it's known that the management unit has submitted the Guiding Committee of Occupational Safety & Health reports regularly every three months. The Guiding Committee of Occupational Safety & Health report covers all activities of OHS, among others: Guiding Committee of Occupational Safety & Health recommendations, the results of the investigation of workplace accidents, work accidents recapitulation, Guiding Committee of Occupational Safety & Health activity reports, employee health inspection reports, minutes of meetings held every months.

4.7.5.

Certificate holders show the SOP emergencies response (BGA-SOP-KMB13-R0) signed by GM Plantation, dated September 17th, 2012. Emergencies as floating, earthquake, land fires, build fires, demonstration, and riot; emergencies was classified by severity. Moreover they have work accident analysis report, the medical aid categories: 298 case, lost time incident: 184 cases, permanent disabled: 2 cases, and fatality: 1 cased during year 2015. According to the field observation and interview with the workers and foreman (sprayers and harvesters) in GMKE and BKCE; the workers have been trained to deal with first aid action and they have been able to describe the first aid action on spraying and harvesting incident. Certificate holders have assigned operators trained in First Aid accordance to the Manpower Ministry Regulation No.15 Year 2008 in term of the first aid action on the workplace Certificate No. 2360/PK3-P3K/VII/2014 dated July 1st, 2014.

4.7.6.

The management unit has registered the employees to the Manpower BPJS program. There is an evidence of the Manpower BPJS payment for period of March 2016. All employees BPJS program have been paid on April 15th, 2016. Certificate holders has endeavored to register all workers in health BPJS program. But the results of the data verification by Health BPJS East Kotawaringin, currently it's only 40 workers can be registered. Workers who have JAMKESMAS or don't have Electronic ID Card can't be a member Health BPJS. According to interview result with chairman of the worker union, he was explain the majority of workers still refused to registered health BPJS. Because of the benefits obtained from the company's health facilities better than health BPJS program. They can show an evidence of health facilities provided by the company, such as invoice/reimbursement from Muhammadiyah Hospital in Palangkaraya dated March 16th, 2016.

4.7.7.

Certificate holders shows the record of Accident Statistic for period of July 2015 to March 2016, the medical aid categories: 298 case, lost time incident: 184 cases, permanent disabled: 2 cases, and fatality: 1 cased and Lost Time Accident: 221 day's during year 2015.

Major 4.7.3.	Status: Non Conformity NCR 2016.9 with major category	Open
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4.8

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

4.8.1 & 4.8.2.

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:

- The manager shall evaluate the attitude and performance of the employees.
- 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 Department)).
- According to the manual of annual training program issued by POD Department, the manager shall decide the need of training to improve the competence as the company need.
- The manager shall suggest the Department Head for the specific training programs for the employees.
- Department Head fill the form Career Development Plan attached on the performance appraisal and give it to the POD Department each January.

The company has composed the training program to improve the employees competence in term of the RSPO P&C. For example, the internal training which was scheduled on March 2015. The taught training is the estate&mill best practice training (IPM training, pruning training, harvesting training, fertilizing training, and spraying training, SCCS training.); and also environment & safety training as: training of Schedule waste, water treatment plant, HIRAC, and HCV Management training. The management unit is able to show the result of training for each employees including the attendance list, training materi, photo documentation. All the employees training records are maintained on each estate and mill office.

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

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

5.1.1

The Companies have the environmental documents, such as:

- EIA document, legalized by Environmental Impact Management Agency, Kotawaringin Timur District No. 25/Komisi-Kotim/VIII/02 on August 9th 2002 for 17,500 hectare of estate and POM with 40 ton per hour capacity. EIA Analysis is conducted by Environment Research Institute of Palangkaraya University.
- Environmental management and monitoring effort document, legalized by Kotawaringin Timur District No: 188.45/293/Huk-BLH/2013 on May 30th 2013 in term of permit for POM construction of Gunung Makmur Mill and its supporting installation with capacity of 90 Ton of FFB / hour in Rantau Tampang Village, Telaga Antang Subdistrict, Kotawaringin Timur District.

According to the interview with Environment Agency of Kotawaringin Timur District, the company has had environmental permits like environment impact assessment and environmental management and monitoring effort which have been authorized and still legal. Replanting and its impact study has been analyzed and written in environmental impact assessment.

5.1.2 & 5.1.3

According to the review on document of environmental management and monitoring plan in 1st semester, the company has managed environment impact based on the EIA, such as, LCC planting, tree planting, EFB utilization, terrace making, routine machine maintenance, dust collector installation on boiler, dust and rust conveyor cover installation, filter installation on generator chimney, HCV signboard installation / prohibition, socialization of endanger species to workers and the locals, job opportunity and business to locals, empowering the local contractor, smallholder partnership with the locals, education fund assistance, spiritual program assistance, sport assistance, art assistance, public facility maintenance assistance, emission, ambient and noise quality test in 1&2nd semester of 2015, underground and surface water quality test in 1&2nd semester of 2015, aquatic biota test in 1st semester of 2015, reporting it to the related agency, and routine interview to recognize the local's perception.

However, Environmental monitoring has not been fully implemented and reported to related agency accordance with guidance of environmental documents, for example:

- Surface water quality test in 2nd semester of 2015
- Underground water at monitoring wells test in 2nd semester of 2015
- Aquatic biota test in 2nd semester of 2015

Based on the explanation, raised the **Non Conformance 2016.10 with minor category**

Minor 5.1.2	Status: Non Conformance 2016.10 with minor category	Open
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5.2

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

5.2.1.

The 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. Based on field observation in Lake Division 3 in BMKE, riparian of Penyauan River in BKCE and Riparan of Sangsang River in GMKE. There has provided signboard types of HCV, the stakes painted red is a boundary of spray program.

5.2.2. & 5.2.3.

Certificate holders has monitored the wildlife and the flora within PT. KMB area. According to the result of monitoring, there were 15 type of mammals and 14 type of mammals (both of them are protected). Other effort is carried out by planting trees as: *Samanea saman* and *Terminalia catappa* in riparian Sangsang river dated April 20th, 2016 each other 15 trees in block B024 and block A024.

Management unit (GMKE and BKCE) has socialized the presence of HCV and the protection of flora and fauna to all employees. In addition, Certificate holders have a policy about sanctions on captivity of Protected animals in accordance with Law No 5 of 1990 regarding Biodiversity Conservation. CH is encouraged to conduct capacity development of HCV officer including provides appropriate supporting facilities (**observation**).

5.2.4 & 5.2.5

The Certificate Holders has composed a HCV management plan based on recommendation in available HCV identification document, and had been monitoring HCV area as seen in monitoring result for year 2015. The monitoring result had been used as feed back to improvement of management plan. Certificate holders has been managing in the form of fencing and repairs to the scared site (HCV 6) in Ehang hills. There is a statement letter and agreement between company and local community to preserve a custom home of the Ehang hills.

Minor 5.2.3.	Status: Observation No. II	
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5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

5.3.1
According to the document review, there is no change on the documentation of waste source just like previous audit. Such as, waste from FFB production FFB transportation, workshop, CPO transportation, generator machine activity, boiler machine activity, kernel machine activity, spraying activity, clinic, housing complex and office.
According to the document of waste identification on 2015, the source of estate and mill waste are from workshop activity, fertilizer spreading and spraying, clinic, office and FFB production process. According to the field observation to BKCE estate, housing complex of division Divisi 5/6 generates organic and anorganic waste. Generator Station of Division 5/6 generates used oil, used filter and rag. Chemical Storage generates ex agrochemical pack. Clinic generates medical waste. Workshop generates used oil, used filter and rag. FFB Production Process generates solid waste (fiber and shell) and effluent.

5.3.2
According to the document review, the pesticide box waste are temporary stored on the licensed hazardous waste storage and delivered to the licensed collector, PT SBA. According to the field observation to fertilizer storage in region II of BKCE, there is one ex agrochemical pack in fertilizer storage of region II of BKCE. Considering that matter, the management unit has fixed the matter by sending one ex agrochemical pack to Hazardous Waste Storage of region II on April 28th 2016. According to the field observation to housing complex in division 5/6 BKCE, there is no use ex agrochemical pack. The settlers have understood the hazard of pesticide box due to the toxic substance. According to the field observation to BKCE hazardous waste storage, there is no stored ex agrochemical pack. All ex agrochemical pack have delivered to the licensed collector on April 6th 2016.

5.3.3
According to the field observation and interview with workshop worker, generator station worker, BKCE chemical storage officer, the generated hazardous waste are stored on the licensed hazardous waste and delivered to the licensed hazardous waste collector. According to the field observation and interview with the settler of division 5/6 BKCE, the organic and anorganic waste from settlement are collected on the trash can and then dumped to the landfill routinely. According to the field observation and interview with BKCE clinic Officer, the medical waste is temporary stored on the closed box and then delivered to the licensed hospital to be destroyed. However, based on the field observations on the hazardous waste of mill GMKM, founded the overflow of waste oils that comes from the overflow tank. Based on the explanation, raised the **Non Conformance 2016.11 with minor category**

Minor 5.3.3	Status: Non Conformance 2016.11 with minor category	Open
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5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.

The company has monitored the consumption of renewable energy generated by utilization of fiber and shell. Based on the data, the energy efficiency generated by the company on January 2016 is 0.002 Kwh / ton of FFB, Februari 2016 for 0.003 Kwh / ton of FFB and March 2016 for 0.002 Kwh / ton of FFB.

According to the field visit and interview with Officer in boiler, the shell and fiber are used as boiler fuel to generate energy.

	Status: Comply	
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5.5

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

5.5.1. & 5.5.2.

PT KMB never conduct replanting program since the ST-2 assessment till ASA-2 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.

5.6.1 & 5.6.2

According to the document review, the company has managed pollution such as (1) processed POME on WWTP pond, after that applied to land post the adjustment of pH and BOD to comply the government standard quality threshold, (2) generator maintenance periodically, install a dust collector, emission quality test periodically and the result of monitoring would be reported to the related agency, (3) machine maintenance periodically, install a dust collector, (3) emission quality test periodically and the result of monitoring would be reported to the related agency, (4) use of chemicals as recommended, (5) transportation maintenance periodically, (6) calculate GHG emission.

The company has tested the mill effluent quality on 2nd and 4th quarter of 2015 (see indicator 4.4.3). The result of the test shows that the parameters still comply the quality threshold. Besides, the company has conducted emission test of generator and boiler on November 28th 2015. It was authorized to Hyperkes and Work Safety laboratory, Banjarmasin. The result of the test shows that the parameters still comply the quality threshold.

According to the result of field observation to WWTP, 12 WWTP are on good condition in which there is no overflowing nor leakage to river or riparian area. Inlet and outlet flow meter is in good condition, and operator routinely recording debit for land application.

According to the result of interview with Environment Agency, the company has reported the environment impact monitoring and management on the report of environmental management and monitoring plan, such as report of environmental management and monitoring plan in 2nd semester of 2015 dated March 1st 2015.

According to the result of field visit to GMKE dan BKCE, there is no sign of land fire.

5.6.3

The company has calculated the GHG emission on 2015 by using Palm GHG. Total emission for GHG (LUC, POME, chemical usage, and transportation) for 2.25 tCO₂ / tCPO Product. However, the result of calculation is not yet reported to RSPO secretariat.

Based on the explanation, raised the **Non Conformance 2016.12 with minor category**

Major 5.6.3.	Status: Non Conformance 2016.12 with minor category	Open
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PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills

6.1

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

6.1.1 & 6.1.2

The management unit of Karya Makmur Bahagia has document of Social Impact Assessment was described social impact of plantation and mill operation. The Social Impact Assessment was done on 2012 collaboration with Faculty of Forestry, Bogor Institute Plantation. The scope of Social Impact Assessment are:

- Social condition (income, education and health aspects, etc)
- Conflict related of land tenure, labor relation, etc
- Community perception, expectation and aspiration to the company
- Identification of social issue and problem solve
- Identification of stakeholder
- Social Planning and implementation

The Social Impact Assessment was done by community participation in Focus Group Discussion. The community concerned in data

gathering was from several village surround. Those community are: Agung Mulya, Gunung Makmur, Tanjung Jurung, Waringin Agung, Bhakti Karya, Rantau Tampang and Tumbang Mangkup. In addition to, the data gathering by questionnaire from several village. The documents record was observed are:

1. Sample of Questionnaire
2. Respondent list (46 participant)
3. Summary of social impact assessment

6.1.3

The plan for mitigate or reduce of negative impact and increase of positive impact was described in environment monitoring and management plan report (RKL and RPL report). The aspects was monitored and manage related of social aspects consist of access to work and community income. The management unit also has have document of Social Management Plan 2016 till 2017. The auditor was observed the documentation meeting between company with the communities surround related Corporate Social Responsibility of PT KMB, for example: meeting record in Bukit Makmur Village, Tumbang Boloy Village and Rantau Tampang Village. The meeting is aim to arrange the management of social plan and the time frame. The company also was determine CSR officer in estate unit and Head Office for responsible in implementation, monitoring and evaluation of program has been done and/or still planning.

6.1.4

The company has document of Management Plan for 2016 – 2017. Related to community income increasing, the company was done of analyze of economy potentiality in village surround based on strategy of direct communication. The company also sighted the documentation of meeting with communities surround in related CSR program. These meeting is aim to evaluate the CSR program by PT KMB. There was observed sample of questionnaire from several village in relation of evaluation for Plan and Program of Social aspect was implemented by PT KMB.

6.1.5

The company has been done of smallholder program through cooperated with several Peasant Cooperation unit in village surround of plantation area. The process of Social Impact Assessment was done with participation by community surround including of smallholder in focus group discussion. These discussion was covering the representation of each village surround of plantation area, included of smallholder member.

Status: Comply

6.2

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

6.2.1

The company 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. The complaint and information request shall be response within 15 days. 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 related party by the management unit. The follow up of the result of consultation with the locals by PAD/CSR/management unit. These document has been socialization to workers on January 19, 2016 and March 18, 2016 (Attendant list and pictures was observed by auditor). The documentation record of socialization to village surround was sighted, for example in village of Tumbang Boloy, Gunung Makmur, Tumbang Mangkup, Rantau and Luwuk.

6.2.2

The company has been pointed personnel in charge related to consultation process based on the decree No. 129/SK/Kptsn/x/13 dated October 28th 2013. The PIC for dealing with that are Partnership Assistant, PAD Assistant and CSR Assistant. All the personnel in charge have been well recognized by the locals. The CSR officer was responsible for
The CSR Officer was responsibility in process of for arrange of CSR program since process of planning, assistance, monitoring, reporting and evaluation. The company has have job description that described of duty and role of each staff based on their level.

6.2.3

The stakeholders list was observed by auditor, these document contained of government in level of Province, District, sub District, Village, Cooperation Unit, University, Local Contractor, Supplier and Hospital. There was also sighted documentation process of socialization of Code of Conduct. Communication and Grievance Procedure in village surround (Tumbang Boloy, Gunung Makmur, Tumbang Mangkup, Rantau and Luwuk). The Socialization Material and pictures was observed.

Status: Comply

6.3

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

6.3.1

The company has procedure of Complaint and Grievance (KMB-SUST-SOP-45, Revised on August 5, 2015). These document as guidance in related of complaint and grievance receive from external and internal (employee). The personnel in charge for received and documented of complaint and grievance from related parties are Corporate Affair, Estate Controller and Mill Controller. The complaints will review and consulting with related party for overcome. Related to protection for whist blower, the company has have mechanism and was installed the notification announcement in estate, mill and several place surround of plantation area. The main point of these notification announcement was related to telephone number and email for addressed the information and the information from whist blower will keep.



Notification announcement of whist blower protection in plantation area

The procedure related to whist blower was socialization to employee and village surround. These document has been socialization to workers on January 19, 2016 and March 18, 2016 (Attendant list and pictures was observed by auditor). The documentation record of socialization to village surround was sighted, for example in village of Tumbang Boloy, Gunung Makmur, Tumbang Mangkup, Rantau and Luwuk.

6.3.2

Based on document verification of incoming and outgoing letter, interview with the workers and Gender Committee that knows was there area no significant complaint and grievance from another party. There was commonly aspiration related maintenance for the part of employee facilities.

Status: Comply

6.4

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

6.4.1 & 6.4.2

The company has document of land and crops compensation (SOP-PAD-001) in term of the procedure of land and crops compensation in overall of Bumitama Gunajaya Agro (BGA) operational area. Based on stakeholder consultation with related party (the Head of Village, informal leader, community) that knows the procedure was understand by the related party and has been socialized. The evidence of compensation to land owner in each estates and the participation of head of village as witnessed was documented in each estate. Overall of compensation document was keep as historical of land acquisition by company. All of document was signed by company representation, early land owner and included of government in village and sub district level.

6.4.3

Since the Stage 02 Audit until ASA 02, the PT Karya Makmur Bahagia did not expand the area of plantation. 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.

6.5.1.

The certificate holders determines minimum wages based on Government Regulation every year, the minimum wages in 2016 as regulated in Governor Decree No 53 of 2016 dated November 2nd, 2015 in term of the minimum wage standard and sectoral minimum wage standard on 2016 for East Kotawaringin District. The (agricultural, fisheries, forestry and plantation sectoral) minimum wage is IDR 2,277,634/month or IDR 91,105/days. The company has internal office memo No: 728/IOM/HC-BGA/XII/2015, dated December 28th, 2015 from Head Office Jakarta related of minimum wages adjustment, it will be valid at January 1st, 2016. Based on interview result with fertilizing workers in block D19 GMKE and spraying workers in block T24 BKCE, there were explain about provision of minimum wage year 2016 has valid at January 1st, 2016.

6.5.2.

Worker agreement between company and workers defided in 3 types:

- Non Permanent worker agreement. For example: Agreement No. 056/KMB-GMKE/SPK-PTT/VI/2015 dated June 1st, 2015 valid until June 1st, 2016.
- CPO Transport Contractor
- Permanent Workers using Company Regulation based on the decree of the Director General of Industrial Relation Guidance and Social Labor Agreement No. 346/PHIJSK-PKKAD/PP/IV/2014 dated April 7th, 2014 valid until December 31st, 2015.

Company payroll system is using payment slip to the workers, information in payment slip comprises of wages, allowance, deduction and nett wages.

According to document verification and interview with workers, it found **NCR No. 2016.13.** such as:

- Company Regulation the period of 2014-2016 has expired in January 1st, 2016.
- There are three harvester (no permanent worker) in GMKE has worked more than 21 days per month for three month in a row, they had no appointed as Permanent Daily Workers.
- There are a loose fruit picker in BKCE doesn't have the work agreement and she doesn't get wages according to law.

6.5.3.

The Certificate holders has prepared facilities for their worker, such as: Housing Complex (G2, G6, and G10); Day Care's, Elementary School, Junior High School and Senior High School, Mini Market, sport facilities such as: futsal, football, badminton, and volley ball. According to interview result with worker in estate and mill, they were explain that the facilities and infrastructure provided by the company was sufficient. Besides that adequate clean water facilities for sewage, while for drinking water their usually consumed from refills water in Mini Market. Residential electricity was use the generator, with operating hours from 18:00 to 22:00; then from 03.00 to 05.00.

According to field observation in workers residential Division III GMKE, it's known that some of septic tank in the leak condition. In addition, domestic waste sanitary conditions are less good. Based on the explanation, raised the **Non Conformance 2016.14 with minor category**



6.5.4.

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.

Major 6.5.2	Status:	Open
Minor 6.5.3	Non conformity 2016. 13. With major category	
	Non conformity 2016. 14 with minor category	

6.6

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

6.6.1.

The Certificate holders has encouraged the formation of worker union, according to interview with chairman of the Worker Union (*Serikat Pekerja Mandiri*). SPM was formed on November 19th, 2015 with statutes and organizational structure; the worker union is 39 peoples. In addition they has extend the "LKS Bipartiet" with Decree of the Head Manpower Agency No. 560.565/34KEP/HI-KESJA/II/2016 dated January 14th, 2016 with validity until 3 years.

6.6.2.

Latest meeting between Worker Union and the company is on March 12nd, 2016 the meeting attended by 8 workers and 4 staff. This meeting is discussed about worker registering on Health BPJS.

	Status: Comply	
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6.7

Children are not employed or exploited.

6.7.1.

The company has own policy signed by General Manager signed in July 2012, point 4 stated that: It is not allowed all children (below 18 years) to work in every activities/processes in company in accordance to Law No 13 of 2003 about Manpower and Law No 1 of 2000 about ILO Convention No 182 ratification.

According to document verification it known that all workers in Estate and Mill has aged over 18 years. In addition, based on interview with worker in estate and mill. They were explain that requirements to work apply is must be have Personal ID Card.

	Status: Comply	
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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.

6.8.1

PT Karya Makmur Bahagia has policy related to equity for all without non discrimination based on ethnic, religion and another group. These policy was describe in document of Company Responsibility to Employee (signed by Regonal Head). On the point one of these policy was explained that the company will give the equity chance in related work access without discrimination based on race, religion, ethnic group, sex, skin color, physical defect, sex orientation, politic affiliation and etc. These point also describe in Company Regulation section 4 in related to employee recruitment and promotion process.

6.8.2

Based document verification of Data Base of PT KMB Employee year 2016 that showed the composition employee was based on several back ground culture (Java, Bugineese, Dayak, Banjar and Melayu, etc) and different religion back ground. Interview result by the representation of employee and Gender Committee was knows that the workers perceive there is no discrimination each other. The company was give equity chance to all employee based on their skill and experience related to their responsibility.

6.8.3

The data base of employee in PT Karya Makmur Bahagia till April 2016 was observed. The company was documented all employee data base since early recruitment and was updated every year. There was also sighted document of medical surveillance both of general

medical check up and specific medical check up for the employee was worked at high risk area. The employee category as worked at high risk area for instance mill employee (boiler operator) and the sprayer team. The medical surveillance for employee was worked at risk area has been done for every six month per year. The medical check up was comprise of audiometric and cholinesterase test. Based on information from personnel department of PT KMB that knows every promotion and mutation process for employee will refer to evaluation result and track record every employee.

Status: Comply

6.9

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

6.9.1

The company has a policy of sexual harassment protection, the document was signed by Regional Head. These document was described about company responsibilities for protect both of woman worker from sexual harassment and the reproduction right. There was also available procedure for Sexual Harassment Protection (BGA-SOP-HC-311.2-RO). These procedure as reference for handle if any sexual harassment case to woman worker. The Gender Committee was established and the organization chart was sighted. The Gender Committee was aim to receive complaint from employee (Woman and men), campaign of right of woman and men in their family, and mediation of case related to sexual harassment. The company has been socialization these policy and procedure and document record of socialization, for example in Gunung Makmur Estate on April 19, 2016 and Bukit Kecubung Estate on April 22, 2016.

6.9.2

The company has been implemented of policy to protect the woman reproduction right and the documentation was sighted, for example:

- Mutation Degree Letter (No.00/SKM/WIL 1/GMKE/2016, date 29 February 2016) about mutation process for employee on behalf Agnes Heri from manure activity to emplacement maintenance in Gunung Makmur Estate Division 04. The worker was mutation based on recommendation by the nurse in related to pregnancy period.
- Propose letter from the employee on behalf of Kuwarin based on recommendation from nurse (No. 055/Klinik Wil-1/BGA/I/2016), date 26 March 2016. The worker was earn of leave period related to her natal period, valid from 11 April 2016 till 11 July 2016. The letter for leave period was signed by Estate Manager and Head of Administration Gunung Makmur Estate.

6.9.3

The company has procedure for Sexual Harassment Protection (BGA-SOP-HC-311.2-RO). These procedure as reference for handle if any sexual harassment case to woman worker. These procedure has been socialization, for example in Gunung Makmur Estate on April 19, 2016 and Bukit Kecubung Estate on April 22, 2016. Based on those procedure that knows personnel in charge for receive and documented the complaint from related party are Corporate Affair, Estate Controller and Mill Controller. The complaint will review and consulting to related party for overcome. Based on document verification of incoming and out going letter and interview with the workers and Gender Committee, there is no significant complaint from another party.

Status: Comply

6.10

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

6.10.1 and 6.10.2

Based on interview with local FFB supplier and Commercial Department, FFB prices implemented to local supplier refer to the prices that set monthly by the government (Governor of Kalimantan Tengah). Therefore, it prices could be more expensive than the government prices if FFB prices implemented by competitor. Commercial Department used to considering to raising price in order to get more FFB from local supplier. It is mechanism has been drafted on the agreement and no objection so far.

The information regarding to FFB prices can access real time from the government website, circular memorandum, short message service from Commercial Department staf etc. FFB prices also implemented in transparent way.

6.10.3

The company has a cooperative agreement with several parties. All agreement deal fairly, transparent and approved together. Cooperative Agreement Letter draft that has been returned to the parties to read its contents. If there has been a further agreement, the contract will be signed between the two sides on stamp duty and the copies held by each party. In the verified contracts contained clauses about the dispute resolution. It means, if there is a complaint, objection or dissatisfaction in the agreement at a later time, both parties who tied on the agreement are agreed settlement together by law in District Court that are designated together.

One of cooperative agreement between the company were FFB purchasing from local supplier. Through the public consultation known that FFB Purchasing agreement has been implemented according to the agreement. The agreement letter renewal annually.

6.10.4

The company has had a sales and purchase agreement with local FFB supplier which is set the payment period. However, based on payment receipt observation, the realization of payment is not accordance with the agreement. Based on the explanation, raised the **Non Conformance 2016.15 with minor category**

On the FFB Purchasing Agreement point 5: payment method stated that purchase will be paid 2 times a month. Payment will be paid maximum 10 day after invoice received by the company. However, based on public consultation and payment receipt, there were non compliances between payment and agreement. For example, FFB Purchasing dated March 1st until March 15th 2016, invoice received on March 26th 2016, paid on April 7th 2016. Based on local supplier information, late payment has been discussed together. However, they are still less satisfied.

Minor 6.10.4	Status: Non compliance 2016. 15 with minor category	Open
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6.11 Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The company contribution of local development was implemented in Corporate Social Responsibility, cooperation with local contractor and FFB buying from out grower. There was sighted documentation record of CSR program year of 2016 by the PT KMB. The CSR program consists of Local Business Development Program, Synergic Community Relations Program, Donation and Special Development Program. The meeting process between company and the community surround related to CSR program arrange based on input by the community it was observed by auditor. The sample of recorded of meeting are:

- Documentation meeting in Bukit Makmur Village, date on 8 till 9 September 2015 in related community aspiration for village road maintenance.
- Documentation meeting in Tumbang Sepayang Village, dated on 16 October 2015 in related to preparation for free medical check up for the community
- Documentation meeting in Buana Mustika Village dated on 4 November 2015 in related to productive activity arrange
- Documentation meeting in Tumbang Boloi Village dated on 18 November 2015 related to propose from community for facility of fresh water tank.

There was also sighted documentation record of cooperation with PT Karya Makmur Bahagia and local contractor related to worker house development and FFB buying from local out grower.

6.11.2

The company has been implemented of smallholder program with *full manage* system. Overall of plantation manage was handle by the company and the cooperation unit as representation by the community was monitored all operational activities and earn the report form the PT KMB in every month. The smallholder member in each cooperation unit was earn the production sharing from the company. The PT KMB has been done of training for smallholder member. There was sighted documentation record of Socialization of Smallholder Program and Palm Oil Plantation System in Bukit Makmur Village, dated on 18 November 2015 and Rantau Tampang Village dated on 25 November 2015. Based on information by CSR staff of PT KMB that knows it aim to dissemination of knowledge to community surround about how to manage the palm oil plantation.

Status: Comply

6.12 No forms of forced or trafficked labour are used.

6.12.1

Based on employee data base of PT Karya Makmur Bahagia per April 2016 and information from Human Resource Department, there is no migrant worker and mobilization worker from another area in PT KMB until now. Overall the workers area Indonesian citizenship and come from several Province (Central Java, West Java, East Java, South of Celebes, etc) and several from local and regional area of Kalimantan (Dayak and Banjar). The new employee recruitment in PT KMB based on company need refer to company standard. The PT Karya Makmur Bahagia has procedure in new employee recruitment (SOP Corporate Communication & Sustainability Department-Recruitment - KMB-SOP-HRD-001.1-RO).

Based on document verification and interview with Human Resource Department staff Region I that knows if employee recruitment in

PT KMB was done based on company needed. The applicant will selection with medical test in company clinic facility and verification of citizenship card. Process of new employee recruitment consist of planning period, publication, administration selection, interview process, medical test, work agreement signed and staffing process. The document process of new employee was observed. Overall employee data base related to recruitment process was documented in Regional Office and Estate Office.

6.12.2

The documentation process in early period of employee recruitment was sighted. The document consist of Application Form, Work Agreement and Payment Slip. Based on document verification for three employee (harvester), there is no indication of contract substitution. The employee has been staffing appropriate and based on work agreement has been signed by each employee.

6.12.3

Based on employee data base of PT Karya Makmur Bahagia per April 2016 and information from Human Resource Department, there is no migrant worker and mobilization worker from another area in PT KMB until now. Overall the workers area Indonesian citizenship and come from several Province (Central Java, West Java, East Java, South of Celebes, etc) and several from local and regional area of Kalimantan (Dayak and Banjar).

	Status: Comply	
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6.13

Growers and millers respect human rights

Indicator 6.13.1

The company has policy Company Responsibility to Employee, these document was contained of Human Right Protection. These document was signed by Regional Head I dated on 6 November 2015. These policy has been socialization to employee and was published several pamphlet and brochure contained information related Human Right protection.

The personnel in charge for giving information related to Human Right information to operational level was depend on each aspect. For example, in operational office level was pointed staff of Public Relation for inform those policy and related to field operational, for example harvest and manure area was pointed Foreman for responsible to giving information to the workers. The documentation of socialization process was sighted, however the socialization process not fully cover all operation level and not yet fully communicated. Based on the explanation, raised the **Non Conformance 2016.16 with major category**

Based on stakeholder consultation with workers and the Gender Committee, and consultation with external stakeholder (Village government, informal leader and Villager) there is no indication of human right abuse in surround of plantation area of PT KMB.

Major 6.13.1	Status: Non Compliance 2016.16 Major category	Open
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PRINCIPLE #7 Responsible development of new plantings

7.1

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

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 January 1st 2010.

	Status: Comply	
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7.2

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

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 January 1st 2010.

Status: Comply

7.3

New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.

7.3.1.; 7.3.2.; 7.3.4.; 7.3.5.

The audit team was shown the email from RSPO Compensation Executive (Dillon Sarim) to Head of Sustainability BGA dated April 25th, 2016. It was explained that the process of review by reviewer LUCA report had been received:

There is two report (PT. Karya Makmur Bahagia and PT. Gunajaya Karya Gemilang) was passed and will be endorsed by a compensation panel. But for PT. Gunajaya Ketapang Sentosa and PT. Windu Nabatindo Lestari was passed with minor clarification.

7.3.3

There was no to be shown the date of Land Clearing beginning, for Land Clearing Activities after November 2005. Based on the explanation, raised the **Non Conformance 2016.17 with minor category**

Minor 7.3.3. Status: Non Conformance 2016.17 with minor category

Open

7.4

Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.

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 January 1st 2010.

Status: Comply

7.5

No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

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 January 1st 2010.

The management unit was sighted the documents of land compensation to land owner. These documents was filed in PT KMB office and was verified by auditor team on NPP verification in 2013. FPIC process have been showed by evidences of land compensation process, for examples; Letter of Land Delivery (included attachment of land position & boundaries), Citizenship Card of land owner and Payment Receive by company to land owner.

Status: Comply

7.6

Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

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 January

<p>1st 2010.</p> <p>The management unit was sighted the documents of land compensation to land owner. These documents was filed in PT KMB office and was verified by auditor team on NPP verification in 2013.</p> <p>Process of land right release and land indemnity has been done by the company with transparently and there is no pressure by another parties. Before land compensation execute by the PT TTL, socialization process was carry out by company to land owner. Identification process and land measuring was engaged by another land owner surround and the process was witnessed by head of sub District and Head of Village.</p>
<p>Status: Comply</p>
<p>7.7</p> <p>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.</p> <p>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.</p> <p>PT KMB has conducted RSPO New Planting Procedure (NPP) assessment on December 10th 2013 for the land clearing post January 1st 2010.</p>
<p>Status: Comply</p>
<p>7.8</p> <p>New plantation developments are designed to minimise net greenhouse gas emissions.</p> <p>According to the document review of area statement and based on the field visit to Gunung Makmur Estate and Bukit Kecubung Estate, the company does not expand for new estate nor operational area post January 1st 2015. However, according to the review of GHG emission document on 2015, the company has calculated the GHG emission on 2015 by using PalmGHG. Total emission for GHG (LUC, POME, chemical usage, and transportation) for 2.25 tCO₂ / tCPO Product.</p> <p>The company has reduced GHG emission like not doing land utilization post January 1st 2015; chemical usage like fertilizer and pesticide based on recommendation; fuel usage and lubricant usage based on budget; processing on WWTP, application on land (land application) post makin pH and BOD based on quality threshold; routine maintenance for machine (transportation and generator; calculating the GHG emission from LUC program, consumption of fuel and lubricant, chemical usage (fertilizer and pesticide), POME, transportation and generator; forming fire brigade team, equipping the fire brigade with proper fire extinguisher stuff, land fire patrol, simulation of land fire and reporting the result of management to the related agencies.</p>
<p>Status: Comply</p>
<p>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</p>
<p>8.1</p> <p>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</p> <p>Social Impact</p> <p>In related to social impact, the management of PT Karya Makmur Bahagia has Yearly Social Management Plan and has been evaluated periodically by CSR Staff through direct communication strategy to community and aim for assess of economic potentiality. Meeting result with related party will be a reference for yearly evaluation process related to Plan and Program has been done and arrange of plan for next year.</p> <p>From the ASA-2 findings the auditor team considers that there is a systematic failure associated with the recurrence of a mismatch againsts the results of previous audits (ST-2 and ASA-1)</p> <ol style="list-style-type: none"> 1. Implementation of policies OHS. It's not in accordance with the guidelines on the criteria of 4.7 about safety and health plans are documented work effectively communicated, and implemented. For example: related to fulfillment of the first aid content and no record use first aid kit. 2. Implementation of Manpower laws, work agreement or directly work agreement in accordance to indicators 6.5.2. <p>Based on the explanation, raised the Non Conformance 2016.18 with majorr category</p>

8.1	Status: Major Non Conformity with No. 2016.18.	Open
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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.																		
Gunung Makmur Mill has a procedure regarding Supply Chain System used. Mill implements Mass Balance scheme with Module E. Gunung Makmur Mill receives FFB from own estates and third party suppliers – smallholders and growers which are not within the certification scope																		
<table><tr><th>Certified Estates</th><th>Non Certified supply bases</th></tr><tr><td>Gunung Makmur Estate (GMKE)</td><td>Beringin Agung Estate (BAGE)</td></tr><tr><td>Bukit Kecubung Estate (BKCE)</td><td>Bukit Hijau Estate (BHJE)</td></tr><tr><td>Bukit Makmur Estate (BMKE)</td><td>Sungai Meraya Estate (SMRE)</td></tr><tr><td>Sungai Mentaya Estate (SMNE)</td><td>Kelompok Tani Tanjung Harapan</td></tr><tr><td>Bukit Daman Estate (BDME)</td><td>Koperasi Waringin Jaya</td></tr><tr><td></td><td>Koperasi Mekar Jaya</td></tr><tr><td></td><td>Koperasi Tri Daya</td></tr></table>			Certified Estates	Non Certified supply bases	Gunung Makmur Estate (GMKE)	Beringin Agung Estate (BAGE)	Bukit Kecubung Estate (BKCE)	Bukit Hijau Estate (BHJE)	Bukit Makmur Estate (BMKE)	Sungai Meraya Estate (SMRE)	Sungai Mentaya Estate (SMNE)	Kelompok Tani Tanjung Harapan	Bukit Daman Estate (BDME)	Koperasi Waringin Jaya		Koperasi Mekar Jaya		Koperasi Tri Daya
Certified Estates	Non Certified supply bases																	
Gunung Makmur Estate (GMKE)	Beringin Agung Estate (BAGE)																	
Bukit Kecubung Estate (BKCE)	Bukit Hijau Estate (BHJE)																	
Bukit Makmur Estate (BMKE)	Sungai Meraya Estate (SMRE)																	
Sungai Mentaya Estate (SMNE)	Kelompok Tani Tanjung Harapan																	
Bukit Daman Estate (BDME)	Koperasi Waringin Jaya																	
	Koperasi Mekar Jaya																	
	Koperasi Tri Daya																	
Throughout 2016 , Bukit Kecubung Estate and Bukit Makmur Estate do not supply FFB to Gunung Makmur Mill .																		
	Status: Full compliance																	
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.																		
The estimates tonnage of CPO and Kernel products has been defined by Mutuagung Lestari. Gunung Makmur Mill has procedure of Supply Chain Certification System (SCCS) described in SOP-KMB-Sust-SOP43, Revision 2 dated August 5, 2015. This procedure requires that actual volume CPO and Kernel certified, are calculated based on the daily reports of production.																		
<table><tr><th colspan="2">The previously volume of certified products in the Certificate Mutu-RSPO/045 (July 21, 2015 to July 20, 2016)</th><th colspan="2">The actual volume of certified products (July 21, 2015 to April 26, 2016)</th></tr><tr><td>FFB</td><td>219,907</td><td>FFB</td><td>92,760</td></tr><tr><td>CPO</td><td>50,579</td><td>CPO</td><td>21,343</td></tr><tr><td>CSPK</td><td>10,995</td><td>CSPK</td><td>4,124</td></tr></table>			The previously volume of certified products in the Certificate Mutu-RSPO/045 (July 21, 2015 to July 20, 2016)		The actual volume of certified products (July 21, 2015 to April 26, 2016)		FFB	219,907	FFB	92,760	CPO	50,579	CPO	21,343	CSPK	10,995	CSPK	4,124
The previously volume of certified products in the Certificate Mutu-RSPO/045 (July 21, 2015 to July 20, 2016)		The actual volume of certified products (July 21, 2015 to April 26, 2016)																
FFB	219,907	FFB	92,760															
CPO	50,579	CPO	21,343															
CSPK	10,995	CSPK	4,124															
	Status: Full Compliance																	
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).																		

Gunung Makmur Mill has registered to the RSPO IT Platform, member registration number RSPO_PO1000001684. The Mill do not claims the product sales of CPO and Kernel certified. Verification of weightbridge slip and sales contract, No claims of RSPO Product.

No Certified CPO sold to each buyer period of 21 Juli 2015 to 26 April 2016.

No Certified Kernel sold to each buyer period of 21 Juli 2015 to 26 April 2016.

Table 1 Loading CPO to buyer

Tanggal	Buyers	No Kontrak	Quantity
24-Jul-15	PT Wilmar Nabati Indonesia	1100003900/8104067887/1200004036	1,000,000
28-Jul-15	PT Wilmar Nabati Indonesia	1100003900/8104067887/1200004037	1,000,000
28-Jul-15	PT Wilmar Nabati Indonesia	1100003900/8104067887/1200004038	495,510
28-Jul-15	PT Wilmar Nabati Indonesia	1100003900/8104067887/1200004038	557,450
9-Aug-15	PT Sumber Indah Perkasa	1100003856/1200004092	2,500,000
15-Aug-15	PT Wilmar Nabati Indonesia	1100003965/8104068896/1200004114	1,500,000
23-Aug-15	PT Sumber Indah Perkasa	1100003890/1200004018	2,500,000
5-Sep-15	PT Sumber Indah Perkasa	1100003896/1200004031	2,500,000
18-Sep-15	PT Sumber Indah Perkasa	001/Ho-Lms/Viii/2015	1,200,000
		244/Ho/Sipb/Ix/2015	
23-Sep-15	PT Sumber Indah Perkasa	1100003980/1200004182	2,000,000
25-Sep-15	PT Sumber Indah Perkasa	249/Ho/Ktrk/Ix/2015	1,300,000
		249/Ho/Sipb/Ix/2015	22,000
6-Oct-15	PT Sumber Indah Perkasa	1100003997/1200004203	2,000,000
12-Oct-15	PT Wilmar Nabati Indonesia	1100004128/1200004321	1,250,000
17-Oct-15	PT Sumber Indah Perkasa	258/Ho/Ktrk/X/15	1,000,000
		258/Ho/Sipb/X/15	
17-Oct-15	PT Sumber Indah Perkasa	1200004287	300,000
17-Oct-15	PT Sumber Indah Perkasa	120004265	1,700,000
28-Oct-15	PT Wilmar Nabati Indonesia	1100004212/8104072384/1200004443	1,000,000
30-Oct-15	PT Sukajadi Sawit Mekar	1100004425/1200004463	750,000
6-Nov-15	PT Wilmar Nabati Indonesia	1100004171/8104071082/1200004373	1,000,000
		1100004172/8104071313/1200004374	1,000,000
		1100004173/8104071669/1200004375	500,000
16-Nov-15	PT Sumber Indah Perkasa	1100004153/1200004350	1,000,000
		1100004422/1200004422	1,500,000
21-Nov-15	PT Sukajadi Sawit Mekar	1100004240/1200004481	1,500,000
29-Nov-15	PT Wilmar Nabati Indonesia	1100004301/8104071670/1200004557	2,200,000
17-Dec-15	PT Sukajadi Sawit Mekar	1100004408/1200004719	1,500,000
22-Dec-15	PT Asianagro Agung Jaya	1100004349/1200004708	750,000
29-Dec-15	PT Sumber Indah Perkasa	1100004385/1200004688	2,500,000
6-Jan-16	PT Asianagro Agung Jaya	1100004404/1100004404/1200004763	1,000,000
12-Jan-16	PT Wilmar Nabati Indonesia	1100004399/8104073951/1200004707	997,610
18-Jan-16	PT Wilmar Nabati Indonesia	1100004445/8104074387/1200004764	1,697,830
21-Jan-16	PT Wilmar Nabati Indonesia	1100004485/8104074133/12000048196	1,550,000
26-Jan-16	PT Wilmar Nabati Indonesia	1100004486/8104073371/1200004820	2,000,000
6-Feb-16	PT Sukajadi Sawit Mekar	1100004456/1200004777	1,000,000
		1100004457/1200004778	500,000
		1100004480/1200004814	50,000
		1100004522/1200004862	450,000
13-Feb-16	PT Wilmar Nabati Indonesia	1100004524/810407949/1200004919	750,000
		1100004567/8104074289/1200004920	750,000
19-Feb-16	PT Wilmar Nabati Indonesia	1100004567/8104074289/1200004936	1,000,000
24-Feb-16	PT Sinar Alam Permai	1100004275/1140042266/1200004525	1,500,000
27-Feb-16	PT Asianagro Agung Jaya	1100004564/1200004915	900,000
26-Feb-16	PT Asianagro Agung Jaya	1100004584/1200005085	500,000
5-Mar-16	PT Wilmar Nabati Indonesia	1100004604/8104075638/1200004974	2,200,000
5-Mar-16	PT Wilmar Nabati Indonesia	1100004603/8104074389/1200004973	100,000
5-Mar-16	PT Wilmar Nabati Indonesia	1100004605/8104075639/1200004975	500,000
15-Mar-16	PT Sumber Indah Perkasa	1100004583/1200004944	2,000,000
18-Mar-16	PT Sumber Indah Perkasa	1100004563/1200005032	500,000
		1100004614/1200004985	1,200,000
25-Mar-16	PT Sinar Alam Permai	1100004714/1200005108	1,100,000
31-Mar-16	PT Sinar Alam Permai	1100004602/1200004967	900,000
6-Apr-16	PT Sinar Alam Permai	1100004718/1200005118	1,000,000
14-Apr-16	PT Wilmar Nabati Indonesia	1100004658/1200005045	1,000,000

15-Apr-16	PT Asianagro Agung Jaya	1100004654/1200005160	850,000
22-Apr-16	PT Asianagro Agung Jaya	1100004654/1200005160	998,820
Total			65,019,220

Table 2 Loading Kernel to buyer

Tanggal	Buyers	Kontrak	Quantity
21-Jul-15	PT. Wilmar Nabati Indonesia	1200004009	94,480
22-Jul-15	PT. Wilmar Nabati Indonesia	1200004009	22,730
23-Jul-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	58,760
24-Jul-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	33,640
25-Jul-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	34,720
26-Jul-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	8,150
27-Jul-15	PT. Wilmar Nabati Indonesia		106,280
29-Jul-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	174,090
31-Jul-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	71,180
1-Aug-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	8,530
2-Aug-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	42,380
3-Aug-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	43,080
4-Aug-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	8,590
5-Aug-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	53,140
6-Aug-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	8,820
8-Aug-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	26,870
		1200004105	
9-Aug-15	PT. Wilmar Nabati Indonesia	1200004105	8,680
10-Aug-15	PT. Wilmar Nabati Indonesia	1200004105	121,090
11-Aug-15	PT. Wilmar Nabati Indonesia	1200004105	145,520
12-Aug-15	PT. Wilmar Nabati Indonesia	1200004071	50,710
13-Aug-15	PT. Wilmar Nabati Indonesia	1200004071	7,570
14-Aug-15	PT. Wilmar Nabati Indonesia	1200004071	8,580
18-Aug-15	PT. Wilmar Nabati Indonesia	1200004071	164,190
19-Aug-15	PT. Wilmar Nabati Indonesia	1200004190	156,180
20-Aug-15	PT. Wilmar Nabati Indonesia	1200004190	137,150
21-Aug-15	PT. Wilmar Nabati Indonesia	1200004190	37,020
22-Aug-15	PT. Wilmar Nabati Indonesia	1200004190	9,000
24-Aug-15	PT. Wilmar Nabati Indonesia	1200004190	35,930
27-Aug-15	PT. Wilmar Nabati Indonesia	1200004190	53,090
28-Aug-15	PT. Wilmar Nabati Indonesia	1200004211	8,540
1-Sep-15	PT. Wilmar Nabati Indonesia	1200004211	51,470
2-Sep-15	PT. Wilmar Nabati Indonesia	1200004211	33,430
3-Sep-15	PT. Wilmar Nabati Indonesia	1200004211	76,990
4-Sep-15	PT. Wilmar Nabati Indonesia	1200004211	59,390
5-Sep-15	PT. Wilmar Nabati Indonesia	1200004211	68,120
7-Sep-15	PT. Wilmar Nabati Indonesia	1200004231	211,040
8-Sep-15	PT. Wilmar Nabati Indonesia	1200004231	179,330
9-Sep-15	PT. Wilmar Nabati Indonesia	1200004231	55,370
10-Sep-15	PT. Wilmar Nabati Indonesia	1200004231	8,300
11-Sep-15	PT. Wilmar Nabati Indonesia	1200004231	77,800
12-Sep-15	PT. Wilmar Nabati Indonesia	1200004250	25,620
13-Sep-15	PT. Wilmar Nabati Indonesia	1200004250	8,160
14-Sep-15	PT. Wilmar Nabati Indonesia	1200004250	9,180
15-Sep-15	PT. Wilmar Nabati Indonesia	1200004250	77,970
16-Sep-15	PT. Wilmar Nabati Indonesia	1200004250	91,370
17-Sep-15	PT. Wilmar Nabati Indonesia	1200004250	8,970

18-Sep-15	PT. Wilmar Nabati Indonesia	1200004250	7,980
21-Sep-15	PT. Wilmar Nabati Indonesia	1200004250	50,730
22-Sep-15	PT. Wilmar Nabati Indonesia	1200004268	131,970
23-Sep-15	PT. Wilmar Nabati Indonesia	1200004268	35,750
25-Sep-15	PT. Wilmar Nabati Indonesia	1200004268	92,330
26-Sep-15	PT. Wilmar Nabati Indonesia	1200004268	8,440
27-Sep-15	PT. Wilmar Nabati Indonesia	1200004268	7,670
28-Sep-15	PT. Wilmar Nabati Indonesia	1200004268	83,550
29-Sep-15	PT. Wilmar Nabati Indonesia	1200004268	42,590
30-Sep-15	PT. Wilmar Nabati Indonesia	1200004313	86,540
1-Oct-15	PT. Wilmar Nabati Indonesia	1200004313	50,540
2-Oct-15	PT. Wilmar Nabati Indonesia	1200004313	59,030
3-Oct-15	PT. Wilmar Nabati Indonesia	1200004313	32,960
4-Oct-15	PT. Wilmar Nabati Indonesia	1200004313	8,410
5-Oct-15	PT. Wilmar Nabati Indonesia	1200004313	16,660
6-Oct-15	PT. Wilmar Nabati Indonesia	1200004313	9,170
7-Oct-15	PT. Wilmar Nabati Indonesia	1200004337	52,150
8-Oct-15	PT. Wilmar Nabati Indonesia	1200004337	34,930
9-Oct-15	PT. Wilmar Nabati Indonesia	1200004337	68,860
10-Oct-15	PT. Wilmar Nabati Indonesia	1200004337	41,510
12-Oct-15	PT. Wilmar Nabati Indonesia	1200004337	17,270
13-Oct-15	PT. Wilmar Nabati Indonesia	1200004337	18,370
14-Oct-15	PT. Wilmar Nabati Indonesia	1200004337	52,190
		1100004158/8104071963/1200004368	
15-Oct-15	PT. Wilmar Nabati Indonesia	1200004355	43,130
		1100004158/8104071963/1200004368	
16-Oct-15	PT. Wilmar Nabati Indonesia	1200004355	119,700
		1100004158/8104071963/1200004368	
17-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	155,150
18-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	53,440
19-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	279,000
20-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	113,470
21-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	116,370
22-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	94,040
23-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	16,780
24-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	16,220
25-Oct-15	PT. Wilmar Nabati Indonesia		-
26-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	8,270
27-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	34,890
28-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	96,550
29-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	59,550
30-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	51,140
31-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	34,760
1-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	8,890
3-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	60,810
4-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	34,280
5-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	16,530
6-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	44,610
7-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	25,780
9-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	73,940
10-Nov-15	PT. Wilmar Nabati Indonesia	1100004238/8104072657/1200004479	47,650
		1100004158/8104071963/1200004368	
11-Nov-15	PT. Wilmar Nabati Indonesia	1100004238/8104072657/1200004479	107,390
		1100004158/8104071963/1200004368	
12-Nov-15	PT. Wilmar Nabati Indonesia	1100004238/8104072657/1200004479	68,440
		1100004158/8104071963/1200004368	

13-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004367	134,710
		1100004238/8104072657/1200004479	
14-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004367	15,680
		1100004238/8104072657/1200004479	
16-Nov-15	PT. Wilmar Nabati Indonesia	1100004238/8104072657/1200004479	17,050
17-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004367	58,340
18-Nov-15	PT. Wilmar Nabati Indonesia	1100004238/8104072657/1200004479	32,950
19-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004367	64,690
20-Nov-15	PT. Wilmar Nabati Indonesia	1100004238/8104072657/1200004479	8,330
21-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004367	33,400
22-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004367	96,680
		1100004287/8104073099/1200004541	
23-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004367	34,640
		1100004238/8104072657/1200004479/	
		1100004287/8104073099/1200004541	
24-Nov-15	PT. Wilmar Nabati Indonesia	1100004238/8104072657/1200004479	34,150
		1100004287/8104073099/1200004541	
25-Nov-15	PT. Wilmar Nabati Indonesia	1100004238/8104072657/1200004479	25,150
		1100004287/8104073099/1200004541	
26-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004367	41,200
		1100004287/8104073099/1200004541	
27-Nov-15	PT. Wilmar Nabati Indonesia	1100004287/8104073099/1200004541	66,530
28-Nov-15	PT. Wilmar Nabati Indonesia	1100004265/8104072921/1200004515	68,110
29-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004367	24,070
		1100004265/8104072921/1200004515	
30-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004367	221,350
		1100004265/8104072921/1200004515	
1-Dec-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004367	176,070
		1100004265/8104072921/1200004515	
2-Dec-15	PT. Wilmar Nabati Indonesia	1100004265/8104072921/1200004515	34,580
3-Dec-15	PT. Wilmar Nabati Indonesia	1100004314/8104073346/1200004592	34,770
4-Dec-15	PT. Wilmar Nabati Indonesia	1100004314/8104073346/1200004592	55,750
5-Dec-15	PT. Wilmar Nabati Indonesia	1100004314/8104073346/1200004592	64,240
7-Dec-15	PT. Wilmar Nabati Indonesia	1100004314/8104073346/1200004592	40,260
8-Dec-15	PT. Wilmar Nabati Indonesia	1100004314/8104073346/1200004592	50,300
10-Dec-15	PT. Wilmar Nabati Indonesia	1100004364/8104073644/1200004658	59,860
12-Dec-15	PT. Wilmar Nabati Indonesia	1100004364/8104073644/1200004658	55,940
13-Dec-15	PT. Wilmar Nabati Indonesia	1100004364/8104073644/1200004658	15,700
14-Dec-15	PT. Wilmar Nabati Indonesia	1100004364/8104073644/1200004658	32,490
16-Dec-15	PT. Wilmar Nabati Indonesia	1100004364/8104073644/1200004658	16,590
17-Dec-15	PT. Wilmar Nabati Indonesia	1100004364/8104073644/1200004658	49,610
18-Dec-15	PT. Wilmar Nabati Indonesia	1100004364/8104073644/1200004658	32,360
19-Dec-15	PT. Wilmar Nabati Indonesia	1100004364/8104073644/1200004658	24,550
20-Dec-15	PT. Wilmar Nabati Indonesia	1100004364/8104073644/1200004658	32,790
21-Dec-15	PT. Wilmar Nabati Indonesia	1100004364/8104073644/1200004658	49,360
22-Dec-15	PT. Wilmar Nabati Indonesia	1100004364/8104073644/1200004658	100,520
26-Dec-15	PT. Wilmar Nabati Indonesia	1100004364/8104073644/1200004658	16,920
28-Dec-15	PT. Wilmar Nabati Indonesia	1100004419/8104073930/1200004730	23,810
		1100004364/8104073644/1200004658	
29-Dec-15	PT. Wilmar Nabati Indonesia	1100004419/8104073930/1200004730	118,760
		1100004364/8104073644/1200004658	
30-Dec-15	PT. Wilmar Nabati Indonesia	1100004419/8104073930/1200004730	203,820
31-Dec-15	PT. Wilmar Nabati Indonesia	1100004419/8104073930/1200004730	118,800
2-Jan-16	PT. Wilmar Nabati Indonesia	1100004419/8104073930/1200004730	97,210
4-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	259,220
5-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	75,230
7-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	128,120

8-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	8,120
		1100004424/8104074375/1200004735	
9-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	67,270
		1100004424/8104074375/1200004735	
11-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	33,490
		1100004424/8104074375/1200004735	
12-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	51,350
		1100004424/8104074375/1200004735	
13-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	40,960
		1100004424/8104074375/1200004735	
14-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	42,070
		1100004424/8104074375/1200004735	
15-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	25,250
		1100004424/8104074375/1200004735	
16-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	52,350
		1100004424/8104074375/1200004735	
17-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	15,580
		1100004424/8104074375/1200004735	
18-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	8,490
		1100004424/8104074375/1200004735	
19-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	33,740
		1100004424/8104074375/1200004735	
20-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	32,150
		1100004424/8104074375/1200004735	
21-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	8,760
		1100004424/8104074375/1200004735	
22-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	26,060
		1100004424/8104074375/1200004735	
25-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	27,920
		1100004424/8104074375/1200004735	
26-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	47,510
		1100004424/8104074375/1200004735	
28-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	89,280
29-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	116,170
30-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	59,970
1-Feb-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	17,430
2-Feb-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	57,330
4-Feb-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	86,710
5-Feb-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	41,830
6-Feb-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	25,110
9-Feb-16	PT. Wilmar Nabati Indonesia	1100004442/8104074125/1200004760	57,470
10-Feb-16	PT. Wilmar Nabati Indonesia	1100004442/8104074125/1200004760	33,180
11-Feb-16	PT. Wilmar Nabati Indonesia	1100004442/8104074125/1200004760	88,730
12-Feb-16	PT. Wilmar Nabati Indonesia	1100004442/8104074125/1200004760	26,110
15-Feb-16	PT. Wilmar Nabati Indonesia	1100004519/8104074809/1200004859	110,320
		1200004952	
16-Feb-16	PT. Wilmar Nabati Indonesia	1100004519/8104074809/1200004859	143,560
		1200004952	
20-Feb-16	PT. Wilmar Nabati Indonesia	1200004982	83,950
		1200004952	
21-Feb-16	PT. Wilmar Nabati Indonesia	1200004982	55,830
		1200004952	
22-Feb-16	PT. Wilmar Nabati Indonesia	1200004982	57,080
		1200004952	
23-Feb-16	PT. Wilmar Nabati Indonesia	1200004982	60,780
24-Feb-16	PT. Wilmar Nabati Indonesia	1200004982	123,370
25-Feb-16	PT. Wilmar Nabati Indonesia	1200004982	24,510
26-Feb-16	PT. Wilmar Nabati Indonesia	1200004982	56,770
27-Feb-16	PT. Wilmar Nabati Indonesia	1200004982	39,410

2-Mar-16	PT. Wilmar Nabati Indonesia	1100004645/8104076441/1200005028	78,330
3-Mar-16	PT. Wilmar Nabati Indonesia	1100004645/8104076441/1200005028	7,490
4-Mar-16	PT. Wilmar Nabati Indonesia	1100004645/8104076441/1200005028	74,360
5-Mar-16	PT. Wilmar Nabati Indonesia	1100004645/8104076441/1200005028	64,830
7-Mar-16	PT. Wilmar Nabati Indonesia	1100004645/8104076441/1200005028	57,900
8-Mar-16	PT. Wilmar Nabati Indonesia	1100004662/8104075632/1200005049	142,280
10-Mar-16	PT. Wilmar Nabati Indonesia	1100004662/8104075632/1200005049	65,170
11-Mar-16	PT. Wilmar Nabati Indonesia	1100004662/8104075632/1200005049	41,430
		1100004681/8104076725/1200005059	
12-Mar-16	PT. Wilmar Nabati Indonesia	1100004662/8104075632/1200005049	50,030
		1100004681/8104076725/1200005059	
14-Mar-16	PT. Wilmar Nabati Indonesia	1100004662/8104075632/1200005049	41,910
		1100004681/8104076725/1200005059	
15-Mar-16	PT. Wilmar Nabati Indonesia	1100004662/8104075632/1200005049	75,110
		1100004681/8104076725/1200005059	
16-Mar-16	PT. Wilmar Nabati Indonesia	1100004662/8104075632/1200005049	41,450
		1100004681/8104076725/1200005059	
18-Mar-16	PT. Wilmar Nabati Indonesia	1100004662/8104075632/1200005049	69,420
		1100004681/8104076725/1200005059	
19-Mar-16	PT. Wilmar Nabati Indonesia	1100004681/8104076725/1200005059	24,830
20-Mar-16	PT. Wilmar Nabati Indonesia	1100004681/8104076725/1200005059	39,240
22-Mar-16	PT. Wilmar Nabati Indonesia	1100004701/8104076966/1200005083	33,180
		1100004681/8104076725/1200005059	
23-Mar-16	PT. Wilmar Nabati Indonesia	1100004701/8104076966/1200005083	41,300
24-Mar-16	PT. Wilmar Nabati Indonesia	1100004701/8104076966/1200005083	55,460
25-Mar-16	PT. Wilmar Nabati Indonesia	1100004701/8104076966/1200005083	33,230
26-Mar-16	PT. Wilmar Nabati Indonesia	1100004701/8104076966/1200005083	40,320
27-Mar-16	PT. Wilmar Nabati Indonesia	1100004701/8104076966/1200005083	39,210
28-Mar-16	PT. Wilmar Nabati Indonesia	1100004701/8104076966/1200005083	24,080
29-Mar-16	PT. Wilmar Nabati Indonesia	1100004719/8104077236/1200005120	67,400
30-Mar-16	PT. Wilmar Nabati Indonesia	1100004719/8104077236/1200005120	89,720
31-Mar-16	PT. Wilmar Nabati Indonesia	1100004719/8104077236/1200005120	38,460
1-Apr-16	PT. Wilmar Nabati Indonesia	1100004719/8104077236/1200005120	34,280
4-Apr-16	PT. Wilmar Nabati Indonesia	1100004739/8104077642/1200005157	40,980
5-Apr-16	PT. Wilmar Nabati Indonesia	1100004739/8104077642/1200005157	42,390
6-Apr-16	PT. Wilmar Nabati Indonesia	1100004739/8104077642/1200005157	33,390
7-Apr-16	PT. Wilmar Nabati Indonesia	1100004739/8104077642/1200005157	42,950
8-Apr-16	PT. Wilmar Nabati Indonesia	1100004739/8104077642/1200005157	31,800
9-Apr-16	PT. Wilmar Nabati Indonesia	1100004739/8104077642/1200005157	41,620
11-Apr-16	PT. Wilmar Nabati Indonesia	1100004760/8104077917/1200005185	25,670
12-Apr-16	PT. Wilmar Nabati Indonesia	1100004760/8104077917/1200005185	24,830
13-Apr-16	PT. Wilmar Nabati Indonesia	1100004760/8104077917/1200005185	40,840
15-Apr-16	PT. Wilmar Nabati Indonesia	1100004760/8104077917/1200005185	9,090
16-Apr-16	PT. Wilmar Nabati Indonesia	1100004760/8104077917/1200005185	15,450
18-Apr-16	PT. Wilmar Nabati Indonesia	1100004760/8104077917/1200005185	70,470
19-Apr-16	PT. Wilmar Nabati Indonesia	1100004760/8104077917/1200005185	33,300
20-Apr-16	PT. Wilmar Nabati Indonesia	1100004760/8104077917/1200005185	41,390
21-Apr-16	PT. Wilmar Nabati Indonesia	1200005223	25,620
22-Apr-16	PT. Wilmar Nabati Indonesia	1200005223	50,340
23-Apr-16	PT. Wilmar Nabati Indonesia	1200005223	8,820
25-Apr-16	PT. Wilmar Nabati Indonesia	1200005223	24,210
26-Apr-16	PT. Wilmar Nabati Indonesia	1200005223	72,210
Total			12,538,000

Table 3 Loading Kernel to buyer

Tanggal	Pembeli	No. Kontrak	Quantity (Kg)
2-Aug-15	PT. Wilmar Nabati Indonesia	1100003926/8104069089/1200004071	500,000
5-Aug-15	PT. Wilmar Nabati Indonesia	1100003908/8104068913/1200004046	375,000
11-Aug-15	PT. Wilmar Nabati Indonesia	1100003957/8104069461/1200004105	250,000
19-Aug-15	PT. Wilmar Nabati Indonesia	1100003973/8104069677/1200004175	200,000
27-Aug-15	PT. Wilmar Nabati Indonesia	1100003986/8104069939/1200004190	275,000
5-Sep-15	PT. Wilmar Nabati Indonesia	1100004002/8104070245/1200004211	250,000
21-Sep-15	PT. Wilmar Nabati Indonesia	1100004073/8104070784/1200004250	250,000
29-Sep-15	PT. Wilmar Nabati Indonesia	1100004090/8104071060/1200004268	450,000
5-Oct-15	PT. Wilmar Nabati Indonesia	1100004122/8104071303/1200004313	250,000
14-Oct-15	PT. Wilmar Nabati Indonesia	1100004141/8104071664/1200004337	250,000
14-Oct-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004355	100,000
27-Oct-15	PT. Wilmar Nabati Indonesia	1100004177/8104072142/1200004382	750,000
10-Nov-15	PT. Wilmar Nabati Indonesia	1100004211/8104072382/1200004439	500,000
12-Nov-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004368	200,000
24-Nov-15	PT. Wilmar Nabati Indonesia	1100004238/8104072657/1200004479	500,000
28-Nov-15	PT. Wilmar Nabati Indonesia	1100004287/8104073099/1200004541	250,000
1-Dec-15	PT. Wilmar Nabati Indonesia	1100004158/8104071963/1200004367	200,000
2-Dec-15	PT. Wilmar Nabati Indonesia	1100004265/8104072921/1200004515	500,000
8-Dec-15	PT. Wilmar Nabati Indonesia	1100004314/8104073346/1200004592	250,000
29-Dec-15	PT. Wilmar Nabati Indonesia	1100004364/8104073644/1200004658	500,000
2-Jan-16	PT. Wilmar Nabati Indonesia	1100004419/8104073930/1200004730	500,000
7-Jan-16	PT. Wilmar Nabati Indonesia	1100004431/8104074280/1200004749	500,000
26-Jan-16	PT. Wilmar Nabati Indonesia	1100004424/8104074375/1200004735	500,000
12-Feb-16	PT. Wilmar Nabati Indonesia	1100004442/8104074125/1200004760	500,000
16-Feb-16	PT. Wilmar Nabati Indonesia	1100004519/8104074809/1200004859	250,000
22-Feb-16	PT. Wilmar Nabati Indonesia	1100004589/8104075770/1200004592	250,000
27-Feb-16	PT. Wilmar Nabati Indonesia	1100004612/8104076061/1200004982	500,000
7-Mar-16	PT. Wilmar Nabati Indonesia	1100004645/8104076441/1200005028	250,000
18-Mar-16	PT. Wilmar Nabati Indonesia	1100004662/8104075632/1200005049	250,000
22-Mar-16	PT. Wilmar Nabati Indonesia	1100004681/8104076725/1200005059	375,000
28-Mar-16	PT. Wilmar Nabati Indonesia	1100004701/8104076966/1200005083	250,000
2-Apr-16	PT. Wilmar Nabati Indonesia	1100004719/8104077236/1200005120	250,000
9-Apr-16	PT. Wilmar Nabati Indonesia	1100004739/8104077642/1200005157	250,000
20-Apr-16	PT. Wilmar Nabati Indonesia	1100004760/8104077917/1200005185	250,000
Total			11,925,000

Status: Full Compliance
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:

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

The mill has established a mechanism for control FFB, CPO and Kernel products – certified or Uncertified – following procedure of doc SOP-KMB-Sust-SOP43, Revision 2 dated August 5, 2015. Implementation of SCCS in mill is responsibility of the Controller Area. The retention time for all SCCS data and documents i.e. FFB report, CPO/Kernel produced, shipment at least for five (5) years.

- Definition of Mass Balance and Supply Chain system.
- Responsibility for Area Controller, Mill Manager, certification & compliance dept; OQC Department, Commercial & Logistic Group Departemen. Controller Area responsibility is to ensure the implementation of SCCS mechanism in all units.
- Surat Pengiriman TBS from sustainable sources marked with "RSPO logo".
- RSPO certified products i.e CPO and Kernel, are calculated based on the daily reports of process.

- The retention time for all SCCS data and documents at least for five (5) years.
- Certification and compliance Department will notified to CB, if there are over projection
- Certification and Compliance Department will provide training to staff and employees that involved in the implementation of supply chain system requirements.

NC.2016.19. Procedure of Supply Chain Certification Systems (SCCS SOP-KMB-Sust-SOP43) overall have not been applied in Mill and estates.

- As Verified with Weightbridge operator, No data and records of certified FFBs and Non certified FFBs, therefore operators do not understand the mechanisms relevant records SCCS (FFB, CPO, Kernel).
- Daily reports of production showed no separation of certified and non-certified (FFB, CPO, Kernel).
- Bukit Hijau Estate is non certified supply base, but in the "FFB delivery note" of Bukit Hijau Estate has been declared and marked the RSPO logo.



The image shows a handwritten FFB delivery note form. At the top, there is a barcode and the RSPO logo. The form contains several fields for data entry, including 'Kebun' (Plantation), 'Divisi' (Division), 'Tgl/Bln/Thn' (Date/Month/Year), 'Jam Berangkat' (Departure Time), 'PKS Tujuan' (Destination PKS), 'Jenis Kendaraan' (Vehicle Type), 'No. Polisi' (Police Number), 'Supir/Operator' (Driver/Operator), and 'Kary. Bongkar - Muat' (Loading - Unloading Worker). Below these fields, there are four columns for recording FFB data, each with sub-columns for 'No. TPH', 'Jumlah Jangang (kg)' (Volume of FFB), and 'Bron-dolan (kg)' (Weight of FFB). The form is signed and stamped with a blue circular stamp in the center.

SCCS.
Clausul E.3.1

Status: NC.2016.19, Major category

E.3.2

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

Mill has a mechanism of receiving and processing certified and Non-certified FFBs. FFB delivery notes from certified supply base has been marked with "RSPO logo".

NC.2016.20. As verified of FFB receiving documents in Mill, Non – certified FFBs has been declared as certified FFBs. Actual volume of certified FFBs (from Bukit Daman Estate, Sungai Mentaya Estate, Gunung Makmur Estate) only 74,619,640 kg, While volume of FFB certified declared is 93,252,880 kg. *Data July 21, 2015 - 26 April 2016

Auditors verified FFB delivery note and weightbridge slip, for example:

Weightbridge slip of FFB dated 2/4/2016

Sungai Mentaya Estate as certified supply base, 'FFB delivery note' marked RSPO logo.

Weightbridge slip of FFB dated 4/4/2016

Bukit Daman Estate as certified supply base, 'FFB delivery note' marked RSPO logo.

Gunung Makmur Estate as certified supply base, 'FFB delivery note' marked RSPO logo.

Beringin Agung Estate as Non certified supply base, 'FFB delivery note' has not marked RSPO logo.
 Sungai Meraya Estate as Non certified supply base, 'FFB delivery note' has not marked RSPO logo.
 Tanjung Harapan smallholder, as Non certified supply base, 'FFB delivery note' has not marked RSPO logo.
Bukit Hijau Estate as Non certified supply base, 'FFB delivery note' marked RSPO logo.

Weightbridge slip of FFB dated 21/4/2016
 Bukit Hijau Estate, 'FFB delivery note' has not marked RSPO logo.
 Independent an. Hadi Suyatno, 'FFB delivery note' has not marked RSPO logo.
 Independent an. Sulamin Isa, 'FFB delivery note' has not marked RSPO logo.

SCCS **Status: NC.2016.20, Major category**

Clausul E.3.2

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 documented the volume of certified and Non certified FFBs received. For the period July 21, 2015 - 26 April 2016, below:

Year	Month	FFB Received (kg)		
		CERTIFIED	Non - CERTIFIED	Total
2015	21-31 Juli 2015	7,730,936	3,982,446	11,713,382
	August	9,163,950	19,829,740	28,993,690
	September	12,755,707	21,773,045	34,528,752
	October	13,630,108	24,075,873	37,705,981
	November	10,441,794	19,542,150	29,983,944
	December	11,157,299	18,732,988	29,890,288
2016	January	6,640,212	14,757,683	21,397,895
	February	7,661,320	15,262,515	22,923,835
	March	7,742,004	16,546,143	24,288,147
	1 - 26 April	5,837,254	12,620,572	18,457,826
Total		92,760,584	167,123,155	259,883,739

Status: Full compliance

E.4.2

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

As verified during the ASA-3, Production of FFB, CPO and Kernel during the period of a year (21 July 2015 to 26 April 2016) no overproduction of certified tonnage.

The previously volume of certified products in the Certificate Mutu-RSPO/045 (July 21, 2015 to July 20, 2016)		The actual volume of certified products (July 21, 2015 to April 26, 2016)	
FFB	219,907	FFB	92,760
CPO	50,579	CPO	21,343
CSPK	10,995	CSPK	4,124

Status: Full compliance

E.5 Record keeping

E.5.1

a. 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.

- b. 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.**
- c. 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 site has been record and balance all the receiving of RSPO certified FFBs and and delivers of RSPO certified CPO and Kernel every month period from July 21, 2015 to 26 April 2016.

The site has not claims the certified CPO and Kernel. Verification of the weighbridge slip and sales contract, no claims of RSPO Product.

No. Certified CPO sold to each buyer period of July 21, 2015 to 26 April 2016.

No. Certified Kernel sold to each buyer period of July 21, 2015 to 26 April 2016

Status: Full compliance

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 has not outsources activities to the independent palm kernel crush.

Status: Full compliance

3.3 Conformity Checklist of Certificate and Logo Use

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

3.4 Summary of RSPO Partial Certification

The Management Unit name, under subsidiaries:		
1. PT Bumitama Gunajaya Abadi 2. PT Karya Makmur Langgeng		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	
	<p>PT Bumitama Gunajaya Abadi 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"> • Location permit from West Kotawaringin Regent for ± 26,900 Ha. • Plantation business permit from the West Kotawaringin Regent for 18,000 Ha of land and mill with capacity for 90 Ton of FFB/Hour. • Land Use Title (HGU) for 5,632.835 Ha. • Hazardous waste storing permit from the West Kotawaringin Regent. <p>PT Karya Makmur Langgeng 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"> • Location permit from Ketapang Regent for ± 19,000 Ha on 2006. • The extension of the location permit from Ketapang Regent for ± 19,000 Ha on 2010. • Plantation business permit from the Ketapang Regent for 16,700 Ha and mill with capacity for 60 Ton of FFB/Hour on 2013. • Environment permit from West Kalimantan Governor on 2013. 	√
	Status: Comply	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	
	<p>PT Bumitama Gunajaya Abadi 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"> ➤ Area for 20 Ha in Block M-39 of Tonam Raya Estate: <ul style="list-style-type: none"> - Declaration letter of the land handover which was signed by the company and the compensated party on June 26th 2013 and was witnessed by the Chief of Kotawaringin Hulu Village. - 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 26th 2013. - 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. - Information letter number 593/131/Pem from the Chief of Kotawaringin Hulu Village dated June 21st 2013 which describes the land ownership and hectareage. - 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. - Declaration letter on behalf of Gusti Baret on June 25th 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. ➤ Area for 5.43 Ha in Block R-46 of Kotawaringin Estate: 	√

	<ul style="list-style-type: none"> - Agreement letter number 008/RGN-KTWE/06/2012 dated June 27th 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. - Declaration letter of the land handover which was signed by the company and the compensated party on June 27th 2013 and was witnessed by the Chief of Rungun Village. - 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. - 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). <p>PT Karya Makmur Langgeng</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 19th 2013 to September 19th 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"> • Data of land acquisition. • ID. • Official record of the land measurement. • Map of the compensated location. • Official Record of the price agreement. • Declaration letter of the land lease. • Cultivation Information letter (SKGR) of the land ownership. • Supporting letter over the rights origins. • Information letter over the land origins. • Brief summary of the land acquisition. • Information letter over the approval of the land heir. • Information letter from the land heir. 	
	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 parties.	
	<p>PT Bumitama Gunajaya Abadi dan PT Karya Makmur Langgeng</p> <p>The management unit has procedure of the land and crops compensation number SOP-BGB-GRTT-PAD-001 dated October 12th 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>	√
	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.	
	<p>PT Bumitama Gunajaya Abadi dan PT Karya Makmur Langgeng</p> <p>The management unit has procedure of the land and crops compensation number SOP-BGB-GRTT-PAD-001 dated October 12th 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</p>	√

	does not force the community.	
	Status: Comply	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	
	<p>PT Bumitama Gunajaya Abadi 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>PT Karya Makmur Langgeng 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>	√
	Status: Comply	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
	<p>PT Bumitama Gunajaya Abadi The management unit has procedure of the land and crops compensation number SOP-BGB-GRIT-PAD-001 dated October 12th 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 26th 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>PT Karya Makmur Langgeng 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"> Dated March 5th 2012 in the Church of Pantan Hamlet, Kampar Sebomban Village, Simpang Dua Sub-District. It was attended by TP3K (Team of the District Estate Establishment Guidance) Ketapang, 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. Dated March 6th 2012 in the Hall of the Elementary School of Kek Lipur Hamlet, Paoh Concong Village, Simpang Hulu Sub-District. It was attended by TP3K (Team of the District Estate Establishment Guidance) Ketapang, 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 representatives. <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 19th 2013 to September 19th 2013. There are 154 location hotspot within 2,522.85 ha.</p>	√

	Status: Comply	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	
	<p>PT Bumitama Gunajaya Abadi</p> <p>The management unit has procedure of the land and crops compensation number SOP-BGB-GRTT-PAD-001 dated October 12th 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 26th 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>PT Karya Makmur Langgeng</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 19th 2013 to September 19th 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"> • Data of land acquisition. • ID. • Official record of the land measurement. • Map of the compensated location. • Official Record of the price agreement. • Declaration letter of the land lease. • Cultivation Information letter (SKGR) of the land ownership. • Supporting letter over the rights origins. • Information letter over the land origins. • Brief summary of the land acquisition. • Information letter over the approval of the land heir. • Information letter from the land heir. 	√
	Status: Comply	

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

3.5.1 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>Information Request and Response</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>Root Cause:</p> <p>The company did not do external communication based on SOP of communication.</p> <p>Auditor Verification June 30th 2015</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. 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>July 14th 2014</p> <p>The management unit has shown the logbook of GMKM and response over the letter from BPJS. Hence, NC No. 2015.1 is closed.</p> <p>Preventive Action:</p> <p>Implementing the external communication based on the SOP of communication and</p>	Closed	July 14th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							improving the control over the document of letter.		
2015.2.	2.1.1	Compliance over Regulation PT KMB was not able to show the evidence of compliance over the law. For example: <ul style="list-style-type: none"> 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. Unit manajemen BMKE belum dapat menunjukan bukti pelaporan kecelakaan kerja kepada Instansi terkait sesuai dengan peraturan yang ada. 	Estate	Major	July 28th 2015	PT KMB must be able to show the compliance over the regulations that have to do with estate management.	Root Cause: <ul style="list-style-type: none"> The company did not promote the workers based on the applied procedure. The company did not implement the procedure of obligation to report OHS Guiding Committee programs based on the applied SOP and regulations. <p>Corrective Action:</p> <p>Auditor Verification: June 30th 2015</p> <ul style="list-style-type: none"> There was no evidence of compliance over the Manpower Ministry Regulation No. 100 Year 2004. 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. <p>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 rows. For example, the workers of SMNE on behalf of Romayanti, Marliyanti, Haryati, Widodo, Winarti, Mathari, Rida, Suliyati. Hence, NC No. 2015.02 is closed and it shall be observed on the next</p>	Closed with Observation	July 14th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							assessment. Preventive Action: <ul style="list-style-type: none"> Conducting assessment and improvement over the worker's competence based on the applied procedure and regulations. Holding routine meeting and composing the report based on the SOP of OHS Guiding Committee each date 5th of the month. 		
2015.3.	2.1.2	Information of Legal Requirements 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.	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.	Root Cause: The company did not review nor update the law and regulations list based on the SOP of regulation identification and evaluation. Corrective Action: Auditor Verification: June 30th 2015 PT KMB has shown the list of the updated statute in document No. 005/LR-LH/KMB/III/2015 of Revision 02 dated January 1st 2015. The list of regulation has described the latest law requirements in term of the estate management and its evaluation. Hence, NC No. 2015.03 is closed Preventive Action: Reviewing the regulation based on the SOP of regulation identification and evaluation.	Closed	June 30th 2015
2015.4.	2.1.3	Evaluation over the legal requirements compliance. PT KMB was not able to show the	Estate and Mill	Minor	ASA-2	PT KMB must be able to show the evaluation over the legal requirements	Root Cause: The company did not review nor update the law and regulations list based on the SOP of	Closed	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		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.				that have to do with estate.	<p>regulation identification and evaluation.</p> <p>Corrective Action: Auditor Verification: June 30th 2015 PT KMB has shown the list of the updated statute in document No. 005/LR-LH/KMB/III/2015 of Revision 02 dated January 1st 2015. For example, Environment Ministry Regulation No. 5 Year 2014 and ratification of the international convention. Hence. NC No. 2015.04 is closed.</p> <p>Preventive Action: Reviewing the regulation based on the SOP of regulation identification and evaluation.</p>		
2015.5.	2.2.5	<p>Map of Land Dispute 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.</p>	Estate	Minor	ASA 02	Each land dispute must be mapped collectively with the amicus curiae whether on region I or region II.	<p>Root Cause: The company did not update the status of land claim within the operational scope.</p> <p>Corrective Action: 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:</p> <ul style="list-style-type: none"> - 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) 	Closed	July 22nd 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							Preventive Action: Updating the map of land dispute for each new land dispute progress.		
2015.6.	2.3.1	Map of right over the land and customary right The map in proper scale which shows the right over the land, customary right or legal right was not yet composed based on the collective mapping program involving several parties.	Estate	Major	July 28th 2015	The company was expected to provide the proper map in proper scale based on collective mapping program involving several parties.	Root Cause: The process to ask for the information over the customary land from the customary body takes time. Corrective Action: 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. Preventive Action: The map shall be updated regularly to recognize the change of status.	Closed	July 22nd 2015
2015.7.	3.1.1	Long Term Plan 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	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.	Root Cause: 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). Corrective Action: Auditor Verification: July 22nd 2015 PT KMB has been able to show the long term projection evidence for period of 2015 to 2020	Closed	July 22nd 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		cost of long term projection for production cost.					to all units. It describes the estate harvest projection, mill production projection, price prediction, OER and production cost projection. Preventive Action: The regular update shall be conducted especially for the addition/change of estate unit.		
2015.8.	4.5.2	IPM Training 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.	<p>Root Cause: The training program has been held. However, it has not yet documented based on the composed program.</p> <p>Corrective Action: Auditor Verification on June 30th 2015: GMKE and SMNE has shown the evidence of pest and disease training. For example:</p> <ul style="list-style-type: none"> • 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 is closed. <p>Preventive Action: Refreshing the training each semester and improve the control over documentation.</p>	Closed	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
2015.9.	4.6.1	Pesticide Product Selection The company was not able to show that the pesticide used by company were listed on the Pesticide Commission.	Estate	Major	July 28th 2015	The company must be able to show that the pesticide used by company were listed on the Pesticide Commission.	Root Cause: Lack of socialization of pesticide use by the Dept of Reasearch. Corrective Action: 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. Preventive Action: 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
2015.10.	4.6.2	Record of Pesticide Use 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.	Root Cause: Monitoring and documentation over the active ingredient has not yet conducted consistently. Corrective Action: Auditor Verification: June 30th 2015 GMKE and SMNE has recorded the use of pesticide on the document of active ingredient pesticide use analysis. It describes the amount	Closed	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							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, NC No. 2015.10 is closed. Preventive Action: Recording the use of pesticide (budget vs realization) per month and improving the control over the documentation.		
2015.11.	4.6.5	Training of Limited Pesticide Use According to the document review and field visit, the company has used limited pesticide (paraquat active ingredient). The company was not able to show that the sprayers have been certified. For example: <ul style="list-style-type: none"> • BMKE: there was 1 worker who has limited pesticide operator certificate • GMKE: there was 6 workers who has limited pesticide operator certificate • SMNE: there was no any worker who has limited pesticide certificate 	Estate	Major	July 28th 2015	The company must be able to show that the sprayers have gotten limited pesticide operator certificate from the associated agency.	Root Cause: The high turn over and mutation of employees. Therefore, the certified sprayers have resigned or mutated to other estate (scheme smallholder). Corrective Action: Auditor Verification: June 30th 2015 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. Preventive Action: Updating and refreshing the training program routinely (each semester).	Closed with Observation	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
2015.12.	4.6.11	Medical Check Up 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.	Estate	Major	July 28th 2015	The company must be able to show that the use of chemicals shall not harm the health of employees.	Root Cause: The company did not hold regular medical check up for the sprayers based on the SOP. Corrective Action: Auditor Verification: June 30th 2015 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. Preventive Action: Holding regular medical check up for all sprayers based on the applied SOP.	Closed with Observation	June 30th 2015
2015.13.	4.7.2 4.7.3	Completion of PPE based on the Risk Analysis According to the result of field visit, the company was not able to show that the provided PPE were based on the HIRAC. For	Estate	Major	July 28th 2015	The company must be able to show that the provided PPE has complied the composed risk analysis.	Root Cause: - The company did not provide PPE based on the SOP of PPE. - Kurangnya control terhadap penggunaan APD karyawan.	Closed	July 14th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		<p>example:</p> <ul style="list-style-type: none"> 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). 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). 					<p>Corrective Action: July 14th 2015 The company showed the PPE handover to workers based on HIRAC. For example:</p> <ul style="list-style-type: none"> 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. <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, NC No 2015.13 is closed and it shall be observed on the next assessment.</p> <p>Preventive Action:</p> <ul style="list-style-type: none"> Providing PPE based on the SOP of PPE (referring the risk of the job and the lifetime of the PPE used) Inspecting the OHS, especially over the use of PPE. 		
2015.14.	4.7.4	<p>Person in Charge over the OHS The company has had 3 OHS experts. However, the appointment letter on behalf of Budianto Surbakti has expired on April 16th 2015. (Decree No.</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: Auditor Verification</p>	Closed	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		1074/M/DJPPK/IV/2012 dated April 16th 2012 for 3 years).					<p>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.</p> <p>Preventive Action: Monitoring the decree of appointment and other permits.</p>		
2015.15.	4.7.5	<p>First Aid Kits 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>Root Cause: The company did not check the handy fire extinguisher based on the SOP.</p> <p>Corrective Action: Auditor Verification: June 30th 2015 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.</p> <p>Preventive Action: - Monitoring the emergency response equipments, especially handy fire</p>	Closed with Observation	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>extinguisher.</p> <p>- Filling the checklist of handy fire extinguisher monitoring monthly.</p>		
2015.16.	4.8.1	Formal Training of RSPO P&C 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	<p>Root Cause: The plan and realization of training program was not consistently documented.</p> <p>Corrective Action: Auditor Verification July 14th 2015 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, NC No. 2015.16 is closed.</p> <p>Preventive Action: Improving the control over the training program documentation.</p>	Closed	July 14th 2015
2015.17.	4.8.2	The training programs record. The management unit was not able to show the record of training programs for each employee.	Estate and Mill	Minor	ASA-2	The management unit must be able to show the record of training programs for each employee.	<p>Root Cause: The plan and realization of training program was not yet documented consistently.</p> <p>Corrective Action: Auditor Verification July 14th 2015 The management unit has shown the record of training in form of the minute of meeting, event documentation and attendance list. However,</p>	Closed	July 29th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>the management unit was not able to show the record of training for each employee.</p> <p>July 29th 2015 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, NC No. 2015.17 is closed.</p> <p>Preventive Action: Improving the control over the training program documentation.</p>		
2015.18.	5.3.3	Waste Management 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.	<p>Root Cause: The company did not manage hazardous waste based on the applied SOP.</p> <p>Corrective Action: 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:</p> <ul style="list-style-type: none"> Documentation of the oil-trap making at the generator station in Sungai Mentaya Estate settlement. Documentation of the hazardous waste storage rehabilitation in CKMT. 	Closed	July 14th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<ul style="list-style-type: none"> Official record, attendance list and documentation of the socialization of hazardous waste management to the workers. <p>Hence, NC No. 2015.18 is closed.</p> <p>Preventive Action: Managing hazardous waste based on the SOP.</p>		
2015.19.	6.5.2	Collective Labour Agreement 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.	<p>Root Cause: Lack of documentation conducted by HRD.</p> <p>Corrective Action: 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.</p> <p>Preventive Action: Implementing HR management based on the SOP and IOM of policy.</p>	Closed	July 14th 2015
2015.20.	6.9.1	Policy of sexual harasshment and domestic violence prevention According to the result interview with the employees of estate and	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.	<p>Root Cause: Kuranganya peran aktif dan program yang dilaksanakan oleh Komite Gender.</p> <p>Corrective Action:</p>	Closed with Observati on	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		mill, they did not know the gender committee.					<p>Auditor Verification June 30th 2015 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"> The socialization to 28 workers in BMKE on June 25th 2015. The socialization to 27 workers in GMKM on May 30th 2015. <p>Hence, NC No. 2015.20 is closed and it shall be verified further on the next assessment (ASA-2).</p> <p>Preventive Action: Holding routine gender committee meeting by involving employees.</p>		
2015.21.	6.9.2	<p>Policy to protect reproduction rights 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>Root Cause: The lack of socialization in term of the protection over the reproduction rights to employees and the high turn over of employees.</p> <p>Preventive Action: Auditor Verification June 30th 2015 The management unit of GMKE, BMKE, SMNE and GMKE has socialized the right to take day off for the women workers and its specific <i>Grievance Resolution</i>. For example:</p> <ul style="list-style-type: none"> Socialization at SMNE which was attended by 10 workers on May 30th 2015. 	Closed with Observation	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<ul style="list-style-type: none"> Socialization at GMKE which was attended by 35 workers on May 30th 2015. <p>Hence, NC No. 2015.21 in Major category and NC No. 2015.22 in Minor category is closed and it shall be verified on the next assessment.</p> <p>Preventive Action: Holding socialization over the company regulation and policy to employees regularly.</p>		
2015.22.	6.9.3	Complaint delivery procedure (specific) The management unit was not able to show the complaint delivery procedure to specifically deal with sexual harassment and domestic violence as well as the evidence of the socialization of the procedure.	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 harassment and domestic violence as well as the evidence of the socialization of the procedure.	<p>Root Cause: The lack of socialization in term of the complain delivery procedure to employees and the high turn over of employees.</p> <p>Corrective Action: Auditor Verification June 30th 2015 The management unit of GMKE, BMKE, SMNE and GMKE has held socialization in term of the procedure of specific complaint delivery (Grievance Resolution). For example:</p> <ul style="list-style-type: none"> The socialization which was participated by 26 workers of SMNE on June 20th and 22nd 2015. The socialization which was participated by 23 workers of GMKM on June 13th 2015. <p>Hence, NC No. 2015.22 is closed and it shall be verified further on the next assessment (ASA-</p>	Closed with Observation	June 30th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							2). Preventive Action: Holding socialization over the company regulation and policy to employees regularly.		
2015.23.	6.10.3	Contract for Service Agreement 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.	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.	Root Cause: The contract for service agreement was being reviewed by the associated department. Corrective Action: Auditor Verification July 14th 2015 The management unit has shown the evidence that the contract for service agreement has been shown the the cooperating third party. Hence, NC No. 2015.23 is closed. Preventive Action: Ensuring that all FFB contractors have gotten the copy of contract for service agreement.	Closed	July 14th 2015
2015.24.	-	Time bound plan 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.	Root Cause: The update of Time Bond Plan need to be verified by the associated department of company. Corrective Action: The managment 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.	Closed	July 14th 2015

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							Preventive Action: Reviewing it regularly with the associated Dept.		

3.5.2 Identification of Findings, Corrective Actions and Observations at [ASA-2](#) Assessment

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
2016. 1	1.1.1 5.1.3	Provide information The company not yet provide adequate information to relevant stakeholders, such as: <ul style="list-style-type: none"> Report of Mill and Estate Hazardous Waste on fourth quarter of 2015 and on 1st quarter of 2016 to the related agency. Report of mandatory manpower on 201 to the related agency. 	Mill & Estate	Major	June 28, 2016	The company must provide adequate information to relevant stakeholders	<ul style="list-style-type: none"> Root cause: Lack of comprehension by new Personnel in Charge of Mill Sustainability about mandatory report to related agency . Lack of control by new responsibility staff of Human Resource Department. Corrective action <ul style="list-style-type: none"> Reported of Hazardous waste per three month to Environment Agency and reported of Labor Composition to Labor and Transmigration Agency . Sent the Labor Report of PT KMB to Labor and Transmigration Agency . Preventive action: <ul style="list-style-type: none"> Increased of comprehension of new Personnel in Charge of Mill Sustainability Improve control function of HRD and Head of Administration Department of PT KMB 	Closed	9 June 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>related to mandatory report by the company to related agencies.</p> <ul style="list-style-type: none"> - Implementation of Internal Audit and management review before external audit . <p>• Auditor Observation:</p> <p>9 June 2016</p> <p>The company was showed of several evidences:</p> <ul style="list-style-type: none"> - Mandatory Report of PT MB Labor 2015 to Labor and Transmigration Agency, dated 26 May 2016. - Report of Hazardous Waste Balance per three month year of 2015 was reported to Environment Agency on 12 May 2016. - Report of Hazardous Waste Balance per three month (first period) year of 2016 was reported to Environment Agency on 13 May 2016. <p>• Auditor conclusion:</p> <p>Based on evidences was showed by the PT KMB, the non compliance in this indicator was Closed Out</p>		
2016. 2	1.3.1	<p>Socialization of Code of the conduct</p> <p>The company is not able to show the socialization of <i>Code of the conduct</i> to all workers.</p> <p>According to the result of interview, the midwife of clinic in region II does not get the socialization of <i>code of the conduct</i>,</p>	Mill & Estate	Minor	ASA-03	The company must socialization of Code of the conduct to all workers.	<ul style="list-style-type: none"> • Root cause : <p>The responsible staff in Human Resource Department are new staff mutation from another management unit and it was caused the lack of control of Code of Conduct socialization to all workers.</p>	Closed	15 June 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		in which the prohibition for corruption, colution and nepotism, receiving or giving gifts and souvenirs, business service or any acts which might influence the decision making in the company.					<ul style="list-style-type: none"> • Corrective action The socialization of Code of Conduct will execute by related Management Unit. • Preventive action: <ul style="list-style-type: none"> - Scheduled of Code of Conduct Socialization to all workers. - Inrease the coordination function between the HRD and another Management Unit related to Code of Conduct Socialization to all workers. In mustar morning. • Auditor Observation: 15 Junie 2016 Code of conduct has been socialized to the workers in Metro 1 office and paramedic of PT. KMB, dated on 11 May 2016. • Auditor conclusion: Based on evidences was showed by the PT KMB, the non compliance in this indicator was Closed Out 		
2016. 3	2.1.1	Compliance with applicable laws <ul style="list-style-type: none"> - The company can't show the license to use the water for mill process from local government. - According to document verification, an operator of steam machine licensed has expired in November 2015. 	Mill	Major	June 28, 2016	<ul style="list-style-type: none"> - The company's shall be show license to water using for mill process from local government. - Management unit shall be show evidence that all operator license is still valid. 	<ul style="list-style-type: none"> • Root cause: Lack of understanding and coordination between Management PT. KMB with the Document & Legal Dept. • Corrective action (+evidence) Management Unit & Certification and Compliance (CCM) Dept. Coordinating with the Document & Legal (Head Office) for the 	Closed	9 June 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>provision license documents related from the local government.</p> <ul style="list-style-type: none"> • Providing recorded of water use retribution. Referring to the letter No. 004 884 (May 2016) about retribution. There are no local regulation (Kalimantan Tengah Province) until now. • RSPO officer controlling record of permit and operational according to SOP of document control. • Providing Boiler operator license which still valid and eradicate the old license. <p>Preventive action:</p> <ul style="list-style-type: none"> • Updating all regulation, if any changes by Regional Sustainability. • Review compliance with applicable regulation (every years by Regional Sustainability). • Socialization of SOP document control to RSPO officer by Regional Sustainability Assistant or by Manager unit. <p>Observation at 6 June 2016</p> <ul style="list-style-type: none"> • Management unit has showed License Operator for boiler No. 3187 OPK3-PUBT-B.I/X/2012 dated 15 October 2012 valid till 15 October 2017. • Management unit has showed License Operator for boiler No. 3188 OPK3-PUBT-B.I/X/2012 dated 15 October 2012 valid till 15 		

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>October 2017.</p> <p>Observation at 9 June 2016</p> <ul style="list-style-type: none"> Based on public consultation with Public Works Department, Integrated licensing services department, mining and energy department and also environment agency in Kotawaringin Timur District. There are no regional regulations which regulate surface water using, but the company has pay the levy water usage referring to letter No. 004884 (May 2016). In addition, the company has paid the levy water. For example retribution 023430 was paid on 17 May 2016. <p>Auditor conclusion: Based on above evidence, this NC has closed.</p>		
2016. 4	2.2.2	<p>Legal boundaries shall be clearly demarcated and visibly maintained</p> <p>Field observation in GMKE and BKCE shows that several area that not installed by boundary poles according to Coordinate List by BPN</p>	Estate	Minor	ASA-03	The company shall show the evidence legal boundaries poles installed according to Coordinate List from National Land Agency	<ul style="list-style-type: none"> Root cause: Lack of Coordination between Regional Sustainability Assistant with Regional GIS and related staff of legal in regional area Corrective action Coordination between Regional Sustainability Assistant with Regional Geographical Information System (GIS) and Estate Controller in boundaries pole installed based on coordinate spot refer to Land Use Right Map of PT KMB Preventive action: Scheduled and implementation of maintain program of boundaries pole and monthly 	Open	

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>monitoring program by responsible Sustainability Staff in estate area.</p> <ul style="list-style-type: none"> Auditor Observation 24 June 2016 The management unit was showed the evidences: 1. Internal Office Memo, Number: 076/IOM/KMB-REG.1/VI/2016, dated on 22 June 2016 by Regional Head 1 to Regional Estate Controller 1 dan 2, Estate Manager, GIS Departement and Public Affair Department (PAD) about boundary pole installed in PT KMB, particularly of 42 boundary poles not yet install. 2. Inventarization Program of boundary poles in year of 2016. Based on matrix of program, inventarization/identification of Land Use Right poles, maintain program and pole fixed (poles maintenance and replace) will plan for every year. Auditor conclusion: The evidences for corrective action not yet details explained of <i>Personnel in Charge</i> of peridiocally monitoring programme. The preventive action and the corrective action evidences was not yet synchronous and need to avaluate. Based on those evidences, the non compliance still Open. 		

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
2016. 5	4.4.1	Implementation of the monitoring program quality and availability of surface and underground <ul style="list-style-type: none"> The result of underground water quality test in 2nd semester of 2015 cannot be shown yet The result of surface water quality test in 2nd semester of 2015 cannot be shown yet The result of aquatic biota quality test in 2nd semester of 2015 cannot be shown yet 	Mill & Estate	Minor	ASA-03	The company must Implementation of the monitoring program quality and availability of surface and underground	<ul style="list-style-type: none"> Root cause: Lack of knowledge from new RSPO PIC staff associated with environment monitoring and management. Corrective action (+evidence) Take a measurements of environment parameters according to Environment Impac Assessment (EIA) document and reporting result of environment parameter measurments to environment agency. Making a corrective action for each item whose measurement value is bottom of limit according to SOP corrective action and prevetife action. Preventive action: Socializing SOP of Environment monitoring and management to RSPO PIC in Mill by Mill Manager. Monthly meeting to discuss updates program associated to environment monitoring and management. <p>Observation at 6 Juni 2016 The Company has implemented surface water quality monitoring program, such as surface water quality test, ground water quality test, and aquatic biota quality test, conducted by an accredited laboratory. Implementation of environmental monitoring are</p>	Open	

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>recorded in the environmental management and monitoring plan implementation in 2nd semester of 2015 and has been submitted to the related agency on Mei 13, 2016.</p> <p>According to the results test, it is known there are parameters not comply with the quality threshold regulated by the government, such as COD, BOD, Fe, etc. Therefore the company must be show evident of an evaluation of the test results</p> <p>• Auditor conclusion: The company must be show evident of an evaluation of the test results</p>		
2016. 6	4.4.3	Quality of effluent monitoring The result of the test and report of effluent quality during period of January to March 2016 is not yet shown	Mill	Minor	ASA-03	Quality of effluent monitoring must be conducted in accordance with the provisions.	<p>• Root cause: Lack of knowledge from new RSPO PIC staff associated with environment monitoring and management.</p> <p>• Corrective action (+evidence) • Waste water quality testing according to national regulation.</p> <p>• Preventive action: • Socializing SOP of Environment monitoring and management to RSPO PIC in Mill by Mill Manager. • Monthly meeting to discuss about progress of waste water quality testing.</p>	Closed	1 June 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>Observasi 1 Juni 2016 The company has tested the mill effluent quality period of January to March 2016, conducted by an accredited laboratory. The result complied the quality threshold regulated by the government, such as pH and BOD.</p> <p>• Auditor conclusion: Based on above evidence, this NC has closed.</p>		
2016. 7	4.5.1	<p>Implementation of Weed Control During the inspection and analysis of program and realization, Bukit Kecubung Estate, known there was delays in the progress of weed control in the circle and path, for example in Block T24 Division 3. This is not in accordance with the procedure Weed Control (BGAAGRKS-PTKS-PGL).</p>	Estate	Major	June 28, 2016	Companies must be able to demonstrate efforts to accelerate the control of weeds, for example in Block T24 Division 3.	<p>• Root cause: Lack of Supervision by Assistant/Estate Manager cause mutation process of several responsible staff in PT KMB.</p> <p>• Corrective action Implementation of plantation maintenance based on Procedure of Weeds Control</p> <p>• Preventive action: Improve of control function from Assisstant /Estate Manager by means of : a. Monthly inspection by Assistant /Clerk. b. Implementation of monthly meeting that conducted by Estate Manager.</p> <p>Auditor Observation: 15 June 2016 The management unit of Bukit Kecubung Estate (BKCE) was showed several corrective action evidence consist of: 1. Official report of weeds control in Block T24,</p>	Closed	22 June 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>Division 3 (14.59 Ha) with used of Glyphosate 4.04 litre and 15 work days on 28 April 2016.</p> <p>2. Data Monitoring of maintenance till April 2016 that knowed 4 litre glyphosate was used for area 14.59 Ha.</p> <p>3. Documentation of spraying activities by BSS team on block T24 Division 3 Bukit Kecung Estate (BKCE)</p> <p>22 June 2016 The management unit has been showed the corrective evidence consist of :</p> <ol style="list-style-type: none"> 1. Official report of spraying activities in block T24 Division 3 BKCE (14.59 Ha). 2. Pictures of weeds control activities with agrochemical used 3. The mecahanism of Plan, Do, Check and Action of Weeds Control 4. Circle chemical weeding in 2016. 5. Recapitulation of maintenance activities in Bukit Kecubung Estate (BKCE) in 2016. <p>• Auditor conclusion: Based on corrective evidence was showed by the management unit, the non compliance was Closed Out.</p>		
2016. 8	4.6.11	<p>Medical surveillance for Pesticide Operators</p> <ul style="list-style-type: none"> - According to interview results not all pesticide operators has gained a specific MCU for example: chemical mixing operators in GMKE and 	Estate	Major	June 28, 2016	<ul style="list-style-type: none"> - Management unit shall be show evidence that all pesticide operators has gained a specific MCU. - Management unit shall be show that re-test of cholinesterase for 7 pesticide 	<ul style="list-style-type: none"> • Root cause: Lack of control from Unit Manager, because there are no RSPO PIC which responsible to control OHS implementation in each unit. • Corrective action (+evidence) 	Closed	22 June 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		<p>Chemical Storage Region 2.</p> <ul style="list-style-type: none"> - According to cholinesterase test result in September 2015, it's known that 7 spraying and fertilizing workers are below the threshold. But can't be showed an evidence that re-test of cholinesterase has been conducted in accordance with a doctor's recommendation. 				<p>operators has been conducted, to ensure it doesn't Occupational Illness.</p>	<ul style="list-style-type: none"> • Company was held specific medical check up to all pesticides application. And also do the re-test of cholinesterase according to doctor recommendation • Preventive action: • Improving unit manager control with appointing RSPO PIC which responsible to control OHS implementation in each unit. • OHS Monthly meeting on each unit to review the efectivity of OHS implementation with enclose a doctor and paramedic. <p>Observation at 24 June 2016 The company has showed the evidence cholinesterase test for BSS and BMS workers:</p> <ul style="list-style-type: none"> • Medical checkup was held on 30 September 2015. There are 7 workers with result under threshold and recommended to cholinesterase re-test. • Based on cholinesterase re-test result on 26, 27, 28 May 2016 and 20 June 2016. The result is all workers has normal. • There are mutation letter no. 003/Wil 2 – BMKE/SK/XII/2015 dated 5 December 2015 to manual weeding. <ul style="list-style-type: none"> • Auditor conclusion: 		

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							Based on above evidence, this NC has closed.		
2016. 9	4.7.3	Provision and Using of PPE's According to field observation in Mill, that were founded: <ul style="list-style-type: none"> - Grading officer and some operator don't using safety shoes, they were used boots shoes. - PPE's (safety shoes) reserves in the storage is less than 10% of the existing needs. This was not accordance to SOP No. BGA-SOP-CCS-1106.1-R0 about Personal Protective Equipment.	Mill & Estate	Major	June 28, 2016	Management unit shall be show evidence that PPE's Using in accordance to SOP.	<ul style="list-style-type: none"> • Root cause: Lack of control from Unit Manager, because there are no RSPO PIC which responsible to control OHS implementation (include PPE's) in each unit. • Corrective action (+evidence) • Inventaritation PPE's using on each unit and providing PPE's to all workers according to HIRAC. • PPE's procurement in warehouse an adequate number (10% from needed). • Preventive action: • Inspection of the PPE's use according to HIRAC and SOP every days on morning call/safety breafing. • PPE's stock weekly inspection must be 10% from need according to SOP by sustainability clerck. • OHS monthly meeting on each unit lead by safety expert to review OHS impelementation efectivity (include PPE's using and procurement of PPE's) • Observation at 9 June 2016 • Management unit has showed safety shoes giving to 4 grading workers on GMKM dated 28 April 2016. • Management unit has showed bincard of 	Closed	24 June 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>safety shoes on warehouse. From 156 shoes was given to workers, and remaining 18 shoes as the stock in the warehouse.</p> <p>Observation at 24 June 2016 Company was showed corrective evidence:</p> <ul style="list-style-type: none"> • Intern Office Memo No. 074/IOM/KMB-REG.1/IV/2016 from Region Head 1 from all estate and mill manager about PPE's providing. • Acceptance of the PPE's on 15 April 2016 and 30 May 2016 to all GMKM workers. • PPE used daily monitoring to all GMKM wokers with documentation. <p>• Auditor conclusion: Based on above evidence, this NC has closed.</p>		
2016. 10	5.1.2	<p>Implementation and reporting EIA Environmental monitoring has not been fully implemented and reported to related agency accordance with guidance of environmental documents, such as:</p> <ul style="list-style-type: none"> - Surface water quality test in 2nd semester of 2015 - Underground water at monitoring wells test in 2nd semester of 2015 - Aquatic biota test in 2nd semester of 2015 	Mill & Estate	Minor	ASA-03	Companies must implement the environmental management and monitoring in accordance with the EIA	<ul style="list-style-type: none"> • Root cause: Lack of knowledge from new RSPO PIC staff associated with environment monitoring and management. • Corrective action (+evidence) • Take a measurements of environment parameters according to EIA document and reporting result of environment parameter measurments to environment agency. • Making a corrective action for each item whose measurement value of COD, BOD and Fe (river) are bottom of limit value according to SOP corrective action and prevetife action. 	Open	

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<ul style="list-style-type: none"> Preventive action: Requesting to management to add safety officer in each mill who responsible to do environment monitoring and management. Socializing SOP of Environment monitoring and management to RSPO PIC in Mill by Mill Manager. Monthly meeting to discuss updates program associated to environment monitoring and management. <p>Observation at 6 June 2016 The Company has implemented management and monitoring base on the AMDAL and UKL/UPL, such as surface water quality test, ground water quality test, and aquatic biota quality test, conducted by an accredited laboratory. Implementation of environmental monitoring are recorded in the environmental management and monitoring plan implementation in 2nd semester of 2015 and has been submitted to the related agency on Mei 13, 2016.</p> <p>According to the results test, it is known there are parameters not comply with the quality threshold regulated by the government, such as COD, BOD, Fe, etc. Therefore the company must be show evident of an evaluation of the test results.</p>		

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<ul style="list-style-type: none"> Auditor conclusion: The company must be show evident of an evaluation of the test results 		
2016. 11	5.3.3	Hazardous Waste Temporary Warehouse Based on the results of field observations on the hazardous waste temporary warehouse of mill, founded the overflow of waste oils that comes from the overflow tank.	Mill	Minor	ASA-03	Hazardous Waste Temporary Warehouse must be managed in accordance with laws and regulations.	<ul style="list-style-type: none"> Root cause: Lack of control from unit manager, it cause they has no appointed safety officer who served to control and follow up the implementation of hazardous waste management in Mill. Corrective action (+evidence) <ol style="list-style-type: none"> Repairing a secondary containment on schedule waste. Requesting to management to add safety officer in each mill who responsible to do environment monitoring and management. Preventive action: Weekly OHSAS inspection by RSPO officer. <p>Observation at 1 June 2016 The overflow tank on the hazardous waste temporary warehouse of mill repaired on May 11, 2016, by of raising overflow tank.</p> <ul style="list-style-type: none"> Auditor conclusion: Based on these explanations, the NCR. No. 2016.10 Closed. 	Closed	16 June 2016
2016. 12	5.6.3	GHG calculation and reporting The result of calculation is not yet	Mill & Estate	Minor	ASA-03	GHG calculation result must be reported to RSPO	<ul style="list-style-type: none"> Root cause: Lack of knowledge and control by the new 	Closed	1 June 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		reported to RSPO secretariat.				secretariat.	<p>Green House Gas (GHG) staff regarding to GHG report to RSPO secretary.</p> <ul style="list-style-type: none"> Corrective action (+evidence) <ol style="list-style-type: none"> To follow up of GHG calculation and management plan PT. KMB by CCM personnel. Reporting GHG calculation and management plant of PT. KMB that has signed by the top management to the RSPO secretary. Preventive action: <ol style="list-style-type: none"> Scheduled weekly meeting and discusses calculation progress before reporting GHG report. Time framing and finishing annual GHG calculation of PT. KMB before reporting to the RSPO secretary. <p>Observation on June 1st 2016 The company has reported GHG calculation year 2015 to the RSPO secretary on June 1st 2016.</p> <ul style="list-style-type: none"> Auditor conclusion: Based on the evidence that showed, non compliance No 2016.12 has closed. 		
2016. 13	6.5.2	Employees Work Agreement According to document verification and interview with workers, it founded: <ul style="list-style-type: none"> - Company Regulation the period of 2014-2016 has expired in January 1st, 2016. 	Estate	Major	June 28, 2016	Management unit shall be show evidence: <ul style="list-style-type: none"> - Company Regulation is still valid. - Human Resources System is comply with regulations. 	<ul style="list-style-type: none"> Root cause: <ul style="list-style-type: none"> - Lack of coordination between Unit Management and Human Resources Department of Regional, it's because Regional HRD PIC was new mutated. 	Closed With Observation	22 Juni 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		<ul style="list-style-type: none"> - There are three harvester (no permanent worker) in GMKE has worked more than 21 days per month for three month in a row, they had no appointed as Permanent Daily Workers. - There are a loose fruit picker in BKCE doesn't have the work agreement and she doesn't get wages according to law. 					<ul style="list-style-type: none"> - Lack of understanding of the new administration head associated with the existing manpower regulations. • Corrective action (+evidence) <ul style="list-style-type: none"> a. Management unit to coordinate with Head office HRD to immediately renew the Company Regulation. b. Breafing to all head of administration by HRD about understanding of labor regulations in each unit. c. Renew the company regulations for 2 years later. d. Changing status of 3 workers as permanent workers. e. Providing work agreement and remuneration according to regulation. • Preventive action: <ul style="list-style-type: none"> a. Implementation of the three-month coordination meeting with Regional HRD. b. Region Head will make a three-month program, hiring for harvesting and maintenance workers in GMKE through IOM approved by the Head Office Management. c. Socialization of work agreement to all head of administration and all BKCE staff by Regional HRD. Every worker in BKCE have the work agreement and receive the wages according to regulation. d. Improving of control function by Head of administration and Regional HRD. 		

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>e. Inspection to all worker before working, during working and after working by foreman every days.</p> <p>Observation 9 June 2016 GMKE has showed letter of promotion from non permanent to permanent worker: 1. SK No. 089 SK/KMB/BGA-Wil I GMKE/V/2016 dated 1 May 2016. 2. SK No. 090 SK/KMB/BGA-Wil I GMKE/V/2016 dated 1 May 2016. 3. SK No. 088 SK/KMB/BGA-Wil I GMKE/V/2016 dated 1 May 2016.</p> <p>Observation at 15 June 2016 Company has showed: 1. Internal Office Memo No. 03/IOM/BKCE/IV/2016 dated 11 April 2016 about restriction of Family Sistem in BKCE. 2. IOM socialization about restriction of workers wife to help in field dated 28 April 2016, followed by 25 workers. 3. Warning letter from Estate controller dated 9 May 2016 to Field Assistant about indisciplinatory proceedings.</p> <p>Observation at 16 June 2016 The management unit showed Letter from the Director General of Industrial Relations and Labor Social Security No. 14 / PHIJSK-PK / PP / VI / 2016 dated June 15, 2016; explained that the renewal of Company regulation is in the process accordance with the provisions of the legislation in force.</p> <p>Observation at 22 June 2016</p>		

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>There are evidence:</p> <ol style="list-style-type: none"> 1. Documentation of handover letter of appointment on behalf Seftian Reza, Ahmad Afnan and Sunardin. 2. Working Tandem inspection checklist to ensure the harvesters do not bring families into the field. <p>Observation at 24 June 2016 It has been shown IOM No. 069/IOM/REG.I-RH/VI/2016 dated June 16, 2016 from Regional Head I Kalimantan Tengah to Head of Kalimantan Tengah about of hiring from non permanent woker to permanent worker. The IOM stated that data of workers has worked for 21 mandays were at 3 months has not been lifted. Data as follows: GMKE 57, BDME 70 and SPYE 135 workers.</p> <p>• Auditor conclusion: Based on above evidence, this NC has closed.</p>		
2016. 14	6.5.3	<p>Adequate facilities for employee According to field observation in workers residential Division III GMKE, it's known that some of septic tank in the leak condition. In addition, domestic waste sanitary conditions are less good.</p>	PT. KMB	Minor	ASA-03	Management unit shall be provision of adequate facilities for employee.	<p>• Root cause: Lack of control from Unit Management GMKE, because PIC has not been established to maintenance of environment hygiene and sanitary in employee housing.</p> <p>• Corrective action (+evidence) Unit manager GMKE appoint PIC to repair a leaking septic tanks and improving domestic waste sanitation conditions.</p> <p>• Preventive action: Implementation of hygiene and sanitation</p>	Closed	9 June 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>inspection in the housing and landfill by Mandor 1 which coordinate by field assistant.</p> <p>Observation at 9 June 2016 GMKE has showed improvement of septictank in employee housing (generator operator) in Division 3 dated May 17, 2016.</p> <ul style="list-style-type: none"> Auditor conclusion: Based on above evidence, this NC has closed. 		
2016. 15	6.10.4	<p>Agreed payments shall be made in a timely manner</p> <p>The company has had a sales and purchase agreement with local FFB supplier which is set the payment period. However, based on payment receipt observation, the realization of payment is not accordance with the agreement</p>	PT. KMB	Minor	ASA-3	The company shall ensure FFB Purchasing from Local FFB Supplier paid timely manner.	<ul style="list-style-type: none"> Root cause: Lack of coordination between commercial staff in regional area and head office. Corrective action (+evidence) Commercial staff in regional area and head office shall coordinated regarding to the FFB payments to supplier become on time according to purchasing agreement. Preventive action: Scheduled monthly meeting between mill manager and commercial staff regarding to FFB purchasing process from supplier and payments mechanism monitored by mill controller. Auditor conclusion: Evidence not yet showed. 	Open	
2016. 16	6.13.1	<p>Policy to respect human rights must be documented and communicated to all levels of workers</p>	Mill & Estate	Major	June 28, 2016	The company must be able to show evident that the policy to to respect human rights must	<ul style="list-style-type: none"> Root cause: Lack of coordination between Management Unit and HRD (Region&Head Office) because 	Closed	22 June 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		The Company has a policy to respect human rights (<i>"Kebijakan Tanggung Jawab Terhadap Pekerja"</i>), However, these policies have not been fully communicated to all levels of workers.				be documented and communicated to all levels of workers	<p>the responsible staff of Human Rihgt socialization not yet decided.</p> <ul style="list-style-type: none"> • Corrective action Management Unit pointed menunjuk Regional Sustainability Assistant & related Manager Unit for execute the Code of Conduct socialization in each operation units. • Preventive action: <ol style="list-style-type: none"> a. Summarised and evaluate of Code of Conduct socialization by related Manager Unit. b. Scheduled of socialization Menyusun Code of Conduct in each of operation unit. These program will execute by Unit Manager/Assistant to all of operation unit and will routine evaluate in mustar morning. <p>Auditor Observation: 17 and 22 June 2016 The management unit was showed the evidences of Human Right socialization to workers:</p> <ol style="list-style-type: none"> 1. Socialization in Clinic area, dated on 20 May 2016. 2. Socialization in Gunung Makmur POM, dated on 28 April 2016. 3. Socialization in Gunung Makmur Estate, Division 1, dated on 23 May 2016. 4. Socialization in Gunung Makmur Estate, Division 2, dated on 23 May 2016. 5. Gunung Makmur Estate, Division 3, 		

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>dated on 25 May 2016.</p> <p>6. Socialization in Gunung Makmur Estate, Division 4, dated on 23 May 2016.</p> <p>7. Socialization in Bukit Kecubung Estate, date on 14 June 2016.</p> <p>Those evidences also was attached of attendant list, official report and picture of socialization process</p> <p>• Auditor conclusion: Based on evidences was showed by management unit, the non compliance in this indicator was <i>Close Out</i>.</p>		
2016. 17	7.3.3	Dates of land preparation and commencement shall be recorded. There was no to be shown Dates of land preparation and commencement after November 2005.	Estate	Minor	ASA-03	Management unit shall be show evidence dates of land preparation and commencement after November 2005.	<p>• Root cause:</p> <p>• Corrective action (+evidence)</p> <p>• Preventive action:</p> <p>• Auditor conclusion: Evidence not yet showed.</p>	Open	
2016. 18	8.1	Systematic Failure on management system From the ASA-2 findings the auditor team considers that there is a systematic failure associated with the recurrence of a mismatch againsts the results of previous audits (ST-2 and ASA-1) 1) Implementation of policies OHS. It's not in accordance with the guidelines on the criteria of 4.7	PT. KMB	Major	28 June 2016	The CH has to shows the evidences for continuous improvement of the system for developing and ensuring the discrepancies that never appeared on a previous audit does not happen again.	<p>• Root cause: Lack of control from Unit Manager, because there are no RSPO PIC which responsible to control Occupational Health and Safety (OHS) implementation in each unit.</p> <p>• Corrective action (+evidence) a. Providing first aid contain according to national regulation. b. Review, evaluation and action plan</p>	Closed with observation	22 June 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		<p>about safety and health plans are documented work effectively communicated, and implemented. For example: related to fulfillment of the first aid content and no record use first aid kit.</p> <p>2) Implementation of Manpower laws, work agreement or directly work agreement in accordance to indicators 6.5.2.</p>					<p>implementation manpower regulation. Such as CAR No. 2016.16; 2016.15; 2016.13 above it.</p> <ul style="list-style-type: none"> Preventive action: <ol style="list-style-type: none"> Implementation of the management review meeting to assess performance effectiveness according to the SOP OHS and environment management review meeting. Monitoring content of the first aid every month by RSPO officer. <p>Observation at 17 June 2016 Company was showed evidence: GMKE</p> <ol style="list-style-type: none"> News handover first aid type A for ≤ 25 peoples in GMKE dated 7 June 2016 to 23 officer in each division (include day care and clinic). Voucher cash for purchasing of the contents first aid dated May 25, 2016. <p>GMKM</p> <ol style="list-style-type: none"> Requase bon for 10 Pcs first aid boxes dated 26 April 2016 to GMKM. Along with minutes of the giving first aid boxes for 7 stations and 3 offices. <p>BKCE</p>		

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<ol style="list-style-type: none"> Monitoring results of first aid content in each division on May 2016, it's showed not complete. Request purchased the first aid contain as many 14 types, with each 41 pcs dated April 18, 2016. Minutes of handover first aid boxes to 31 officer on division1 to division 6 (for Mandor 1, harvesting mandor, transport clarked, fertilizing mandor, IPM officer and RSPO mandor dated 16 June 2016. <p>Observation at 24 June 2016 It has been shown IOM No. 069/IOM/REG.I-RH/VI/2016 dated June 16, 2016 from Regional Head I Kalimantan Tengah to Head of Kalimantan Tengah about of hiring from non permanent woker to permanent worker. The IOM stated that data of workers has worked for 21 mandays were at 3 months has not been lifted. Data as follows: GMKE 57, BDME 70 and SPYE 135 workers.</p> <p>• Auditor conclusion: Based on above evidence, this NC has closed.</p>		
2016. 19	E.3.1	<p>SCCS Procedure of Supply Chain Certification Systems (SCCS SOP-KMB-Sust-SOP43) overall have not been applied in Mill and estates.</p> <ul style="list-style-type: none"> - As Verified with Weightbridge operator, No data and records of 	Mill	Major	June 28, 2016	<p>The companies must be implement procedures SCCS SOP-KMB-Sust-SOP 43 on Supply Chain.</p> <p>Certification and Compliance Department must be provide</p>	<ul style="list-style-type: none"> • Root cause: The responsible staff for recorded of <i>certified</i> and <i>non certified</i> FFB did not yet earn SCCS training.. • Corrective action (+evidence) 	Closed	24 June 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		<p>certified FFBs and Non certified FFBs, therefore operators do not understand the mechanisms relevant records SCCS (FFB, CPO, Kernel).</p> <ul style="list-style-type: none"> - Daily reports of production showed no separation of certified and non-certified (FFB, CPO, Kernel). - Bukit Hijau Estate is non certified supply base, but in the "FFB delivery note" of Bukit Hijau Estate has been declared and marked the RSPO logo. 				<p>training to all staff and workers involved in the implementation of supply chain system requirements.</p> <ul style="list-style-type: none"> - Identifikasi FFB yang berasal dari kebun yang bersertifikat RSPO ditandai dengan penggunaan Logo RSPO pada setiap Surat Pengantar Buah. - Identification FFB which comes from RSPO certified estate marked by the use RSPO logo on SPB - Estimates of RSPO certified products produced at the factory are calculated based on the daily reports of production. 	<p>a. Improve of separation process for certified FFB and non certified FFB</p> <p>b. Socialization of Supply Chain requirement and Procedure of Identification & Traceability to all related staff for SCCS implementation and weekly periodically evaluation of FFB recorded for certified and non certified products</p> <p>• Preventive action: The Asisstant/Manager shall monitoring& ensure of recorded mechanism and SCCS inventarization (FFB , CPO, Kernel, well implemented and will reviewed and direct observe of daily production report and incoming materials.</p> <p>Auditor Observation : 22 June 2016</p> <ol style="list-style-type: none"> 1. Official report of Supply Chain training on 18 May and 18 June 2016 and also the training material. 2. Supply Chain training programme for production administration and weighbridge clerk. 3. The pictures of training process of Supply Chain related to separation of RSPO certified Delivery Note and non certified FFB Delivery Note. 		

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>4. There was showed FFB Delivery Note from certified plantation and non certified plantation.</p> <p>5. Corrective form & Preventive Action Request related to FFB Delivery Note that was claimed as RSPO certified product</p> <p>6. There was showed master data of block 2015 that shows of block for scope of RSPO certification</p> <p>Observation at 24 June 2016:</p> <p>1. Official Report of Supply Chain training of certified and non certified product to production administration, weighbridge clerk, security of mill GMKM, transportation clerk and harvest clerk on 23 June 2016. The pictures of training process was attached.</p> <p>2. Delivery Note Form that logo used refer to RSPO Rules on Market Communications and Claims June 2015.</p> <p>• Auditor conclusion: Based on the evidences was showed by the management unit of mill, the non compliance was Close Out.</p>		
2016. 20	E.3.2	<p>SCCS</p> <p>According to the document review, there are TBS who have not received a certificate RSPO, but has declared a bersertifikat product.</p> <p>TBS volume from certified estate</p>	Mill & Estate	Major	June 28, 2016	The companies must be able to verify TBS volume of certified and non certificate appropriately.	<p>• Root cause: The responsible staff for recorded of <i>certified</i> and <i>non certified</i> FFB did not yet earn SCCS training.</p> <p>• Corrective action</p>	Closed	22 Juni 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
		(BDME, SMNE, GMKE) = 74.619.640 kg. While TBS stated certified volume = 93,252,880 kg. *Data July 21, 2015 to April 26, 2016					<ul style="list-style-type: none"> - SCCS training for transportation clerk, harvest clerk, weighbridge clerk and RSPO Clerk. - Review and revision of production result report so that recorded of volume certified FFB will refer to Mass Balance method that the FFB was supply from certified plantation and refer to FFB Delivery Note . <p>• Preventive action: The RSPO Clerk and weighbridge clerk shall monitored and ensure that FFB recorded from certified plantation appropriate with FFB Delivery Note.</p> <p>Auditor Observation: 22 June 2016 The management unit of mill was showed the evidences consist of:</p> <ol style="list-style-type: none"> 1. Official report of Supply Chain training on 18 May and 18 June 2016 and also the training material. 2. Supply Chain training programme for production administration and weighbridge clerk. 3. The pictures of training process of Supply Chain related to separation of RSPO certified Delivery Note and non certified FFB Delivery Note. 4. There was showed FFB Delivery Note from certified plantation and non certified plantation. 		

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							5. Corrective form & Preventive Action Request related to FFB Delivery Note that was claimed as RSPO certified product 6. There was showed master data of block 2015 that shows of block for scope of RSPO certification Auditor conclusion: Based on the evidences was showed by the management unit of mill, the non compliance was <i>Close Out</i> .		
2016. 21	RSPO Certification System 4.2.4	Challenging Time Bound Plan. The revision of certification Time Bound Plan showed by the BGA Group consider not challenging due to: Certification plan for Beringin Agung Estate, Bukit Hijau Estate, Sungai Penyahuan Estate, Sungai Meraya Estate, Kelompok Tani Tanjung Harapan, KUD Waringin Jaya, KUD Makarti Jaya, dan KUD Tri Daya. Based on the explanation above it was not met with RSPO Certification System 4.2.3 All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years.	KMB (BGA Group)	Major	June 28, 2016	BGA Group must be able to demonstrate Challenging Time Bound Plan (Time Bound Plan) as well as a sufficient justification according to the RSPO Certification System.	Root cause: Lack of understanding of RSPO Certification system of CCM Team Department. Corrective action (+evidence) a. Coordination with auditor about RSPO Certification System 4.2.4 (Time Bound Plan RSPO for all FFB sources from each own estate). b. Time Bound Plan revision according to RSPO Certification system 4.2.4. Preventive action: CCM team will improve understanding related to the provisions contained in the RSPO certification system which will be coached by CCM team and implemented in the 2 nd half. Observation at 16 June 2016 BGA group has showed time bound plan revision approved by Director of CA&Sustainability and Certification Compliance Department Head dated	Closed	28 June 2016

No.	Ref Std	Nonconformity	Area	Grade	Deadline	Corrective Action	Observation and Date	Status	Closed Date
							<p>June 15, 2016. It has been added FFB supply base from smallholders (cooperation).</p> <p>Observation at 28 June 2016 Company has showed Letter No. 003/EXT/BGA/VI/2016 of the Director of PT. Bumitama Gunajaya Agro dated 27 June, 2016. Letter was explained that PT. Fajar Bumi Nabati is not part of BGA Group. It has been shown the cooperation agreement between PT. Nabatindo Windu Lestari (signed by the director) with PT. Fajar Bumi Nabati (signed by the director) of the sale and purchase of FFB of oil palm on December 21, 2015 for the sale and purchase of FFB.</p> <p>• Auditor conclusion: Based on above evidence, this NC has closed.</p>		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	Major 4.1.4	The company has a chance to evaluated FFB source from local supplier regularly.
2	Minor 5.2.3	Certificate holder is encouraged to conduct capacity development of HCV officer including provides appropriate supporting facilities.

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1		The company has shown good commitment to help surrounding people through the CSR program.
2		Realization of scheme smallholder for community almost \pm 7.720,25 Ha beyond the obligation of government.

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

Isu dari Stakeholder	Tanggapan Manajemen	Tanggapan Auditor
PT. Karya Makmur Bahagia		
National Land Agency of East Kotawaringin District (Head of National Land Agency) <ul style="list-style-type: none"> PT Karya Makmur Bahagia (KMB) has the legalized and valid land use title. Land dispute in term of land use title overlap between PT Karya Makmur Bahagia & PT Bangkit Giat Usaha Mandiri (PT BGUM) has been met resolution on 2014. Post 2014, there is no land dispute between company against other company. There is no customary land on company's land use title. Suggestion: Land Dispute should be mapped and reported to the related agency.	<ul style="list-style-type: none"> Yes, the company has the legalized and valid HGU Yes, there is common agreement document between PT KMB with PT BGUM Yes Yes, there is a statement letter from "<i>Dewan Adat Dayak</i>", there are no indigenous land in HGU <ul style="list-style-type: none"> Problems of dispute has settled in viillage level / sub-district level / "<i>Dewan Adat</i>" level. 	<p>PT KMB has the legalized and valid land use title No. 19 on October 22nd 2001 for 15,056.31 Ha. It refers to the criteria of 2.2</p> <p>Concession area of PT KMB was clear and clean, compensation settlement or award of compensation of land have been conducted through related party agreements. There are no land under control of indigenous rights in the area. It Refers to the criteria of 2.3</p>
Region Secretary of East Kotawaringin District (General Government Administration) <ul style="list-style-type: none"> According to the data base of period of 2012/2014, the land dispute between the company and the locals has met the resolution. The occured land dispute did not goes to court. It was handled only by head of village, head of subdistrict and regency. According to the data base of period 2015/2016, there is no any incoming report in term of land dispute. Suggestion:	<ul style="list-style-type: none"> Yes Yes Yes <ul style="list-style-type: none"> Problems of dispute has settled in viillage level / sub- 	<p>Concession area of PT KMB was clear and clean, compensation settlement or award of compensation of land have been conducted through related party agreements. In the area of PT KMB there are no land under control of indigenous rights. It Refers to the criteria of 2.3</p> <p>Workers came from the local community and outside the region. The company also has implemented CSR programs to the local community. It Refers to the criteria of 6.11 and 6.12</p>

Isu dari Stakeholder	Tanggapan Manajemen	Tanggapan Auditor
<ul style="list-style-type: none"> Land Dispute should be mapped and reported to the related agency. The land dispute should have been able to be controlled by providing jobs and business for the locals. 	<p>district level / <i>Dewan Adat</i> level.</p> <ul style="list-style-type: none"> The workers came from the locals and outside the region. 	
<p>Manpower Agency of East Kotawaringin District (Division of Manpower Monitoring)</p> <ul style="list-style-type: none"> Wages for workers of PT. KMB refer to the decree of minimum wage standard for period of 2016 for IDR 2,250,000. Wage of permanent daily workers and temporary daily workers in PT KMB has referred to decree of minimum wage standard. However, in term of outsource workers, the company must be able to make sure that their wage has referred to minimum wage standard. There is still temporary daily workers in PT. KMB. There is no foreign workers in PT. KMB. There is no contract substitution in PT. KMB. The company has reported work accidents in small scale to BPJS and the report of heavy scale to manpower agency. There was one heavy scale work accident at mill. The work accident has been claimed to BPJS. Manpower Agency is not able to make sure whether all workers have been registered to BPJS of manpower and health or not. All workers should have been registered to manpower and health BPJS program. Structure of Occupational Health and Safety Guiding Committee for Estate and mill of PT KMB has been legalized and still valid as well as routinely reported. There is no under age workers at PT KMB. There is only kids who help their parents. 	<ul style="list-style-type: none"> Yes Wages for contractors comply with minimum wage standard Yes, but after three months will be evaluated There is no foreign workers in PT. KMB. There is no contract substitution in PT. KMB. All workers has registered on BPJS Yes, P2K3 of KMB updated on April 7, 2016 PT WNL was not use child labor 	<p>The Company has implemented wage in accordance with government standards, residential facilities, electricity, clean water, health facilities to workers. It Refers to the criteria of 6.5</p> <p>The Company has implemented a partnership program with local communities, CSR and empowerment of local contractors. It Refers to the criteria of 6.1 and 6.11</p> <p>The Company does not use migrant labor and no substitution contract. It Refers to the criteria of 6.12</p> <p>The company was not use child labor. It Refers to the criteria of 6.7</p>

Isu dari Stakeholder	Tanggapan Manajemen	Tanggapan Auditor
<ul style="list-style-type: none"> Report of Manpower of PT KMB for period of 2015 has been reported. PT. KMB has tested routine machine maintenance and test on April 26th 2016. Manpower Agency cannot make sure whether all specific operators have had certificate or not. The company has provided housing complex, electricity, clean water and clinic for workers. Labour union has been formed at PT. KMB. PT. KMB has had valid company regulation. PT. KMB has had scheme smallholder cooperation unit as well as employee cooperation unit. Recruitment of the locals who work at PT. KMB is relatively small despite they have known the socialized information. 	<ul style="list-style-type: none"> Yes, report of Manpower for period of 2015 has been reported to related agency Yes, the company has tested machine routinely on April 26th 2016. PT KMB have operators gained license of SIO The company has provided facilities and infrastructure for workers. Yes The company regulation currently in process to government agency. Yes The company recruitment the locals 	
<p>Forestry and Plantation Agency of East Kotawaringin District (Division of scheme smallholder)</p> <ul style="list-style-type: none"> According to the database of private palm oil plantation progress of East Kotawaringin District on December 2013, the actualization of scheme smallholder in PT KMB is 9,778 Ha. Permit for scheme smallholder has been known by the Regent. Scheme smallholder progress is frequently reported and recorded on the report of plantation business progress (LPUP). The price of FFB refers to the price regulated by the regional government, through result of pricing meeting attended by stakeholders (Province Plantation agency, Regional Plantation Agency, Representative of scheme smallholder. Result of the meeting is disseminated by each attendance. 	<ul style="list-style-type: none"> Yes Yes Yes Yes The company has to provide guidance to the farmers, such as Managerial Training (taxation, financial statements, etc.) and the assistance Yes, there are two cooperatives that have been paid off for period of planting year of 1999, while 3 Cooperation for period of planting year of 2005 will be paid off by the end of 2017. 	<p>The Company has implemented a partnership program with local communities, CSR and empowerment of local contractors. It Refers to the criteria of 6.1 and 6.11</p> <p>FFB purchase plasma and non-plasma according to relevant regulations and The Company has conducted socialization and training to the cooperatives. It Refers to the criteria of 6.10</p> <p>The company has conducted socialization to smallholders, such as:</p> <ul style="list-style-type: none"> Socialization about Plasma Mandiri and Technical Cultivation Palm Plantation in the Bukit Makmur village on November 18, 2015. Socialization about Plasma Mandiri and Technical Cultivation Palm Plantation in the Rantau Tambang

Isu dari Stakeholder	Tanggapan Manajemen	Tanggapan Auditor
<ul style="list-style-type: none"> The informan does not know any form of guiding conducted by company to the smallholders. Scheme smallholder credit of PT. KMB for period of planting year of 1999 has been fully paid on September 2015. However, the management and sale of FFB is still monopolized by PT KMB. Meanwhile PT KMB scheme smallholder or period of planting year 2005 is not yet fully paid. 		<p>village on November 20, 2015.</p> <p>Socialization of aims to provide insight related to oil palm cultivation and development. It Refers to the criteria of 6.10</p>
<p>Environment Agency of East Kotawaringin Distrit (Head of Environment Law Compliance)</p> <ul style="list-style-type: none"> PT. KMB has had environment permits such as environment impact assessment and environmental management and monitoring effort which had been legalized and still valid. Replanting and its analysis of impact has been written on environment impact assesment. PT. KMB has had hazardous waste storage which has been legalized and still valid. Management including the period of storing hazardous waste is referring to the requirment of permit and storing period allowed by regional government for only 90 and 360 days. Government regulation no 101 year 2014. Hazardous waste including pesticide packs are stored ate the licensed hazardous waste storage and it should not be used as water jerry can, trash can and other household activity. Chemical packs or pesticide packs are used for mixing same chemical substance. Medical waste is categorized as hazardous waste, it should be managed based on the determined storing period and it should be then given to the licensed waste collector and reported to the related agency for every quarter. 	<ul style="list-style-type: none"> - Yes, the company has had EIA document. - Yes, replanting activities and assessment of the impact has been on the analysis of the EIA. - Yes - Yes - Yes - Yes - Yes, medical waste is managed in accordance with applicable regulations and SOPs 	<p>The unit management has been identified aspects of plantation and Mill operations which is have environment impacts. The Companies have the environmental documents, such as:</p> <ul style="list-style-type: none"> - EIA document, legalized by Environmental Impact Management Agency, Kotawaringin Timur District No. 25/Komisi-Kotim/VIII/02 on August 9th 2002 for 17,500 hectare of estate and POM with 40 ton per hour capacity. EIA Analysis is conducted by Environment Research Insititute of Palangkaraya University. - Environmental management and monitoring effort document, legalized by Kotawaringin Timur District No: 188.45/293/Huk-BLH/2013 on May 30th 2013 in term of permit for POM construction of Gunung Makmur Mill and its supporting installation with capacity of 90 Ton of FFB / hour in Rantau Tampang Village, Telaga Antang Subdistrict, Kotawaringin Timur District. <p>According to the field observation and interview with workshop worker, generator station worker, BKCE chemical storage officer, the generated hazardous waste</p>

Isu dari Stakeholder	Tanggapan Manajemen	Tanggapan Auditor
<ul style="list-style-type: none"> PT. KMB has had permit for land application. It has been legalized and still valid. Domestic waste is dumped at landfill and should not be burned. The company has managed and monitor the solid, liquid and air waste as written on environmental management and monitoring plan and it has been reported to the related agency every semester. PT. KMB for this year is suggested to follow the environment assessment held by government (Proper). There is no any incoming report complaining about environment contamination caused by estate/mill operational. Coordination between company and environment agency is good. 	<ul style="list-style-type: none"> Yes Yes, the company has implemented a zero burning policy Yes Yes Yes, the company is committed to implementing the company's environmental policy Yes, the company will maintain coordination 	<p>are stored on the licensed hazardous waste and delivered to the licensed hazardous waste collector. According to the field observation and interview with the settler of division 5/6 BKCE, the organic and anorganic waste from settlement are collected on the trash can and then dumped to the landfill routinely. According to the field observation and interview with BKCE clinic Officer, the medical waste is temporary stored on the closed box and then delivered to the licensed hospital to be destroyed.</p> <p>Refers to indicators 5.1</p> <p>Management and environmental monitoring carried out in accordance with the EIA. It Refers to the criteria of 5.1.2 dan 5.1.3</p>
<p>The management of Waringin Jaya Cooperation Agency</p> <ul style="list-style-type: none"> The smallholder programme as collaboration activity between the company and community surround was in good progress. The cooperation agency not yet receive the document of origin agreement in early period. The cooperation agency expect the company make a transparent report related to smallholder deposit to the Bank and also yearly operational budget should explained by the company. The cooperation agency only received the production report by the PT KMB The smallholder member was perceived that the mechanism of FFB grading (4 till 5 %) was hard for them The FFB grading result from the smallholder plantation did not showed to the cooperation agency and reject FFB did 	<ul style="list-style-type: none"> The origin document and hard copy has been give to cooperation management in early period. The PT KMB will give again if the cooperation management need the document The transparency will implementation in addendum of new agreement with new system of profit payment and profit netto will shows of profit and budget. The company will inform of production report for every three month and the installment by the smallholder to Bank. Principally the agreement will implementation and communication process between the company and 	<ul style="list-style-type: none"> Generally, based on stakeholder consultation, the community surround and the cooperation management was informed good progress for smallholder program The PT KMB shall improve the communication process with the cooperation management



Isu dari Stakeholder	Tanggapan Manajemen	Tanggapan Auditor
<p>not bring back to the cooperation management. The cooperation management expect the company inform the results of FFB grading.</p> <ul style="list-style-type: none"> The periodically meeting between the company and cooperation management was needed. There meeting results between the company and cooperation management but unconsistency implemented. 	<p>smallholder shall improve</p> <ul style="list-style-type: none"> Grading mechanism was approved by the government refer to Ministry of Agriculture Regulation, Number 14 year on 2013. 	
<p>Mekar Jaya Cooperation Agency</p> <ul style="list-style-type: none"> The plantation operation was impact positively for work acces by the community surround The smallholder expect the company to tranparent for inform of budget related to plantation operation and maintenance . The cooperation programme between the company and cooperation agency was established since 2008. In the document of MoU in early period was explain that per three month the company will reported of smallholder production The company has been socialized that the improvement of smallholder reporting system and the cooperation management expect the company will realized those planning. 	<ul style="list-style-type: none"> The company will put of priority for local workers and the recruitment process refer to procedure of workers recruitment The company will inform of production report, include of cost and obligation of smallholder to Bank in three month. The finance report of cooperation management will inform every year after independent audit was done. 	<ul style="list-style-type: none"> Generally, based on stakeholder consultation, the community surround and the cooperation management was informed good progrees for smallholder program The company should socialize and inform the smallholder program periodically to the cooperation management and the smallholder members.
<p>Head Agung Mulya Village</p> <ul style="list-style-type: none"> The company was giving aid to the community surround, for example: <ol style="list-style-type: none"> Aid for Kindergarten teacher abd hopefully the company will also involve salary of elementary school teacher. Aid for agriculture activities Road maintenance Related to infrastructure maintenance, for example the road maintenance, the head of village did not yet proposed of aid to the company. 	<ul style="list-style-type: none"> The company always committed in education aspect and program implementation will doing peridiocally based on company coverage and financial ability to village surround The economically empowerment in fisheries aspect was done The company has been done of road maintenance to Agung Mulya village 	<ul style="list-style-type: none"> The company should implement the CSR program based on community basic need

Isu dari Stakeholder	Tanggapan Manajemen	Tanggapan Auditor
<ul style="list-style-type: none"> Any indication of liquid waste spillage to river in KM 9 and was influenced to the community, particularly in dry session. The company has been handle these case. Generally, the community surround was good perceived to the existence of PT KMB. 	<ul style="list-style-type: none"> The company will give aid although there is not proposed by the village government. The company will doing of water quality monitoring of river for every year. The company will follow up these information. 	<ul style="list-style-type: none"> Based on field visit during audit, there is not indicate of waste spillage to river in KM 9, however the company should monitoring the river water quality periodically.
The Representation Body of Rantau Tampang Village <ul style="list-style-type: none"> The company need to improve of consent to the village surround, particularly to the village nearest of Palm Oil Mill area. The company was giving aid for teachers salary for elementary school teachers. The village government was proposed to the company for increased the salary nominal and not yet follow up by the company. 	<ul style="list-style-type: none"> The aid from the company was based on action plan and budget The company was put priority for improve of education program 	<p>The company should implement the CSR program based on community basic need</p>
Former Head of Luwuk Kuan Village <ul style="list-style-type: none"> The KMBs management has been done of CSR programmee, consist of: aid for village infrastructure, fresh water and aid for payment of elementary school teachers. The company was provide fresh water aid in 2013. The village government expect of road maintenance aid on next year There was any land dispute in production road of PT KMB and need for follow up by the company. 	<ul style="list-style-type: none"> The propose by the other party will evaluate by the company and refer to work program by the PT KMB The land claim in production road of PT KMB was give compensation on behalf of Herman. Another land claim was speculative and did not have a clear evidence of land right 	<ul style="list-style-type: none"> The company should implement the CSR program based on community basic need The company should overcome the land claim by another party
Head of Waringin Village <ul style="list-style-type: none"> Hitherto, the cooperation management did not yet earned of origin document of MoU was signed by the related party in early period. These potentially of being a problem in the future and shall anticipate both of company and the cooperation management. 	<ul style="list-style-type: none"> The origin document and hard copy has been give to cooperation management in early period. The PT KMB will give again if the cooperation management need the document The company will follow up the suggestion from head of village 	<ul style="list-style-type: none"> The PT KMBs shall improve the communication process with the cooperation management The PT KMBs should follow up the suggestion from the head of village

Isu dari Stakeholder	Tanggapan Manajemen	Tanggapan Auditor
<ul style="list-style-type: none"> The smallholder boundaries map need for inform to the villager in order to make easy for head of village to registered the land owner.. 		
Head of Tumbang Sepayang Village <ul style="list-style-type: none"> The plantation operation was impact to rivers existency surround of plantation area. It is need effort of company to mitigate of negative impact of plantation operation. Oftentimes the EFB solid waste was bad impact environment surround, particularly in rainy session. 	<ul style="list-style-type: none"> The company will follow up the information from head of village 	<ul style="list-style-type: none"> Based on field visit during audit process, there is no significant cases, however the company should periodically monitor the plan and management of environment impact
The Head of Tumbang Mangkup Village <ul style="list-style-type: none"> Proposed of fresh water aid from the company to community 	<ul style="list-style-type: none"> The company will follow up the proposed from head of village 	<p>The company should implement the CSR program based on community basic need</p>
Gender Committee <ul style="list-style-type: none"> Gender committee established since 2014 and has been reinstatement twice. Gender committee has scheduled monthly meeting. Last meeting on April 19th 2016. Gender committee has been socialized its function as a complaints channel especially in women issues. There was no sexual harassment record so far. As for complaints channel, gender committee also act as social activity such as women empowerment, assistance orphan etc. 	<p>All gender committee activity support and helps by the company.</p>	<p>All information gathered from stakeholder (gender committee) suitable with criteria 6.9.</p>
Local Contractor /FFB Supplier Positif issues: <ol style="list-style-type: none"> FFB purchasing between the company and supplier has been arranged and linked since a couple of year ago. All FFB purchasing draft arranged by the company and sent to all supplier for read, learned, recheck before signed both. 	<ol style="list-style-type: none"> Payments delayed due to regional commercial officer who late to recapitulate payments data. It will improving in the future. 	<p>Working agreement (included payments method) between the company and its third party has described in criteria 6.10.</p>

Isu dari Stakeholder	Tanggapan Manajemen	Tanggapan Auditor
<p>If any dissent or complain will discussed before signed.</p> <p>3. FFB purchasing price refer to the FFB price that assigned by local government i.e plantation agency. However, FFB prices for supplier is business price that can be higher or lower than government price with business consideration.</p> <p>4. There was an agreement between the company and FFB supplier which contain obligation to ensure all FFB supplied legal and traceable.</p> <p>Negative issues:</p> <p>1. FFB payments often not timely according to the agreement. The supplier has been complaints on that even there was no response from company's management so far.</p> <p>2. In rainy season, some collection road were in poor condition caused delay in FFB delivery.</p> <p>3. There was no agreement letter regarding to obligated FFB supplier to register an employees in employment insurance.</p>	<p>2. Payments invoice from FFB supplier came late often caused payment progress delayed. It will be communicated with all FFB supplier.</p> <p>3. Road maintenance implemented regularly. Even though it will be considered.</p> <p>4. Employment insurance for supplier's employees refer to work agreement between supplier and their employees.</p>	
<p>Chairman of SPM</p> <p>1. Last meeting was conducted on November 19th, 2015 during the formation Worker Union.</p> <p>2. Recording number and validation from Manpower Agency is in process.</p> <p>3. Company's has facilitated the establishment of SPM</p> <p>4. Over the last year, there is no industrial disputes between worker and company.</p> <p>5. Majority of worker was refused to register on Health BPJS program, they were constrained by don't have E-KTP. Health care facilities from company better than health BPJS program.</p>	<p>The company will support all employees to have electronic personal identity and also will commitment to support government program especially BPJS</p>	<p>All information from SPM has verified by auditor.</p>

Isu dari Stakeholder	Tanggapan Manajemen	Tanggapan Auditor
6. There are no formal meeting between worker and company to discussing the company regulation extension.		

1.0	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	PT. Mutuagung Lestari
	
<u>Djar H Damanik</u>	<u>Trismadi Nurbayuto</u>
May 20 th , 2016	May 20 th , 2016

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Social, Manpower and Transmigration Agency	Kotawaringin Timur District	-	Direct Interview	April 26 th 2016	√	
2	Environmental Agency	Kotawaringin Timur District	-	Direct Interview	April 26 th 2016	√	
3	Natural Resources Agency	Kotawaringin Timur District	-	Direct Interview	April 26 th 2016	√	
4	National Land Agency	Kotawaringin Timur District	-	Direct Interview	April 26 th 2016	√	
5	Representatives of Scheme smallholder cooperation (KUD) Waringin Jaya	Kotawaringin Timur District	-	Direct Interview	April 26 th 2016	√	
6	Representatives of Scheme smallholder cooperation Mekar Jaya	Kotawaringin Timur District	-	Direct Interview	April 26 th 2016	√	
7	Agung Mulya Village Head	Kotawaringin Timur District	-	Direct Interview	April 26 th 2016	√	
8	Village representatives of Rantau Tampang Village	Kotawaringin Timur District	-	Direct Interview	April 26 th 2016	√	
9	Ex Luwuk Kowan Village Head	Kotawaringin Timur District	-	Direct Interview	April 26 th 2016	√	
10	Village Head of Waringin	Kotawaringin Timur District	-	Direct Interview	April 26 th 2016	√	
11	Village Head of Tumbang Sepayan	Kotawaringin Timur District	-	Direct Interview	April 26 th 2016	√	
12	Village Head of Tumbang Mangkup	Kotawaringin Timur District	-	Focus Group Discussion	April 26 th 2016	√	
13	Head of LABour Union (Serikat Pekerja Mandiri/SPM)	Kotawaringin Timur District	-	Focus Group Discussion	April 26 th 2016	√	
14	Local FFB Supplier	Kotawaringin Timur District	-	Direct Interview	April 26 th 2016	√	
15	Gender Committee secretary	Kotawaringin Timur District	-	Direct Interview	April 26 th 2016	√	
16	Save Our Borneo	Palangkaraya	info@saveourborneo.org	Email	April 20 th 2016		√
17	Sawit Watch	Bogor	info@sawitwatch.or.id	Email	April 20 th 2016		√
18	World Wide Fund	Jakarta	wwf-indonesia@wwf.or.id	Email	April 20 th 2016		√
19	Wahana Lingkungan Hidup Indonesia	Jakarta	informasi@walhi.or.id	Email	April 20 th 2016		√

Appendix 2. Assessment Program

DATE	25 – 29 April 2016	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 25 April 2016		
06.00 - 07.30	JAKARTA → PALANGKARAYA	All Auditor
08.00 – 13.00	PALANGKARAYA → Site	
	BREAK	
14.00 – 15.00 15.00 – 17.00	<ul style="list-style-type: none"> • OPENING MEETING • Document Review and Review of Previous Visit Non-conformance (Surveillance 1) 	All Auditor
Tuesday, 26 April 2016		
08.00 – 12.00	Stakeholders consultation: <ul style="list-style-type: none"> • External stakeholder to government agency in Kotawaringin Timur District • External stakeholder to surrounding village 	<ul style="list-style-type: none"> • SHL • ORN
08.00 – 12.00	Field Observation Gunung Makmur Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, best agricultural practices • Worker Welfare (payments, complaint mechanism) • Hazardous Waste Material (B3) management • Worker facilities (housing, health clinic, clean water, etc) and • Land Fire facilities, Storage, ect.. • Legal operational and Conservation Area 	<ul style="list-style-type: none"> • APP • TNB • MMS • MMS • APP • ORN
12.00 – 14.00	BREAK	
14.00 – 16.30	Continued Field Observation Internal stakeholder (worker union and gender committee) External stakeholder (local contractors)	<ul style="list-style-type: none"> • TNB/APP/ORN/MMS/SHL
16.00 – 17.00	<ul style="list-style-type: none"> • Clarification of Field Observation • Continued of Completion Check List 	<ul style="list-style-type: none"> • TNB • APP • All Auditor • All Auditor
Wednesday, 27 April 2016		
08.00 – 12.00	Field Observation Bukit Kecubung Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, best agricultural practices • Worker Welfare (payments, complaint mechanism) • Hazardous Waste Material (B3) management • Worker facilities (housing, health clinic, clean water, etc) and • Land Fire facilities, Storage, ect.. • Legal operational and Conservation Area 	<ul style="list-style-type: none"> • MMS • TNB • SHL • SHL • APP • APP/ORN
12.00 – 14.00	BREAK	
14.00 – 17.00	Continued Field Observation <ul style="list-style-type: none"> • Clarification of Field Observation • Continued of Completion Check List 	<ul style="list-style-type: none"> • TNB/APP/ORN/MMS/SHL • All Auditor • All Auditor

DATE	25 – 29 April 2016	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Thursday, 28 April 2016		
08.00 – 12.00	Field Observation to <u>Gunung Makmur POM</u> <ul style="list-style-type: none"> Processing Occupational Health and Safety (OHS/K3) WWTP/IPAL Hazardous Waste Material Fire Fighting Facilities Supply Chain Interview with worker's union, local contractor and gender committee 	<ul style="list-style-type: none"> APP TNB SHL SHL APP MMS ORN
12.00 – 14.00	BREAK	
14.00 – 17.00	Continued Field Observation <ul style="list-style-type: none"> Clarification of Field Observation Continued of Completion Check List 	<ul style="list-style-type: none"> TNB/APP/ORN/MMS/SHL All Auditor All Auditor
Friday, 29 April 2016		
08.00 – 12.00	Continued of Completion Check List	<ul style="list-style-type: none"> All Auditor
12.00 – 14.00	BREAK	
14.00 – 15.00 15.00 – 17.00	<ul style="list-style-type: none"> Audit finding preparation Closing Meeting 	<ul style="list-style-type: none"> All Auditor All Auditor